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PANYAM CEMENTS &
MINERAL INDUSTRIES LIMITED
Registered Office :
C-1, Industrial Estate
Bommalasatram,
Nandyal - 518 502
Kurnool District, A.P.

SAVYA ENTERPRISES, Mobile : 9440055572

PANYAM
CEMENTS & MINERAL
INDUSTRIES LIMITED

59th
ANNUAL REPORT

2014 - 15

INDEX TO THE REPORT

COROPRATE INFORMATION

BOARD OF DIRECTORS

S. SREEDHAR REDDY
Managing Director

V. SURESHKUMAR

V. ARVINDA RANI

V. RAMNATH

P. JAYARAMA REDDY

DR. R. K. PRASAD SUNKARA

REGISTRAR & SHARE TRANSFER AGENTS

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

Phone: 040-23545913/14/15
Fax: 040-23553214
Email: xlfield@rediffmail.com

CENTRAL ADMINISTRATIVE OFFICE :
Plot No.188, Phase II,
Kamalapuri Colony,
Hyderabad - 500 073. TS.
Phone: 040-23555317
Fax: 040-23555316
E-mail: caohyd@panyamcements.com
Website: panyamcements.com
ISIN : INE167E01029
CIN : L26940AP1955PLC000546

AUDITORS
Brahmayya & Co.
Chartered Accountants
Adoni 518 301.

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.

Phone: 08514-222274
Fax: 08514-243106
E-mail: regoffice@panyamcements.com

CEMENT WORKS:
Cementnagar - 518 206.
Kurnool District, A.P.

Phone: 08516-274638
Fax: 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 Nineth Annual General Meeting of the Members of the Company will be held on Saturday, the 26th September, 2015 at 11.45 A.M., at the Registered Office of the company, C-1 Industrial Estate, Nandyal, Kurnool District, Andhra Pradesh to transact the following business:-

Ordinary Business

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March 2015, 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 Dr.R.K.Prasad Sunkara (DIN NO.02451497), who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Smt. V. Aravinda Rani (DIN No. 01241976), who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution :

   "RESOLVED THAT M/s. Brahmayya & Co., Chartered Accountants, Adoni (Firm Registration No. 000514S), be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration as shall be fixed by the Board of Directors of the Company."

Special Business:

5. To consider and if thought fit to pass the following resolution with or without modifications as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of section 149, 152 and other applicable provisions, if any of the Companies Act, 2013(the Act) and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the timebeing in force) read with Schedule IV to the Act, as amended from time to time, Mr.Jayarama Reddy Peddireddygari (DIN No.07053207), who has submitted a declaration that he meets the criteria for independence as provided in section 149 (6) of the Act and who is eligible for appointment , be and is hereby appointed as an Independent Director of the Company with effect from October 30, 2014 up to October 29, 2019 and that he shall not be liable to retire by rotation.

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

Place: Nandyal
Dt:- 12th August, 2015

S. SREEDHAR REDDY
Managing Director

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

Notes:-

1. The Explanatory Statement pursuant to section 102 of the Companies Act, 2013 (Act) in respect of the business under Item No. 5 of the Notice, is annexed hereto. The relevant details as required under clause 49 of the Listing Agreements entered into with the Stock Exchange, of persons seeking appointment/ re-appointment as Directors under Item No. 2 to 3 and Item No. 5 of the Notice, are also annexed.
2. A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
4. Brief resume of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange are provided.
5. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Sundays, during business hours up to the date of the Meeting.
8. The Company has notified closure of Register of Members and Share Transfer Books from Monday, September 21, 2015 to Saturday, September 26, 2015 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.
9. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / XL Softech Systems Ltd.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / XL Softech Systems Ltd.
11. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form can be downloaded from the Company's website www.panyamcements.com under the section 'Investor Relations'.
12. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to XL Softech Systems Ltd, for consolidation into a single folio.
13. Non-Resident Indian Members are requested to inform XL Softech Systems Ltd, immediately of:
    (a) Change in their residential status on return to India for permanent settlement.
    (b) Particulars of their bank account maintained in India with complete name, branch, account type, account numberand address of the bank with pin code number, if not furnished earlier.
14. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
15. The Notice of the AGM along with the Annual Report 2014-15 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
16. The Annual Report of your company for the financial year 2014-15 would also be made available in the Company's website" www.panyamcements.com
17. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with XL Softech Systems Ltd/Depositories.
18. In compliance with the provisions of section 108 of the Act and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all resolutions set forth in this Notice.

