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**PANYAM
CEMENTS & MINERAL
INDUSTRIES LIMITED**



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

2016 - 17

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PANYAM CEMENTS & MINERAL INDUSTRIES LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS

S. SREEDHAR REDDY
Managing Director

V. SURESHKUMAR

V. ARVINDA RANI

V. RAMNATH

P. JAYARAMA REDDY

Dr. R.K. PRASAD SUNKARA

S. PANDURANGA RAO

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.

COST AUDITOR

Mrs. Aruna Prasad
Cost Accounts
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.

Phone: 08514-222274
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



61st ANNUAL REPORT 2016-17

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 61st Annual General Meeting of the Members of the Company will be held on Tuesday, the 26th September, 2017 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 2017, 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. Ramakrishna 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 Mrs. Vemuri Aravinda Rani (DIN No. 01241976) who retires by rotation and being eligible offers herself 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 pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors Rules 2014, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, M/s. K.S. Rao and Co., Chartered Accountants, Hyderabad (ICAI Firm Registration No.003109S) be and are hereby appointed as the Statutory Auditors of the Company (in place of M/s. Brahmayya & Co., Chartered Accountants, the retiring Auditors) for a term of five years commencing from the Company's financial year 2017 -18 to hold the office from the conclusion of the 61st Annual General Meeting till the conclusion of the 66th Annual General Meeting to be held in 2021-22 (subject to ratification of their appointment by the members at every intervening Annual General Meeting) on such remuneration plus GST, out of pocket expenses etc. as may be mutually agreed upon by the Board of Directors and the Auditors.”

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

Special Business:

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

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of Rs.50,000/- (Rupees Fifty thousand Only) plus GST as applicable and reimbursement of out of pocket expenses, at actual, as approved by Board of Directors of the Company, to be paid to M/s Aruna Prasad & Co., , Cost Auditors (Firm Registration No 100883) of the Company for conducting the audit of the cost records of the Company for the Financial Year ending on 31st March, 2018, be and is hereby ratified and confirmed.”

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

6. To Amend/Ratify EGM Notice dated 29th December, 2015 and Explanatory Statement annexed thereto, for the purpose of issuance of Share Warrants on Preferential Allotment passed by the shareholders on 25th January, 2016:

To consider and, if thought fit to give ASSENT/DISSENT to the following Resolution as a Special Resolution:



PANYAM CEMENTS & MINERAL INDUSTRIES LIMITED

“RESOLVED THAT pursuant to the EGM Notice dated 29th December, 2015 and the Explanatory Statement annexed thereto, duly passed by the shareholders on 25th January, 2016 with regard to issue of 8,43,060 Equity Share Warrants convertible into 8,43,060 Equity Shares, to be issued and allotted on preferential basis pursuant to Section 62(1)(c) read with Section 42 of the Companies Act, 2013 and applicable provisions of Companies (Share Capital and Debenture Rules), 2014 and also in pursuance of Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“SEBI ICDR Regulations”) (including any statutory modification(s) or re-enactment (s) thereof, for the time being in force), the following clauses/provisions in the said EGM resolutions and the Explanatory Statement annexed thereto, be and are hereby amended/ratified:

“RESOLVED THAT “ in the Table of Name of Proposed Allottees” as appearing in the EGM Notice dated 29th December, 2015 (passed on 25.01.2016) the names of the ultimate beneficial owners of the proposed allottees shall be substituted and read as under in accordance with Regulation 73(1)(e) of SEBI/CDR Regulations:

