

Panyam Cements & Mineral Industries Limited

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

Date: 26th August 2021

**The Secretary
BSE Limited
P J Towers
Dalal Street
Mumbai – 400 001**

Scrip Code: BSE: (500322)

Scrip Name: PANCM

Subject: Intimation about the date of the ensuing Annual General Meeting and Intimation under Regulation 42 of the SEBI (LODR) Regulations 2015 regarding Book Closure.

We wish to inform you that the 64th Annual General Meeting (AGM) of our company will be held on Saturday, September 18, 2021, at 11.30 a.m. through Video Conference (VC)/ other Audio-Visual Means (OAVM).

Pursuant to Regulation 34(1) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company along with the notice of AGM for the financial year 2019-20 which is being sent through electronic mode to all our members.

We further wish to inform you that the Register of Members and the Share Transfer Books of our company will remain closed during the period from 11th September 2021 to 18th September 2021 (both days inclusive).

Thanking you

Yours faithfully
For Panyam Cements & Minerals Industries Limited

BHRUGESH AMIN.

Erstwhile Resolution Professional in the matter of CIRP of Panyam Cements and Mineral Industries Limited.

Implementation and Monitoring Committee Member

IBBI Registration no. IBBI/IPA-002/IP-N00353/2017-18/11003

Erstwhile Resolution Professional of Panyam Cements and Mineral Industries Limited. Signed without any liability for administrative purpose only, as review period is prior to appointment of insolvency professional/ commencement of corporate insolvency resolution process.

Encl: As above

Regd. Office: C-1, Industrial Estate, Bommalasatram, Nandyal - 518 502, Kurnool Dist. (A.P.) India.
Cement Works: Cementnagar - 518 206, Kurnool District (A.P.) India.



**PANYAM
CEMENTS & MINERAL
INDUSTRIES LIMITED**



2019-20

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CORPORATE INFORMATION

A company under Corporate Insolvency Resolution Process by National Company Law Tribunal ("NCLT") vide order dated 14th May 2020.

BOARD OF DIRECTORS

(Suspended during CIRP vide NCLT, Amaravati Bench order dated 14th May 2020)

S. Sreedhar Reddy	MANAGING DIRECTOR
V. Aravinda Rani	Director (Resigned w.e.f. 28th February 2021)
S. Panduranga Rao	Director
Dr. R.K. Prasad Sunkara	Director
Jayarama Reddy Pedireddygari	Director

COMPANY SECRETARY

Divya Yadav
(Resigned w.e.f. 31st December 2019)

RESOLUTION PROFESSIONAL

Bhrugesh Amin
IP Registration - IBBI/IPA-002/IP-
NO.0353/2017-18/11003

AUDITORS

K. S. Rao & Co.
Chartered Accountant
Flat 601A, Golden Green Apartments,
Irrum Manzil Colony, Hyderabad - 500 082

SECRETARIAL AUDITORS

Krishna Kumar & Associates
Proprietor
H. No. 2-2-114/27, New Nallakunta,
Hyderabad - 500 044, TS

BANKERS

State Bank of India
Bank of India
Indostar Capital Finance Limited

REGISTRAR & SHARE TRANSFER AGENTS

XI Softech Systems Limited
3, Sagar Society, Road No.2,
Banjara Hills, Hyderabad - 500 034.
Phone Nos.: 040-23545913/14/15
Fax No.: 040-23553214
Email: xlfield@rediffmail.com

REGISTERED OFFICE

C-1, Industrial Estate, Bommalasatram,
Nandyal - 518 502, Kurnool District - A.P.
Telephone No.: 08514-222274
Email: panyam1956@gmail.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

CEMENT WORKS:

Cementnagar - 518 206
Kurnool District, A.P.
Telephone Nos.: 08516-274638
Fax No.: 08516-274644
Email: panyam1956@gmail.com

PANYAM CEMENTS AND MINERAL INDUSTRIES LIMITED

CIN: L26940AP1955PLC000546

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

NOTICE

The Hon'ble National Company Law Tribunal, Amaravati Bench, ("NCLT"), had vide its order dated 14th May, 2020 admitted the application for the initiation of the corporate insolvency resolution process ("CIRP") of Corporate Debtor ("Admission Order") in terms of the Insolvency and Bankruptcy Code, 2016 read with the rules and regulations framed there under, as amended from time to time ("Code"). Further, the NCLT vide an order dated 14th May, 2020 has appointed Mr. Bhrugesh Amin (IBBI Registration no. IBBI/IPA-002/IP-N00353/2017-18/11003) as the Interim Resolution Professional ("IRP") for the Company, the Corporate Debtor ("Insolvency Commencement Date"). The admission order was published on 14th May, 2020, on which date the Resolution Professional has taken over the management and affairs of the Company. Pursuant to the publication of the admission order and in accordance with the provisions of the Code, the powers of the Board of Directors of the Company stand suspended and the same have been vested with and are being exercised by the Resolution Professional. Further, appointment as the Resolution Professional ("RP") was subsequently approved by the committee of creditors on 26th June, 2020.

Notice is hereby given that the 64th Annual General Meeting of the Members of the Panyam Cements and Mineral Industries Limited will be held on 18th September, 2021 at 11.30 A.M. IST, through Video Conference ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31st March, 2020 together with the reports of the Directors and Auditors thereon and in this regard to pass the following resolution as an ordinary resolution.

RESOLVED THAT the audited financial statements of the Company for the financial year ended 31st March, 2020 together with the reports of the Directors and Auditors thereon be and are hereby received, considered, approved and adopted.

By Order of the Board of Directors

For **PANYAM CEMENTS & MINERAL INDUSTRIES LIMITED**
(A company under Corporate Insolvency Resolution Process
by NCLT, Amaravati Bench order dated 14th May, 2020)

Date: 18th August, 2021
Place: Nandyal

S. Sreedhar Reddy
Managing Director
DIN: 01440442

Regd. Office:
C-1, Industrial Estate,
Nandyal - 518502
Kurnool District, Andhra Pradesh

Notes:-

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated 5th May, 2020 read with circulars dated 8th April, 2020, 13th April 2020, 17th August, 2020 and 13th January, 2021 (collectively referred to as “MCA Circulars”) permitted holding of the Annual General Meeting of companies through Video Conferencing or Other Audio Visual Means (“VC / OAVM”), without the physical presence of the Members at a common venue.
2. In compliance with applicable provisions of the Companies Act, 2013 (“Act”) read with the MCA Circulars and SEBI Circular No.SEBI/HO/CFD/CMD1/CIR/P/2020/79, dated 12th May, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021, the 64th Annual General Meeting of the Company is being conducted through Video Conferencing or Other Audio Visual Means (“VC / OAVM”) (hereinafter referred to as “AGM’ or “e-AGM”). In accordance with the Secretarial Standard -2 on General Meeting issued by the Institute of Company Secretaries of India (ICSI) read with Guidance/Clarification dated 15th April, 2020 issued by ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the e-AGM.
3. e-AGM: The Company has appointed M/s KFin Technologies Private Limited (“KFIN”), to provide the VC/ OAVM facility for conducting AGM electronically and for voting through remote e-voting or through e-voting at the e-AGM.
4. Pursuant to the provisions of the Act, normally, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf who may or may not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Further as per the MCA Circulars, the facility for appointment of proxies by the Members will not be available for the e-AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
5. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the e-AGM on its behalf and to vote either through remote e-voting or during the e-AGM. The said Resolution/ Authorization should be sent electronically through their registered email address to the Scrutinizer at bssass99@gmail.com with a copy marked to evoting@kfintech.com and company’s email id at panyam1956@gmail.com.
6. The Company’s Registrar and Transfer Agents for its Share Registry Work (Physical and Electronic) is XL Softech Systems Limited having office at 3, Sagar Society, Road No.2, Banjara Hills, Hyderabad - 500 034.
7. **Attendance at the e-AGM:** Member will be provided with a facility to attend the e-AGM through video conferencing platform provided by KFin Technologies Private Limited. Members may access the same at <https://evoting.kfintech.com> by clicking “e-AGM - Video Conference & Streaming” and access the shareholders’/ members’ login by using the remote e-voting credentials which shall be provided as per Note No.18 below. Kindly refer to Note No.17 below for detailed instructions for participating in the e-AGM through Video Conferencing.

8. The Members can join the e-AGM 15 minutes before the meeting or within 15 minutes after the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice.
9. As per the MCA Circular up to 1000 members will be able to join the e-AGM on a first-come-first-served basis. However, this restriction shall not apply to large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc.
10. A member's log-in to the Video Conferencing platform using the remote e-voting credentials shall be considered for record of attendance of such member for the e-AGM and such member attending the meeting will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
11. Remote e-Voting: Pursuant to the provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of Listing Regulations, and the MCA Circulars, the Company is providing facility of remote e-voting to its Members through KFin Technologies Private Limited. Kindly refer Note No.18 below for detailed instruction for remote-voting.
12. **Voting during the AGM:** Members who are present at the e-AGM through VC and have not cast their vote on resolutions through remote e-voting, may cast their vote during the e-AGM through the e-voting system provided by KFin Technologies Private Limited in the Video Conferencing platform during the e-AGM. Kindly refer Note No.19 below for instruction for e-voting during the AGM.
13. The Company has fixed 9th September, 2021 as the cut-off date for identifying the Members who shall be eligible to vote through remote e-voting facility or for participation and voting in the e-AGM. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date shall be entitled to vote on the resolutions through the facility of Remote e-Voting or participate and vote in the e-AGM.
14. The Register of Members and Transfer Book of the Company will be closed from 11th September, 2021 to 18th September, 2021 (both days inclusive).
15. In compliance with the aforesaid MCA Circulars and SEBI Circulars dated 12th May, 2020 and 15th January, 2021, Notice of the e-AGM along with the Annual Report for the financial year ended on 31st March, 2020 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. The Notice calling the AGM and the Annual Report has been uploaded on the website of the Company at www.panyamcements.com. The Notice can also be accessed from the website of the Stock Exchange i.e. BSE Limited at www.bseindia.com. The same is also available on the website of KFin Technologies Private Limited at the website address <https://evoting.kfintech.com/>.
16. **Procedure for registering the email addresses and obtaining the Annual Report, e-AGM notice and e-voting instructions by the shareholders whose email addresses**

are not registered with the Depositories (in case of shareholders holding shares in Demat form) or with RTA (in case the shareholders holding shares in physical form).

- i. Those members who have not yet registered their email addresses are requested to get their email addresses registered by following the procedure given below:
 - a. Members holding shares in demat form can get their e-mail ID registered by contacting their respective Depository Participant.
 - b. Members holding shares in physical form may register their email address and mobile number with Company's Registrar and Share Transfer Agent, XL Softech Systems Limited by sending an e-mail request at the email ID xlfield@gmail.com along with scanned copy of the duly signed request letter by first holder providing the email address, mobile number, self-attested PAN copy and copy of share certificate for registering their email address and receiving the Annual report, AGM Notice and the e-voting instructions.

17. Instructions to the Members for attending the e-AGM through Video Conference.

- i. For attending the e-AGM: Member will be provided with a facility to attend the e-AGM through video conferencing platform provided by KFin Technologies Private Limited. Members may login into its website link <https://emeetings.kfintech.com> by using the remote e-voting credentials. After logging in, click on "Video Conference" option and the Name of the Company can be selected.
- ii. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the instructions provided in remote e-voting in Note No.18 below.
- ii. Members are encouraged to join the Meeting through Desktops, Laptops, Smart phones, Tablets and iPads with Google Chrome for better experience.
- iii. Further, Members will be required to allow access to the Camera, if any, and are requested to use Internet with good speed to avoid any disturbance during the meeting.
- iv. Please note that participants using Mobile Devices or Tablets or Laptops or accessing the internet via "Mobile Hotspot" may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- v. **Submission of Questions / queries prior to e-AGM:** Members desiring any additional information with regard to Accounts/ Annual Reports or has any question or query are requested to write to the Company's investor email-id i.e., panyam1956@gmail.com and marking a copy to evoting@kfintech.com mentioning their name, DP ID- Client ID/ Folio number at least 2 days before the date of the e-AGM so as to enable the Management to keep the information ready. Please note that, members' questions will be answered only if they continue to hold the shares as of cut-off date.

- vi. Speaker Registration before e-AGM: In addition to above, speaker registration may also be allowed during the remote e-voting period. Shareholder who wish to register as speakers are requested to visit <https://emeetings.kfintech.com> and click on 'Speaker Registration' during this period. Shareholders shall be provided with a 'queue number' before the e-AGM. Shareholders are requested to remember the same and wait for their turn to be called by the Chairman of the meeting during the Question Answer Session. Due to limitations of transmission and coordination during the e-AGM, the Company may have to dispense with or curtail the Speaker Session, hence shareholders are encouraged to send their questions etc. in advance as provided in note no. 17(v) above.
- vii. Members who wish to inspect, the Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which directors are interested maintained under section 189 of the Companies Act, 2013, can send an email to panyam1956@gmail.com.

18. Instructions for members for remote e-Voting:

In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and the provisions of Regulation 44 of the Listing Regulations the Members are provided with the facility to cast their vote remotely on all resolutions set-forth in this notice through remote e-voting platform provided by KFin Technologies Private Limited ('remote e-voting'). Members attending the e-AGM who have not already cast their vote by remote e-voting shall be able to cast their vote electronically during the meeting (e-voting) when window for e-voting is activated upon instructions of the Chairman.

However, in pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020 on "e-voting facility provided by Listed Companies", e-voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / website of Depositories / DPs in order to increase the efficiency of the voting process.

Individual demat account holders would be able to cast their vote without having to register again with the e-voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-voting facility.

