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**PANYAM
CEMENTS & MINERAL
INDUSTRIES LIMITED**

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**PANYAM CEMENTS &
MINERAL INDUSTRIES LIMITED**

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

**56th
ANNUAL REPORT
2011 - 2012**

BOARD OF DIRECTORS

S.P.Y. REDDY
Chairman

S. SREEDHAR REDDY
Managing Director

V. RAMNATH

D. KRISHNA MOHAN

A.V. NARASIMHA REDDY

DR. R. K. PRASAD SUNKARA

V. SURESH KUMAR

A. SREENIVASULU REDDY

A. SATHYA BHUSHANA RAO
(Alternate Director to Dr.R.K.Prasad Sunkara)

**REGISTRAR & SHARE
TRANSFER AGENTS**

XL 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 No.040-23555316
E-mail:caohyd@panyamcements.com
Website:panyamcements.com

AUDITORS

Brahmayya & Co.
Chartered Accountants
Adoni 518 301.

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
Main Branch
Nandyal

State Bank of Hyderabad
Overseas Branch
Somajiguda
Hyderabad

Indian Overseas Bank
Adarshnagar,
Hyderabad

REGISTERED OFFICE

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

Telephone Nos.08514-222274
Fax No.: 08514-243106
E-mail: regoffice@panyamcements.com

CEMENT WORKS:

Cementnagar - 518 206
Kurnool District, A.P.

Telephone No.: 08516-274638
Fax No.: 08516-274644
E-mail: pcmil@panyamcements.com

PANYAM CEMENTS & MINERAL INDUSTRIES LIMITED

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

NOTICE

Notice is hereby given that the Fifty Sixth Annual General Meeting of the Members of the Company will be held on Saturday, the 22nd September, 2012 at 11.30 A.M., at the Registered Office, C-1 Industrial Estate Nandyal, Kurnool District, A.P. to transact the following business:

Ordinary Business

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March 2012, 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 Sri D.Krishna Mohan, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Sri V.Ramnath, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint auditors and fix their remuneration. The retiring Auditors M/s. Brahmayya & Co., Chartered Accountants, Adoni are eligible for reappointment.

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

Place: Nandyal
Dt:- 30th May, 2012

S.Sreedhar Reddy
Managing Director

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies, in order to be effective, must be received at the Registered Office of the company not less than 48 hours before the commencement of the meeting.
3. The Register of Members and the Share Transfer Books of the Company remain closed from 17.09.2012 to 22.09.2012 (both days inclusive).

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

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

Sri D.Krishna Mohan, aged about 48 years, is an Engineering Graduate and having about 16 years of industrial experience in different fields. His guidance and services are immense for further growth of the company.

Sri V.Ramnath, aged about 51 years, is an Engineering Graduate in Civil and is having about 26 years of industrial experience having worked in different capacities/positions. His guidance and services are immense for further growth of the company.

DIRECTORS' REPORT :

To
The Members

Your Directors have pleasure in presenting the 56th Annual Report and Audited Statements of Accounts for the year ended 31st March, 2012:

FINANCIAL RESULTS :

	(Rs.in lakhs)	
	Year ended 31 st March 2012	Year ended 31 st March 2011
Income:		
Gross Sales ..	21857.06	15826.53
Less:Excise Duty and Sales Tax ..	4607.00	3251.01
Net Sales ..	17250.06	12575.52
Other Income ..	507.10	453.25
State Incentives ..	367.06	-
Total ..	18124.22	13028.77
Profit before Interest and Depreciation ..	3905.95	923.90
Less: Interest and Finance charges ..	1380.54	792.45
Less: Depreciation ..	839.88	505.16
Net Profit(+)/(Loss)(-) before Extra-Ordinary and Prior period expenses/income(net)	1685.53	(-) 373.71
Add/Less: Prior period expenses/Income(Net)	(-) 8.31	(-) 7.49
Net Profit/(Loss) for the year before tax	1677.22	(-) 381.20
Provision for- Income Tax for the year (MAT)	350.00	-
Deferred Tax Liability	413.94	-
Net Profit/(Loss) after tax	913.28	(-) 381.20
Loss Brought Forward from previous year	(-) 4186.86	(-) 3805.66
Loss carried to Balance Sheet	(3273.58)	(4186.86)

OPERATIONS:

The performance of the Company during the year under review was satisfactory. The company has produced during the year 2011-12, 4,68,677 M.Tonnes of cement as against 4,01,072 M.Tonnes in the previous year representing an increase of 17%. The company has achieved higher production during the year under review on account of completion of Modernisation of Kiln No.1 increasing its capacity from 550 TPD to 1800 TPD with effect from 10th August, 2011.

The gross sales for the year under report was Rs. 21857.06 lakhs as against Rs.15826.53 lakhs in the previous year representing an increase of 38%. The net profit before tax for the year was Rs.1677.22 lakhs as against net loss of Rs. 381.20 lakhs in the previous year. The increase in the profit was mainly on account of higher volume of production and better realization due to gradual increase in demand and price.

The Developers of our Bangalore property, Ms.Bhimsankar Realtors Private Limited/ Greenage Griha Nirman Private Limited have completed the construction works of four blocks under phase I and the builder has applied for Occupation Certificate on inspection of the flats by the Bangalore Development Authorities. On receipt of Occupancy Certificate, the Sale Deeds in respect of the prospective buyers will be executed during the current financial year 2012-13.

MODERNISATION OF THE CEMENT UNIT :

During the year 2011-12, the modernization of Kiln No.1 for increasing its capacity from 550 TPD to 1800 TPD was completed and the kiln was commissioned on 10th August, 2011. The Modernisation project cost was partly financed by Indian Overseas Bank and State Bank of Hyderabad.

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.

PUBLIC DEPOSITS:

The Company has not accepted any public deposits under Section 58-A and 58AA of the Companies Act,1956.

CURRENT YEAR PROSPECTS:

The working of the Cement Unit is satisfactory and the management is contemplating on reduction of consumption cost of power and fuel. But the power cuts during the summer season may affect the performance of the Company. The cement market is picking up owing to higher

demand from semi-urban and rural infrastructure, apart from railways, ports, airports, IT Sector, irrigation projects, shopping malls, multiplexes etc.

Further, the company has taken up expansion of existing capacity of crushers, Raw Mill, Cement Mills, Packing Plant and railway siding to improve the efficiency, productivity, reduce operational costs and cutting down logistics costs etc. The cost of the project is estimated at Rs. 56.19 crores. The said project is partly financed by State Bank of India, State Bank of Hyderabad and Indian Overseas Bank. The project works are under progress and it is expected to be completed by the end of the current year i.e. 2012-13.

AUDITOR'S REPORT:

As regards non-provision of gratuity, superannuation and leave encashment liability on actuarial valuation, it is provided on retirement of employees on a consistent basis and the liability is not ascertained.

As regards non-remittance of undisputed statutory dues as mentioned in para (ix) (b) of Annexure to Auditors' Report and interest dues to debenture holders as mentioned in para (xi) of the Annexure to the Report, the Company is clearing the statutory dues in a phased manner and interest dues to one of the debenture-holders are under negotiations with the party.

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.

There are no employees drawing remuneration more than the sum prescribed pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

AUDITORS:

M/s. Brahmayya & Co., Chartered Accountants, Adoni, the Company's statutory auditors retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

DIRECTORS:

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Sri V. Ramnath and Sri D.Krishna Mohan will retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirements under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility statement, it is hereby confirmed:

- a) that in preparation of the accounts for the financial year ended 31st March, 2012, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the statement of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- c) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) that the Directors have prepared the accounts for the financial year ended 31st March, 2012 on a "going concern" basis.

AUDIT COMMITTEE:

The Audit Committee consists of Sri D. Krishna Mohan, Sri. A.V.Narasimha Reddy, A. Sreenivasulu Reddy and A. Sathya Bhushana Rao. Sri D. Krishna Mohan is the Chairman of the Audit Committee. All are independent and non executive directors. The Audit Committee met four times during last year and reviewed the Internal Audit Reports and quarterly results.

CORPORATE GOVERNANCE:

The company has taken adequate steps to ensure that all mandatory provisions of Corporate Governance in terms of clause 49 to the Listing Agreement with the Stock Exchange are complied. A separate report on Corporate Governance is incorporated along with a certificate from the Auditors of the Company regarding compliance of the conditions of Corporate Governance and are given separately as a part of the Directors' Report. Further as a part of the report, "Management Discussion and Analysis" has also been furnished.

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

The information required under section 217(2)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 with respect to these matters are set out in the Annexure I and forms part of the report.

COMPLIANCE WITH LISTING AGREEMENT:

Clause 43A :

The Equity/Preference Shares of the Company are listed on the Bombay Stock Exchange Limited and the annual listing fee was paid to the said Stock Exchange.

Cash Flow statement is attached as Annexure II and forms part of this report.

ACKNOWLEDGEMENTS:

Your Directors are happy to acknowledge the financial assistance given to the Company by the Banks. Your Directors also express their thanks to the various Central and State Government Departments and the shareholders for their support and help extended during the year.

By Order of the Board of Directors

For Panyam Cements & Mineral Industries Ltd

S.P.Y. REDDY
Chairman

Place: Nandyal
Dt:- 30th May, 2012

ANNEXURE TO DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2012:

ANNEXURE I

A. Conservation of Energy:

- (a) Energy conservation measures taken:

High Efficiency fans are being installed to save energy.