| S.No. | Name of the Proposed Allottee | Category of Persons | If allottee is not a natural person, identity of the natural person who are the ultimate beneficial owner of the shares proposed to be issued, if applicable | No. of Convertible warrants allotted | Pre Preferential allotment | | Post preferential Allotment (Assuming full Conversion of warrants) | |
|-------|--------------------------------------|--------------------------|--|--------------------------------------|----------------------------|---|--|-------|
| | | | | | No. of Shares | % | No. of Shares | % |
| 1. | EW India Special Assets Fund Pte Ltd | FII/FPIs | GAMLA Livförsäkringsaktiebolaget SEB Trygg Liv (Registered Insurance Company) PAN No. Not Applicable (Beneficial Owner is a foreign Company) | 678,663 | - | - | 678,663 | 4.02 |
| 2. | ECap Equities Limited | Private Corporate Bodies | Edelweiss Financial Services Limited (Domestic Listed Entity) PAN No. AAACE1461E | 164,397 | - | - | 164,397 | 0.98% |

RESOLVED FURTHER THAT for the purpose of giving effect to the above ratifications/modifications in the EGM Notice and Explanatory statement dated 29th December, 2015 duly passed by the shareholders on 25th January, 2016, the Board of Directors of the Company be and is hereby authorized to take all such acts, deeds, matters and things as may be required in connection with the proposed allotment of warrants, and conversion of warrants into equity shares without limitation of finalizing the offer letter and entering into relevant agreements and including any act, matters and things which had already done with statutory authorities/Stock Exchanges and further authorize the Board to carry out all necessary acts, deeds, matters etc. as may be necessary for giving effect to the above modifications/ratifications/alterations and also to file the amendments ratifications with the Stock Exchanges and seek listing of such securities (equity shares) at the Stock Exchanges where the existing securities(equity shares) are listed.

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

S. SREEDHAR REDDY
Managing Director
DIN No. : 01440442

Place: Nandyal
Dt:- 26th August, 2017

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



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Notes: -

- The Explanatory Statement pursuant to section 102 of the Companies Act, 2013 (Act) in respect of the business under Item Nos. 4, 5, and 6 of the Notice, is annexed hereto. The relevant details as required under clause 49 of the Listing Agreement entered into with the Stock Exchange, of persons seeking appointment/ re-appointment as Directors under Item No. 2 to 3 of the Notice, are also annexed.
- 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.
- 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.
- 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.
- Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
- 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.
- 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.
- The Company has notified closure of Register of Members and Share Transfer Books from 25.09.2017 to 26.09.2017 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.
- 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.
- 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.
- 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’.
- 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.
- Non-Resident Indian Members are requested to inform XL Softech Systems Ltd, immediately of:
 - Change in their residential status on return to India for permanent settlement.
 - Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
- To support the ‘Green Initiative’, members who have not registered their e-mail addresses so far are requested to register their e-mail address with XL Softech Systems Ltd/Depositories for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
- The Notice of the AGM along with the Annual Report 2016-17 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.
- The Annual Report of your company for the financial year 2016-17 would also be made available in the Company’s website” www.panyamcements.com
- 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) <ul style="list-style-type: none">● Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.● In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. |
| DOB# | Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format. |
| Dividend Bank Details # | Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none">● Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id folio number in the Dividend Bank details field. |

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 - (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
 - (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
 - (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.



- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on <Date and Time> and ends on <Date and Time>. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of <Record Date>, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
18. Kindly note that the Shareholders can opt only one mode of voting, i.e. either by Physical Ballot or e-voting. If you are opting for e-voting, then do not vote by Physical Ballot also and vice versa. However, in case the Shareholders cast their vote by Physical Ballot and e-voting, then voting done through valid Physical Ballot shall prevail and voting done by e-voting will be treated as invalid.
19. The voting period begins at 9.00 A.M. on 23rd September, 2017 and ends at 5.00 P.M. on 25th September, 2017. The e-voting module shall also be disabled by CDSL for voting thereafter.
20. The Company has appointed Mr.G.M.V.Dhanunjaya Rao, Company Secretary, Flat No. 2A, Cheruku Apartments, Door No.3 6-653/1, Street No.9, Himayatnagar, Hyderabad 500 029, who in the opinion of the Board is a duly qualified person, as a Scrutinizer who will collate the electronic voting process in a fair and transparent manner. The Scrutinizer shall within a period of three working days from the date of conclusion of the shareholders meeting, submit his report after consolidation of e-voting and the votes in the shareholders meeting, cast in favour of or against, if any, to the Chairman of the Company. Results will be uploaded on the company's website as well as intimated to the Stock Exchange (BSE).
21. The Scrutinizer will submit his report to the Chairman of the 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 27th September 2017.