- i. The remote e-voting facility will be available during the following period:
 - a. Day, date and time of commencement of remote e-voting 14th September, 2021 (9.00 A.M. IST) and ends on 17th September, 2021 (5.00 P.M. IST).
 - b. Day, date and time of end of remote e-voting beyond which remote e-voting will not be allowed 17th September, 2021 at 5:00 P.M.
- ii. Details of Website: <https://evoting.kfintech.com>.
- iii. The voting rights of the Members holding shares in physical form or in dematerialized form, in respect of e-voting shall be reckoned in proportion to their share in the paid-up equity share capital as on the cut-off date being 9th

September, 2021. A person who is not a Member as on the cut-off date should treat Notice of this Meeting for information purposes only.

- iv. The Company is sending through email, the AGM Notice and the Annual Report to the shareholders whose name is recorded as on 20th August, 2021 in the Register of Members or in the Register of Beneficial Owners maintained by the depositories. Any person who acquires Shares of the Company and becomes Member of the Company after 20th August, 2021 being the date reckoned for sending through email, the AGM Notice & Annual Report and who holds shares as on the cut-off date i.e. 9th September, 2021 may obtain the User Id and password in the manner as mentioned below:
 - a) If the mobile number of the Member is registered against Folio No./ DPID Client ID, the Member may send SMS:MYEPWD < space> 'e-voting Event Number + Folio number or DPID Client ID to +91-9212993399.
 Example for NSDL: MYEPWD<SPACE>IN12345612345678
 Example for CDSL: MYEPWD<SPACE>1402345612345678
 Example for Physical: MYEPWD<SPACE>XXXX1234567890
 - b) If e-mail address or mobile number of the Member is registered against Folio No./ DPID Client ID, then on the home page of <https://evoting.kfintech.com>, the Member may click "Forgot Password" and enter Folio No. or DPID Client ID and PAN to generate a password.
 - c) Member may call KFin's Toll free number 1-800-3094-001. Member may send an e-mail request to evoting@kfintech.com.
- v. The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by KFin Technologies Private Limited upon expiry of aforesaid period.
- vi. Details of persons to be contacted for issues relating to e-voting:
 Mr. K.Raj Kumar, Assistant General Manager - Corporate Registry, KFin Technologies Private Limited, Unit: Panyam Cements and Mineral Industries Limited, Selenium Building, Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032. Contact Toll Free No.: 18003094001.
- vii. Details of Scrutinizer: B S S & Associates, Practicing Company Secretaries (Unique Code of Partnership Firm: P2012AP02600) has been appointed as the Scrutinizers to scrutinize the e-voting process in a fair and transparent manner.
- viii. The procedure and instructions for the remote e-voting facility for Individual shareholders holding securities in demat mode are provided as follows.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	1. User already registered for IDeAS facility: Visit URL: https://eservices.nsdl.com Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' section.

	<p>On the new page, enter User ID and Password. Post successful authentication, click on “Access to e-voting”</p> <p>Click on company name or e-voting service provider and you will be re-directed to e-voting service provider website for casting the vote during the remote e-voting period.</p> <p>2. User not registered for IDeAS e-Services</p> <p>To register click on link : https://eservices.nsdl.com</p> <p>Select “Register Online for IDeAS” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Proceed with completing the required fields. Follow steps given in point 1</p> <p>3. Alternatively by directly accessing the e-Voting website of NSDL</p> <p>Open URL: https://www.evoting.nsdl.com/</p> <p>Click on the icon "Login" which is available under 'Shareholder/Member' section.</p> <p>A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen.</p> <p>Post successful authentication, you will requested to select the name of the company and the e-voting Service Provider name, i.e.KFintech.</p> <p>On successful selection, you will be redirected to KFintech e-voting page for casting your vote during the remote e-voting period.</p>
Individual Shareholders holding securities in demat mode with CDSL	<p>1. Existing user who have opted for Easi / Easiest</p> <p>Visit URL: https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com</p> <p>Click on New System Myeasi</p> <p>Login with your registered user id and password. The user will see the e-voting Menu. The Menu will have links of ESP i.e. KFintech e-voting portal.</p> <p>Click on e-voting service provider name to cast your vote.</p> <p>2. User not registered for Easi/Easiest</p> <p>Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p>

	<p>Proceed with completing the required fields. Follow the steps given in point 1</p> <p>3. Alternatively, by directly accessing the e-Voting website of CDSL</p> <p>Visit URL: www.cdslindia.com</p> <p>Provide your demat Account Number and PAN No. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account.</p> <p>After successful authentication, user will be provided links for the respective ESP, i.e Kfintech where the e-voting is in progress.</p>
Individual Shareholder login through their demat accounts / Website of Depository Participant	<p>You can also login using the login credentials of your demat account through your DP registered with NSDL / CDSL for e-voting facility. Once logged-in, you will be able to see e-voting option.</p> <p>Once you click on e-voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-voting feature.</p> <p>Click on options available against company name or e-voting service provider - Kfintech and you will be redirected to e-voting website of Kfintech for casting your vote during the remote e-voting period without any further authentication.</p>

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43

- ix. The procedure and instructions for remote e-voting facility for shareholders other than individual shareholders holding securities in demat mode and shareholders holding shares in physical mode are provided as follows:

- a. Open your web browser during the remote e-voting period and navigate to '<https://evoting.kfintech.com>'.
- b. Enter the login credentials (i.e. User ID and password mentioned in the email). Your Folio No. or DP ID/Client ID will be your User ID. However, if you are already registered with KFin for e-voting, you can use your existing User ID and password for casting your vote.
- c. After entering these details appropriately, click on "LOGIN".
You will now reach password change menu wherein you are required to mandatorily change your login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (like *, #, @, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc., on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- d. You need to login again with the new credentials.
- e. On successful login, the system will prompt you to select the e-voting Event Number for Panyam Cements and Mineral Industries Limited.
- f. If you are holding shares in Demat form and had logged on to <https://evoting.kfintech.com> and casted your vote earlier for any other Company, then your existing login id and password are to be used.
- g. On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date i.e. 9th September, 2021 under "FOR/ AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/ AGAINST" taken together should not exceed your total shareholding as on the cut- off date.
- h. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.
- i. Members holding multiple folios/ demat accounts shall choose the voting process separately for each of the folios/demat accounts.
- j. Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
- k. You may then cast your vote by selecting an appropriate option and click on "Submit". A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote.
- l. During the voting period, Members can login any number of times till they cast their vote on the Resolution(s).

- m. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRIs, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter, etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at e-mail ID: bssass99@gmail.com with a copy to evoting@kfintech.com. They may also upload the same in the e-voting module in their login. The scanned image of the above-mentioned documents should be in the naming format "Corporate Name_ EVENT NO."

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting User Manual for Members available at the download section of <https://evoting.kfintech.com> or contact Mr. K.Raj Kumar, Assistant General Manager of KFin Technologies Private Limited at 1800- 3094-001 (toll free).

- n. The Scrutinizer's decision on the validity of the vote shall be final.
- o. Once the vote on a resolution stated in this notice is cast by Member through remote e-voting, the Member shall not be allowed to change it subsequently and such e-vote shall be treated as final. The Members who have cast their vote by remote e-voting may also attend the e-AGM, however such Member shall not be allowed to vote again during the e-AGM.
- p. The Scrutinizer after scrutinizing the votes cast by remote e-voting and e-voting during the e-AGM will make a consolidated Scrutinizer's Report and submit the same forthwith not later than 48 hours of conclusion of the e-AGM to the Chairman of the Company or a person authorised by him in writing, who shall countersign the same.
- q. The Results declared along with the consolidated Scrutinizer's Report shall be hosted on the website of the Company i.e. www.panyamcements.com and on the website of KFin Technologies Private Limited i.e. <https://evoting.kfintech.com>. The results shall simultaneously be communicated to BSE Limited, where the shares of the Company are listed. The result shall also be displayed on the Notice Board at the Registered Office of the Company.
- r. The Resolutions shall be deemed to be passed at the registered office of the Company on the date of the e-AGM, subject to receipt of the requisite number of votes in favour of the Resolutions.

19. Instructions for members for Voting during the e-AGM session

- i. The e-voting window shall be activated upon instructions of the Chairman of the meeting during the e-AGM.
- ii. e-voting during the AGM is integrate with the VC platform and no separate login is required for the same. The shareholders shall be guided on the process during the e-AGM.
- iii. Members / shareholders, attending the e-AGM through Video Conference, who have not cast their vote on resolutions through Remote e-voting alone shall be eligible to cast their vote through e-voting system available during the e-AGM.

- iv. Members who have voted through Remote e-voting will be eligible to attend the e-AGM. However, they shall not be allowed to cast their vote again during the e-AGM.

GENERAL INSTRUCTIONS AND INFORMATION FOR SHAREHOLDERS

- 20. Members can avail the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Companies Act, 2013 read with Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014. Members desiring to avail this facility may send their nomination in the prescribed Form No. SH13 duly filled in to M/s XL Softech Systems Limited on xlfield@rediffmail.com. Members holding shares in demat form may contact their Depository Participant for availing this facility.
- 21. Members seeking any information/documents referred to in the Notice and the Explanatory statement and with regard to the accounts or any other matter to be placed at the AGM are available for inspection up to the date of AGM and members are also requested to write to the Company on or before 9th September, 2021 through email to panyam1956@gmail.com in for seeking information, If any, the same will be replied by the Company suitably.
- 22. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- 23. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
- 24. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the e- AGM.
- 25. 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 details to XL Softech Systems Limited.
- 26. In compliance with the aforesaid MCA Circulars and SEBI Circular SEBI/HO/CFD/CMD2/ CIR/P/2021/11 dated 15th January, 2021, Notice of the AGM along with the Annual Report 2019-2020 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report for 2019-2020 are also available on the Company's website www.panyamcements.com and on the website of e-voting agency KFin Technologies Private Limited at <https://evoting.kfintech.com>.
- 27. Members may note that the Annual Report for the year 2019-2020 is also available on the Company's website www.panyamcements.com for their download.
- 28. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") and Regulation 44 of Listing Regulations read with MCA Circulars and SEBI

Circular, the Company is providing remote e-voting facility to its Members in respect of the business to be transacted at the 64th AGM and facility for those Members participating in the AGM to cast vote through e-voting system during the AGM.

29. Only a person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date shall be entitled to avail the facility of remote e-voting or casting vote through e-voting system during the meeting.
30. During the 64th AGM, the Chairman shall, after response to the questions raised by the Members in advance or as a speaker at the e-AGM, formally propose to the Members participating through VC/OAVM Facility to vote on the resolutions as set out in the Notice of the AGM and announce the start of the casting of vote through the e-voting system. After the Members participating through VC/OAVM Facility, eligible and interested to cast votes, have cast the votes, the e-voting will be closed with the formal announcement of closure of the AGM.
31. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at www.panyamcements.com and on the website of XL Softech Systems Limited immediately after the declaration of Results by the Chairman or a person authorized by him. The results shall also be immediately forwarded to The National Stock Exchange of India Limited, Mumbai and BSE Limited, Mumbai.
32. Since the AGM will be held through VC / OAVM, the Route Map, proxy form and attendance slip are not annexed to this Notice.

By Order of the Board of Directors

Nandyal,
18th August, 2021

S. Sreedhar Reddy
Managing Director

Registered Office:
C-1, Industrial Estate,
Nandyal - 518502
Kurnool District, Andhra Pradesh

DIRECTORS' REPORT

To

Dear Members

The Board of Directors with the authorization of Resolution Professional (RP) of the Company presents to the Members the 64th Annual Report of the Company together with the Audited Standalone Financial Statements for the Financial Year ended 31st March 2020.

SALIENT FEATURES OF THE REPORT

The National Company Law Tribunal, Amaravati Bench ("NCLT"), by its order dated May 14, 2020 ("Admission Order"), has ordered the commencement of CIRP in respect of the Company under the provisions of the Insolvency and Bankruptcy Code, 2016 ("Code"). Pursuant to the Admission Order and in accordance with section 16 of the Code, Mr. Bhrugesh Rameshchandra Amin was appointed as the interim resolution professional ("IRP"), and my appointment as Resolution Professional ("RP") was subsequently approved by the Committee of Creditors of the Company on June 26th, 2020.

FINANCIAL RESULTS

(Rs .In lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31 2019
Revenue from Operations	-	6,943.61
Other Income	1,436.59	1,284.84
Total Revenue	1,436.59	8,228.45
Profit before Interest and Depreciation	-794.61	-1,666.94
Less: Interest and Finance charges	8,777.95	4,164.69
Less: Depreciation and Amortisation	672.35	802.00
Profit / (Loss) before Exceptional Items and Tax	-10,244.91	-6,633.63
Add Exceptional Items on transfer of Wire Division Land	-5,544.94	137.10
Property under Joint Development Agreement		
Profit / Loss (-) before tax	-15,789.85	-6,496.53
Less Provision for Income Tax (Earlier years)	-	242.77
Net Loss after tax	-15,789.85	-6,739.30
Net gains / (Loss) on FVTOCI equity securities	-505.80	-1.04
Total Comprehensive Income for the period (TCI)	-16,295.65	-6,740.34

OPERATIONS:

The company has not operated during the financial year 2019-20. The company has stopped operations at the plant from December 2018. As stated in our last year's Annual Report, the developer Greenage Griha Nirman Private Limited (formerly known as Bhimshankar Realtors Private Limited) has Completed the construction of all the ten blocks of the apartment.

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 2020.

INSURANCE:

The assets of the Company are adequately insured.

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. Interm 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 Auditor and are eligible to hold office as Auditors of your Company.