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

In case of members receiving e-mail:

(i) Log on to the e-voting website www.evotingindia.com

(ii) Click on "Shareholders" tab.

(iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"

(iv) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,
b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) ● Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. ● In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details #	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. ● Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id folio number in the Dividend Bank details field.

(i) After entering these details appropriately, click on “SUBMIT” tab.

(ii) Members holding shares in physical form will then reach directly the Company selection screen. However members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(iii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(iv) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(v) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(vi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

(vii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

(viii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

(ix) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.

(x) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to https: www.evotingindia.co.in and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

(A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.

(B) The voting period begins on <Date and Time> and ends on <Date and Time>. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of <Record Date>, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

19. Kindly note that the Shareholders can opt only one mode of voting, i.e. either by Physical Ballot or e-voting. If you are opting for e-voting, then do not vote by Physical Ballot also and vice versa. However, in case the Shareholders cast their vote by Physical Ballot and e-voting, then voting done through valid Physical Ballot shall prevail and voting done by e-voting will be treated as invalid.

20. The voting period begins at 9.00 A.M. on 23rd September, 2015 and ends at 5.00 P.M. on 25th September, 2015. The e-voting module shall also be disabled by CSDL for voting thereafter.

21. The Company has appointed Mr. GMV Dhanunjaya Rao, Company Secretary, Flat No. 2A, Cheruku Apartments, D.No. 3-6-653/1, Street No. 9, Himayath Nagar, Hyderabad - 500 029. Who in the opinion of the Board is a duly qualified person, as a Scrutinizer who will collate the electronic voting process in a fair and transparent manner. The Scrutinizer shall within a period of three working days from the date of conclusion of the shareholders meeting, submit his report after consolidation of e-voting and the votes in the shareholders meeting, cast in favour of or against, if any, to the Chairman of the Company. Results will be uploaded on the company’s website as well as intimated to the Stock Exchange(BSE).

22. The Scrutinizer will submit his report to the Chairman of the Company after completion of the scrutiny of the e-voting process and the results will be announced at the Registered Office of the Company situate at C-1, Industrial Estate, Nandyal - 518 502, Kurnool District, Andhra Pradesh on 26th September 2015.

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

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

Item No.2:

Dr.R.K.Prasad Sunkara, aged about 69 years, is a Doctor by Profession.having practice at USA. He is having a total experience of about 37 years in medical field.. His guidance and services are immense for further growth of the company.

Item No.3:

Mrs. V. Aravinda Rani, aged about 34 years, is a graduate in Mechanical Engineering from the prestigious GPREC Kurnool. An academician by profession now, she is the key founder member of Nandi academy, an international standards based school that offers all-round development of students through project based learning, adopting varied curriculum like Exceed, Multiple intelligence techniques etc with CBSE and IGCSE affiliations.

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

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

Item No.5:

Sri P.J.Reddy (DIN No.07053207) is a Mechanical Engineer with PG in Materials Management and having about 40 years of experience in Cement Industry in various capacities. He has worked with ACC, Andhra Cements, Deccan Cements and Panyam Cements as Vice-President during the period December, 2004 to June, 2010. He has good skills in Project execution, optimization of production and power. He has the credit of executing three projects in Deccan Cements and one in Panyam Cements.

None of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

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

Place: Nandyal
Dt:- 12th August, 2015

S. SREEDHAR REDDY
Managing Director

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

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

Particulars	Dr. R.K. Prasad Sunkara	V. Aravinda Rani	Jayarama Reddy Pedireddygari
Date of Birth	16.11.1946	12-01-1979	07.01.1946
Date of Appointment	26.11.1994	13-08-2014	31.12.2014
Qualifications	MBBS	B. Tech	Engg,.Graduate
Expertise in specific functional areas	By Profession Doctor	Academician by Profession	Cement Technocraft
Directorships held in other companies (excluding foreign companies)	NIL	Sujala Feeds Pvt Ltd Nandi Pipes Pvt Ltd. Sreekanth Trading Pvt Ltd Nandi Pipes Hyderabad Pvt Ltd Nandi Milk Products Pvt Ltd. S.P.Y.Agro Industries Ltd Nandi PVC Products Pvt Ltd Monarch Water Container Pvt.Ltd. Integrated Thermo Plastics Limited Sreekanth Pipes Private Limited (Part IX)	NIL
Memberships/ Chairmanships of committees of other companies (includes only Audit Committee and Shareholders/ Investors Grievance Committee)	**Nil**	**Nil**	**Nil**
Number of shares held in the Company	**166135**	**1033081**	**NIL**