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. Ramakrishna Prasad Sunkara, aged about 71 years, is a Doctor by Profession.having practice at USA. He is having a total experience of about 39 years in medical field.. His guidance and services have been immense for further growth of the company.



PANYAM CEMENTS & MINERAL INDUSTRIES LIMITED

Item No.3:

Mrs. Vemuri Aravinda Rani, aged about 38 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.

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

Item No.4:

Pursuant to the provisions of Section 139 of the Act read with applicable Rules framed thereunder, M/s Brahmayya & Co., Chartered Accountants, Adoni. the present Auditors of the Company complete their term as Auditors.

In view of the above, M/s.K.S.Rao and Co., Chartered Accountants. Hyderabad having Registration No. 003109S, have been appointed as the Statutory Auditors of the Company for a term of five years commencing from the Company's financial year 2017-18 to hold office from the conclusion of the 61st Annual General Meeting till the conclusion of the 66th Annual General Meeting, subject to ratification of their appointment by the Members at every intervening Annual General Meeting on a remuneration plus applicable taxes, out-of-pocket expenses, etc. incurred in connection with the Audit as may be decided by the Board of Directors in consultation with the Auditors.

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

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

Item No.5

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

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No.5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending 31st March, 2018.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.5 of the Notice.

The Directors recommend the Resolution as stated at Item No 5 of the Notice for approval of the Members by way of an Ordinary Resolution.

Item No.6

The shareholders of the company at the Extra Ordinary General Meeting held on 25th January, 2016 passed necessary resolution to issue 8,43,060 Nos. of Equity Share Warrants convertible into 8,43,060 Equity Shares on preferential basis. However ratification in relation to the ultimate beneficiary owners of the equity shares to be allotted upon conversion of share warrants with exact entity's name is required to be mentioned, as the ultimate beneficial owners name mentioned earlier in the EGM Notice dated 29th December, 2015 do not correctly reflect the same. Hence as advised by the Stock Exchange and in order to comply with Regulation 73(1)(e) of the SEBI regulations, necessary changes are made in the EGM resolution as set out in the notice. Accordingly the ultimate beneficiary owners of the proposed allottees i.e (1) EW India Special Assets Fund Pte Ltd., and (2) Ecap Equities Limited are (1)GAMLA Livförsäkringsaktiebolaget SEB Trygg Liv(registered Insurance Company) and (2) Ecap Equities Limited is a subsidiary of Edelweiss Financial Services Limited, which is a public limited company in India respectively.

None of the directors, Key Managerial Personnel (KMPs) of the Company or any relatives of such Director(s) or KMPs, are in any way concerned or interested financially or otherwise in the proposed Resolution, except to the extent of their equity holdings in the Company, if any.

The Directors recommend the Resolution as stated at item No. 6 of the Notice for approval of the Member by way of an Ordinary Resolutions.

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

Place: Nandyal
Dt:- 26th August, 2017

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

S. SREEDHAR REDDY
Managing Director



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

| Particulars | Dr. Ramakrishna Prasad Sunkara | Vemuri Aravinda Rani |
|---|--------------------------------|--|
| Date of Birth | 16.11.1946 | 12-01-1979 |
| Date of Appointment | 26.11.1994 | 13-08-2014 |
| Qualifications | MBBS | B.Tech |
| Expertise in specific functional areas | By Profession Doctor | Academician by Profession |
| Directorships held in other companies (excluding foreign companies) | NIL | <ul style="list-style-type: none">• 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)• Nandi Polymers India Private Limited• Anantha PVC Pipes Pvt.Ltd.(Part XI)• Nandi Water Containers Private Ltd.• Telangana Pipes Private Limited• Sanj Feed Technologies Pvt.Ltd. |
| Memberships/ Chairmanships of committees of other companies (includes only Audit Committee and Shareholders/ Investors Grievance Committee) | Nil | Nil |
| Number of shares held in the Company | 135 | 1073081 |