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: Rs. Nil

Total Foreign Exchange earned Rs. Nil

FORM 'A'			
FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY			
Particulars	Unit	CEMENT DIVISION	
		31-03-2012	31-03-2011
A. Power and Fuel Consumption:			
1. Electricity:			
a) Purchased Units	000 KWH	64596	53449
Total Amount	Rs. Lakhs	2396.38	1882.68
Average Rate	Rs./KWH	3.71	3.52
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	112506.00	84920.37
Total Cost	Rs.Lakhs	4798.07	3681.83
Average Rate	Rs.per MT	4264.72	4335.63
3. Furnace Oil			
Quantity	Kilo.Lts	-	-
Total Cost	Rs.lakhs	-	-
Average Rate	Rupees	-	-
B Consumption per unit of Production:			
Electricity	KWH/tonnes of cement	138	133
Coal	Kgs/tonnes of cement	240	210

FORM "B"		
A. RESEARCH AND DEVELOPMENT (R & D)	3. Future course of action:	
1. Specific area in which R & D is carried out by the Company:	The Company has a system of continuously evaluating various production processes for up-gradation	
The company has not carried out R & D in any specific area.	4. Expenditure on R and D:	
2. Benefits derived as a result of the above efforts	No separate amount is incurred in respect of Research and Development.	
- Not applicable -	B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:	
	- Not applicable -	

ANNEXURE - II				
CASH FLOW STATEMENT FOR THE YEAR ENDED - 31.03.2012				
		Rs. in Lakhs		
		LESS	ADD	NET
A.	CASH FLOW FROM OPERATING ACTIVITIES :			
	NET PROFIT BEFORE TAX			1677.22
	ADJUSTMENT FOR :			
	Depreciation		839.88	
	Dividend Received	0.20		
	Interest received/paid	416.83	1372.50	
	Profit/Loss on sale of Assets	5.78	5.06	
	Operating Profit before Working Capital Changes	422.81	2217.44	1794.63
	ADJUSTMENT FOR :			3471.85
	Trade and other receivables	308.36		
	Inventories	905.11		
	Trade payables/Working Capital		970.74	
	Working Capital Changes	1213.47	970.74	-242.73
	Cash generated from Operations			3229.12
	Less: Interest paid / received	1372.50	45.02	
	Direct Taxes paid	1372.50	45.02	-1327.48
	NET CASH FLOW FROM OPERATING ACTIVITIES			1901.64
	Extra Ordinary exp/Income			0.00
B	CASH FLOW FROM INVESTING ACTIVITIES			
	Purchase / sale of Fixed Assets & Work in progress	331.79	28.17	
	Purchase / sale of investments			
	Interest received		371.81	
	Dividend received		0.20	
	NET CASH USED IN/FROM INVESTING ACTIVITIES	331.79	400.18	68.39
C	CASH FLOW FROM FINANCING ACTIVITIES			1970.03
	Share Capital			
	Dividend Paid			
	Repayment of/ Proceeds from Secured/Unsecured borrowings (Net)	1920.11		
	NET CASHFLOW USED IN FINANCING ACTIVITIES	1920.11		-1920.11
	Net Increase in cash and cash equivalents			49.92
	Cash and Cash equivalents as on 01.04.2011			303.05
	Cash and Cash equivalents as on 31.03.2012			352.97

For Panyam Cements & Mineral Industries Ltd.	
S.SREEDHAR REDDY	S.P.Y.REDDY
Managing Director	Chairman

AUDITORS' REPORT	
The above Cash Flow Statement has been prepared on the basis of audited accounts approved by the Board of Directors and is in agreement with the Statement of Profit & Loss and Balance Sheet as at 31-03-2012	
Place : Nandyal	For BRAHMAYYA & CO.,
Date : 30 th May, 2012	Chartered Accountants
	Firm's Registration No.000514S
	B. DAIVADHEENAM REDDY
	Partner
	M.No. 026450

CORPORATE GOVERNANCE REPORT :

1. Company's Philosophy on Code of Governance:

The Company believes in adopting and adhering to the best corporate practice and continuously evaluate it against each of such practices. The company understands and respects its fiduciary role and responsibility to all stakeholders and strives hard to meet their expectations. We believe 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, 1956 and the Listing Agreement with Stock Exchange govern the composition of the Board of Directors of the Company.

The Board comprises of a Chairman, Managing Director and six other Directors. Amongst them, Managing Director is only the Executive Director and all others are Non-Executive 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 2011-12, the company convened four Board Meetings on 30th May, 2011; 13th August, 2011; 14th November 2011 and 13th February, 2012.

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	Catagory of Directorship	No. of Board Meetings Attended	Attendance at last AGM held on 15-09-2011	No. of other Directorships	No. of Membership Chairmanship in Board / Committees (Including our Company)
1.	Sri S.P.Y. Reddy	Promoter-Chairman	4	Yes	6	3
2.	Sri S.Sreedhar Reddy	Promoter - Managing Director	4	Yes	3	1
3	Sri V. Suresh Kumar	Promoter-Director	4	No	4	-
4.	Sri V. Ramnath	Independent Non-Executive Director	2	No	1	1
5	Sri D.Krishna Mohan	Independent Non-Executive Director	4	Yes	-	3
6	Sri A.V. Narasimha Reddy	Independent Director	2	Yes	2	3
7	Dr.R.K. Prasad Sunkara	NRI-Non-Executive Director	-	No	-	-
8	Sri A. Sreenivasulu Reddy	Independent Non-Executive Director	4	Yes	3	3
9	Sri A. Sathya Bhushana Rao (Alternate Director to Dr.R.K.Prasad Sunkara)	Independent Non-Executive Director	3	No	1	2

3) Audit Committee:

The Audit Committee met four times during the year i.e., 30th May, 2011; 13th August, 2011; 14th November, 2011 and 13th February, 2012.

The role and terms of reference of Audit Committee cover the areas mentioned under clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956 besides other terms as may be referred to by the Board of Directors from time to time.

The company continued to derive immense benefit from the deliberations of the Audit Committee comprising of Sri D.Krishna Mohan; Sri A.V.Narasimha Reddy; Sri A.Sreenivasulu Reddy and Sri A.Sathya Bhushana 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 was reconstituted on 13th August, 2011 with the induction of Sri A.Sreenivasulu Reddy as independent and Non-Executive Director.

The attendance at the Audit Committee Meetings is given below:

Sl. No.	Name of the Member	No. of Meetings Held	No. of Meetings Attended
1.	Sri D.Krishna Mohan	4	4
2.	Sri A.V.Narasimha Reddy	4	3
3.	Sri A.Sathya Bhushana Rao	4	3
4.	Sri A.Sreenivasulu Reddy	4	4

4) Remuneration Committee and Policy:

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

The role of the Committee is to determine the remuneration payable to the whole-time directors 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, 2012:

i) Executive Directors:

The Managing Director has drawn an amount of Rs.15.00 lakhs towards salary for the year ended 31st March, 2012

ii) Non-Executive Directors:

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

Remuneration by way of sitting fee for attending Board/Committee Meetings paid to Non-Executive Directors during the financial year are as follows:

Name of the Director	Sitting Fee paid (Rs.)
1) Sri A. Sathya Bhushana Rao ..	30,000
2) Sri V. Ramnath ..	30,000
3) Dr. R.K. Prasad Sunkara ..	10,000
Total	<u>70,000</u>

5) a) **Share Transfer Committee:**

During the year 2011-12, the Committee met 12 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 2011-2012, 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 Meetings Held	No. of Meetings Attended
1	Sri S. Sreedhar Reddy	12	12
2	Sri D. Krishna Mohan	12	10
3.	Sri A.V. Narsimha Reddy	12	08

B. Shareholders/Investors' Grievance Committee:

The Shareholders/Investors' Grievance Committee consists of Sri D.Krishna Mohan, Sri A.V.Narasimha Reddy and Sri A.Sreenivasulu Reddy.

The Committee could not meet during the financial year 2011-12 since there were no complaints/grievances from the shareholders.

6) **Annual General Meetings:**

The last three Annual General Meetings were held as under:

Year	Location	Date	Time
2009	Registered Office C-1, Industrial Estate, Nandyal, Kurnool Dist., A.P.	29.08.2009	12.00 Noon
2010	Registered Office C-1, Industrial Estate, Nandyal, Kurnool Dist., A.P.	14.08.2010	11.30 A.M.
2011	Registered Office C-1, Industrial Estate, Nandyal, Kurnool Dist., A.P.	15.09.2011	11.30 A.M.

Special Resolutions :

During the year, there were no Extra-Ordinary General Meetings were held.

In respect of the resolutions passed in the above three respective Annual General Meetings, the necessary Form No.23 were filed with the Registrar of Companies

7) Disclosures :

The Company has complied with all the mandatory requirements of Corporate Governance norms as enumerated in Clause 49 of the Listing Agreement with the Stock Exchange

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

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.

Both "Management Discussion and Analysis" and "Shareholders Information" forms part of the Annual Report.

9) General Information for Shareholders :

- i) Date, Time and Venue of the Annual General Meeting : 22nd September, 2012 at 11.30 A.M. Registered Office of the Company situated at Nandyal, Kurnool District, A.P.
- ii) Financial calendar - 1st April 2012 to 31st March 2013
Financial Reporting Un-audited

For the quarter ending June 30, 2012 : Second week of August 2012
For the quarter ending Sept.30, 2012 : Second week of November 2012
For the quarter ending December 31, 2012 : Second week of February 2013
For the quarter ending March 31 2013 (audited) : Last week of May 2013

Annual General Meeting for the year ending 31st March, 2012 : 22nd September, 2012
- iii) Date of Book Closure : 17.09.2012 to 22.09.2012 (both days inclusive)
- iv) Dividend payment date : N.A.
- v) Listing on Stock Exchanges : The Company's shares are listed on: Bombay Stock Exchange Limited Floor 25, Phiroze Jeejeebhoy Towers Dalal Street, Mumbai 400 001. Listing fee was paid to the said Stock Exchange.

vi) Market Price Data :

Month	Stock Exchange Mumbai (BSE) Rs.	
	High (Rs.)	Low (Rs.)
April 2011	77.80	67.00
May 2011	71.80	58.00
June 2011	67.75	55.00
July 2011	67.30	58.25
August 2011	63.50	46.00
September 2011	64.10	48.05
October 2011	50.55	45.05
November 2011	50.10	42.00
December 2011	43.00	33.95
January 2012	63.90	35.45
February 2012	81.50	58.10
March 2012	78.95	64.00

vii) 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

7) a) Distribution of shareholding as on 31st March 2012 :

Nominal Value of Shares	No. of Shares Holders	Percentage of Share Holders	Shares Amount in Rs.	Percentage of Share Holders %
Upto - 5000	6907	94.16	6752100	4.22
5001 - 10000	204	2.78	1641370	1.02
10001 - 20000	90	1.23	1351080	0.84
20001 - 30000	33	0.45	827130	0.52
30001 - 40000	18	0.25	651930	0.41
40001 - 50000	13	0.18	605500	0.38
50001 - 100000	23	0.31	1677690	1.05
100001 & above	47	0.64	146674590	91.57
Total	7335	100.00	160181390	100.00

b) Pattern of shareholding as on 31st March 2012

Category	No. of Shares	% of shareholding
A Promoter's holding:		
1 Promoters: Indian Promoters	6534477	40.79
Foreign Promoters	-	-
2 Persons acting in concert	1700195	10.61
Sub Total	8234672	51.41
B Non-Promoters holding		
3 Institutional Investors:		
A Mutual Funds and UTI	650	-
B Banks, Financial Institutions, Insurance companies(Central/ State Government Institutions/ Non-Govt.Institutions)	58660	0.37
C FII's	2888957	18.04
Sub-Total	2947667	18.41
4 Others		
A Private Corporate Bodies	214305	1.34
B Indian Public	4309654	26.91
C NRIs/OCBs	308276	1.92
D Any other (Please specify)	3565	0.02
Sub Total	4835800	30.19
Grand Total	16018139	100.00
Note: Total foreign shareholdings: (Including NRIs)	308276	1.92

11 Dematerialization of Shares and Liquidity:

As on 31st March, 2012, 92.52% Equity Shares have been dematerialized.