DIRECTORS' REPORT :

To
The Members

Your Directors have pleasure in presenting the 59th Annual Report and Audited Statements of Accounts for the year ended 31st March, 2015:

FINANCIAL RESULTS :

	(Rs.in lakhs)	
	Year ended 31st March 2015	Year ended 31st March 2014
Income:		
Gross Sales of manufactured products ..	11265.10	6175.91
Less: Excise Duty and Sales Tax ..	2366.79	1410.83
Net Sales of manufactured products ..	8898.31	4765.08
Other Income ..	523.13	457.53
Total ..	9421.44	5222.61
Profit(+) / (Loss) (-) before Interest and Depreciation	256.39	(-) 1292.06
Less: Interest and Finance charges ..	1179.43	1293.22
Less: Depreciation ..	592.50	661.50
Net Profit (+) / (Loss) (-) before exceptional and Extra-Ordinary Items and Tax	(-) 1515.54	(-) 3246.78
Add:Exceptional Items on transfer of Wire Division Land property under Joint Development Agreement	-	2820.97
Extra - Ordinary Items	-	-
Net Profit(+) / (Loss) (-) / before Tax	(-) 1515.54	(-) 425.81
Provision for - Income Tax for the year (MAT)	-	0.00
Deferred Tax Liability	-	0.00
Net Profit / (Loss) after tax	(-) 1515.54	(-) 425.81
Loss Brought Forward from previous year	(-)1950.65	(-)1524.84
Depreciation on Fixed Assets whose useful life is over	(-)22.37	-
Loss carried to Balance Sheet	(-) 3488.56	(1950.65)

OPERATIONS:

The company has produced during the year 2014-15, 2,45,779 M.Tonnes of cement as against 1,40,298 M. Tonnes produced during the previous year. The performance of the Company has improved during the second half of the financial year. The major factor for improved performance was due to favourable market conditions and manufacture of slag cement.

The gross sales for the year under report was Rs. 11265.10 lakhs as against Rs.6175.91 lakhs in the previous year. The Net Loss after tax for the year was Rs.1515.54 lakhs as against net loss (before exceptional income of Rs. 3246.78 Lakhs and net loss of Rs. 425.81 lakhs in the previous year after exceptional income of Rs. 2820.97 Lakhs.

As stated in our last year Annual Report, the developer Greenage Griha Nirman Private Limited (formerly known as Bhimsankar Realtors Private Limited) has completed the first phase of construction of four blocks and the remaining six blocks in second phase will be completed before 31st December, 2015.

MODERNISATION OF THE CEMENT UNIT:

The modernization works for improving the efficiency and productivity to reduce the operational costs and cutting down of logistics has been shelved to stabilize the operations of the unit.

DIVIDEND:

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

FIXED DEPOSITS:

The Company has not accepted any Fixed Deposit during the year and there are no fixed deposits outstanding as on 31st March, 2015.

INSURANCE:

The assets of the Company are adequately insured.

CURRENT YEAR PROSPECTS:

The efforts taken by the management to improve the performance of the company has started yielding improved results.

We expect that the demand for cement during the current financial will also continue due to initiatives by the new Government such as housing for all, smart cities, Swachh Bharat campaign, infrastructure spending, concrete road initiatives and an increase in allocation of funds to states are likely to see a positive impact on the Cement Industry.

INDUSTRIAL RELATIONS:

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

EMPLOYEES:

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

AUDITORS:

M/s. Brahmayya & Co., Chartered Accountants, Adoni, were appointed as Statutory Auditors of the Company for a term of 3 years upon the recommendation of the Audit Committee at its meeting held on 13th August, 2014 by the Board in its meeting held on 13th August, 2014, subject to the members ratification every year to comply with the Section 143 of the Companies Act, 2013. Accordingly, a resolution for ratification by the members will be placed at the ensuing Annual General Meeting and will be effective upto the next Annual General Meeting.

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 vii(a) of Annexure to Auditors' Report and dues to banks as mentioned in para (ix) of the Annexure to the Report, the Company is clearing the statutory dues in a faced manner and dues to banks were paid after 31-03-2015.

COST AUDIT:

The Cost Audit is not applicable for the financial year 2014-15, as the Gross Turnover of the Company was below Rs.100.00 crores during the previous financial year pursuant to Section 148 of the Companies Act, 2013. In accordance with the Companies (Cost Audit Report) Rules, 2011, the Cost Audit Report in XBRL for the financial year ended 31st March, 2014 was filed vide SRN No.S37744216 with the Ministry of Corporate Affairs, New Delhi.