AUDITOR'S REPORT:

Regarding Qualified Opinion:

- (a) As reported in the audit report, the Company has outstanding inter-corporate loans as at 31.3.2020 in its group or associate entities, the auditors were unable to obtain audit evidence. There has been instances of no response or in adequate response due to lack of manpower in those entities. The Board has advised the management team to look into the process and get the requisite confirmations from respective entities during the current financial year 2020-21.

- (b) As reported in the audit report, the Company has outstanding trade receivable as at 31.3.2020 which are classified as doubtful, the auditors were unable to obtain audit evidence. There has been instances of no response or in adequate response due to lack of manpower in those entities. The Board has advised the management team to look into the process and get the requisite confirmations from respective entities during the current financial year 2020-21.
- (c) As reported in the audit report, the company has not carried physical verification for the Inventory due to lack of manpower and non - availability of staff. This is noted for compliance in subsequent years.
- (d) As reported in the audit report, the company has not carried physical verification for the Property, Plant & Equipment and Capital work in progress due to lack of manpower and non - availability of staff. This is noted for compliance in subsequent years.
- (e) Wherever amounts are substantial, efforts are being made to obtain external confirmation from the vendors, banks, financial institution and government authority regarding trade payable but unable to succeed for the same.
- (f) In accordance with the Code, public announcement was made calling upon the financial creditors and operational creditors of the company to submit their claims with the Interim Resolution Professional (IRP) latest by June 04, 2020. In accordance with the Code, the IRP/RP has to receive, collate and admit the claims submitted against the Company. Such claims can be submitted to the IRP/RP during CIRP, till the approval of a resolution plan by the Committee of creditors (CoC). Pursuant to the claims received on June 04, 2020, the CoC was formed on June 11, 2020 and the list of such creditors was duly notified to the NCLT and uploaded on the company website. Thereafter, there have been regular revisions to the list in view of the claims received and the Company and RP are in process of receiving, collating, verifying, seeking clarifications, sending communications for unreconciled balance calling for additional documents to substantiate whole / part of the unreconciled claims on such claims. In respect of claims submitted by the financial creditors, the same is exceeding amount appearing in the books of accounts. The process for submission and reconciliation of claims as on the Insolvency Commencement Date remains an on-going process.
- (g) As regards non-provision of gratuity, superannuation and leave encashment liability on actuarial valuation as per Ind-AS19 Employee Benefits and it is provided on the retirement of employees on a consistent basis and the liability is not ascertained, which is self-explanatory.

COST AUDIT:

Cost Audit will not be applicable from the financial year 2019-20, since the turnover of the company during the last financial year is below the statutory threshold as prescribed under the respective provisions of the Companies Act, 2013 and Cost Audit rules made there under.

SECRETARIAL AUDIT:

The Resolution Professional (RP) has appointed M/s. Krishna Kumar & Associates, Hyderabad, Practicing Company Secretaries to conduct Secretarial Audit for the FY 2019-

20. The Secretarial Audit Report for the financial year ended March 31st 2020, is annexed to this Report as Annexure II. The qualification/remarks made in the Secretarial Audit Report are self-explanatory.

DIRECTORS:

The Board is suspended with effect 14th May 2020 as per the orders of NCLT. The NCLT vide its order No. 187/7 (AMR)/2019 dated 14th May, 2020 while admitting the petition has appointed Mr. Bhrugesh Rameshchandra Amin as Interim Resolution Professional.

INDEPENDENT DIRECTORS

The Board is suspended. Further the term of 5 years of Independent Directors has expired and they ceased to be the directors of the Company.

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 meeting with the Executive and Non-Executive Directors. These meetings were intended to obtain Directors' inputs on effectiveness of Board/Committee processes.

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

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

VIGIL MECHANISM:

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

APPOINTMENT OF WOMAN DIRECTOR

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

KMPS OTHER THAN DIRECTORS:

As of March 31st 2020, in accordance with the provisions of the Companies Act, 2013 and Listing Agreement with the Stock Exchange, Mr. S. Sreedhar Reddy, Managing Director,

Mr. S. Nageswara Reddy, Chief Financial Officer and Mrs. Divya Yadav, Company Secretary have been designated as the KMPs of the Company. Mr. S. Nageswar Reddy, CFO has resigned and relieved from the services of the Company with effect from 10th Jan, 2020. Further Mrs. Divya Yadav, Company Secretary has also resigned and relieved from the services of the Company with effect from 31st Dec 2019.

MEETINGS OF THE BOARD

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

AUDIT COMMITTEE:

The Audit Committee was reconstituted with the following member's viz. Mr. S. Panduranga Rao, Mr. P. Jayarama Reddy and Mrs. V. Aravinda Rani. The Committee comprises of majority of independent Directors with Mr. S.Panduranga Rao being the Chairman. Sri S. Sreedhar Reddy, Managing Director and Sri S. Nageswara Reddy, Chief Financial Officer are the permanent invites. Further details relating to the Audit Committee are provided in the Corporate Governance Report forming part of this Annual Report. During the year, all the recommendations made by the Audit Committee were accepted by the Board.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

In terms of the provisions of Section 135 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors of your Company has reconstituted the Corporate Social Responsibility ("CSR") Committee which is Chaired by Smt V. Aravinda Rani. The other members of the Committee are Sri S. Sreedhar Reddy and Sri P. Jayarama Reddy. Your company also has in place a CSR Policy which is accessible on your Company's website: viz. panyamcements.com.

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

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

CORPORATE GOVERNANCE:

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

- i. That the Directors had selected such accounting policies applied consistently and made judgment and estimates that are reasonable and prudent so as to give a true and Fair view of the state of affairs of the Company at the end of the financial year, and of the loss of the Company for the year.
- ii. 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.
- iii. That the annual financial statements have been on a going concern basis.
- iv. That proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- v. 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 workplace and has adopted a policy on prevention, prohibition, and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under. The Company has no such cases of sexual harassment at workplace.

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

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

LISTING AGREEMENT:

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

The Equity/Non-Convertible Debentures of the Company are listed on the BSE Limited and the annual listing fee was not paid. Consequently, the trading of shares on BSE was suspended.

RISK MANAGEMENT

A Special Team with Senior Executives has been formed which has been entrusted with the responsibility to assist the Managing Director in (a) Over seeing and approving the Company's enterprise risk management frame work, and (b) Overseeing that all the risks that the operation faces such as strategic, financial, credit market, liquidity, security, property,

IT, legal, regulatory, reputational and other risks have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks.

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

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

CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:

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

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

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

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

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

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

INTERNAL FINANCIAL CONTROLS:

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

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

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

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

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

ANNUAL RETURN IN FORM MGT-9 FORMAT:

In terms of the provisions of Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return of your company for the financial year ended 31st March 2020 is given in Annexure III.

CAUTIONARY STATEMENT:

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

ACKNOWLEDGMENTS:

The Management of the Company would like to express their sincere appreciation for the cooperation and assistance received from shareholders, bankers, financial institutions, regulatory bodies and other business constituents during the year under review. The Management of the Company also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff of the Company during the financial year.

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

(V. ARAVINDA RANI)
Director

(S. SREEDHAR REDDY)
Managing Director

Place: Nandyal
Date: 11-Feb-2021

ANNEXURE TO DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2020:

ANNEXURE I

A. Conservation of Energy:

(a) Energy conservation measures taken:

Does not arise since the plant is not in operation from December 2018.

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

Does not arise since the plant is not in operation from December 2018.

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

Does not arise since the plant is not in operation from December 2018.

(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 Out go:

(a) No Activities relating to exports, initiatives taken since the plant is not in operation from December 2018.

No exports were made during the year under review.

(b) Total foreign exchange used: Nil

(c) Total Foreign Exchange earned Nil

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

S. No.	Particulars	Unit	Cement Division	
			31-03-2020	31-03-2019
A	Power and fuel consumption:			
1	Electricity			
a)	Purchased			
	Units	000KWH	-	26,698.00
	Total amount	Rs. Lakhs	-	2,044.99
	Average rate	Rs./KWH	-	7.65
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	-	34,594.00
	Total cost	Rs. Lakhs	-	2,436.25
	Average rate	Rs. per MT	-	7,042.44
3	Furnace oil			
	Quantity	KILO LTS.	-	-
	Total cost	Rs. lakhs	-	-
	Average rate	RUPEES	-	-
B	Consumption per unit of production			
	Electricity	KWH/tones of cement	-	119.00
	Coal	Kgs/tonnes of cement	-	181.00

FORM 'B'

A. RESEARCH AND DEVELOPMENT (R &D)

Not available since the plant is not in operation.

B. TECHNOLOGY ABSORPTION, ADAPTATION, AND INNOVATION:

Not applicable.

MANAGEMENT DISCUSSION AND ANALYSIS:

Industry structure and development:

India's cement demand remained passive for most of F.Y. 2020, particularly on account of low demand from the housing segment. However, there were signs of demand recovery in the last quarter, reflected in double-digit growth riding on higher infrastructure spending and development in Andhra Pradesh and Telangana. As the economy revives, the country's cement industry is expected to perform better. The Cement Division is incurring losses due to its inability to operate continuously at optimum levels on account of inadequate working capital and high cost of production which is mainly due to high power consumption and coal when compared to industry norms of similar capacity. Now the management has taken various steps to optimize the production levels and taken necessary measures to reduce the cost of production.

Opportunity and threats:

Our cement plant being strategically located with high quality limestone mines very near to the plant can cater to the neighboring States of Tamil Nadu, Karnataka, Goa and Kerala where the realizations are better. The management is putting its best efforts to revive the industry to normal levels.

Outlook:

The initiatives by the Central Government such as housing for all, smart cities, Swachh Bharat campaign, infrastructure spending, concrete road initiatives and an increase in allocation of funds to States are likely to see a positive impact on the Cement Industry.

Infrastructure development is the need of the nation; this along with rising housing provision will accelerate construction activity. Recovery of the global scenario could also provide impetus to economic growth and cement. The State has seen new players and also the existing players expanding capacities due to huge availability of limestone, which is the primary material for cement. The company is now able to move its finished products through railway wagons due to completion of its railway siding inside the factory.

Risks and concerns

The drying up of Government contracts through irrigation, infrastructure and housing programs was major reason for hitting the Industry. However, post the bifurcation of erstwhile Andhra Pradesh and formation of 2 new states will impetus the growth of cement consumption during the year.

Concerns of the Indian Cement Industry are high cost of power and coal, high freight costs, inadequate infrastructure, non-availability of wagons and poor quality of coal and heavy taxes/royalty levies.

Segment-Wise Performance Together With Discussion on Financial Performance With Respect To Operational Performance:

Segment-wise (only one segment) performance together with discussion on financial performance with respect to operational performance has been dealt with in the Directors' Report which should be treated as forming part of this Management Discussion and Analysis.

Internal control systems and their adequacy:

The Company is following a proper and adequate system of internal controls in respect of all its activities including safeguarding and protecting its assets against loss from unauthorized use of disposition.

The internal control systems of the company comprise of statutory audit, cost audit and internal audit. The work of all the audits have been assigned to reputed, external, independent and qualified people.

The Audit Committee comprising of independent directors will reviews all quarterly, half yearly and annual financial statements.

Human resources and industrial relations:

The industrial relations at all the plant and offices continue to be cordial during the year under review. The total number of employees at the end of the financial year 2019-20 on the rolls of the Company is 425 at Cement Division and Central Administrative Office.

Cautionary Statement:

Statements in the Management Discussion and Analysis Report describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic supply and demand conditions affecting selling prices of finished goods, input availability and prices, changes in government policies and regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations. The company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Readers are cautioned not to place undue reliance on these forward-looking statements that speaks only as of their dates.

Place - Nandyal
Dated - 11th February 2021

(S. SREEDHAR REDDY)
Managing Director

SECRETARIAL AUDIT REPORT

To

Panyam Cements and
Mineral Industries Limited
Nandyal, Kurnool District.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Panyam Cements & Mineral Industries Limited (hereinafter referred as "the company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our test check of records available verification & audit. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial records. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the financial year ended on 31.03.2020 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company and made available for our verification for the financial year ended on 31.03.2020, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment only. The Company has not made any Overseas Direct Investment.
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- a) The Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015;
 - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not Applicable as the Company has not formulated any such scheme during the year under review);
 - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable as the Company has not delisted its equity shares from any Stock exchange during the year under review); and
 - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not Applicable as the Company has not bought back any of its securities during the year under review);
- (vi) The Company has stopped operations at the plant during 2018-19. Hence, it is not possible to comment on the compliance of other laws applicable to the Company.

We have also examined compliance with the Secretarial Standards issued by the Company Secretaries of India and the Company has generally complied with the Secretarial Standards subject to the observations mentioned in the report.

We have not examined compliance by the Company with applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by statutory financial audit and other designated professionals.

During the period under review and as per the explanations and clarifications given to us and their presentations made by the Management/ its Authorized Representatives, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above except the following:

- a) It is observed that the Company has issued 19,299 Redeemable 'C' Cumulative Preference Shares of Rs.100/- each. The Company may consider the redemption of the same in accordance with the provisions of Sec.55 of the Act.

- b) The Company doesn't have a Company Secretary and Chief Financial Officer as required under Section 203(1) of the Companies Act, 2013 as on the date of issue of this Report.
- c) The composition of Board of Directors is not in accordance with the provisions of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as on the date of issue of this Report.
- d) The Company has not complied with the Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended. (Pursuant to SEBI - CIR/CFD/CMD1/27/2019, Dated 8th February, 2019)

We further report that:

- a) The Board of Directors of the Company has proper balance of Executive Directors and Non Executive Directors. During the year under review, one Independent Director term of five years has expired. It appears that the Company has not re appointed the Independent Director.

Sri S. Sreedhar Reddy (DIN: 01440442) has been appointed as the Managing Director for 5 years w.e.f. 30th October 2019 at the Board Meeting held on 01.11.2019 subject to the approval of the shareholders in the General Meeting, under Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013, but relevant Return was not filed with MCA.