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

During the year 2011-12, the company had received requests for de-materialization of 17450 shares. The Company has acted upon all valid requests received for dematerialization during 2011-12.

As on 31st March, 2012 no requests were pending for demat confirmation

12) Plant Locations:

Registered Office	:	C-1 Industrial Estate, Bommalasatram Nandyal Kurnool District, A.P. - 518 502 Telephone No - 08514-222274 Fax No.08514-243350
Cement Works	:	Cement Nagar 518 206, Kurnool District, A.P. Tel : 08516-274638 Fax: 08516-274644
Central Administrative Office:		Plot No.188, Phase-II, Kamalapuri Colony, Hyderabad 500 073. Telephone Nos.: 040-23555317 Fax No. 040-23555316

MANAGEMENT DISCUSSION AND ANALYSIS:

1. Industry structure and development:

In the earlier years the Cement Division was 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. The efforts of the management have yielded results since 2006-07 and the company has started making profits.

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 Tamilnadu, Karnataka, Goa and Kerala where the realizations are better. The Company has also made arrangements to augment its working capital by getting approval of working capital from bank and is looking to reach optimum operational levels. Further, the company has enhanced its capacity by modernization of Kiln No.1 whereby the existing capacity of kiln was enhanced from the existing 550 M.Tonnes per day to 1800 M.Tonnes per day. The modernised kiln was commissioned on 10th August 2011.

3. Outlook:

With the Government's focus on irrigation, housing and infrastructure projects like roads and ports, the outlook for the future is bright. Further infrastructure and rural housing are the major drivers for cement demand.

4. Risks and concerns

Any increase in transport, fuel and electricity costs without corresponding increase in selling prices may put pressure on the operating results.

GENERAL-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 has a proper and adequate system of internal controls to ensure that all assets are safe guarded and protected against loss from unauthorized use of disposition and the transactions are authorized, recorded and reported correctly.

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 2011-12 on the rolls of the Company is 496 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:

I, S. Sreedhar Reddy, Managing Director 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, 2012 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:
 - a) There have been no significant changes in internal control over financial reporting during the year;
 - b) There have been no significant changes in accounting policies during the year; and
 - c) 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
Dt. 30th May, 2012

For Panyam Cements & Mineral Industries Ltd.

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, 2012, 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 management. Our examination was limited to procedures and implementation thereof, adopted by the Company to ensure the compliance of the conditions of 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.

Place: Nandyal (Camp)
Dt. 30th May, 2012

For Brahmaya & Co.,
Chartered Accountants
Firm's Registration No.000514S

B.DAIVADHEENAM REDDY
Partner
M.No.026450

AUDITORS' REPORT:

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

1. We have audited the attached Balance Sheet of M/s.Panyam Cements & Mineral Industries Limited, as at 31st March, 2012 and the Statement of Profit and Loss and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
 - iii) The Balance Sheet, Statement of Profit and Loss and cash flow statement dealt with by this report are in agreement with the books of account;
 - iv) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, **except Accounting Standard-15, Accounting for Retirement Benefits, regarding gratuity superannuation and Leave encashment on actuarial valuation.**
 - v) On the basis of written representations received from the directors, as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - vi) In our opinion and to the best of our information and according to the explanations given to us, "**subject to non provision of gratuity / Superannuation / leave encashment liability on actuarial valuation in respect of employees and the amount of liability is not ascertained by the company,**" the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) In the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2012;
 - b) In the case of Statement of Profit and Loss, of the profit of the company for the year ended on that date; and
 - c) In the case of the cash flow statement, of the cash flows of the company for the year ended on that date.

For Brahmaya & Co.,
Chartered Accountants
Firm's Registration No.000514S

B. DAIVADHEENAM REDDY
Partner
M.No.026450

Place: Nandyal (Camp)
Dt. 30th May, 2012

ANNEXURE

Re: M/s. Panyam Cements & Mineral Industries Limited.

Referred to in paragraph 3 of our report of even date;

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification, which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) During the year, the company has not disposed off substantial part of fixed assets and the going concern status of the company is not affected.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company has maintained proper records of inventory. As explained to us, the discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) (a) The company had taken unsecured loans from Associate Companies covered in the register maintained under section 301 of the Companies Act, 1956 and the maximum amount involved during the year was Rs.524.77 lakhs and the year end balance was Rs.524.77 lakhs. There are companies covered in the register maintained under section 301 of the Companies Act, 1956 to which the company has granted loans/advances. The maximum amount involved during the year was Rs.8812.15 lakhs and the year end balance of loans granted to such parties was Rs. 8812.15 lakhs.
- (b) In our opinion and according to the information and explanations given to us, the rate of interest wherever applicable and other terms and conditions on which loans have been taken from/ granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.
- (c) In respect of loans taken/granted by the company, the interest and the principal amount is repayable/receivable on demand.
- (d) There is no overdue amount in respect of loans taken from or granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956, since these are repayable/receivable on demand.

- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted any public deposits under the provisions of Section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975. No order has been passed by the Company Law Board.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 and we are of the opinion, that prima facie, the prescribed accounts and records have been made and maintained. We have not however, made a detailed examination of the same.
- (ix) (a) According to the records of the company, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees state insurance, income-tax, sales tax, wealth tax, customs duty, excise duty, cess and other material statutory dues applicable to it **except royalty and Income-Tax deducted/collected at source.**
- (b) According to the information and explanations given to us, **the following undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31st March, 2012 for a period of more than six months from the date they became payable and the due dates for payment of arrears of royalty and sales tax dues have been considered taking into consideration the deferment for payment of the said dues sanctioned by the Government of Andhra Pradesh as per G.O.Ms.No.307 dated 24th May, 2006 and installments granted for payment of sales tax dues for July and August, 2011.**

Statement of arrears of statutory dues outstanding for more than six months:

Sl. No.	Name of the Statute	Nature of the Dues	Amount Rs. Lakhs (Net of Payments)	Period to which the amount relates
1	CST Act	Central Sales Tax	0.33	2006-07
2	T.N.G.S.T	Tamilnadu Sales Tax	51.88	March 1999 to Feb 2000
3	Goa G.S.T Act	Goa Sales Tax	11.55	Feb.1999 to Feb 2000
4	A.P.G.S.T.Act (Consignment Agents in Different States)	Consignment Sales Tax	45.78	1998-99 to 2003-04
5	CST Act	Central Sales Tax	0.88	2009-10
6	Profesion Tax Act	Profesion Tax Collections	1.13	October 2000 to August 2005
7	Income Tax Act, 1961	I.T.D.S from Salaries	4.90	2003-04
8	Income Tax Act, 1961	I.T.D.S from Interest	25.56	2001-02,2003-04 to 2005-06
9	Income Tax Act, 1961	I.T.D.S from Professionals	1.24	2002-03, 2003-04 to 2005-06
10	Income Tax Act, 1961	I.T.D.S from Contractors	1.96	2000-01 & 2001-02
11	Income Tax Act, 1961 2005	I.T.D.S from Contractors	14.14	December 1999 to August 2005
12	Income Tax Act, 1961	T.C.S. on Royalty	8.70	July 2010 to August 2011
13	Non-Agricultural Land Assessment Tax	NALA on factory land	10.19	1993-94 and from 1999-2000 to June 2011
14	Mines and Minerals Act	Dead Rent/cess on limestone	2.33	1984-85 to 1986-87
15	Mines and Minerals Act	Royalty on limestone	262.44	Dec 2010 to August 2011
16	Mines and Minerals Act	State Cess on Limestone	14.41	Sept 2010 to August 2011
17	Panchayat Tax Act	Property Tax	4.62	1998-99 to 2006-07
18	E.P.F Act	P.F. Recoveries and contributions	51.79	April 2005 to December 2005

(c) According to the information and explanations given to us, **the following are the statutory dues of sales tax, income tax, customs duty, wealth tax, excise duty and cess which have not been deposited on account of dispute.**

Sl. No.	Name of the Statute	Nature of the Dues	Amount Rs. Lakhs (Net of Payments)	Period to Which the amount relates	Forum where dispute is pending
1	TNGST Act	Tamilnadu Sales Tax	5.56	1994-95	Remanded to Assessing Officer by the Appellate Tribunal
2	Central Excise Act	CENVAT credits availed on D.G.Sets disallowed by the Dept.	232.36	Feb.97 to June 1999	Commissioner (Appeals)
3	.do.	CENVAT credit availed on Proclaim Shovel	4.80	1994-95	A.P.High Court
4	.do.	CENVAT credit availed on refractory bricks	4.37	1994-95	A.P.High Court
5	.do.	CENVAT credit availed on service tax paid on outward freight	24.52	December 06 to August 07	Commissioner Tirupathi
6	.do.	-do-	28.54	September 07 to February 08	Commissioner, Tirupati.
7	.do.	-do-	12.88	April 2009 to August 2009	Commissioner Tirupati.
8	.do.	Differential Duty for Supplies made to Direct parties	40.63	March 2007 to February 2008	Appeal in CESTAT, Bengaluru
9	.do.	Duty on captive consumption	1.46	2007-08	Appeal in CESTAT Bangalore
10	.do.	-do-	0.87	2008-09	Appeal in CESTAT Bengaluru
11	.do.	Differential Duty on D.G.Set	42.37	2007-08	Appeal in CESTAT, Bengaluru
12	.do.	-do-	10.24	2004-05	A.P.High Court
13	.do.	Cenvat on Capital Goods (TMT Bars)	41.77	2008-09	Commissioner, Tirupathi.
14	.do.	-do-	0.34	2009-10	Asst. Commissioner, Kurnool
15	.do.	Irregular availment of CENVAT Credit	413.38	July 2006 to November 2007	Commissioner, Tirupathi.
16	do.	CENVAT on Service Tax on outward GTA	35.18	December 2009 to Dec. 2010	Addl. Commissioner, Tirupathi
17	.do.	H.R. Coils/Plates/Sheets/ Channels and angles	56.80	Jan 2007 to July 2009	Addl. Commissioner, Tirupathi
18	E.P.F Act	P.F. Penal damages for Delay Payments	277.59	May 1999 to Sep 2001	Commissioner of Provident Fund, Kadapa
19	Income Tax Act, 1961	Capital Gains Tax on Land Development Agreements	2278.48	2007-08	Commissioner of Income Tax (Appeals) Hyderabad.
20	Income Tax Act, 1961	MAT on Book Profit of Sick Company	177.82	2008-09	Commissioner of Income Tax (Appeals) Hyderabad.
21	AP VAT Act	Penalty for delay in Payment of Tax before Due dates	58.27	2011-12	Request for waiver before the Govt. of A.P.
22	Mines & Mineral Act	Penal Interest on Royalty dues	343.72	May 2006 to March 2011	Revision application for waiver before the Dept / Ministry of Mines