PANYAM CEMENTS & MINERAL INDUSTRIES LIMITED

DIRECTORS' REPORT :

To
The Members

Your Directors have pleasure in presenting the 61st Annual Report and Audited Statements of Accounts for the year ended 31st March, 2017:

FINANCIAL RESULTS :

| | | (Rs.in lakhs) | |
|--|-----|--|--|
| | | Year ended 31 st March 2017 | Year ended 31 st March 2016 |
| Income: | | | |
| Gross Sales of manufactured products | .. | 26655.42 | 27303.31 |
| Less: Excise Duty and Sales Tax | .. | 5847.39 | 6048.30 |
| | | ----- | ----- |
| Net Sales of manufactured products | .. | 20808.03 | 21255.01 |
| Other Income | .. | 1288.04 | 996.69 |
| | | ----- | ----- |
| Total | .. | 22096.07 | 22251.70 |
| | | ----- | ----- |
| Profit before Interest and Depreciation | .. | 3024.64 | 3160.19 |
| Less: Interest and Finance charges | .. | 1797.39 | 1402.11 |
| Less: Depreciation | .. | 701.51 | 626.74 |
| | | ----- | ----- |
| Net Profit before Exceptional Extra Ordinary Items and Tax | | 525.74 | 1131.74 |
| Add Exceptional Items on transfer of Wire Division Land | | 23.29 | 58.64 |
| Property under Joint Development Agreement | | ----- | ----- |
| Net Profit before tax | | 549.03 | 1190.38 |
| Less Provision for - Income Tax for the year (MAT) | | 125.00 | 122.00 |
| Deferred Tax Liability | | ----- | ----- |
| Net Profit after tax | | 424.03 | 1068.38 |
| Loss Brought Forward from previous year | (-) | 2420.18 | (-) 3488.56 |
| Depreciation on Fixed Assets whose Useful life is over | | ----- | ----- |
| Loss carried to Balance Sheet | | (-)1996.15 | (-)2420.18 |

OPERATIONS:

The Company has produced 5,74,882 M.Tonnes of cement during the year 2016-17, as against 5,89,660 M. Tonnes produced during the previous year. The performance of the Company was satisfactory. The market conditions have continued at the same level as was prevailing in the last year. The gross sales for the year under report was Rs.26655.42 lakhs as against Rs.27303.31 lakhs in the previous year. The Net profit after tax for the year was Rs.424.03 lakhs as against net profit of Rs.1068.38 lakhs.

As stated in our last year Annual Report, the developer Greenage Griha Nirman Private Limited (formerly known as Bhimshankar Realtors Private Limited) has Completed construction of all the blocks except two blocks. which are under final stage of construction



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and is expected to be completed by the end of next year i.e., 31/12/2018, with grace period of six months. The Flatsunder these two blocks ie. F-Fern and G-Ginger are premium apartments consisting of 64 apartments in each block which are of large in size.

MODERNISATION OF THE CEMENT UNIT:

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

The Railway Siding works have been completed and the same has been cleared by the Railway Authorities. We have started dispatching of cement and also started getting coal by rakes. This has resulted in reducing the logistic costs. Further, the secondary crusher works have been completed successfully and the same is under operation and getting good results. The output of the raw mills has increased considerably. This has in turn has resulted in the reduction of power consumption in the raw mills sections. We have installed a bucket elevator for the transportation of ground raw meal from the mills in place of F.K.Pumps and Air Lift Pump. This has resulted in reduction of power consumption and also facilitated the transfer of material among the storage and blending silos. As per the Central Pollution Control norms, the modification of works in respect of Kiln 1 are completed and for No.3 is under installation.