- b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c) As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.
- d) It is observed that Company's shares are presently under suspension (BSE), (as on the date of issue of this Report), for non-payment of Annual Listing fees and for violation of SEBI and exchange Regulations.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We have relied on the information supplied and representation made by the Company, its officers and its Authorised Representatives for systems and mechanism followed by the Company for compliance under the applicable Acts, Laws and Regulations to the Company.

We further report that:

- i. The application for listing approval for 8,43,060 equity shares of Rs.10/- each is pending with BSE .
- ii. As per the explanations given by the Management, the Company has not extended any fresh Corporate Guarantee during the year under review.

- iii. As per the explanations given by the Management, the Company has not extended any fresh Loans to various related parties during the year under review.
- iv. The Company has stopped operations at the plant during FY 2018-19
- v. However as on the date of this Report, The Hon'ble National Company Law Tribunal ("NCLT"), Amravati Bench, vide its order dated 14th May, 2020 ("Admission Order") initiated corporate insolvency resolution process ("CIRP") based on petition filed by a Financial Creditor of the Company under section 7 of the Insolvency and Bankruptcy Code, 2016 ("the Code") and powers of the Board of Directors are suspended. Mr. Bhrugesh Amin (IP Registration No. IBBI/IPA-002/IP-N00353/2017-18/11003) has been appointed as Interim resolution professional ("IRP") to manage affairs of the Company in accordance with the provisions of the Code.

For **Krishna Kumar & Associates**
Company Secretaries

(A Krishna Kumar)

Proprietor

FCS# 5356; C.P # 4707

UDIN: F005356C000219781

Place: Hyderabad

Date: 30.04.2021

This Report is to be read with our letter of even date which is annexed as Annexure -A and forms an integral part of this Report.

List of applicable laws:

The Factories Act, 1948, The Payment of Bonus Act, 1965, The Environment (Protection) Act, 1986, Industries (Development and Regulation) Act, 1951, Mines Act, 1952.

*Disclaimer Note: During this challenging time of COVID 19 outbreak, this report has been undertaken to the best of our capability based on of e verification of scans, soft copies, information, oral confirmations and documents made available to us by the management.

Annexure- A

(to the Secretarial Report of Panyam Cements and Mineral Industries Limited
for the FY 2019-20)

To

Panyam Cements and Mineral Industries Limited
Nandyal, Kurnool District.AP

Dear Sir,

Sub: Annexure - A to the Secretarial Audit Report to your Company for the FY 2019-20.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where-ever required, we have obtained the Management oral representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **Krishna Kumar & Associates**
Company Secretaries

(A Krishna Kumar)

Proprietor

FCS# 5356; C.P # 4707

UDIN: F005356C000219781

Place: Hyderabad

Date: 30.04.2021

*Disclaimer Note: During this challenging time of COVID 19 outbreak, this report has been undertaken to the best of our capability based on of e verification of scans, soft copies, information, oral confirmations and documents made available to us by the management.

Secretarial Compliance Report of PANYAM CEMENTS AND MINERAL INDUSTRIES LIMITED for the year ended 31st March, 2020

I, Neelam Vyas, Practising Company Secretary, have examined:

- (a) all the documents and records made available to me electronically and explanation provided by PANYAM CEMENTS AND MINERAL INDUSTRIES LIMITED (CIN: L26940AP1955PLC000546) ("the listed entity"),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended 31st March, 2020 ("Review Period") in respect of compliance with the provisions of: -
 - a) Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
 - b) Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include: -

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; except for remarks as mentioned in point j (a) and j (c) below
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;- **(Not Applicable during the review period);**
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; - **(Not Applicable during the review period);**
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - **(Not Applicable during the review period);**
- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; - **(Not Applicable during the review period);**
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (i) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- (j) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

and circulars/ guidelines issued thereunder; and based on the above examination, I hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars /guidelines issued there-under, except in respect of matters specified below:-

Sr. No.	Compliance Requirement (Regulations / circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1.	Regulation 7 (3) - Compliance Certificate certifying maintaining physical & electronic transfer facility		Late filing for half year ended as on 30th Sept, 2019.
2.	Regulation 13 (3) - Statement of Investor complaints		Late filing for quarter ended as on 30th June, 2019 and 31st March, 2020
4.	Regulation 33 - Financial Results		Late filing
5.	Reconciliation of Share Capital Audit. (SEBI- DP Reg.55A/76)		Late filing for quarter ended as on 31st March, 2020.
6.	Pre-Board Meeting intimation under Regulation 29(1)		Late filing for quarter ended as on 31st March, 2020.
7.	Post Board Meeting compliances under Regulation 33		Late filing for quarter ended as on 31st March, 2020.

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my examination of those records.

- (c) The following are the details of actions taken against the listed entity by the Stock Exchange (BSE Ltd) (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No.	Action taken by	Details of violation	Details of action taken e.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
1.	BSE Ltd.	Non-Compliance of certain Regulations of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015	Suspension of trading in securities of companies for non-compliances of certain Regulation of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	

(d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended... (The years are to be mentioned)	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
1.	NIL			

For **NEELAM VYAS & CO.**
Practising Company Secretaries

Place: Mumbai
Date: 05/05/2021

Neelam Vyas
FCS: 12426 C.P. No. 3192
UDIN: A012426C000260773

FORM NO. MGT.9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31.03.2020
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the
Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	L26940AP1955PLC000546
Registration Date	23.06.1955
Name of the Company	Panyam Cements & Mineral Industries Ltd
Category / Sub-Category of the Company	Public Company / Limited by Shares
Address of the Registered office and contact details	C1, Industrial Estate, Bommalasatram, Nandyal - 518502, (A.P) Tele : 08514- 222274
Whether listed company Yes / No	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s X L Softech Systems Ltd 3, Sagar Society, Road No - 2 Banjara Hills, Hyderabad - 500 034, (T.S) Tele: 040-23545913/14/15, Fax: 040-23553214 Email: xlfield@rediffmail.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products/services	NIC Code of the Product/ service	% to total turnover of the company
1	-	-	-

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. No	Name and address of the Company	CIN	Holding/ subsidiary/ associate	% of shares held	Applicable section
1	S.P.Y. Agro Industries Limited Plot No. 188, Phase-II, Kamalapuri Colony, Hyderabad - 500073	U01100TG2005 PLC045887	Associate 1,25,00,000	23.58	185/186 of the Companies Act, 2013

IV. SHAREHOLDING PATTERN (Equity Share Capital Break up as percentage of Total Equity)

(i) Category-wise Shareholding

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares at the end of the year				Changes during the year	
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	No. of Shares	% Change during the year
A. Promoter										
(1) Indian/HUF										
a) Individual	8873229	500	8873729	52.63	8873229	500	8873729	52.63	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	-	-	-	-	-	-	-	-	-
e) Banks/FI	-	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-	-
SUB-TOTAL (A) (1)	8873229	500	8873729	52.63	8873229	500	8873729	52.63	-	-
(2) Foreign										
a) NRIs Individual	-	-	-	-	-	-	-	-	-	-
b) Other-Individual	-	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-	-
SUB-TOTAL (A) (2)	-	-	-	-	-	-	-	-	-	-
TOTAL SHAREHOLDING OF PROMOTER(A) = (A)(1)+(A)(2)	8873229	500	8873729	52.63	8873229	500	8873729	52.63	-	-
B. Public Shareholding										
1. Institutions	-	-	-	-	-	-	-	-	-	-
a) Mutual Funds	600	-	600	0.00	600	-	600	0.00	-	-
b) Banks/FI	-	55280	55280	0.33	-	55280	55280	0.33	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-	-
d) State Govts.	-	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of shares held at the beginning of the year			No. of shares at the end of the year			Changes during the year	
	Demat	Physical	Total	Demat	Physical	Total	No. of Shares	% Change during the year
f) Insurance Companies	57260	850	58,110	57,260	850	58,110	0.35	-
g) FIs	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-
i) Foreign Portfolio Investors	-	678663	678663	-	678663	6,78,663	4.02	-
i) Others (specify)	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	57860	734793	792653	57860	734793	792653	4.70	-
2. Non-Institutions								
a) Bodies Corp.								
i) Indian								
ii) Overseas								
b) Individuals								
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	3484784	335750	3820534	3539070	331850	3870920	22.96	50386
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	2080395	-	2080395	2238164	-	2238164	13.27	157769
c) Others (specify)	1114171	179717	1293888	906116	179717	1085733	6.44	(208155)
NRI								
Bodies (Clearing members)								
Sub-total (B)(2):-	6679350	515467	7194817	3476130	3718687	7194817	42.67	
Total Public Shareholding (B) = (B)(1) + (B)(2)	6737210	1250260	7987470	6741210	1246260	7987470	47.37	
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	15610439	1250760	16861199	15614439	1246760	16861199	100	-

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% change in share holding during the year
		No. of Shares	% of total shares of the company	% of Shares pledged/encumbered to total shares	No. of Shares	% of total shares of the company	% of Shares pledged/encumbered to total shares	
1	S.P.Y.Reddy	1731404	10.27	100	1731404	10.27	100	0
2	S.Sreedhar Reddy	2076007	12.31	99.98	2076007	12.31	99.98	0
3	V.Suresh Kumar	1878102	11.34	100	1878102	11.34	100	0
4	S.Sujala	1142774	6.78	100	1142774	6.78	100	0
5	V.Aravinda Rani	1073081	6.36	100	1073081	6.36	100	0
6	S.Parvathi	971861	5.76	100	971861	5.76	100	0
7	Francis Reddy	500	0.00	0	500	0.00	0	0
	Total	8873729	52.63	99.99	8873729	52.63	99.99	0

(iii) Change in Shareholding of Promoters (please specify, if there is no change)

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% Change during the year
1	S.P.Y.Reddy				
	Beginning of the Year	1731404	10.27		
	End of the Year			1731404	10.27
2	S.Sreedhar Reddy				
	Beginning of the Year	2076007	12.31		
	End of the Year			2076007	12.31
3	V.Suresh Kumar				
	Beginning of the Year	1878102	11.14		
	End of the Year			1878102	11.14
4	S.Sujala				
	Beginning of the Year	1142774	6.78		
	End of the Year			1142774	6.78
5	V.Aravinda Rani				
	Beginning of the Year	1073081	6.36		
	End of the Year			1073081	6.36
6	S.Parvathi				
	Beginning of the Year	971861	5.76		
	End of the Year			971861	5.76

- (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% Change during the year
1	Kali Prasad Sunkara	437400	2.59	437400	2.59
2	Jaideep Narendra Sampat	261129	1.55	361129	2.14
3	Porinju V Veliyath	200000	1.19	200000	1.19
4	Mahendra Girdharilal	141905	0.84	149691	0.89
5	Rajasthan Global Securities Pvt Ltd	147787	0.88	137230	0.81
6	Raj Kumar Lohia	118680	0.70	118680	0.70
7	Ashish Chugh	110494	0.66	110494	0.66
8	Kamal Kishore Innani	88545	0.53	88545	0.53
9	L Rama Devi	73300	0.43	73300	0.43
10	T Arun Kumar	60000	0.36	60000	0.36

- (v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Date wise Increase / Decrease in Share holding during the year	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the company
1	S.Sreedhar Reddy						
	Beginning of the Year	2076007	12.31	0		0	0
	End of the Year					2076007	12.31
2	V.Suresh Kumar						
	Beginning of the Year	1878102	11.14	0	0	0	0
	End of the Year					1878102	11.14
3	V.Aravinda Rani						
	Beginning of the Year	1073081	6.36	0	0	0	0
	End of the Year					1073081	6.36
4	Dr. R.K Prasad Sunkara	135	0	0	0	0	0
	End of the Year					135	0

V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment: (In Rs. Lakhs)

Particulars	Secured Loan excluding deposits	Unsecured Loan	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount	9780.00	0	0	9780.00
ii. Interest due but not paid	2798.38	0	0	3798.38
iii. Interest accrued but not due	0	0	0	0
Total (i + ii + iii)	12578.38	0	0	12578.38
Change in Indebtedness during the financial year				
Addition	10567.04	0	0	10567.04
Reduction	0	0	0	0
Net Change	10567.04	0	0	10567.04
Indebtedness at the end of the financial year				
i. Principal Amount	9780.00	0	0	9780.00
ii. Interest due but not paid	3820.82	0	0	3820.82
iii. Interest accrued but not due	9544.60	0	0	9544.60
Total (i + ii + iii)	23145.42	0	0	23145.42

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time director and/or Manager

(in Rs):

Sl. No.	Particulars of Remuneration	Name of MD	Total Amount
		S. Sreedhar Reddy	
1.	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	Nil
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil
2.	Stock Option	Nil	Nil
3.	Sweat Equity	Nil	Nil
4.	Commission		
	- as % of profit		
	- others, specify...	Nil	Nil
5.	Others, please specify	Nil	Nil
	Total (A)	Nil	Nil
	Ceiling as per the Act	-	-

B. Remuneration to other directors

Sl. No.	Particulars of Remuneration	Name of Directors		Total
1	Independent Directors	P. Jaya Rama Reddy	S. Pandu Ranga Rao	
	<ul style="list-style-type: none"> ● Fee for attending board committee meetings ● Commission ● Others, please specify 	Nil	Nil	Nil
	Total (1)	Nil	Nil	Nil
2	Other Non-Executive Directors	V. Aravinda Rani	S. Rama Krishana Prasad	
	<ul style="list-style-type: none"> ● Fee for attending board committee meetings ● Commission ● Others, please specify 	Nil	Nil	Nil
	Total (2)	Nil	Nil	Nil
	Total (B) = (1 + 2)	Nil	Nil	Nil
	Total Managerial Remuneration	Nil	Nil	Nil
Overall Ceiling as per the Act				

C. Remuneration to key managerial personnel other than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		S. Nageswara Reddy, CFO (*)	Divya Yadav, CS (*)	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	8,10,000	1,80,000	9,90,000
2.	Stock Option	-	-	
3.	Sweat Equity	-	-	
4.	Commission - as % of profit - others, specify...	-	-	
5.	Others, please specify	-	-	
	Total	8,10,000	1,80,000	9,90,000

(*) Resigned as Company Secretary with effect from January 01, 2020.