DIRECTORS:

In terms of the Articles of Association of the Company, Dr.R.K.Prasad Sunkara and Smt. V.Aravinda Rani will retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. Sri A.V. Narasimha Reddy has resigned as a Director of the Company on 20th April, 2015. The Board placed on record its appreciation for his active participation and advice during the deliberations of Board and Audit Committee during his tenure of office.

Pursuant to provisions of 149, 152 and other applicable provisions, if any of the Companies Act, 2013 read with schedule IV to the Act, Sri Jayarama Reddy Pedireddygari (DIN NO.07053207) was appointed as an Independent Director of the Company to hold the said office for a period of five years with effect from 30th Otober, 2014 to 29th October, 2019.

KMPS OTHER THAN DIRECTORS:

In accordance with the provisions of the Companies Act, 2013 and Listing Agreement with the Stock Exchange, Sri S.Nageswara Reddy has been appointed as Chief Financial Officer of the Company w.e.f.30th March, 2015.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirements under Section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility statement, it is hereby confirmed:

a) that in preparation of the accounts for the financial year ended 31st March, 2015, 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 loss 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, 2015 on a "going concern" basis.

AUDIT COMMITTEE:

The Audit Committee continues to function to comply with the provisions of Clause 49 of the Listing Agreement and other statutory provisions. The Audit Committee was reconstituted with the following members Sri P.Jayarama Reddy, Sri V.Ramnath and Sri A.V.Narasimha Reddy. Sri P.Jayarama Reddy is the Chairman of the Audit Committee. The Audit Committee met four times during last year and reviewed the Internal Audit Reports and quarterly results.

CORPORATE GOVERNANCE:

Your Directors reaffirm their continued commitment to good corporate governance practices. During the year under review, your company was in compliance with the provisions of Clause 49 of the Listing Agreement with the Stock Exchange relating to Corporate Governance.

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 134(3)(1) of the Companies Act, 2013 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 for the financial year 2015-16 on 3rd May, 2015.

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

Statement concerning development and implementation of Risk Management Policy of the Company.

A Special Team with Senor Executives has been

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

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

The Company has introduced several improvements to Integrated Enterprise Risk Management, Internal controls, Management and Assurance frameworks and processes to drive a common integrated view of risks, optimal risk mitigation responses and efficient management of internal control and assurance activities. This integration is enabled by all three being fully aligned across country wide Risk Management, Internal Control and Internal Auditor methodologies and processes.

Details of Policy developed and implemented by the Company on its Corporate Responsibility initiatives

The Company has taken various Corporate Social Responsibility (CSR) activity around the factory site since its inception. The Company has taken appropriate steps to the possible extent to implement CSR activities for the development of areas surrounding the company in particular and other areas in general. A well documented CSR Policy has been drafted by a Team of Senior Executives of the Company and the same was approved by the Board in its meeting held on 30th March, 2015.

Particulars of Contracts or Arrangements made with Related Parties:

During the course of its business, the company is dealing with the Group Companies which are Related Parties pursuant to Section 188 of the Companies Act, 2013. According to Standard 18 and clause 49 of the Listing Agreement for Sale, Purchase, Lease Rental Transactions, services availed / provided and monetary value of the transactions are mentioned in notes to Accounts Point No.25.9 to comply with Accounting Standards 18 and other applicable provisions of the Companies Act, 2013. All the Related party transactions were on arm-length.

Extraction or comments on qualifications, reservations or adverse remarks or disclosures made by the Auditors and the Practicing Company Secretary in their Reports

Statutory Auditors of the Company and the Practicing Company Secretary, who have conducted statutory audit and Secretarial Audit have not made any adverse comments on the activities of the Company for the financial year 2014-15.

Company's Policy relating to Directors appointment, payment of Remuneration and discharge of their duties.

The Nomination and Remuneration Committee has been constituted by the Board in its meting held on 30th March, 2015 to ensure the appointment of persons having vide exposure in their fields, having independence as defined in the Act to be available for appointment as Director (The Committee always keeps a list of eminent persons having independence available for the Company's requirement depending upon vacancy on the Board). As regards remuneration payable to Wholetime Directors including Chairman and Managing Director, the Board will take collective decision within the parameter of various statutes including Companies Act, 2013 and Listing Agreement. The Committee will follow the Company's policy to discharge its duties whenever necessity arises. It will not be out of place to mention that the set policy being followed since inception of the Company to ensure transparency.

