PANYAM CEMENTS & MINERAL INDUSTRIES LIMITED



2017 - 18

CORPORATE INFORMATION

BOARD OF DIRECTORS

S. SREEDHAR REDDY
Managing Director

V. SURESHKUMAR

V. ARAVINDA RANI

V. RAMNATH

P. JAYARAMA REDDY

S. PANDURANGA RAO

Dr. R.K. PRASAD SUNKARA

REGISTRAR & SHARE TRANSFER AGENTS

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

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

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

AUDITORS

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

COST AUDITOR
Mrs. Aruna Prasad
Cost Accounts
Plot No.802, 64th Street,
10th Sector, K.K. Nagar.
Chennai - 600 078.

BANKERS
State Bank of India
SSME Branch
Nandyal.

State Bank of India
SME Branch,
Somajiguda, Hyderabad

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

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

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

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

PANYAM CEMENTS & MINERAL INDUSTRIES LIMITED

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

NOTICE

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

Ordinary Business

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March 2018, and the Statement of Profit and Loss for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a director in place of Mr. V. Suresh Kumar, (DIN NO.01788268), who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a director in place of Mr. V. Ramnath (DIN No. 01303841) who retires by rotation and being eligible offers himself for re-appointment.
4. To ratify the appointment of Auditors as statutory auditors of the company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.

"RESOLVED that pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Company hereby ratifies the appointment of M/s. K.S. Rao & Co., Chartered Accountants, Hyderabad (Registration No. 003109S) as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at such remuneration plus tax as applicable and reimbursement of out of pocket expenses in connection with the audit the Board of Directors may fix in this behalf."

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

Special Business:

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

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

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

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

S. SREEDHAR REDDY
Managing Director
Din No. 01440442

Place: Nandyal
Date: 13th November, 2018.

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 Nos. 4 and 5 of the Notice, is annexed hereto. The relevant details as required under clause 49 of the Listing Agreement entered into with the Stock Exchange, of persons seeking appointment/ re-appointment as Directors under Item No. 2 to 3 of the Notice, are also annexed.
2. A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. Brief resume of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange are provided.
5. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Sundays, during business hours up to the date of the Meeting.
8. The Company has notified closure of Register of Members and Share Transfer Books from 24.12.2018 to 31.12.2017 (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 number and address of the bank with pin code number, if not furnished earlier.

14. To support the 'Green Initiative', members who have not registered their e-mail addresses so far are requested to register their e-mail address with XL Softech Systems Ltd/Depositories for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

15. SEBI has amended Regulation 40 off Securities and Exchange Board of India (List of Obligations and Disclosure Requirements) Regulations 2015 vide Gazeta Notification dated June 8, 2018, that transfer of Securities i.e. shares would be carried out in dematerialization form only. Hence the members who are holding shares of the company in physical form are requested to get their shares dematerialized on or before 31st December 2018.

16. The Notice of the AGM along with the Annual Report 2017-18 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.

17. The Annual Report of your company for the financial year 2017-18 would also be made available in the Company's website "www.panyamcements.com "

18. In compliance with the provisions of section 108 of the Act and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all resolutions set forth in this Notice.

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

In case of members receiving e-mail:

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

(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.

(viii) After entering these details appropriately, click on "SUBMIT" tab.

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

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

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

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

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

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

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

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

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

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

In case of members receiving the physical copy:

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

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

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

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

19. The voting period begins at 9.00 A.M. on 28th December, 2018 and ends at 5.00 P.M. on 30th December, 2018. The e-voting module shall also be disabled by CSDL for voting thereafter.

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

21. The Scrutinizer will submit his report to the Chairman of the meeting after completion of the scrutiny of the e-voting process and the results will be announced at the Registered Office of the Company situate at C-1, Industrial Estate, Nandyal - 518 502, Kurnool District, Andhra Pradesh on 1st January, 2019.

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

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

Item No.2:

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

Item No.3:

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

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

Item No.4:

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

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

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

Item No.5

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

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

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

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

S. SREEDHAR REDDY
Managing Director

Place: Nandyal
Date: 13th November, 2018.

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	V. Sureshkumar Shastry	V. Ramnath
Date of Birth	27-11-1973	09-02-1956
Date of Appointment	30-05-2011	18-01-1992
Qualifications	B. Tech	B. Tech
Expertise in specific functional areas	Managing projects in VLSL and PVC Pipes	Cement Technology and Printing Technology
Directorships held in other companies (excluding foreign companies)	• Kasura Technologies Pvt.Ltd. • Nandi Grain Derivatives P.Ltd. • Sujala Infrastructure Pvt.Ltd. • Nandi Trade Impex Private Limited • Integrated Thermoplastics Pvt.Ltd. • Telangana Pipes Private Limite	• Cheran Cement Ltd • Bon Sante Baking Ltd • Tegra Digital Private Ltd . • Jakkampudi Economic Township Development Corporation 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	1843752	Nil

DIRECTORS' REPORT :

To
Dear Members

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

FINANCIAL RESULTS:

Particulars		(Rs. in lakhs) Year ended 31st March 2018	Year ended 31st March 2017
Revenue from Operations		17454.86	24053.16
Other Income	..	1583.33	1411.53
Total Revenue		19038.19	25464.69
Profit before Interest and Depreciation		1155.97	3148.14
Less: Interest and Finance charges	..	3389.69	2377.21
Less: Depreciation and Amortisation	..	936.28	701.51
Profit / (Loss) before Exceptional Items and Tax		(-) 3170.00	69.42
Add Exceptional Items on transfer of Wire Division Land Property under Joint Development Agreement		26.24	23.29
Profit / Loss (-) before tax		(-) 3143.76	92.71
Less Provision for Income Tax for the year		0	125.00
Net Profit / (Loss) after tax		(-) 3143.76	-32.29
Net gains / (Loss) on FVTOCI equity securities		70.79	(-) 1864.09
Total Comprehensive Income for the period (TCI)		(-) 3072.97	(-) 1896.38

OPERATIONS:

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

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

MODERNISATION OF THE CEMENT UNIT:

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

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

DIVIDEND:

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

FIXED DEPOSITS:

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

INSURANCE:

The assets of the Company are adequately insured.

CURRENT YEAR PROSPECTS:

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

CONVERSION OF WARRANTS:

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

INDUSTRIAL RELATIONS:

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

EMPLOYEES:

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

AUDITORS:

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

AUDITOR'S REPORT:

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

COST AUDIT:

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

SECRETARIAL AUDIT:

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

DIRECTORS:

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