(*) Resigned as Chief Financial Officer (CFO) with effect from January 11, 2020.

PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority [RD/NCLT/COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

Place - Nandyal
Dated - 11th February, 2021

(S. SREEDHAR REDDY)
Managing Director

FORM No. AOC-2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL**2. Details of contracts or arrangements or transactions at arm's length basis: NIL**

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any
-	-	-	-	-	-

Place - Nandyal
Dated - 11th February 2021

(S. SREEDHAR REDDY)
Managing Director

CORPORATE GOVERNANCE REPORT:**1. Company's Philosophy on Code of Governance:**

The Company believes in adopting and adhering to the best corporate practice and continuously evaluate it against each of such practices. The Company understands and respects its fiduciary role and responsibility to all stakeholders and strives hard to meet their expectations. The Company believes that the Corporate Governance is an important tool for shareholders protection and maximizing their long-term values. Panyam Cements & Mineral Industries Limited functions keeping in tune with this philosophy.

The fundamental objective of company's Corporate Governance is to adopt a methodology, which enhances effectiveness, better utilization of resources, transparency and harmonious relations between various interest groups. The company has been regular in sending its quarterly compliance report on Corporate Governance to Stock Exchange.

2. Board of Directors:

The Companies Act, 2013, to the extent applicable, and the Listing Agreement with Stock Exchange govern the composition of the Board of Directors of the Company. The Board comprises of Managing Director and Four(4) other Directors. Amongst them, Managing Director is only the Executive Director and all others are Non Executive / Independent Directors.

The Composition of the Board and category of the Directors are as follows:

Category	Name of Directors
Executive Director, MD	S Sreedhar Reddy
Non-Executive - Non-Independent Director	V Aravinda Rani
Non-Executive - Non-Independent Director	Ramakrishna Prasad Sunkara
Non-Executive - Independent Director	Jayarama Reddy Pedireddygari
Non-Executive - Independent Director, Chairperson	Panduranga Rao Surathu

The Board functions either as a full Board or through Committees. The Board and Committees meet at regular intervals. Policy formulation, evaluation of performance and control functions vest with the Board, while the Committees oversee the share transfers and audit functions.

The Board has constituted five committees viz. the Audit Committee, Share Transfer Committee - Shareholders / Investors' Grievance Committee, Nomination and Remuneration Committee, Risk Management Committee and Corporate Social Responsibility Committee.

During the year 2019-20, 6 (six only) Board Meetings were convened on 26th April, 2019; 6th June, 2019; 14th August, 2019; 23rd October, 2019; 13th November, 2019 and 14th February, 2020. The composition of Directors and the attendance at

the Board Meetings during the year and the last Annual General Meeting as also number of other Directorships and Committee Memberships are given below:

Sr. No.	Name of the Director	Category of Directorship	No. of Board Meeting Attended	Attendance at last AGM held on 30th November 2019	No. of other Directorships	No. of Membership Chairmanship in Board / Committees (Including our Company)
1.	Sri S. Sreedhar Reddy	Promoter Managing Director	06	Yes	14	1
2.	Dr. R.K. Prasad Sunkara	NRI - Non-Executive Director	02	No	-	-
3.	Smt. V. Aravinda Rani	Director	06	Yes	15	2
4.	Sri P.J. Reddy	Independent Director	06	Yes	-	1
5.	Sri S. Panduranga Rao	Independent Director	04	No	-	3

3. Audit Committee:

The Committee's composition and terms of reference are in compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. Members of the Audit Committee possess requisite qualifications.

The company continued to derive immense benefit from the deliberations of the Audit Committee comprising of Sri P.J. Reddy; Sri S.P. Rao and Smt. V. Aravinda Rani who are independent and Non-Executive Directors. The minutes of each Audit Committee are placed before and discussed by the Board of Directors of the Company.

The Audit Committee met four times during the year i.e. 6th June, 2019; 14th August, 2019; 13th November, 2019 and 14th February, 2020.

The attendance at the Audit Committee Meetings is given below:

Sl. No.	Name of the Member	Category	No. of Meeting Held	No. of Meeting Attended
1.	Sri P.J. Reddy	Non-Executive - Independent Director, Member	4	4
2.	Sri S. Panduranga Rao	Non-Executive - Independent Director, Chairperson	4	4
3.	Smt. V. Aravinda Rani	Non-Executive - Non-Independent Director, Member	4	4

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

4. Nomination and Remuneration Committee and Policy:

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

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

The role of the Committee is to determine the remuneration payable to the whole-time directors and key managerial personnel taking into account their qualification, experience, expertise, contribution and the prevailing levels of remuneration in companies of corresponding size and stature and recommending the same to the Board for its approval.

Details of remuneration to Directors for the year ended 31st March, 2020:

i) Executive Directors:

The Managing Director has drawn an amount of Rs. 18.00 lakhs towards salary for the year ended 31st March, 2020.

The tenure of office of the Managing Director is for five years from the date of appointment, and can be terminated by either party by giving three months' notice in writing. There is no separate provision for payment of severance fees.

ii) Non-Executive Directors:

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

5. A) Share Transfer Committee:

During the year 2019-20, the Committee could not meet since there are no requests for transfer of shares.

B) Shareholders/Investors' Grievance Committee:

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

6. Annual General Meetings:

The last three Annual General Meetings were held as under:

Year	Location	Date	Time
2017	Registered Office - C-1, Industrial Estate, Nandyal, Kurnool Dst., A.P.	26.09.2017	11.45 AM
2018	Registered Office - C-1, Industrial Estate, Nandyal, Kurnool Dst., A.P.	31.12.2018	11.45 AM
2019	Registered Office -C-1, Industrial Estate, Nandyal, Kurnool Dst., A.P.	30.11.2019	11.45 AM

Special Resolutions:

In respect of the resolutions passed in the above three respective Annual General Meetings and Extra-Ordinary General Meeting wherever applicable, the necessary Form No. MGT 14 were filed with the Registrar of Companies Disclosures:

The Company has complied with all the mandatory requirements of Corporate Governance norms as enumerated in Listing Regulations.

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

7. Whistle Blower Policy

The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. The Company has a Vigil Mechanism and Whistle blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. The reportable matters may be disclosed to the Ethics and Compliance Task Force which operates under the supervision of the Audit Committee. Employees may also report to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee.

8. Means of Communication:

The Quarterly results are normally published in "Business Standard" in English and "Andhra Prabha" regional news paper published in the vernacular language. The results are promptly furnished to the stock exchange for display on its web site.

Website: The Company's website www.panyamcements.com contains a separate dedicated section 'Investors' where shareholders 'information is available. The Company's Annual Report is also available in downloadable form.

Annual Report: The Annual Report containing, inter alia, Audited Financial Statements Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. Both "Management Discussion and Analysis" and "Shareholders Information" forms part of the Annual Report.

9. General Information for Shareholders:

i) Company registration details	The Company is registered in the State of Andhra Pradesh, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L26940AP1955PLC 000546.
ii) Date, Time and Venue of the	18th September, 2021 at 11.30 AM IST, Annual General Meeting will be held Virtually.
iii) Financial Year	April 1 to March 31
iv) Financial calendar	1st April 2019 to 31st March 2020
v) Financial Reporting Un-audited	
For the quarter ending June 30, 2019	14th August, 2019
For the quarter ending Sept. 30, 2019	13th November, 2019
For the quarter ending Dec. 31, 2019	14th February, 2020

For the quarter ending March 31, 2020 (audited)	11th February, 2021			
vi) Annual General Meeting	Video Conference / Other Audio Visual means			
vii) Date of Book Closure	11th September, 2021 To 18th September, 2021 (both days inclusive)			
viii) Dividend payment date	N.A.			
ix) Listing on Stock Exchanges	<p>The Company's shares are listed on: BSE Limited, Floor 25, Phiroze Jeejeebhoy Towers Dalal Street, Mumbai - 400 001.</p> <p>Listing fee was not paid to the said Stock Exchange.</p> <p>The Company's Non-Convertible Debentures are also listed on BSE Limited.</p>			
x) Market Price Data:				
Month		Stock Exchange Mumbai (BSE) Rs.		
		High (Rs)		Low (Rs.)
April	2019	...	9.73	8.87
May	2019	...	8.70	8.70
June	2019	...	8.53	8.36
July	2019	...	8.36	8.20
August	2019	...	0	0
September	2019	...	8.04	7.85
October	2019	...	7.70	7.55
November	2019	...	0	0
December	2019	...	0	0
January	2020	...	0	0
February	2020	...	0	0
March	2020	...	0	0
xi) Registrar and Share Transfer Agents :	<p>M/s.XL Softech Systems Limited 3, Sagar Society, Road No. 2, Banjara Hills, Hyderabad - 500 034. Tel : 040-23545913; 914 & 915 Fax : 040-23553214 Email : xlfield@rediffmail.com Website: www.xlsoftech.com</p>			
xii) Debenture Trustee for Non-Convertible :	<p>M/s. IDBI Trusteeship Services Limited Debentures Asian Building, Ground Floor 17, R. Kamani Marg, Ballard Estate Mumbai - 400 001. Tel : 022-4080 7000 Fax : 022-6631 1776 Email : itsl@idbitrustee.com Website : www.idbitrustee.com</p>			

10. a) Distribution of shareholding as on 31st March 2020:

Nominal Value of Shares	No. of Share Holders	Percentage of Share Holders	Shares Amount in Rs.	Percentage of Share Holders %
UPTO - 5000	6637	81.84	9008400	5.34
5001 - 10000	624	7.70	5207920	3.09
10001 - 20000	400	4.93	6101280	3.62
20001 - 30000	137	1.69	3565080	2.11
30001 - 40000	67	0.83	2446760	1.45
40001 - 50000	55	0.67	2611130	1.55
50001 - 100000	98	1.21	6935980	4.11
100001 & above	94	1.13	132735440	78.22*
TOTAL	8112	100.00	168611990	100.00

Under group / class 100001 and above includes two shareholders viz EW India Special Assets Pte. Ltd and Ecap Equities Ltd to whom 678663 shares and 1,64,397 shares respectively allotted and listing approval from BSE is pending.

b) Pattern of shareholding as on 31st March 2020.

Category	No. of Shares	% of shareholding
A Promoter's holding		
1 Promoters : Indian Promoters	6797722	40.32
Foreign Promoters	-	-
2 Persons acting in concert	2076007	12.31
Sub Total	8873729	52.63
B Non-Promoters holding		
3 Institutional Investors		
A Mutual Funds and UTI	600	0.00
B Banks, Financial Institutions, Insurance companies (Central, State Government Institutions/ Non-Govt Institutions)	58110	0.35
C FIIS	55280	0.33
D Foreign Portfolio Investors	678663	4.02
Sub Total	792653	4.70
4 Others		
A Private Corporate Bodies	578793	3.43
B Indian Public	6109084	36.23
C NRIs/OCBs	506940	3.01
D Any Other(Please Specify)	0	0.00
Sub Total	7987470	42.67
Grand Total	16861199	100

suspended directors, and the records of the company made available to the Resolution Professional, which the Resolution Professional has assumed are in conformity with the applicable law and present a true and fair view of the position of the company as of the dates and for the year indicated therein. The RP has not personally verified the information provided by the officials of the company and has placed confidence in the data/information provided to him of the previous years. Accordingly, the Resolution Professional shall be absolved from the accuracy, veracity and sufficiency or completeness of such information. Readers and users of these statements/statements are advised to do their due diligence before arriving at any conclusions. The Resolution Professional has to facilitate the CIRP Process and facilitate the statutory requirements without any liability of the same.

Place - Nandyal
Dated - 11th February, 2021

(S. SREEDHAR REDDY)
Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

(Requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members of
Panyam Cements and Mineral
Industries Limited Nandyal, Kurnool District.

We have examined the compliance of conditions of corporate governance by Panyam Cements and Mineral Industries Limited for the year ended 31.03.2020 as per the relevant provisions of Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period from 1st April 2019 to 31st March 2020.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof on test basis, adopted by the Company for examining the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has generally complied with the conditions of Corporate Governance to where ever applicable except late compliance of certain regulations/non compliance of certain regulations as stipulated in the above mentioned SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Note: It is to be noted that due wide spread of COVID 19 pandemic & social distancing guidelines issued by the Central Government and respective State Governments for containment of spread of Covid-19, the related documents/papers have not been physically verified by us, as being maintained by the Company at their offices and we relied upon the records as made available to us by the Company through electronic medium/ oral confirmation from the Company/its authorized representatives, wherever required.