- x) In our opinion, the accumulated losses of the company are more than fifty percent of its net worth. The company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to Banks, Financial Institutions and debenture holders **except interest dues to J.M.Capital Management Private Limited of Rs.11.51 lakhs and delays in payment of interest and term loan installments to Banks and an amount of Rs.186.48 lakhs outstanding towards March 2012 interest and one installment of two term loans at the year end on 31.03.2012 was paid in the subsequent year 2012-13.**
- xii) In our opinion and according to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xv) In our opinion and according to the information and explanations given to us, the terms and conditions on which the company has given guarantees for loans taken by Cheran Cement Limited from financial institution (SIPCOT) and by M/s S.P.Y.Agro Industries Limited from State Bank of India, State Bank of Hyderabad; Bank of India, Syndicate Bank and Indian Overseas Bank, are not prima facie, prejudicial to the interest of the company.
- xvi) In our opinion, the term loans have been applied for the purpose for which they were raised.
- xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
- xviii) According to the information and explanations given to us, during the year under report, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- xix) According to the information and explanations given to us, during the period covered by our audit report, the company has not issued any debentures and hence creation of securities does not arise.
- xx) According to the information and explanations given to us, during the year covered by our report, the company has not raised any money by public issue.
- xxi) In our opinion and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For Brahmayya & Co.,
Chartered Accountants
Firm's Registration No.000514S

B.DAIVADHEENAM REDDY
Partner
M.No.026450

Place: Nandyal (Camp)
Dt. 30th May, 2012

BALANCE SHEET AS AT 31 ST MARCH, 2012						
Amount in Rupees						
Sl. No.	Particulars	Note No.	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011	As at 31.03.2011
I	EQUITY AND LIABILITIES					
	(1) Shareholders' funds					
	(a) Share Capital	1	162141085.00		162141085.00	
	(b) Reserves and Surplus	2	3935027.71		-87393359.16	
	(c) Money received against share warrants			166076112.71		74747725.84
	(2) Share application money pending allotment					
	(3) Non-current liabilities					
	(a) Long-term borrowings	3	517100003.38		709111451.09	
	(b) Deferred tax liabilities (Net)	4	41393576.00			
	(c) Other Long term liabilities	5	790987736.65		789490482.06	
	(d) Long-term provisions			1349481316.03		1498601933.15
	(4) Current liabilities					
	(a) Short-term borrowings	6	303400352.40		299438416.36	
	(b) Trade payables	7	107675168.70		108096990.98	
	(c) Other current liabilities	8	646483776.28		554447418.96	
	(d) Short-term provisions	9	35000000.00		0.00	
	TOTAL			1092559297.38		961982826.30
				2608116726.12		2535332485.29
II	ASSETS					
	(1) Non-current Assets:					
	(a) Fixed Assets	10				
	(i) Tangible Assets		870339171.55		239698740.68	
	(ii) Intangible Assets					
	(iii) Capital work-in-progress		155015530.77	1025354702.32	839210491.69	1078909232.37
	(iv) Intangible assets under development					
	(b) Non-current investments	11		3816200.00		3816200.00
	(c) Deferred tax assets(net)					
	(d) Long-term loans and advances	12		531391009.88		550529127.52
	(e) Other non-current assets					
	(2) Current Assets:					
	(a) Current investments in land property		81312396.00		81312396.00	
	(b) Inventories	13	280185450.86		189674399.75	
	(c) Trade receivables	14	175152238.62		182823468.78	
	(d) Cash and Cash equivalents	15	35297096.60		30304547.09	
	(e) Short term loans and advances	16	473645644.84		372111436.78	
	(f) Other current assets	17	1961987.00	1047554813.92	45851677.00	902077925.40
	TOTAL			2608116726.12		2535332485.29
	Significant Accounting Policies and Notes to Accounts	25		0.00		0.00
Notes "1" to "17" and Note No:25 Annexed form an integral part of Balance Sheet						
As Per our Report of even date attached			For and on behalf of the Board			
For Brahmayya & Co., Chartered Accountants F.R NO:000514S			M/s. Panyam Cements & Mineral Industries Limited			
B. DAIVADHEENAM REDDY Partner M.NO:026450			S. SREEDHAR REDDY MANAGING DIRECTOR		S.P.Y. REDDY CHAIRMAN	
Place: Nandyal Date: 30.05.2012						

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 st MARCH, 2012					
Amount in Rupees					
Sl. No.	Particulars	Note No.	As at 31.03.2012	As at 31.03.2011	
I	Revenue from Operations	18	1761712163.00	1257551400.00	
II	Other Income	19	50710094.83	45325382.88	
III	Total Revenue (I+II)		1812422257.83	1302876782.88	
IV	Expenses:				
a)	Cost of materials consumed	20	226246427.40	184660195.88	
b)	Purchases of Stock-in-Trade				
c)	Changes in inventories of finished goods work-in-progress and stock in Trade	21	-27991747.00	23925344.00	
d)	Employee benefits expenses	22	87430240.21	73828897.85	
e)	Finance costs	23	138054398.91	79244890.04	
f)	Depreciation and amortization expense	10	83988314.42	50516044.26	
g)	Other expenses	24	1136972661.02	928821860.14	
	Total Expenses		1644700294.96	1340997232.17	
V	Profit before exceptional and extraordinary items and tax (III-IV)		167721962.87	-38120449.29	
VI	Exceptional items				
VII	Profit before extraordinary items and tax (V-VI)		167721962.87	-38120449.29	
VIII	Extraordinary Items				
IX	Profit before tax (VII-VIII)		167721962.87	-38120449.29	
X	Tax expense:				
	(1) Current tax		35000000.00	0.00	
	(2) Deferred tax		41393576.00	0.00	
XI	Profit for the period from continuing operations (IX-X)		91328386.87	-38120449.29	
XII	Profit/(loss) from discontinuing operations				
XIII	Tax expense of discontinuing operations				
XIV	Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)				
XV	Profit for the period (XI+XIV)		91328386.87	-38120449.29	
XVI	Earnings per equity share: face value Rs.10/- each				
	(1) Basic		5.68	-2.40	
	(2) Diluted		5.68	-2.40	
	Significant Accounting Policies and Notes to Accounts	25			
Notes "18" to "24" and Note No:25 Annexed form an integral part of Statement of Profit and Loss					
As Per our Report of even date attached For Brahmaya & Co., Chartered Accountants F.R NO:000514S B. DAIVADHEENAM REDDY Partner M.NO:026450 Place: Nandyal Date: 30.05.2012			For and on behalf of the Board M/s. Panyam Cements & Mineral Industries Limited S. SREEDHAR REDDY MANAGING DIRECTOR S.P.Y. REDDY CHAIRMAN		

NOTES TO BALANCE SHEET					
Amount in Rupees					
Sl. No.	Particulars	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011	As at 31.03.2011
	NOTE No. 1 - SHARE CAPITAL				
	EQUITY SHARE CAPITAL				
1.1	AUTHORISED:				
a)	1,85,00,000 Equity shares of Rs.10/- each	185000000.00		185000000.00	
	ISSUED:				
b)	1,39,32,770 Equity Shares of Rs.10/-each 20,90,909 Equity Shares of Rs.10/- each at a premium of Rs.45/- each	139327700.00 20909090.00		139327700.00 20909090.00	
	SUBSCRIBED AND FULLY PAID				
c)	1,60,18,139 Equity Shares of Rs.10/-each		160181390.00		160181390.00
	SUBSCRIBED BUT NOT FULLY PAID				
d)	5540 Equity shares of Rs.10/- each				
	CALLS UNPAID				
e)	FOREFITED SHARES				
f)	Amount received on forfeiture of 5540 equity shares originally issued		29795.00		29795.00
	TOTAL		160211185.00		160211185.00
	PREFERENCE SHARE CAPITAL				
1.2	AUTHORISED:				
a)	5500-15% Redeemable 'A' Cumulative Preference Shares of Rs.100/- each	550000.00		550000.00	
	23500-15% Redeemable 'B' Cumulative Preference Shares of Rs.100/-each	2350000.00		2350000.00	
	21000-14% Redeemable 'C' Cumulative Preference Shares of Rs.100/-each	2100000.00		2100000.00	
	250000- Preference Shares of Rs.100/-each	25000000.00		25000000.00	
		30000000.00		30000000.00	
	ISSUED:				
b)	20942-14% Redeemable 'C' Cumulative Preference Shares of Rs.100/-each	2094200.00		2094200.00	
	SUBSCRIBED AND FULLY PAID				
c)	19299-14% Redeemable 'C' Cumulative Preference Shares of Rs.100/-each		1929900.00		1929900.00
	TOTAL		1929900.00		1929900.00
	SUBSCRIBED BUT NOT FULLY PAID				
d)					
	TOTAL SHARE CAPITAL (1.1+1.2)		162141085.00		162141085.00