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, 2017.

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. Cement demand in India is expected to increase due to Government's push for large infrastructure projects. The housing sector is the biggest demand driver of cement, accounting for 67 per cent of the total consumption in India. Some of the recent major government initiatives such as development of about 98 smart cities are expected to provide a major boost to the cement sector. Further about 10-18% growth in demand is expected from two Telugu States viz. Telangana and Andhra Pradesh during next 2-3 years due to various heavy projects undertaken by the respective Governments.

CONVERSION OF WARRANTS:

Pursuant to Section 42 and 62 and all other applicable

provisions, if any, of the Companies Act, 2013 and Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 read with the enabling provisions of the Memorandum and Articles of Association of the Company and pursuant to the approval obtained from the shareholders in their Extra Ordinary General Meeting held on 25th January, 2016, the Board of Directors of the Company at their meeting held on 17th March, 2016 have issued 8,43,060 Convertible warrants at a price of Rs.84.61 per warrant (including premium of Rs.74.61 per warrant) with option to the allottees to convert the said warrants into equity within a period of 18 months from the date of issue of such warrants to M/s.EW India Special Assets Pte. Ltd., and M/s.Ecap Equities Limited.

The said allottees have requested the company to convert the warrants into equity on 15th March, 2017 and also they have remitted the balance amount of Rs.5,34,98,481/- (being the balance 75% of the total amount) on 1st March, 2017. Accordingly, the Board of Directors of the Company at their meeting held on 1st March, 2017 have issued and allotted 8,43,060 Equity Shares to the said allottees, subject to the approval of the same by the BSE. The company has already submitted an application to BSE for listing of the said shares and the same is pending before BSE.

INDUSTRIAL RELATIONS:

The Company continued to enjoy peaceful industrial relations during the year.

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. K.S.Rao & Co., (Firm Registration No. 003109S), Chartered Accountants, Hyderabad, were appointed as Statutory Auditors of the Company for a term of 5 years upon the recommendation of the Audit Committee at its meeting held on 26th August, 2017 by the Board in its meeting held on 26th August, 2017, subject to the members ratification every year to comply with the Section 143 of the Companies Act, 2013. Accordingly, a resolution for their appointment will be placed at the ensuing Annual General Meeting for members' approval.

AUDITOR'S REPORT:

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

As regards non-remittance of undisputed statutory dues as mentioned in para vii(a) of Annexure to Auditors' Report and dues to banks as mentioned in para (ix) of the Annexure to the Report, the Company is clearing the statutory dues in a phased manner.

COST AUDIT:

The Central Government has ordered the audit of cost accounts relating to manufacture of cement for the financial



year ended 31st March, 2017. With the approval of the Central Government, M/s. Aruna Prasad & Co., Cost Accountants, Chennai have been appointed to audit the cost accounts. The Cost Audit is under progress.

SECRETARIAL AUDIT:

The Board has appointed M/s. GMVDR Associates, Practising Company Secretaries to conduct Secretarial Audit for the FY 2016-17. The Secretarial Audit Report for the financial year ended March 31, 2017 is annexed to this Report as Annexure - III. The qualification / remarks made in the Secretarial Audit Report are self - explanatory

DIRECTORS:

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

INDEPENDENT DIRECTORS

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

BOARD EVALUATION:

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

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

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

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

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

VIGIL MECHANISM:

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

APPOINTMENT OF WOMAN DIRECTOR

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

KMPS OTHER THAN DIRECTORS:

In accordance with the provisions of the Companies Act, 2013 and Listing Agreement with the Stock Exchange, Sri. S. Sreedhar Reddy, Managing Director and Sri S. Nageswara Reddy, Chief Financial Officer of the Company have been designated as the KMPS of the Company.