For **KRISHNA KUMAR & ASSOCIATES**
COMPANY SECRETARIES

A.KRISHNA KUMAR
FCS: 5356
CP: 4707
Place: Hyderabad
Date: 3rd May, 2021
UDIN: F005356C000226016

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
PANYAM CEMENTS AND MINERAL INDUSTRIES LIMITED
C-1, Industrial Estate,
Nandyal - 518502,
Andhra Pradesh, India

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of PANYAM CEMENTS AND MINERAL INDUSTRIES LIMITED having CIN L26940AP1955PLC000546 and having registered office at C-1, Industrial Estate, Nandyal - 518502,

Andhra Pradesh, India (hereinafter referred to as 'the Company'), produced before me electronically by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Details of Directors:

Sr. No.	Name of the Director	DIN	Date of Appointment in the Company
1.	ARAVINDA RANI SANNAPUREDDY	01241976	13/08/2014
2.	SREEDHAR REDDY SAJJALA	01440442	18/08/2004
3.	RAMAKRISHNA PRASAD SUNKARA	02451497	26/11/1994
4.	JAYARAMA REDDY PEDIREDDYGARI	07053207	31/12/2014
5.	PANDURANGA RAO SURATHU	07339056	30/11/2015

Ensuring the eligibility for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai
Date: 05/05/2021

For **NEELAM VYAS & CO.**
Practising Company Secretaries

Neelam Vyas
FCS: 12426 C.P. No. 3192
UDIN: A012426C000260861

CERTIFICATE BY THE CHIEF EXECUTIVE OFFICER ON FINANCIAL STATEMENTS OF THE COMPANY:

We, S. Sreedhar Reddy, Managing Director of M/s. Panyam Cements & Mineral Industries Limited do hereby certify that:-

- a) We have reviewed the financial statements and the Cash Flow Statement for the financial year ended March 31, 2020 and that to the best of our knowledge and belief:
 - i) These statements do not contain any material untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the period, which are fraudulent, illegal and violative of the Company's code of conduct.
- c) We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design and operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and Audit Committee that:
 - i) There have been no significant changes in internal control over financial reporting during the year;
 - ii) There have been no significant changes in accounting policies during the year; and
 - iii) There have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place - Nandyal
Dated - 11th February 2021

(S. SREEDHAR REDDY)
Managing Director

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of Panyam Cements & Minerals Industries Limited ("the Company"), which comprise the balance sheet as at 31 March, 2020, the statement of profit and loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, **except for the effects of the matter described in the Basis for Qualified Opinion section of our report**, the financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020 and its loss including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

- a) Attention is invited to Note no 4(b) and 7(d) of the financial statements, the Company has Rs.10,336.37 Lakhs outstanding inter-corporate loans as at 31 March, 2020. In the absence of external confirmations from the parties as on reporting date and owing to the uncertainty associated with the recoverability of the Intercorporate loans, we are unable to comment on the consequential impact if any, on the financial statements. Attention is also invited to Note No 30 of financial statements in respect of Related parties transactions details which are not disclosed as required by Ind AS 24.
- b) Attention is invited to Note no 7(a) of the financial statement, the company has Rs.2,348.97 Lakhs outstanding trade receivables as on 31st March 2020 which are classified as doubtful. In the absence of external confirmations from the parties as on reporting date and owing to the uncertainty associated with the recoverability of the trade receivables, we are unable to comment on the consequential impact if any, on the financial statements.
- c) We did not receive physical verification reports for the Inventory as on reporting date. Hence, we are unable to comment on the condition, existence and impairment impact, if any on carrying value of Inventory as at 31 March, 2020.
- d) We did not receive physical verification reports for the Property, Plant & Equipment and Capital work in progress as on reporting date. Hence, we are unable to comment on the condition, existence and consequent impairment impact, if any on carrying value of Property, Plant & Equipment and Capital Work in progress as at 31 March, 2020.

- e) We did not obtain external confirmations from vendors, banks/financial institutions and government authorities regarding trade payables, advances to suppliers, advance excise duties/CENVAT/VAT/Service tax, other advances, borrowings, balances in current accounts, loans, cash credits and corporate guarantees. In the absence of such confirmations as on reporting date, we are unable to comment on the consequential impact, if any, on the financial statements.
- f) As part of the Corporate Insolvency Resolution process, the claims from Financial and Operational creditors are being filed and further being admitted, rejected or pending verification. We are unable to comment on the liability that may arise due to such admittance, to the extent unrecorded/unreconciled with the books of accounts and its consequential impact on financial statements as on reporting date.
- g) Based on the information and explanations given to us, the Company has not provided for gratuity liability on actuarial valuation as required under the Ind AS 19 Employee Benefits and the amount of gratuity liability is not ascertained by the company and it is provided/paid on cessation of employment as per the accounting policy followed by the company. We are unable to quantify the impact of the said liability on the financials of the year under report.

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

Key Audit Matters

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

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Other information is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

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

The Hon'ble NCLT, Amaravati Bench, has admitted the CIRP application filed by Financial Creditor of the company, and appointed a Resolution Professional ("RP") vide order dated 14th May 2020 in terms of the Insolvency and Bankruptcy Code, 2016 ("the Code") to manage the affairs of the Company as per the provisions of the Code.

We were informed that the financial statements have been approved by the Board of Directors based on representations, clarifications and explanations provided by the management for the preparation and presentation of the financial statements.

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The management is also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of Financial Statement

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

- 1 As required by Section 143(3) of the Act, we report that:
 - a) except for the effects of the matters specified in the Basis for Qualified Opinion section, we have sought and obtained all the information and explanations

which to the best of our knowledge and belief were necessary for the purposes of our audit.;

- b) except for the effects of the matter specified the Basis for Qualified Opinion section, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) the Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) except for the effects of the matter specified in the Basis for Qualified Opinion section, in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder
- e) the matters described in the Basis of Qualified opinion may have adverse effect on the functioning of the Company.
- f) we have not received any the written representations from the directors of the Company as on 31 March, 2020 as a result we are unable to comment if any of the directors are disqualified as on 31 March, 2020 from being appointed as a director in terms of Section 164(2) of the Act;
- g) the qualification relating to maintenance of accounts and other matters connected therewith are as stated in the Basis of Qualified Opinion paragraph
- h) with respect to the adequacy of the internal financial controls with reference to financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A".
- i) with respect to the other matters to be included in the Auditor's report in accordance with the requirements of section 197(16) of the Act, as amended:
in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.
- j) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i) the company has disclosed the impact of pending litigations on in its Ind AS Financial Statements - Refer
 - ii) Note No.27to the Ind AS financial statements;
 - iii) the company did not have any long-term contracts including derivative contracts; as such there were no material foreseeable losses thereon;

- iv) there are no amounts which are required to be transferred to the Investor Education and Protection Fund, therefore, delay in transferring such sums does not arise.
2. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order

for **K.S. RAO & Co.,**
Chartered Accountants
Firm's Regn.No.003109S

(P. GOVARDHANA REDDY)
Partner
M.No.029193
UDIN :21029193AAAADS1157

Place : Hyderabad
Date : 11.02.2021

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **M/s. Panyam Cements & Mineral Industries Limited, Nandyal** ("the Company") as of 31st March, 2020 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India

and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that

- I) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- II) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- III) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS Financial Statements.

Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial reporting to future periods are subject to the risk that the internal financial control with reference to financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis for Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the operating effectiveness of the Company's internal financial controls over financial reporting as at March 31, 2020.

- a) The Company has not followed the existing internal control system of obtaining external balance confirmation for trade receivables, loans, borrowings, trade payables and other liabilities on periodic basis for reconciliation with Books of accounts at regular intervals.
- b) The company has not followed the existing internal control system of conducting physical verification of the Inventory, Property Equipment and plant and capital work in progress thereby updating the records for any discrepancies noticed for existence, condition and valuation if any.
- c) The company has not updated of fixed asset register on timely basis.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material

misstatement in the company's annual or interim financial statements will not be prevented or detected on a timely basis.

Qualified Opinion

In our opinion, except for the effects/possible effects of the material weakness described above on the achievement of the objectives of the control criteria the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weakness identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of the March 31, 2020 financial statements of the company, and our aforesaid report and opinion on Internal Financial Control over Financial Reporting should be read in conjunction with our report of even date issued on the financial statements of the company.

for **K.S. RAO & Co.,**
Chartered Accountants
Firm's Regn.No.003109S

(P. GOVARDHANA REDDY)
Partner
M.No.029193
UDIN :21029193AAAADS1157

Place : Hyderabad
Date : 11.02.2021

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i) in respect of the Company's fixed assets:
 - a) the Company for the year under report has not been able to maintain proper records showing full particulars, including quantitative details and situation of fixed assets;
 - b) the Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no such verification has been done for the year;
 - c) according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii) in respect of Company's inventory:

the physical verification of inventory has not been conducted at reasonable intervals by the management during the year and hence we are unable to report on material discrepancies noticed on physical verification and also, we are unable to report on discrepancies, if any, have been properly dealt or not with in the books of account;
- iii) the Company has granted loans to Companies covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act').
 - a) In our opinion and according to the information and explanations given to us and as represented by the Company, in respect of loans granted by the Company, there are no such agreements /arrangements having the terms and conditions for grant of such loans and therefore, we are unable to report whether the terms and conditions of loans given are prejudicial to the interest of the company;
 - b) In our opinion and according to the information and explanations given to us and as represented by the Company, there are no such agreements / arrangements stipulating the schedule of repayment of principal and interest payment and therefore, we are unable to report on the regularity of repayment of principal and payment of interest;
 - c) In our opinion and according to the information and explanations given to us and as represented by the Company, there are no such agreements / arrangements stipulating the due dates for re-payment of principal and interest payment and therefore, we are unable to report the total amount of overdue for more than ninety days and no steps have been taken for recovery of the principal or interest.
- iv) in our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable;
- v) the Company has not accepted deposits from public during the year and does not have any unclaimed deposits as at 31st March, 2020 and therefore, the provisions of the Para 3 (v) of the Order is not applicable to the Company;

- vi) the maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete;
- vii) In respect of statutory dues;
- a. According to the information and explanations given to us and on the basis of records of the Company examined by us, the Company is not regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Income Tax, Service Tax, Sales Tax, Value Added Tax, Duty of Customs, Duty of Excise, GST ,Cess and other statutory dues as applicable to the company. As explained to us, the Employees State Insurance provisions are not applicable to the company.

According to the information and explanations given to us, the following arrears of undisputed statutory dues are outstanding as at 31st March, 2020 for a period of more than six months from the date they became payable .

Statement of arrears of statutory dues outstanding as at 31st March, 2020 for more than six months:

Sl. No.	Name of the Statute	Nature of dues	Amount (Rs.in lakhs)	Period to which the Amount relates (Upto Aug 2019)
1	A.P.VAT Act, 2005	Value Added Tax	597.49	July 2012 to June 2017
		VAT Assessment Tax	307.24	2015-16 to 2017-18
		Entry Tax	115.07	2014-15 to 2017-18
		Interest and penalty on VAT dues	369.31	2011-12 to 2016-17
2	TN GST Act,1959	TNGST	378.99	1998-99
		Interest and penalty on TNGST	568.49	upto 31.03.2020
3	Telangana VAT Act, 2005	Value Added Tax	96.09	Up to June 2017
		Interest and penalties on VAT dues	30.58	Upto 31.03.2020
4	CST ACT 1957	CST Differential Tax	4.15	2011-12
		CST Dues	220.47	Up to June 2017
		CST Assessment tax	554.70	2015-16 to 2017-18
		Interest and Penalty on CST dues	113.25	2010-11 to 2015-16
5	GST Act ,2017	Interest and Penalty on CST dues	4.00	Up to March 2009
		SGST dues	1087.58	Dec'17 to Aug.2019
		CGST dues	833.68	Dec'17 to Aug.2019
		IGST dues	792.07	Dec'17 to Aug.2019
6	Profession Tax Act	INTEREST ON GST DUES	668.44	Dec17 to Aug 19
		Profession Tax Collections	2.61	October 2000 to August 2019
7	Income Tax Act, 1961	I.T.D.S from Interest	21.14	2004-05 to 2005-06, 2013-14,2015-18
		I.T.D.S from Professional	28.77	2015-16, Apr 2017 to Aug 2019

		I.T.D.S from Commission	2.12	April 2017 to Aug 2018
		I.T.D.S from Salaries	4.20	April 2017 to Aug 2019
		I.T.D.S from Contractors	62.70	2004-05 & Apr 2013 to August 2019
8	Income Tax Act, 1961	T.C.S. on Royalty	53.29	July 2010 to August 2017
9	Income Tax Act, 1961	Assessed Tax and Interest	0.06	Asst Year 2009-10
			0.32	Asst Year 2011-12
			93.14	Asst Year 2013-14
			166.58	Asst Year 2016-17
			163.24	Asst Year 2017-18
10	E.P.F Act, 1952	P.F. Recoveries and contributions	437.68	April 2005 to August 2019
		P.F.Penal damages/Interest	437.26	Upto 31.08.2019
11	The Central Excise Act 1944	Excise Duty & Cess	1450.31	May 2016 to June 2017
		Interest due on ED & Cess	1012.67	Interest upto 31.08.2019
12	The Finance Act-1994	Service Tax & Cess	241.51	upto June 2017
	The Finance Act-1994	Interest due on S.T.& Cess	121.88	Upto 31.08.2019
13	Panchayat Tax Act	Property Tax	16.13	2004-2005 and upto Aug 2019
14	Mines and Minerals Act	Royalty / Cess / DMF on Limestone	1204.02	Upto August 2019
		Interest due on Royalty	2287.87	Upto 31.08.2019
15	Mines and Minerals Act	DME/NME	353.31	Upto 31.08.2019
	Mines and Minerals Act	Cess on Royalty	79.28	Upto 31.08.2019
	Mines and Minerals Act	Welfare Cess on Limestone	7.90	Upto March 2016.
	Revenue Act	Non Agriculture land tax	2.92	1999-2000

b) (According to the information and explanations given to us, the following are the statutory dues which have not been deposited on account of dispute:

Sl. No.	Name of the Statute	Nature of dues	Amount (Rs. Lakhs)	Period to which the amount relates	Forum where dispute is pending
1	TNGST Act, 1956	Tamilnadu Sales Tax	5.56	1994-95	Remanded to Assessing Officer by the Appellate Tribunal
2	The Central Excise Act, 1944	CENVAT credits availed on D.G.Sets disallowed by the Dept	232.35	Feb.97 to June 1999	Commissioner, (Appeals) Tirupathi
3	-do-	Differential duty on high seas Imported Coal	34.32	Aug. 2012	CESTAT, Hyderabad
4	-do-	CENVAT credit availed on HR Coils Plates disallowed by the Dept	56.80	2011-12	CESTAT, Hyderabad
5	-do-	CENVAT credit availed on service tax paid on outward freight	53.06	Dec. 06 to Feb 08	Commissioner, Tirupathi
6	-do-	CENVAT credit availed on service tax paid on outward freight	48.06	April.2009 to Dec.2010.	Commissioner, Tirupathi

7	-do-	Differential Duty on D.G.Set	10.24	2004-05	A.P.High Court
8	-do-	Differential duty on supplies made to direct Parties and Government	1351.78	April 2012 to June 2017	Commissioner, Tirupathi
9	-do-	Differential Duty on Supplies made to Direct Parties and Government	86.45	April 2006 to Mar 2008	Supreme court of India
10	-do-	Differential Duty on Cement mis utilisation of Notification No.04/2006	499.11	March 2008 to Mar 2012	Commissioner, Tirupathi
11	-do-	Default in payment of Central Excise Duty-Irregular availment of Cenvat Credit	413.38	July 2006 to November 2007	High Court of AP
12	-do-	Service Tax on Royalty	77.00	July 2014 to July 2016	Addl.Commissioner, Tirupathi
13	Income Tax Act, 1961	Capital Gains Tax on land development Agreements	3309.50	2005-06	ITAT, Hyderabad
14	Income Tax Act, 1961	MAT on Book Profit U/s 115 JB of Sick Company	979.77	2007-08	ITAT, Hyderabad
15	Income Tax Act, 1961	Capital Gains Tax on Land Development Agreements	1768.67	2012-13	ITAT, Hyderabad
16	Income Tax Act, 1961	Capital Gains Tax on Land Development	4702.73	2008-09	ITAT, Hyderabad
17	Act, 1961	Disallowance of interest on Loans	169.54	2009-10	(CIT (Appeals), Kurnool
18	The Electricity Act, 2003	Fuel Surcharge Adjustment (FSA) Charges	30.08	2008-09	Supreme Court of India
19	The Electricity Act, 2003	----do----	23.48	Apr 2009 to June 2009	High Court of A.P. Hyderabad
20	The Electricity Act, 2003	Voltage Surcharge	30.64	Sept.1983 to Nov.1984	High Court of A.P. Hyderabad

- viii) In our opinion and according to the information and explanations given to us, the Company has defaulted in repayment of loans or borrowings to Financial Institutions, Banks and to debenture holders as at 31st March, 2020. During the year the Company has delayed the repayment of dues to IIFL & IKF Finance Limited.

The company has delayed the re-payments dues to EW India Special Assets Fund Pte Limited and E-Cap Equities Limited towards NCD's.

Sl. No.	Name of the Bank / Financial Institutions & Others	Amount of default as at 31st March, 2020			Paid in Subsequent year	Period of Default
		Principal	Interest	Total		
1.	India Infoline Finance Ltd (IIFL)	57.50	4.40	61.90	3.10	June'19 to Mar 20 Nov'18 and Dec'18
2.	IKF Finance Limited	24.70	-	24.70	-	
	TOTAL	82.20	4.40	86.60	3.10	
3.	State Bank of India Cash Credit Loan- Nandyal	1771.96	616.71	2388.67	NIL	28.06.18 to March 2020
	State Bank of India, Cash Credit Loan-Hyd.	610.14	131.67	741.81	NIL	28.06.18 to March 2020.
	TOTAL	2382.10	748.38	3130.48		

(Rupees in Lakhs)

Sl. No.	Name of the Bank / Financial Institutions / Debentures Holders	Amount of default as at 31.03.2020		Paid in Subsequent year	Period of Default
		Principal	Interest & Penal Int		
1.	EW India Special Assets Fund Pte Ltd	3344.75	7707.98	Nil	Principal dues from Q/E Aug 2018 to Feb 2020 Interest dues from Oct 2017 to March 2020
2.	E-Cap Equities Ltd	811.75	959.94	Nil	Principal dues from Q/E Aug 2018 to Feb 2020 Interest dues from Nov 2017 to March 2020
	TOTAL	4156.50	8667.92	Nil	

- ix) In our Opinion and according to the explanations given to us the company did not raise any money by way of Initial public offer or further public offer (Including Debt Instruments) and have not raised funds by way of Term loans during the year.
- x) According to the information and Explanations given to us no material fraud on the company by its officers or employees has been noticed or reported during the year.
- xi) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, no managerial remuneration has been paid or provided during the year under report.
- xii) In our opinion and according to the information and explanations given to us the company is not a nidhi company. Accordingt paragraph 3(xii) of the CARO 2016 is not applicable.
- xiii) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have not been disclosed in the financial statements as required by the applicable accounting standards..
- xiv) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the company has not made

any preferential allotment or private placement of shares or fully or partly convertible Debentures during the year under review.

- xv) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the company has not entered into any non cash transactions with directors or persons connected with them . Accordingly paragraph 3(xv) of the CARO 2016 is not applicable,
- xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act,1934.

For **K.S. RAO &Co.,**
CharteredAccountants
Firm'sRegn.No.003109S

P.GOVARDHANAREDDY
Partner
M.No.029193
DIN:21029193AAAADS1157

Place: Hyderabad
Date: 11-02-2021

Panyam Cements & Minerals Industries Limited

Balance Sheet as at 31st March, 2020

(₹ in lakhs)

Particulars	Note No.	As at 31st March, 2020	As at 31st March, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	6,637.70	7,358.01
Capital work-in-progress	3	2,315.66	2,315.66
Financial assets			
- Investments	4(a)	2,702.40	3,208.20
- Loans	4(b)	8,976.38	6,768.65
- Other financial assets	4(c)	18.80	671.31
Other non-current assets	5	1,771.76	1,683.72
Total Non-current assets		22,422.71	22,005.55
Current assets			
Inventories	6	880.59	1,079.83
Financial assets			
- Trade receivables	7(a)	2,348.97	2,366.31
- Cash and cash equivalents	7(b)	17.11	12.71
- Bank balances other than Cash and cash equivalents	7(c)	44.27	41.93
- Loans	7(d)	1,360.00	2,642.05
- Other financial assets	7(e)	106.49	202.18
Other current assets	8	762.12	721.00
Current tax asset (Net)	9	-	-
Total Current assets		5,519.55	7,066.01
TOTAL ASSETS		27,942.26	29,071.56
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	10(a)	1,686.42	1,686.42
Other equity	10(b)	(26,089.23)	(9,793.59)
Total Equity		(24,402.81)	(8,107.17)
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	11(a)	-	5,575.54
- Other financial liabilities	11(b)	407.91	2,874.18
Deferred tax liabilities (Net)	12	-	-
Other non-current liabilities	13	24.22	345.08
Total Non-current liabilities		432.13	8,794.80
Current liabilities			
Financial liabilities			
- Borrowings	14(a)	3,130.48	2,774.17
- Trade payables			
- Total outstanding dues of micro enterprises and small enterprises (Refer Note No.28)		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	14(b)	2,576.06	3,004.70
- Other Current financial liabilities	14(c)	31,073.14	14,038.95
Other current liabilities	15	14,816.97	8,257.35
Current tax liability (Net)	9	316.30	308.76
Total Current liabilities		51,912.94	28,383.93
TOTAL EQUITY AND LIABILITIES		27,942.26	29,071.56
General information	1		
Summary of significant accounting policies	2		

See accompanying notes forming part of financial statements

As per our attached report of even date

For and on behalf of the Board

For K S Rao & Co

M/s Panyam Cements & Mineral Industries Limited

Chartered Accountants

Firm's Regn No.0031095

(CA P.GOVARDHANA REDDY)

V.ARAVINDA RANI

S.SREEDHAR REDDY

Partner

Director

Managing Director

Membership No.029193

Place: Hyderabad

Date: 11.02.2021

BHRUGESH AMIN

Resolution Professional of Panyam Cements and Mineral Industries Limited. Signed without any liability for administrative purpose only, as review period is prior to appointment of insolvency professional/ commencement of corporate insolvency resolution process.

Panyam Cements & Minerals Industries Limited

Statement of Profit and Loss for the Year ended 31st March, 2020

(₹ in lakhs)

Particulars	Note No.	Current Year	Previous Year
I Revenue from operations	16	-	6,943.61
II Other income	17	1,436.59	1,284.84
III Total revenue (I + II)		1,436.59	8,228.45
IV Expenses			
a) Cost of materials consumed	18	-	1,407.05
b) Purchase of stock-in-trade		-	-
c) Changes in inventories of finished goods, work in progress and stock-in-trade	19	7.48	263.46
d) Employee benefit expense	20	926.89	1,205.89
e) Finance Cost	21	8,777.95	4,164.69
f) Depreciation and amortisation expense	3	672.35	802.00
g) Power and fuel		17.39	4,481.24
h) Other expenses	22	1,279.44	2,537.75
Total expenses (IV)		11,681.50	14,862.08
V Profit/ (loss) before exceptional items and tax (III-IV)		(10,244.91)	(6,633.63)
VI Exceptional items	23	(5,544.94)	137.10
VII Profit/ (loss) before tax expenses (V + VI)		(15,789.85)	(6,496.53)
Tax expenses:	24		
Current tax		-	-
Deferred tax		-	-
Earlier years income tax		-	242.77
VIII Total Tax expenses		-	242.77
IX Profit/(loss) for the period (VII-VIII)		(15,789.85)	(6,739.30)
X Other comprehensive income	25		
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Net gains/(losses) on FVTOCI equity securities (Net of tax effect)		(505.80)	(1.04)
XI Total comprehensive income for the period (IX + X)		(16,295.65)	(6,740.34)
Earnings Per Equity Share(Face Value ₹10 each)	26		
Basic		(93.65)	(39.97)
Diluted		(93.65)	(39.97)
<i>General information</i>	1		
<i>Summary of significant accounting policies</i>	2		

See accompanying notes forming part of financial statements

As per our attached report of even date

For K S Rao & Co
Chartered Accountants
Firm's Regn No.0031095
(CA P.GOVARDHANA REDDY)
Partner
Membership No.029193

Place: Hyderabad
Date: 11.02.2021

BHRUGESH AMIN

Resolution Professional of Panyam Cements and Mineral Industries Limited. Signed without any liability for administrative purpose only, as review period is prior to appointment of insolvency professional/ commencement of corporate insolvency resolution process.

For and on behalf of the Board

M/s Panyam Cements & Mineral Industries Limited

V.ARAVINDA RANI
Director

S.SREEDHAR REDDY
Managing Director

Panyam Cements & Minerals Industries Limited

Cash flow statement for the year ended 31st March, 2020

(₹ in lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Cash flow from operating activities		
Profit before tax from continuing operations	(15,789.85)	(6,496.52)
Profit before tax	(15,789.85)	(6,496.52)
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortisation expenses	672.35	802.00
Interest income	(1,363.67)	(1,255.67)
Debit balances Written Off	119.70	-
Allowance for expected credit loss on trade receivables	-	267.95
Dividend income on investments made	-	(0.10)
Loss on sale of Fixed assets	23.43	-
Gain on sale of flats	(467.45)	-
(Shown under other current financial assets)		
Interest expenses	12,479.23	3,341.88
Interest expense due to amortisation of processing fees	56.44	40.41
Interest expense due to amortisation of NCDs	2,231.24	782.40
Operating profit before working capital changes	(2,038.58)	(2,517.65)
Working capital adjustments:		
(Decrease)/Increase in trade payables	(428.64)	558.75
(Decrease)/Increase in other current liabilities	6,559.62	437.36
(Decrease)/Increase in other non-current liabilities	(320.86)	(146.78)
(Increase)/Decrease in trade receivables	17.34	88.60
(Increase)/Decrease in inventories	79.54	668.93
(Increase)/Decrease in financial assets	691.33	(1,082.08)
(Decrease)/Increase in financial liabilities	6,704.70	7,021.27
(Increase)/Decrease in other current assets	(41.12)	(275.45)
(Increase)/Decrease in other non- current assets liability	(88.04)	0.33
Cash generated from operating activities	11,135.29	4,753.29
Direct taxes paid (net)	7.54	96.86
Net cash flow from operating activities (A)	11,142.83	4,850.15
Cash flows from investing activities		
(Purchase)/Sale of fixed assets, including CWIP	24.52	(8.36)
Sale of flats (Shown under other current financial assets)	524.32	-
Dividend received	-	0.10

Deposits/margin money deposit matured/ (placed) during the year	(2.34)	(7.70)
Net cash flow from/(used in) investing activities (B)	546.50	(15.96)
Cash flows from financing activities		
Interest paid	(12,479.23)	(3,341.88)
Interest received	1,363.67	1,255.67
(Repayment)/Proceeds from long term borrowings	-	(2,684.68)
(Repayment)/Proceeds from short term borrowings	356.31	329.48
Loans and advances paid to related parties	(925.68)	(419.36)
Net cash flow from/ (used in) in financing activities (C)	(11,684.93)	(4,860.77)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	4.39	(26.59)
Cash and cash equivalents at the beginning of the year	12.72	39.31
Cash and cash equivalents at the end of the year	17.11	12.72
Components of cash and cash equivalents		
Cash on hand	17.11	12.71
Total cash and cash equivalents (Note 8(b))	17.11	12.71
Note:		
The Cash Flow Statement has been prepared under the 'Indirect Method' set out in Ind AS -7 "Statement of Cash Flows"		
Previous Year's figures have been regrouped / rearranged to confirm to the current years presentation, wherever necessary.		