NOTES TO BALANCE SHEET					
Sl. No.	Particulars	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011	As at 31.03.2011
RECONCILIATION OF NUMBER OF SHARES OUTSTANDING					
1.3 EQUITY SHARES			No. of Shares		No. of Shares
a)	At the beginning of the year		16018139		16018139
	Add: Issued during the year				
	Less: Bought back during the year				
	At the end of the year		16018139		16018139
PREFERENCE SHARES					
b)	At the beginning of the year		19299		19299
	Add: Issued during the year				
	Less: Redeemed during the year				
	At the end of the year		19299		19299
1.4 LIST OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES					
a)	EQUITY SHARES	%	No. of Shares	%	No. of Shares
	S.P.Y. Reddy	8.89	1423752	8.89	1423752
	S. Sreedhar Reddy	10.61	1700195	9.78	1565802
	V. Suresh	11.51	1843752	11.51	1843752
	S. Parvathi	5.76	921861	5.76	921861
	S. Sujala	5.76	921861	5.76	921861
	V. Aravinda Rani	5.76	921861	5.76	921861
	Copthal Maurities Investment Limited	8.62	1380700	8.62	1380700
b)	PREFERENCE SHARES				
	Life Insurance Corporation of India	71.98	13891	71.98	13891
	Oriental Fire & General Insurance Co.Ltd.	27.92	5390	27.92	5390
1.5	The Company has no Subsidiaries/Associates and has no Holding Company				
1.6	Equity Shares issued, subscribed and fully paid up includes 9,17,740 equity shares of Rs.10/- each which were allotted as fully paid up for consideration other than cash pursuant to the Scheme of Amalgamation of the erstwhile Deccan Wires Limited with the Company during the year 1980-81				
1.7	Equity Shares issued, subscribed and fully paid up includes 20,90,909 equity shares of Rs.10/- each at a premium of Rs.45/- each were allotted on preferential allotment to promoters group on 01.03.2007				
1.8	C' 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				

NOTES TO BALANCE SHEET					
Amount in Rupees					
Sl. No.	Particulars	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011	As at 31.03.2011
NOTE NO - 2 RESERVES AND SURPLUS					
(a)	Capital Reserve -opening balance		229717814.50		229717814.50
(b)	Capital Redemption Reserve-opening balance		7419300.00		7419300.00
(c)	Securities Premium Reserve-opening balance		94155905.00		94155905.00
(d)	Debentures Redemption Reserve -opening balance		0.00		0.00
(e)	Revaluation Reserve		0.00		0.00
(f)	share Options Outstanding Account		0.00		0.00
Other Reserves					
(g)	General Reserve-opening balance		0.00		0.00
(h)	Surplus-Balance in Statement of Profit and Loss-Opening balance	-418686378.66		-380565929.37	
	Add/(Less):Profit/(Loss) for the Year from Statement of Profit and Loss	91328386.87		-38120449.29	
	Less: Appropriations	-327357991.79		-418686378.66	
	Transfer to General Reserve	0.00		0.00	
TOTAL			-327357991.79		-418686378.66
			3935027.71		-87393359.16
NOTE NO - 3 LONG TERM BORROWINGS SECURED:					
3.1	Term Loans from Banks				
i)	Indian Overseas Bank				
	Term Loan I.Rs.15.00 Crores repayable in 16 Quarterly installments of Rs.93.75 lakhs from Aug,2009.	3364388.00		40864388.00	
	Term Loan II.Rs.10.50 Crores repayable in 28 Quarterly installments of Rs.37.50 lakhs from Dec,2010.	67469410.00		82469410.00	
	Term Loan III.Rs.1.50 Crores repayable in 24 Quarterly installments of Rs.6.25 lakhs from Dec,2012	13750000.00		15000000.00	
ii)	State Bank of Hyderabad				
	Term Loan I Rs.21.70 crores repayable in 22 quarterly installments of Rs.98.50 lakhs from Dec'2010	118260423.00		157710423.00	
	Term Loan II Rs.13.00 crores repayable in 24 quarterly installments of Rs.54.64 lakhs from October 2012	32372000.00		43300000.00	
TOTAL			235216221.00		339344221.00
3.2	Hire Purchase Finance				
	For purchase of Equipment and Vehicles under hypothecation		74626609.28		73216827.44
			309842830.28		412561048.44

NOTES TO BALANCE SHEET		Amount in Rupees			
Sl. No.	Particulars	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011	As at 31.03.2011
3.4	UNSECURED: Deferred Payment liabilities Royalty payable as on 31.03.2005 of Rs.368 lakhs deferred for payment for 8 years in monthly installments from 24.05.2008 as per Order dated 24.05.2006	13362663.00		17962663.00	
3.5	Term Loans From L&T Finance Ltd. Term Loan I of Rs.20 crores payable in 35 installments from 24.07.2010 Top up loan of Rs. 5 crores payable in 35 installments from 05.05.2011	13919346.85 19654218.25		90548006.36 36610862.29	
3.6	Interest free Security Deposit from Salarpuria Properties Pvt.Ltd. (Bhimshanakar Realtors Pvt.Ltd) Land Developer, refundable in proportion to delivery of constructed area.	100000000.00		100000000.00	
3.7	Loans and advances from related parties From promoters group contribution to approved Project Scheme.	52477074.00		43585000.00	
3.8	Loans and Advances from Others	7843871.00	207257173.10	7843871.00	296550402.65
	TOTAL		517100003.38		709111451.09
3.9	There were no long term Debentures, Deposits and Finance Lease obligations.				
3.10	The following are overdue installments of term loans and interest dues as on 31.03.2012 and 31.03.2011 which are included under Other Current Liabilities Term loans from Banks: One Installment of two loans Rs.136.50 lakhs(Previous Year Rs.136.50 lakhs) and Interest for the month of March Rs.4998136/- (previous year Rs.4891323/-) Hire Purchase Finance -One installment of loans Rs.31,83,205/- (Previous Year Rs.10,09,043/-) and Interest dues of Rs.7,13,264/- (Previous year Rs.2,82,343/-)				
3.11	SECURITY:				
a)	Term Loans from Banks: Secured by first pari pasu charge on all the fixed assets and second charge on all Current Assets of the Company and also personal guarantee of Sri.S.P.Y. Reddy, Chairman, Sri.S.Sreedhar Reddy, Managing Director and Sri. V.Ramanath, Director and Eknath Ganesh, and V. Venkata Rao, Share holders)				
b)	Hire Purchase Finance: Secured by hypothecation of equipment and vehicles purchased and personal guarantee of two Directors of Company				
c)	Term Loans from L&T Finance Ltd. : Secured by pledge of 80,99,779 equity shares of the company held by the promoters group and personal guarantee of S.P.Y.Reddy, Chairman and S. Sreedhar Reddy, Managing Director of the Company.				

NOTES TO BALANCE SHEET		Amount in Rupees			
Sl. No.	Particulars	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011	As at 31.03.2011
	NOTE NO: 4 DEFERRED TAX LIABILITY (NET)				
a)	Deferred tax liability as on 31.03.2012/31.03.2011 in respect of timing difference arising on account of difference between straight line and written down Value methods and rates of depreciation		70627254.00		11876215.00
b)	Less:Deferred tax asset as on 31.03.2012/31.03.2011 in respect of unabsorbed depreciation/losses and expenses allowable U/s 43B of IT Act.		29233678.00		29425429.00
c)	Net Deferred tax liability as on 31.03.2012		41393576.00		-17549214.00
d)	Less: Opening Deferred tax liability as on 01.04.2011/01.04.2010		0.00		0.00
	Net Deferred tax liability for the year		41393576.00		0.00
	Note: Deferred Tax Asset as on 31.03.2011 of Rs.1,75,49,214/- was not considered as asset on consideration of prudance due to loss for the year 2010-11.				
	NOTE NO: 5 OTHER LONG TERM LIABILITIES				
5.1	Advances against Joint Development of Property in Bangalore (Residential Flats construction work under progress)		702499688.00		711929000.00
5.2	Trade Deposits from Dealers (payable after 12 months from reporting date)		24020358.37		27561358.37
5.3	Caution Deposits from contractors (payable after 12 months from reporting date)		1146722.36		1146722.36
5.4	Deferred payment of interest on royalty (payable after 12 months from reporting date)		21680267.44		21680267.44
5.5	Advances against staff quarters (pending for final settlement)		8283504.19		8200074.60
5.6	Other liabilities (pending disputes for settlement and legal cases)		33357196.29		18973059.29
	TOTAL		790987736.65		789490482.06

NOTES TO BALANCE SHEET					
Amount in Rupees					
Sl. No.	Particulars	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011	As at 31.03.2011
	NOTE NO: 6 SHORT TERM BORROWINGS SECURED Other loans and advances				
6.1	From Banks				
a)	Working capital Demand Loans		0.00		0.00
b)	Cash Credits		303400352.40		299438416.36
	TOTAL		303400352.40		299438416.36
6.2	There were no loans repayable on demand and short term deposits/loans and advances from related parties				
6.3	There was no default as on 31.03.2012 and 31.03.2011 in repayment of loans and interest payments on working capital cash credit loans.				
6.4	SECURITY Cash Credits working capital loans 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 fixed assets of the company and also by the personal gurantee of the above Directors and shareholders.				
	NOTE NO: 7 TRADE PAYABLES UNSECURED CREDITORS				
7.1	For Capital goods				
7.2	For Supplies of raw materials/stores and spares etc		107675168.70		108096990.98
7.3	For Services				
	TOTAL		107675168.70		108096990.98
	DUES TO MICRO, SMALL & MEDIUM ENTERPRISES AS REQUIRED UNDER THE MICRO, SMALL & MEDIUM ENTERPRISES AND DEVELOPMENT ACT, 2006 (Refer Notes to Accounts No: 25)				
	NOTE NO: 8 OTHER CURRENT LIABILITIES				
8.1	Current maturities of long term debt				
	SECURED :				
a)	Non Convertible Debentures (redeemed during the year 2005-06) Interest accrued and due to JM Capital Management Pvt.Ltd		1151110.00		1151110.00
b)	Term Loans from - Indian Overseas Bank and State Bank of Hyderabad Installments payable within 12 months after the reporting date		147728000.00		135550000.00
	Interest accrued and due on Term Loans		4998136.00		4891323.00