MEETINGS OF THE BOARD

The Board of Directors of your Company met 10 times during the year to deliberate on various matters. Further details on the Board of Directors are provided in the Corporate Governance Report forming part of this Annual Report.

AUDIT COMMITTEE:

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

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

CORPORATE SOCIAL RESPONSIBILITY

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

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

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

CORPORATE GOVERNANCE:

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



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

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

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

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

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

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

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

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

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

Listing Agreement:

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

The Equity/Preference Shares of the Company are listed on the BSE Limited and the annual listing fee was paid to the said Stock Exchange for the financial year 2016-17 on 7th April, 2017

RISK MANAGEMENT

A Special Team with Senior Executives has been formed which has been entrusted with the responsibility to assist the Managing Director in (a) Over 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.

CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:

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

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



SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

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

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

Statutory Auditors of the Company and the Practicing Company Secretary, who have conducted statutory audit and Secretarial Audit have not made any adverse comments on the activities of the Company for the financial year 2016-17. The remarks made in the Auditors' Report and Secretarial Audit Report are self - explanatory.

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

The Nomination and Remuneration Committee has been constituted by the Board in its meeting held on 30th March, 2015 to ensure the appointment of persons having 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 Whole time Directors including Managing Director, the Board will take collective decision within the parameter of various statutes including Companies Act, 2013 and Listing Agreement. The Committee will follow the Company's policy to discharge its duties whenever necessity arises. It will not be out of place to mention that the set policy being followed since inception of the Company to ensure transparency.

INTERNAL FINANCIAL CONTROLS:

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

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

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

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

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

ANNUAL RETURN IN FORM MGT-9 FORMAT:

In terms of the provisions of Section 92 (3) of the Act read with the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return of your Company for the financial year ended 31st March, 2017 is given in Annexure - IV.

CAUTIONARY STATEMENT

Statements in the Directors' Report and the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to your Company's operations include demand supply conditions, finished goods prices, cyclical demand and pricing in your Company's principal markets, changes in Government regulations, tax regimes, economic developments within India within which your Company conducts business and other factors such as litigation and labour negotiations. Your Company is not obliged to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent development, information or events or otherwise.

ACKNOWLEDGEMENTS:

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

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

S. SREEDHAR REDDY
Managing Director

V. SURESH KUMAR
Director

Place: Nandyal
Dt:- 26th August, 2017



ANNEXURE TO DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2017:

ANNEXURE I

A. Conservation of Energy:

(a) Energy conservation measures taken:

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

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

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

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

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

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

Savings on energy thereby reducing the cost of production.

(d) Total energy consumption per unit of production:

Particulars given in Form "A" annexed.

B) Technology Absorption:

Particulars given in Form "B" annexed.

C) Foreign Exchange Earnings and Outgo:

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

No exports were made during the year under review.

b) Total foreign exchange used: Nil

c) Total Foreign Exchange earned Nil



**PANYAM CEMENTS &
MINERAL INDUSTRIES LIMITED**

FORM 'A'
FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

| Particulars | Unit | CEMENT DIVISION | |
|--|----------------------|-----------------|------------|
| | | 31-03-2017 | 31-03-2016 |
| A POWER AND FUEL CONSUMPTION: | | | |
| 1 ELECTRICITY | | | |
| a) Purchased | | | |
| Units | 000KWH | 57322 | 65148 |
| Total Amount | Rs.Lakhs | 3800.73 | 4056.94 |
| Average Rate | Rs./KWH | 6.63 | 6.22 |
| 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 | 69831 | 90007 |
| Total Cost | Rs.lakhs | 3800.73 | 4083.47 |
| Average Rate | Rs.per MT | 5206.33 | 4536.85 |
| 3 FURNACE OIL | | | |
| Quantity | KILO LTS. | - | - |
| Total Cost | Rs.lakhs | - | - |
| Average Rate | Rupees | - | - |
| B CONSUMPTION PER UNIT OF PRODUCTION | | | |
| Electricity | KWH/tones of cement | 100 | 110 |
| Coal | Kgs/tonnes of cement | 121 | 153 |