Internal Financial Controls:

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

Secretarial Auditor:

The Board has appointed M/s.G.M.V.D.R. and Associates, Practicing Company Secretaries to conduct the Secretarial Audit for the financial year 2014-15. The Secretarial Audit Report for the financial year ended 31st March, 2015 is annexed herewith The Secretarial Auditor Report does not contain any qualification, reservation or adverse remark.

Annual Return in Form MGT-9 format:

The details of Annual Return in MGT-9 format is enclosed

Subsidiaries, Joint Ventures and Associate Companies:.

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

Declaration of Independent Directors:

The Company has received the necessary declaration from each Independent Directors in accordance with Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence as laid out in sub-section (6) of Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Evaluation:

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

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

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

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

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

Disclosure as per the Sexual Harassment of Women at workplace(Prevention, Prohibition and Redressal) Act, 2013.

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

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

Vigil Mechanism:

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

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. SREEDHAR REDDY
Managing Director

Place: Nandyal
Dt:- 12th August, 2015

ANNEXURE TO DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2015:

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: Nil

Total Foreign Exchange earned: Nil

FORM 'A'

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

Particulars	Unit	CEMENT DIVISION 31-03-2015	CEMENT DIVISION 31-03-2014
A. Power and Fuel Consumption:			
1. Electricity:			
a) Purchased			
Units	000 KWH	33137.63	20044
Total Amount	Rs. Lakhs	2297.91	2011.58
Average Rate	Rs./KWH	6.93	10.04
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	59926	27428
Total Cost	Rs.Lakhs	2330.61	4130.56
Average Rate	Rs.per MT	3889.15	4332.89
3. Furnace Oil			
Quantity	Kilo.Lts	-	-
Total Cost	Rs.lakhs	-	-
Average Rate	Rupees	-	-
B Consumption per unit of Production:			
Electricity	KWH/tonnes of cement	135	140
Coal	Kgs/tonnes of cement	244	200

FORM "B"

A. RESEARCH AND DEVELOPMENT (R & D)

1. Specific area in which R & D is carried out by the Company:

   The company has not carried out R & D in any specific area.

2. Benefits derived as a result of the above efforts

   - Not applicable -

3. Future course of action:

   The Company has a system of continuously evaluating various production processes for up-gradation

4. Expenditure on R and D:

   No separate amount is incurred in respect of Research and Development.

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

- Not applicable -

ANNEXURE - II

Amount in Rupees

CASH FLOW STATEMENT FOR THE YEAR ENDED - 31.03.2015

		LESS	ADD	NET
A.	**CASH FLOW FROM OPERATING ACTIVITIES :**			
	NET PROFIT / (LOSS) BEFORE TAX			**-151553621**
	ADJUSTMENT FOR :			
	Depreciation		59250381	
	Dividend Received	8300		
	Interest received/paid	51178778	113488279	
	Profit / Loss on sale of Assets / Investments	98589	7762867	
	Property under development	0		
	Operating Profit before Working Capital Changes	51285667	180501527	129215859
	ADJUSTMENT FOR :			-22337762
	Trade and other receivables		5948353	
	Inventories	53936427		
	Trade payables/Working Capital		323752581	
	Working Capital Changes(Use)	53936427	329700934	275764507
	Cash generated from Operations			253426745
	Less: Interest paid	113488279	1753428	
	Direct Taxes paid	-		
		113488279	1753428	-111734851
	NET CASH FLOW FROM OPERATING ACTIVITIES			141691893
	Extra Ordinary Expenses / Income			0
B	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Purchase/Sale of Assets	25349642	2128609	
	Purchase/Sale of investments in property under development		2500000	
	Interest received		49425350	
	Dividend received		8300	
		25349642	54062259	28712617
	NET CASH FLOW USED IN INVESTING ACTIVITIES			170404510
C	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Share Capital			
	Repayment of/ Proceeds from Loans & Advances	49584279		
	Secured/Unsecured borrowings (Net)	116649813		
	NET CASH FLOW FROM FINANCING ACTIVITIES	166234092	0	-166234092
	Net Increase/Decrease in cash and cash equivalents			4170418
	Cash and Cash equivalents as on 01.04.2014			23819373
	Cash and Cash equivalents as on 31.03.2015			27989791

As Per our Report of even date attached
For Brahmayya & Co.,
Chartered Accountants
Firm's Regn. No :000514S

B. DAIVADHEENAM REDDY
Partner
M.NO:026450

Place: Nandyal
Date: 30.05.2015

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

V. SURESHKUMAR
Director

S. SREEDHAR REDDY
Managing Director

S. NAGESWARA REDDY
Chief Financial Officer