NOTES TO BALANCE SHEET					
Amount in Rupees					
Sl. No.	Particulars	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011	As at 31.03.2011
c)	Hire Purchase Finance				
	Installments payable within 12 months after the reporting date		69775594.63		59742398.79
	Interest accrued and due on Hire Purchase Loans		713264.23		282340.00
d)	Defered payment credit				
	Installment due under Bills rediscounting Scheme with Bank of Baroda		44100.00		44100.00
	Intrest accrued and due on the above installment		7969.00		7969.00
	UNSECURED:				
8.2	Deferred Payment of Royalty arrears payable within 12 months after the reporting date	4600000.00		15448710.00	
	L & T Finance Corpotate Loan Instalments payable within 12 months after the reporting date	93585303.55		79403548.28	
8.3	OTHERS				
a)	Caution Deposits from Dealers/Employees payable on demand	1818352.42		2433322.42	
b)	Statutory Dues towards Royalty, Excise duty, Service tax, VAT, TDS etc	149907474.21		98904529.02	
c)	Employees Salaries, Bonus and P F/ ESI recoveries and contributions to Superannuation Fund	17906862.38		18333937.36	
d)	Advances from customers	76282839.98		92320085.91	
e)	Power Charges and Other expenses payable	53337213.88		44428233.18	
f)	Other Advances from Transporters/Creditors	24627556.00	422065602.42	1505812.00	352778178.17
	TOTAL		646483776.28		554447418.96
8.4	There were no current maturities of Finance Lease Obligations, unpaid Dividends, unpaid matured Debentures or deposits and interest accrued thereon, Income received in advance and Application money received for allotment of securities.				
	NOTE NO: 9 SHORT TERM PROVISIONS				
9.1	Provision for employee benefits. Gratuity and Leave encashment obligation/contribution		0.00		0.00
9.2	Others				
a)	Provision for Income Tax		35000000.00		0.00
	TOTAL		35000000.00		0.00

NOTE TO BALANCE SHEET NOTE NO. 10 : FIXED ASSETS		Amount in Rupees									
		GROSS BLOCK		DEPRECIATION		NET BLOCK					
S.No.	Particulars	As at 31st March 2011	Additions during the Year	Deductions during the Year	As at 31st March 2012	Upto 31st March 2011	For The Year 2012	Deductions during the year 2012	Upto 31st March 2012	As at 31st March 2012	As at 31st March 2011
1	Freehold Land	417535.58	0.00	0.00	417535.58	0.00	0.00	0.00	0.00	417535.58	417535.58
2	Buildings-Factory	21387555.68	32604544.00	0.00	53992099.68	18273900.34	247785.48	0.00	20751685.82	33240413.86	3113655.34
3	Buildings Residential	13217745.34	0.00	0.00	13217745.34	10376444.64	43984.42	0.00	10816289.06	2401456.28	2841300.70
4	Roads, Culverts and Bridges	827210.65	1902841.32	0.00	2730051.97	694560.58	14561.00	0.00	709121.58	2020930.39	132650.07
5	Wells and water works	5190609.38	26070.22	0.00	5450779.60	3775188.81	83779.55	0.00	3858968.36	1591811.24	1415420.57
6	Plant and Machinery	369007110.40	65277782.88	0.00	1021784893.28	290209905.86	3097254.14	0.00	321182470.00	700602423.28	78797204.54
7	Electrical Installations	6452728.57	0.00	0.00	6452728.57	6385309.59	10335.32	0.00	6395644.91	57083.66	67418.98
8	Telephone Installations	552852.21	0.00	0.00	552852.21	367631.12	25764.26	0.00	393395.38	159456.83	185221.09
9	Railway Siding and Weigh Bridge	1389296.85	0.00	0.00	1389296.85	815458.06	79820.97	0.00	895279.03	494017.82	573838.79
10	Ropeway	9471239.56	0.00	0.00	9471239.56	9421707.06	14723.84	0.00	9436430.90	34808.66	49532.50
11	Quarry Equipment	159291742.08	13570122.00	11671367.05	161190497.03	106239634.91	18852989.21	11654234.92	113438289.20	47752207.83	53052207.17
12	Workshop Equipment	657815.38	0.00	0.00	657815.38	648885.06	293.63	0.00	648878.69	8936.69	9230.32
13	Laboratory Equipment	729523.31	0.00	0.00	729523.31	360923.54	51272.23	0.00	412195.77	317327.54	368599.77
14	Mining Lease and Mineral Prospecting Rights	218225.74	0.00	0.00	218225.74	214787.53	478.26	0.00	215265.79	2959.95	3438.21
15	Furniture, Fixtures and Others	24392244.75	176700.00	0.00	24568944.75	16265299.30	2478712.06	0.00	18744011.36	5824933.39	8126945.45
16	Library	48948.39	0.00	0.00	48948.39	48338.54	84.83	0.00	48423.37	525.02	609.85
17	Vehicles	120497675.83	16081882.00	3344501.00	133235056.63	29953744.08	28485305.22	616336.00	57822713.30	75412343.53	90543931.75
	Total:	733750059.70	717374042.42	15015868.05	1436108234.07	494051319.02	83988314.42	12270570.92	565769062.52	870339711.55	239698740.68

NOTES TO BALANCE SHEET		Amount in Rupees			
S. No.	Particulars	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011	As at 31.03.2011
11	NOTE NO: 11 NON CURRENT INVESTMENTS NON-TRADE INVESTMENTS				
11.a	In Government Securities:				
b)	In Equity Shares(Quoted and valued at cost)				
i)	10000 Units of Rs.10/- each fully paidup of BOB Mutual Fund	100000.00		100000.00	
ii)	7800 Equity Shares of Vijaya Bank at Rs.10/- each and 300 Shares at Rs.24/- per share of face value of Rs.10/- each	85200.00		85200.00	
iii)	900 Equity Shares of Gujarat State Finance Corporation of Rs.10/- each at a premium of Rs. 6.16 per share (Market value not available)	18000.00		18000.00	
iv)	1000 Redeemable 13% Preference Shares of Rs.10/- each in Ceat Finance	10000.00		10000.00	
v)	Principal Focussed Advantage Fund, Mumbai 10000 units of Rs.10/- each (Market value not available)	100000.00		100000.00	
			313200.00		313200.00
11.2	TRADE INVESTMENTS				
i)	In Equity Shares (unquoted and valued at cost) Panyam Cements Co-Operative Stores Limited, Cementnagar	2500.00		2500.00	
ii)	Sri. Somappa Co-Operative House Building Society Limited, Kurnool	500.00		500.00	
iii)	35000 Equity Shares of Rs.10/- each in Cheran Cement Limited	3500000.00		3500000.00	
			3503000.00		3503000.00
	TOTAL		3816200.00		3816200.00
	Aggregate Amount of:				
	Quoted Investments		313200		313200
	Market value of Quoted Investments		473040		415530
	Unquoted Investments		3503000		3503000
	Provision for diminution in value of investments		Nil		Nil
	There were no investments in Subsidiaries, Associates, Joint Ventures and controlled special purpose Entities and in Preference Shares, Bonds, Debentures, Mutual Funds and in Partnership Firms				

NOTES TO BALANCE SHEET					
Amount in Rupees					
Sl. No.	Particulars	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011	As at 31.03.2011
NOTE NO: 12 LONG TERM LOANS AND ADVANCES:					
12.1.	Unsecured and considered good				
(a)	Capital Advances		16617643.50		8158704.09
(b)	Security Deposits with Power Distribution Corporation Ltd		37552588.42		35840588.42
(c)	Inter Corporate Loans and advances to related parties		477220777.96		506529835.01
	TOTAL		531391009.88		550529127.52
NOTE NO: 13 INVENTORIES:					
13.1	Raw Materials		10441291.18		40944813.66
13.2	Work-in-progress		56783140.00		37627748.00
13.3	Finished Goods		16311578.00		7475223.00
13.4	Stores and spares, Chemicals and consumables		86619263.64		58939658.33
13.5	Coal and packing materials		51584158.38		10588684.75
13.6	Coal in transit		58446019.66		34098272.01
	TOTAL		280185450.86		189674399.75
METHOD OF VALUATION OF STOCKS: Refer Accounting Policies under Note No:25					
NOTE NO : 14 TRADE RECEIVABLES					
14.1	Trade Receivables outstanding for a period exceeding six months from the date due for payment				
a)	Unsecured and considered good		119152193.80		108063444.08
b)	Considered Doubtful	23722520.45		23705020.45	
	Less :Provision for doubtful debts	10000000.00		10000000.00	
			13722520.45		13705020.45
			132874714.25		121768464.53
14.2	Other Trade Receivables :				
a)	Unsecured and considered good		42277524.37		61055004.25
	TOTAL		175152238.62		182823468.78

NOTES TO BALANCE SHEET					
Amount in Rupees					
Sl. No.	Particulars	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011	As at 31.03.2011
NOTE NO: 15 CASH AND CASH EQUIVALENTS					
15.1	Cash on hand		6166864.50		2549381.91
15.2	Balances with banks in current accounts		916064.30		5408733.27
15.3	Balance with Banks in Margin Money / Fixed Deposits for LC/BG		28214167.80		22346431.91
15.4	Deposit accounts with more than 12 Months Maturity		0.00		0.00
	TOTAL		35297096.60		30304547.09
NOTE NO: 16 SHORT TERM LOANS AND ADVANCES UNSECURED AND CONSIDERED GOOD					
16.1	Inter Corporate loans and advances to related parties	403994587.00		330531640.00	
16.2	Others				
a)	Advance to Suppliers	4871192.86		22368375.73	
b)	Advance to Employees	130371.79		108708.29	
c)	Advance to Contractors & Transporters	813508.42		813445.42	
d)	Prepaid Insurance and other Expenses	1939516.00		1401693.00	
e)	Tender/Security/Telephone Deposits	4802993.66		5102993.66	
f)	Advance Excise Duties/CENVAT/VAT/Service tax	14426435.33		5201407.23	
g)	Advance Income tax and TDS	37850360.33		5690740.00	
h)	Other Advances	4816679.45		892433.45	
			473645644.84		372111436.78
	TOTAL		473645644.84		372111436.78
NOTE NO: 17 OTHER CURRENT ASSETS					
17.1	Interest Receivable		1961987.00		1912284.00
17.2	State Incentives Receivable		0.00		43939393.00
	TOTAL		1961987.00		45851677.00