FORM "B"

- | | |
|--|---|
| <p>A. RESEARCH AND DEVELOPMENT (R & D)</p> <p>1. Specific area in which R & D is carried out by the Company:</p> <p>The company is carrying out R & D in fuel consumption . Alternate fuels i.e. waste from the basic drug industries was tested and we have already started using these materials on a trial basis, since last quarter. This will reduce the consumption of regular coal.</p> <p>2. Benefits derived as a result of the above efforts</p> <p>The benefits will be arrived after completion of these development works.</p> | <p>3. Future course of action:</p> <p>The Company has a system of continuously evaluating various production processes for up gradation</p> <p>4. Expenditure on R and D:</p> <p>No separate amount is incurred in respect of Research and Development.</p> <p>B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:</p> <p align="center">- Not applicable -</p> |
|--|---|



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ANNEXURE - II Amount in Rupees

CASH FLOW STATEMENT FOR THE YEAR ENDED - 31.03.2017

| | | LESS | ADD | NET |
|-----------|--|------------------|------------------|-------------------|
| A. | CASH FLOW FROM OPERATING ACTIVITIES : | | | |
| | NET PROFIT/(LOSS) BEFORE TAX | | | 54903138 |
| | ADJUSTMENT FOR : | | | |
| | Depreciation | | 70151491 | |
| | Dividend Received | 200 | | |
| | Interest received/paid | 124156739 | 179739415 | |
| | Profit/Loss on sale of Assets/investments | | | |
| | TOTAL | 124156939 | 249890906 | 125733967 |
| | Operating Profit before Working Capital Changes | | | |
| | ADJUSTMENT FOR : | | | |
| | Trade and other receivables | | 50121960 | 180637105 |
| | Inventories | 46229100 | | |
| | Trade payables and other Liabilities | 56960105 | | |
| | Working Capital Changes(Use) TOTAL | 103189205 | 50121960 | -53067245 |
| | Cash generated from Operations | | | 127569861 |
| | Less: Interest paid/Received | 179739415 | 4156739 | |
| | Direct Taxes paid | | | |
| | | 179739415 | 4156739 | -175582676 |
| | NET CASH FLOW FROM OPERATING ACTIVITIES | | | |
| | Extra Ordinary / Exceptional Income from | | | -48012815 |
| | Property under development | 2328994 | | -50341809 |
| B | CASH FLOW FROM INVESTING ACTIVITIES | | | |
| | Purchase/ sale of Fixed Assets | 178916311 | | |
| | Purchase / sale of property under development | | 219500 | |
| | Investments in Equity | 500000000 | | |
| | Dividend received | | 200 | |
| | NET CASH USED IN INVESTING ACTIVITIES: | 678916311 | 219700 | -678696611 |
| C | CASHFLOW FROM FINANCING ACTIVITIES | | | -729038420 |
| | Issue of Share Capital /Warrants | | 53498481 | |
| | Interest received on Long Term Loans and Advances | | 120000000 | |
| | Payment to Long Term Loans and Advances | 153327796 | | |
| | Secured/Unsecured borrowings (Net) | | 662509900 | |
| | NET CASHFLOW FROM FINANCING ACTIVITIES: | 153327796 | 836008381 | 682680585 |
| | Net Increase/decrease in cash and cash equivalents | | | -46357835 |
| | Cash and Cash equivalents as on 01.04.2016 | | | 65496883 |
| | Cash and Cash equivalents as on 31.03.2017 | | | 19139048 |

As Per our Report of even date attached

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

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

CA. B. DAIVADHEENAM REDDY
Partner
M.NO:026450

V. SURESHKUMAR
Director

S. SREEDHAR REDDY
Managing Director

Place: Nandyal
Date: 30th May, 2017

S. NAGESWARA REDDY
Chief Financial Officer