NOTES TO STATEMENT OF PROFIT & LOSS		Amount in Rupees	
Sl. No.	Particulars	As at 31.03.2012	As at 31.03.2011
NOTE NO: 18 - REVENUE FROM OPERATIONS			
18.1	Sale of Manufactured Products	2185705587.00	1582653342.00
	Less: Excise duty and sales tax collections	460699454.00	325101942.00
	Net Sales of Manufactured Products (Refer Note No: 25 for details of Productwise sales)	1725006133.00	1257551400.00
18.2	Other Operating revenues		
a)	Sales Tax and Power Incentives of earlier years	36706030.00	0.00
	TOTAL	1761712163.00	1257551400.00
NOTE NO: 19 - OTHER INCOME			
19.1	Interest on Bank and other deposits	4501907.96	3631275.47
19.2	Interest on Inter corporate loans and advances to related parties	37181052.00	33924045.00
19.3	Dividend Income	20250.00	20250.00
19.4	Scrap Sales	2146895.87	6024671.00
19.5	Rent Receipts	548705.00	446846.00
19.6	Creditors written back and bad debts collections	595969.00	640147.21
19.7	Profit on Sale of Assets	577779.00	0.00
19.8	Other Receipts	308006.00	638148.20
19.9	Income relating to prior period	4829530.00	0.00
	TOTAL	50710094.83	45325382.88
NOTE NO: 20 COST OF MATERIALS CONSUMED			
20.1	Consumption of raw materials (Refer Notes to Account No: 25)	158493815.40	133632820.88
20.2	Consumption of packing materials	67752612.00	51027375.00
	TOTAL	226246427.40	184660195.88
NOTE NO : 21 - CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK IN TRADE			
CLOSING STOCKS			
a)	Finished goods	16311578.00	7475223.00
b)	Stock-in-process	56783140.00	37627748.00
	TOTAL	73094718.00	45102971.00
OPENING STOCKS			
a)	Finished Goods	7475223.00	9426385.00
b)	Stock-in-process	37627748.00	59601930.00
	TOTAL	45102971.00	69028315.00
	NET INCREASE/(DECREASE) IN STOCKS (NET TOTAL)	-27991747.00	23925344.00
NOTE NO:22-EMPLOYEE BENEFITS EXPENSES			
22.1	Salaries, Wages,Bonus and Allowances	62118186.74	53504748.86
22.2	Contribution to ESI & Provident Fund	2693358.00	2408765.00
22.3	Contribution to Gratuity & Superannuation Schemes	73533.00	202063.00
22.4	Staff Welfare expenses	22545162.47	17713320.99
	TOTAL	87430240.21	73828897.85

NOTES TO STATEMENT OF PROFIT & LOSS		Amount in Rupees			
Sl. No.	Particulars	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011	As at 31.03.2011
NOTE NO: 23 FINANCE COSTS					
23.1	Interest Expenses				
a)	On Term Loans	30724877.61		0.00	
b)	On Working capital, cash credits and adhoc loan	49949289.00		18278308.00	
c)	On Hire Purchase Loans	10628792.35		12039417.11	
d)	Interest on Corporate Unsecured Loans	25181052.00		33924045.00	
e)	On Others	20766387.95		13987919.93	
			137250398.91		78229690.04
23.2	Other borrowing costs				
a)	Loan processing charges		804000.00		1015200.00
			138054398.91		79244890.04
NOTE NO: 24 - OTHER EXPENSES					
	Consumption of stores and spares		61137881.95		63658640.73
	Power and Fuel		719445588.66		556451370.65
	Rent including Lease Rents		118400.00		46800.00
	Insurance		993459.00		1880625.00
Repairs & Maintenance					
a)	Buildings	7470993.00		6495435.50	
b)	Plant & Machinery	37873720.58		26240343.30	
c)	Others	2277592.50	47622306.08	2710328.57	35446107.37
	Rates & Taxes and service tax		6428431.00		2604866.00
	Excise duty on captive consumption/Stocks		3904366.00		0.00
	Travelling and conveyance		2252512.50		2709328.50
	Printing and stationery		290462.85		835689.70
	Postage Telegrams and Telephones		756433.93		921400.50
	Directors sitting fee		70000.00		103500.00
	Remuneration to Managing Director		1516646.00		1500000.00
	Directors Travelling		319000.00		44320.00
Remuneration to Auditors					
	Audit and Tax Audit Fee		400000.00		350000.00
	Audit-Expenses		54994.00		37270.00
	Cost Audit Fee		30000.00		25000.00
	Cost Audit expenses		6173.00		2000.00
	Advertisement		2243863.00		2343289.00
	Legal & Professional Fee and Expenses		1795146.00		2070233.00
	Bank Charges		3936774.59		1857362.54
	Bad Debts written-off		0.00		503478.89
	Other Expenses		2493422.79		3219077.17
	Vehicle Maintenance		1410133.45		1080959.39
	Loss on Sale of Fixed Assets		506489.00		0.00
	Donations		1156000.00		750263.00
	Expenses/Income relating to Earlier Years		831463.00		749487.00
SELLING EXPENSES					
	Freight outward and forwarding expenses	119387668.56		153232058.83	
	Discounts /price difference and Commission on consignment sales	156409369.66		92777180.87	
	Other Selling expenses	1455676.00	277252714.22	3621552.00	249630791.70
	TOTAL		1136972661.02		928821860.14

NOTE NO : 25

Significant Accounting Policies and Notes to Accounts for the year ended 31st March, 2012

25.1 SIGNIFICANT ACCOUNTING POLICIES:

A. Basis of Preparation and Presentation of Financial Statements:

The financial statements are prepared under the historical cost convention as a going concern and in accordance with Accounting principles generally accepted in India and comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 and relevant provisions of The Companies Act, 1956. The Company follows the mercantile method of accounting.

B. Inventories:

Inventories of Finished goods and process stocks are valued at lower of cost or net realizable market value. Inventories of Raw materials and Stores & Spares are valued at weighted average cost. Scrap and disposables are valued at net realisable value. Cost of Inventories consist of purchase price including duties and taxes (other than CENVAT credit and input tax credit recoverable under A.P. VAT Act), cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Value of finished goods includes central excise duty as cost of production in accordance with Accounting Standard (AS-2).

C. Depreciation:

Depreciation is provided on straight line method in respect of some plant and machinery situated at Cement Division and all other assets have been depreciated on Written down Value method. Depreciation has been calculated at the rates specified in Schedule XIV to the Companies Act, 1956.

D. Retirement Benefits to Employees:

Gratuity /superannuation and leave encashment benefits payable on retirement / resignation of employees provided on retirement/ payment.

E. Revenue Recognition:

- (i) Sales revenue is recognised on supply of goods. Gross Turnover includes VAT, Excise Duty and Education Cess in respect of goods sold. Income and Expenditure are recognised on accrual basis except for transactions below Rs.10,000/- per transaction and are accounted in the year of payment / receipt.
- (ii) Dividend on investments is recognised when the right to receive is established.
- (iii) Interest on delay payments to creditors / by debtors accounted on the basis of debit notes Credit notes raised / received from the parties.
- (iv) Insurance claims are accounted on the basis of claims lodged.
- (v) Interest/Hire Charges on Hire Purchase Loans taken into account on due and payable basis.

F. Investments:

Long term investments are stated at cost of acquisition and if there is permanent diminution in the value of investments, the same is considered for valuation of investments. Current investments are valued at lower of cost or fair market value.

G. Fixed Assets and Capital works-in-progress:

Fixed Assets are stated at cost (net of CENVAT credit and including related financial costs till commencement of commercial production) less accumulated depreciation. Capital work-in-progress includes indirect cost & pre-operative expenses related or attributable to the capital works and trial run expenses incurred up to commencement of commercial production are added to the cost of fixed assets. Advance paid towards the acquisition of Fixed Assets outstanding at the Balance Sheet Date are disclosed as "Capital Advances" under long term loans and advances as per revised Schedule VI to the Companies Act, 1956.

H. Borrowing Costs :

Interest and other costs incurred in connection with the borrowing of funds that are directly attributable to the acquisition, construction or erection of a qualifying asset, are capitalised as cost of such asset and the other borrowing costs are expensed in the year in which incurred.

I. Segment Reporting:

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

J. Lease:

Lease payments in respect of operational leases are recognized as an expenditure on due and payable basis as per the lease agreements and the future lease payments under non cancelable operational leases for each period are disclosed in notes to accounts.

K. Accounting for taxes on income:

Current tax and deferred tax liability, if any, for the year is recognized for tax payable on the taxable income and for timing differences, subject to consideration of prudence in respect of deferred tax asset and the same is treated as tax expense in determination of net profit for the year.

L. Impairment of Assets:

The company determines any indication of impairment in carrying value of assets and the impairment loss is recognized wherever the carrying amount of the assets exceeds its recoverable amount.

M. PROVISIONS AND CONTINGENT LIABILITIES/ASSETS:

Contingent liabilities are not recognized in Accounts but are disclosed in the notes to accounts. Contingent assets are neither recognized nor disclosed in financial statements. Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation and it is probable that there will be out flow of resources.

25.2 Contingent Liabilities not provided in respect of :			
Sl.No.	PARTICULARS	RUPEES IN LAKHS	
		2011-2012	2010-2011
a)	As a signatory to the Memorandum of Cement Allocation and Co-ordinating Organization	1.00	1.00
b)	Guarantees given by the Bankers/Letters of Credit (Net of margin money paid)	314.61	66.80
c)	Corporate guarantee given to SIPCOT for the financial assistance availed by M/s.Cheran Cement Limited (estimated liability)	2351.62	1683.74
d)	Corporate guarantee given to SBI, SBH, Bank of India, Syndicate Bank and Indian Overseas Bank for financial assistance availed by S.P.Y. Agro Industries Limited	6952.54	7742.77
e)	Arrears of dividend on "C" Cumulative Preference shares held by institutions, being not redeemed and requested for extension of time	35.10	32.40
f)	Estimated amount of contracts remaining to be executed on capital account (Net of advances)	705.50	765.65
g)	Claims against the Company not acknowledged as debts being disputed and pending in appeals and not provided for as the Company is hopeful of success in appeals:		
i)	CENTRAL EXCISE AND CENVAT CREDIT: CENVAT credits availed and utilized were subsequently disallowed by the Department and demand raised for differential duty and show cause notice for irregular availment of CENVAT credit (July 2006 to November 2007). The Company has contested in appeals and are pending with the Commissioner of Appeals or CEGAT/or A.P High Court (paid under protest Rs.12.56 lakhs)	950.51	878.62
ii)	ELECTRICITY MATTERS: 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. (Provided during the year Rs. 70.35 lakhs)	30.64	108.73

Sl.No.	PARTICULARS	RUPEES IN LAKHS	
		2011-2012	2010-2011
iii)	INCOME TAX MATTERS Demand raised by the Assessing Officer (Addl.CIT, Kurnool) for the Assessment year 2008-09 for payment of capital gains tax on Bengaluru/ Wire Division land under Joint Development Agreement and for assessment year 2009-10 MAT liability on book profit under section 115JB of IT Act, which are contested by the company before the Commissioner of Income Tax (Appeals), Hyderabad and the appeals are pending and got stay/installments from the Commissioner for the balance amount.(Paid under protest Rs.144.70 lakhs)	2601.00	2378.48
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)	Demand raised by the Asst. Commissioner (CT) Audit, Kurnool for payment of differential tax for the year 2007-08,contested in appeal before the Appellate Dy.Commissioner, Kurnool and the Appeal was remanded during the year. The Assessing Officer partly allowed and the amount was paid (Rs.11.57 lakhs paid under protest in previous year was adjusted during the year)	Nil	92.59
c)	During the year Penalties levied by the Commercial Tax Officer, Kurnool for non payment of tax dues before the due date for which installments were granted by the Department. The Company has requested the Government for waiver of the penalties.	58.27	Nil
v)	Penal Interest / Damages on P.F Dues The Department has levied penal interest and damages for delay in P.F payments for the period from May 1989 to September 2001 and the company requested for waiver. (Paid during the year Rs.122.10 lakhs and previous year Rs. 28.19 lakhs)	277.59	399.69
vi)	Penal interest on Royalty Dues During the year Department of Mines and Geology has raised demand for penal interest up to 31.03.2011 of Rs. 560.52 lakhs on royalty dues for delay in payments and the Company has filed Revision Application for waiver of interest before the Department and Ministry of Mines, New Delhi. (Part of the interest of Rs. 216.80 lakhs was provided in earlier years)	343.72	Nil

Sl.No.	PARTICULARS	RUPEES IN LAKHS	
		2011-2012	2010-2011
	vii) Suits filed against the Company and the Developers of Bengaluru Property, in the Court of City Civil Judge, Bengaluru by two prospective buyers (Kare Electronics and Developments Private Limited and Pranava Electronics Private Limited) for specific performance of agreements to sell the property of Bengaluru land under development agreements and for refund of advances paid under the agreements to sell with interest, damages and value of undivided right, title, interest in the land entitlement as per the agreements to sell, which were contested by the company and the case was dismissed by the City Civil Court and High Court of Karnataka, Bengaluru and the matter is pending before the Honourable Supreme Court of India.	66625.12	66625.12
	viii) OTHER MATTERS		
	Suits filed by the parties against the company and pending in Appeals/Courts	126.34	126.34
25.3.	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.		
25.4	Disclosure of discontinued operations of Wire / Engineering Division: The operations of the Wire/ Engineering Division at Bengalur were permanently discontinued from October 2005 and the division was closed on 31.01.2006. The company has entered into agreements for joint development of land with the developers. As per the requirements of Revised Schedule VI which is effective from 1 st April, 2011, the book value Rs. 813.12 lakhs of land property under joint development agreements, was shown separately under "Current Assets" as current investment in land property and the amounts received from joint developers and advances received from intending buyers were shown separately under "Non-Current Liabilities" as other long term liability. There were no revenue income/expenses incurred during the year and in previous year.		

Sl.No.	PARTICULARS	RUPEES IN LAKHS	
		2011-2012	2010-2011
25.5	Belated charges/overdue interest on delay in payment of statutory dues liabilities have not been provided in the absence of demand for the same.		
25.6	The balances of sundry debtors, sundry creditors, other liabilities, advance to suppliers for raw materials and spares, other advances including claims and deposits have been shown as appearing in the books of account and are subject to reconciliation and confirmation.		
25.7	Lease payments: The Company has not taken any assets under non cancelable operating lease agreements and hence no future lease payments.		
25.8	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.		

25.9 Related party transactions:

The following are the transactions of the related parties, which are related on account of shareholding by key management personnel and their relatives viz. Sri S.P.Y. Reddy, Chairman, Sri S.Sreedhar Reddy, Managing Director and other Directors and the Associated Companies:

Sl.No.	Nature of Transaction	Rs. in lakhs			
		Year		Balance as at	
		2011-12	2010-11	31-03-12	31-03-11
1.	Sales/advances and receivable (Cheran Cement Limited)	-	-	264.23	264.23
2.	Remuneration to Managing Director	15.16	15.00	0.34	1.08
3.	Sitting Fee to other Directors	0.70	1.04	Nil	Nil
4.	Corporate Guarantee given to SIPCOT for financial assistance availed by Cheran Cement Limited (estimated liability)	667.88	683.74	2351.62	1683.74
5.	Corporate Guarantee given to SBI, SBH, Bank of India, Syndicate Bank and Indian Overseas Bank for Financial assistance availed by S.P.Y.Agro Industries Limited	(790.23)	1173.08	6952.54	7742.77
6.	Unsecured loans from Promoters/Associates	88.92	435.85	524.77	435.85
7.	Purchases and services availed from and due to Associate Companies	33.72	40.45	23.72	15.67
8.	Sales and services provided to and due from Associate Companies	226.85	308.14	709.78	629.16
9.	Advances/Inter-corporate Deposits given to Associate Companies	441.54	381.48	8812.16	8370.62

25.10 EARNING PER SHARE

Basic and diluted earnings/(Loss) per share (face value of Rs.10/-each) calculated in compliance with the provisions of Accounting Standard 20 for the year ended 31.03.2012 comes to Rs. 5.68 (Previous year (Loss) Rs.2.40).

The denominator for basic/diluted EPS is 16018139 Equity Shares of Rs.10/- each numerator is profit after tax of Rs.913.28 lakhs for the year as per Statement of Profit and Loss (Previous year net loss Rs.381.20 lakhs) and as reduced by the preference dividend for the year of Rs. 2.70 lakhs on "C" Cumulative Redeemable Preference Shares, which is not provided.

Therefore basic/diluted earning per share =Net Profit of Rs. 91058201÷16018139 shares=Rs.5.68.

25.11 Figures have been rounded off to the nearest decimal of Lacs as required under Revised Schedule VI.

25.12 The Revised Schedule VI has become effective from 1st April, 2011 for preparation of financial statements for the year 2011-12. This has significantly impacted the disclosure and presentation in financial statements. Consequently previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure as required under Revised Schedule VI.

25.13 Revenue from operations or sale of goods

Rs. in lakhs

S. No.	Description of Products	Qty. in Mts.	For the year ended 31.03.2012	Qty. in Mts.	For the year ended 31.03.2011
A	Manufactured Goods				
1	Cement	466303	21490.74	402818	15197.52
2	Clinker	11798	366.32	27731	629.01
	Total		21857.06		15826.53
B	Traded Goods		Nil		Nil

25.14 Cost of Raw Material Consumed

Rs. in lakhs

S. No.	Description	2011-12		2010-11	
		Qty. in Tonnes	Value	Qty. in Tonnes	Value
1.	Limestone (Cement Grande)*	633797	454.13	502535	346.61
2.	Laterite	15113	174.07	35158	397.52
3.	Gypsum	21800	340.94	18503	291.36
4.	Iron Ore	14031	162.16	3088	34.24
5.	Clinker	0	0	7867	124.32
6.	Fly ash & Other	35588	453.63	30311	142.28
	Total		1584.93		1336.33
7.	Purchase of Traded Goods	-	Nil	-	Nil

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

25.15 Value of imports calculated on CIF Basis

Rs. in lakhs

		2011-12	2010-11
a)	Raw Materials	Nil	Nil
b)	Components and spare parts	Nil	Nil
c)	Capital goods	Nil	Nil
	Total	Nil	Nil

25.16 Earnings in foreign Exchange		Rs. in lakhs			
		2011-12		2010-11	
	FOB Value of Exports	Nil		Nil	
25.17 Expenditure in Foreign Exchange		Rs. in lakhs			
		2011-12		2010-11	
i)	Raw Materials	Nil		Nil	
ii)	Travelling Expenses	1.75		Nil	
iii)	Others	Nil		Nil	
	Total	1.75		Nil	
25.18 Value of imported and indigenous raw materials components, spare parts and other materials consumed:					
		2011-12		2010-11	
		Value	%	Value	%
i)	Raw Materials				
	Imported	Nil	Nil	Nil	Nil
	Indigenous	1584.93	100.00	1336.33	100.00
	Total	1584.93	100.00	1336.33	100.00
ii)	Stores and spare parts				
	Imported	Nil	Nil	Nil	Nil
	Indigenous	611.38	100.00	636.58	100.00
	Total	611.38	100.00	636.58	100.00
As Per our report of even date attached		For and on behalf of the Board			
For BRAHMAYYA & CO., Chartered Accountants Firm's Regn/ No. 000514S		M/s. Panyam Cements & Mineral Industries Limited			
B.DAIVADHEENAM REDDY Partner M.No. 026450		S.SREEDHAR REDDY Managing Director		S.P.Y. REDDY Chairman	
Place : Nandyal Date: 30 th May, 2012					

M.No.....

No. of Shares :.....

FORM OF PROXY
PANYAM CEMENTS & MINERAL INDUSTRIES LIMITED
Registered Office: Nandyal Kurnool District A.P.

I/We.....of.....
.....in the district of.....being
a member/ members of the above-named Company hereby appoint.....
.....of.....
in the district of.....or failing him.....
.....of.....
in the district of.....as my/our proxy to
attend and vote for me/us on my/our behalf at the Fifty Sixth Annual General Meeting of the Company
to be held on Saturday, the 22nd September, 2012 at 11.30 A.M. and at any adjournment thereof.

Signed this.....day2012

Signed.....

Affix
30 paise
Revenue
stamp

N.B. : 1) This instrument should be in writing and should be deposited not less than 48 hours before the time of meeting.

2) Any member entitled to attend and vote at the meeting is entitled to appoint a proxy and the proxy need not be a member.