As per our attached report of even date

For K S Rao & Co
Chartered Accountants
Firm's Regn No.0031095

(CA P.GOVARDHANA REDDY)
Partner
Membership No.029193

Place: Hyderabad
Date: 11.02.2021

BHRUGESH AMIN

Resolution Professional of Panyam Cements and Mineral Industries Limited. Signed without any liability for administrative purpose only, as review period is prior to appointment of insolvency professional/ commencement of corporate insolvency resolution process.

For and on behalf of the Board

M/s Panyam Cements & Mineral Industries Limited

V.ARAVINDA RANI
Director

S.SREEDHAR REDDY
Managing Director

Panyam Cements & Minerals Industries Limited
Statement of changes in equity for the year ended 31st March, 2020

(₹ in lakhs)

a. Equity share capital		Note	Amount				
As at 31st March, 2018			1,686.42				
Changes in equity share capital during the year		10(a)	-				
As at 31st March, 2019			1,686.42				
Changes in equity share capital during the year		10(a)	-				
As at 31st March, 2020			1,686.42				
(₹ in lakhs)							
b. Other equity		Reserves and Surplus			Items of Other Comprehensive income	Money received against share warrants	Total other equity
Particulars	Note	Securities premium reserve	Capital redemption reserve	Retained earnings	FVOCI - equity instruments		
Balance as at 31st March, 2017	10(b)	941.56	74.19	237.36	(1,862.40)	713.31	104.03
Changes in equity for the period ended 31st, March 2018							
Exercise of share warrants	10(b)(i)	629.01	-	-	-	(713.31)	(84.31)
Equity instruments through other comprehensive income	10(b)(iv)	-	-	-	70.79	-	70.79
Profit for the year	10(b)(iii)	-	-	(3,143.76)	-	-	(3,143.76)
Balance as at 31st March, 2018		1,570.57	74.19	(2,906.40)	(1,791.61)	-	(3,053.25)
Changes in equity for the period ended 31st, March 2019							
Equity instruments through other comprehensive income	10(b)(iv)	-	-	-	(1.04)	-	(1.04)
Profit for the year	10(b)(iii)	-	-	(6,739.30)	-	-	(6,739.30)
Balance as at 31st March, 2019		1,570.57	74.19	(9,645.70)	(1,792.65)	-	(9,793.59)
Changes in equity for the period ended 31st, March 2020							
Equity instruments through other comprehensive income	10(b)(iv)	-	-	-	(505.80)	-	(505.80)
Profit for the year	10(b)(iii)	-	-	(15,789.85)	-	-	(15,789.85)
Balance as at 31st March, 2020		1,570.57	74.19	(25,435.55)	(2,298.45)	-	(26,089.24)

As per our attached report of even date

For and on behalf of the Board

For K S Rao & Co

M/s Panyam Cements & Mineral Industries Limited

Chartered Accountants

Firm's Regn No.0031095

(CA P.GOVARDHANA REDDY)

V.ARAVINDA RANI

S.SREEDHAR REDDY

Partner

Director

Managing Director

Membership No.029193

Place: Hyderabad

Date: 11.02.2021

BHRUGESH AMIN

Resolution Professional of Panyam Cements and Mineral Industries Limited. Signed without any liability for administrative purpose only, as review period is prior to appointment of insolvency professional/ commencement of corporate insolvency resolution process.

Notes to financial statements for the year ended 31st March 2020

Note 1: General Information

The Panyam Cements & Minerals Industries Limited ("the company") a public limited company incorporated and domiciled in India and has its registered office at Nandyal, Kurnool district, Andhra Pradesh. The securities of the company were listed in Bombay Stock Exchange of India Limited. Corporate Insolvency Resolution Process ("CIRP") has been initiated in case of the Company vide an order no. CP (IB) No. 187/7/AMR/2019 delivered on 14th May 2020 of Hon'ble National Company Law Tribunal ("NCLT"), Amravati Bench under the Provisions of the Insolvency and Bankruptcy Code, 2016 (the Code). Pursuant to the order, the management of affairs of the Company and powers of board of directors of the Company are now vested with the Resolution Professional ("RP") who is appointed by the Committee of Creditors ("CoC").

The Company is engaged in the business of manufacture and sale of cement. The financial statements for the year ended March 31, 2020 were approved by the Board of Directors for issue on 11th Feb 2021.

1. Key Roles and Responsibilities & Data Sources for the Financial Year 2019-20

Area of Work	Registered Office- Nandyal	Corporate Office - Hyderabad	Plant - Cement Nagar
Overall Decisions of the Company	Managing Director -Mr. S. Sreedhar Reddy (Currently suspended) CFO -Mr. S. Nageshwar Reddy (Resigned in December month of 2019)		
Accounts	Mr. G Prahalad Rao	Mr. M Nageswara Goud	Mr DVJ Ramarao
Technical In charge	-	-	Mr. V. Ganpathi Reddy
Corporate Affairs	-	Mr. J. Hanumanth Rao	-

2. General Note

The National Company Law Tribunal ("NCLT"), Amravati Bench, vide order dated 14th May 2020 ("Admission Order") has initiated corporate insolvency resolution process ("CIRP") based on petitions filed by IDBI Trusteeship Service Limited under section 7 of the Insolvency and Bankruptcy Code, 2016 ("the Code"). Mr. Bhrugeth Amin (IP Registration No. IBBI/IPA-002/IP-N00353/2017-18/11003) was appointed as Interim resolution professional ("IRP") to manage affairs of the Company in accordance with the provisions of the Code. In the first meeting of the committee of creditors held on 20th June 2020, Mr. Bhrugeth Amin had been confirmed as Resolution Professional ("RP"/ "Resolution Professional") for the Company. As per section 134 of the Companies Act, 2013, the financial statements of the Company are required to be authenticated by the Chairperson of the Board of Directors, where authorized by the Board or at least two directors, of which one shall be managing director or the CEO (being a director), the CFO and Company Secretary where they are appointed. Pursuant to the NCLT order for commencement of the CIRP and in line with the provisions of the Code, the powers of the Board of Directors stand suspended and be exercised by IRP / RP.

These Financial Statement for the year ended 31st March 2020 have been prepared by the management. It is pertinent to note that the Resolution Professional made all practical and reasonable efforts from time to time to facilitate information/data from the officials of the Company in relation to the preparation of the financial statements of the company and also the information required by the auditors for the purpose of carrying out the audit of the financial statements of the Company. It is to be noted that the financial statements for the FY 2019-20 as well as the information provided to the auditors for the purpose of audit of the same, pertain to the period prior to the appointment of the Resolution Professional and therefore, while facilitating the collection and dissemination of the said information, the Resolution Professional has relied upon and assumed the accuracy/ veracity of data/information provided by the officials of the Company, suspended directors and the records of the Company made available to the Resolution Professional , which the Resolution Professional has assumed are in conformity with the applicable law and present a true and fair view of the position of the Company as of the dates and for the period indicated therein. The RP has not personally verified the information provided by the officials of the Company and has placed confidence in the data/ information provided to him. Accordingly, the Resolution Professional should be absolved from the accuracy, veracity and sufficiency or completeness of such information. Readers and users of these statements are advised to do their due diligence before arriving at any conclusions. The Resolution Professional has signed the Financial Statements to facilitate the CIRP process and to facilitate the statutory requirements without any liability of the same.

Note 2: Significant Accounting Policies

A. Statement of Compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified under the Companies (Indian Accounting Standards) Rules,2015 and Companies (Indian Accounting Standards) Amendment Rules,2016 and Companies (Indian Accounting Standards) AmendmentRules,2017, Companies (Indian Accounting Standards) Amendment Rules,2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019.

B. Basis of preparation and presentation of financial statements

The financial statements have been prepared in accordance with the Indian Generally Accepted Accounting Principles on accrual basis of accounting and the historical cost convention basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

C. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- * Expected to be realized or intended to be sold or consumed in normal operating cycle
- * Held primarily for the purpose of trading
- * Expected to be realized within twelve months after the reporting period, or

- * Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- * It is expected to be settled in normal operating cycle
- * It is held primarily for the purpose of trading
- * It is due to be settled within twelve months after the reporting period, or
- * There is no unconditional right to defer the settlement of the liability for at least twelvemonths after the reporting period.

D. Use of estimates and judgments

The preparation of the financial statements requires that the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates.

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Actual results could differ from those estimates.

Any revision to accounting estimates is recognized prospectively in current and future periods. The critical accounting judgments and key estimates followed by the Company for preparation of financial statements is described in Note 2(R).

E. Property, Plant and Equipment

Freehold Land is carried at historical cost. Other property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under Other Non-Current Assets and the cost of the assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as of April 1, 2016 (transition date) measured as per the previous GAAP and considered that carrying value as its deemed cost as of the transition date.

F. Depreciation and Amortization

The Company depreciates property, plant and equipment over their estimated useful lives as specified in Schedule II to the Companies act, 2013 using the straight-line method in respect of plant and machinery and buildings and in respect of other assets on written down value method. Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The useful life as prescribed under Schedule II of the Companies Act have been followed except in respect of the following categories of assets, in whose case the life of the assets has been assessed asunder based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

Buildings-Factory - 28 years adopted as against 30 years prescribed

Buildings-Residential & Non-Factory- 58 years adopted as against 60years prescribed

Buildings-Others(temporary) - 2 years adopted as against 3 years prescribed

Continuous process plants (i.e., 18 years adopted as against 25 years prescribed) and

Thermal Power Plant - 20 years adopted as against 40 years prescribed

Plant and Machinery-others - 18 years adopted as against 40 years prescribed

Ropeways - 9 years adopted as against 15 years prescribed.

G. Impairment of Tangible Assets

Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e., the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit to which the asset belongs. If such assets are considered to be impaired, the impairment is recognized in the Statement of Profit and Loss and is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

H. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in two categories:

- * Financial assets at amortized cost
- * Equity instruments at fair value through other comprehensive income (FVTOCI)

Financial assets at amortized cost

A 'Financial asset' is measured at the amortized cost if both the following conditions are met:

- a. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade receivables. For more information on receivables, refer to Note 7a.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by - instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized (i.e., removed from the Company's balance sheet) when:

The rights to receive cash flows from the asset have expired, or

The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either

- (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Impairment of Financial assets

The Company recognizes loss allowances using the Expected Credit Loss (ECL) model for the financial assets which are not fair valued through profit or loss.

The Company follows "Simplified approach" for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in profit or loss.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are de-recognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

De recognized

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

I. Investment in associates

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Such investments in which the Company has no significant influence are accounted under Ind AS 109 at fair value and the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

J. Inventories

Inventories are stated at the lower of cost and net realizable value after providing for obsolescence. Costs of inventories are determined on weighted average basis. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and Costs necessary to make the sale. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition.

K. Cash and Cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

L. Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current Tax:

- The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'Profit Before Tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax:

- Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences.
- Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.
- The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.
- Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.
- The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and Deferred Tax for the Year:

- Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognized in Other Comprehensive Income or directly in equity respectively.

M. Provisions, Contingent liabilities and Commitments

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

Contingent liability is disclosed in the case of:

- * A present obligation arising from past events when it is not probable that an outflow of resources will not be required to settle the obligation.
- * A present obligation arising from past events, when no reliable estimate is possible
- * A possible obligation arising from past events, unless the probability of outflow of resources is remote

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting period.

Contingent asset

Wherever there is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent asset is disclosed when the inflow of economic benefit is probable.

N. Revenue Recognition

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

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

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

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

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

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

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

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

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

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

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

Other Operating Income and Other Income:

Revenue with respect to Other Operating Income and Other Income including incentives are recognized when a reasonable certainty as to its realization exists.

O. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets is substantially ready for their intended use or sale.

All other borrowing costs are recognized in statement of profit or loss in the period in which they are incurred.

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

P. Employee Benefits

Short term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the services are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of Bonus, Ex-gratia, Leave Travel Allowance, Reimbursement of Medical Expenses, Personal Accident Policy, Deposit Linked Insurance Policy are recognized in the period in which the employee renders the related services.

Post-Employment Benefits:

(i) Defined Contribution Plan:

The Company's contribution paid / payable during the year to Provident Fund are considered as defined contribution plans.

The Contribution paid / payable under these plans are recognized in the Statement of Profit and Loss during the period in which the employee renders the services.

(ii) Defined Benefit Plans:

Gratuity/superannuation and leave encasement benefits payable on retirement/ resignation of employees is recognized on retirement/payment basis.

Q. Earnings per share

Basic earnings per share are computed by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equities shares outstanding during the period. The Company did not have any potentially dilutive securities in any of the period presented.

R. Estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Revenue recognition:

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

Useful lives and residual value of property, plant and equipment:

The Company reviews the useful life and residual value of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Allowance for expected credit losses:

Note 2(H) describes the use of practical expedient by computing the expected credit loss allowance for trade receivables based on provision matrix. The expected credit allowance is based on the aging of the days receivables which are past due, and the rates derived based on past history of defaults in the provision matrix.

Fair value of investments:

The Company has invested in the equity instruments of various companies. However, the percentage of shareholding of the Company in such investee companies is very low and hence, it has not been provided with future projections including projected profit and loss account by those investee companies. Hence, the valuation exercise carried out by the Company with the help of available historical annual reports and other information in the public domain.

Taxes:

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets

that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Contingent liability judgment:

Note 27 describes claims against the Company not acknowledged as debt. Contingencies may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum of contingencies inherently involve the exercise of significant judgment and the use of estimates regarding the outcome of future events.

S. Recent accounting pronouncements

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

The Company doesn't have any leases as on 31st March 2020 and hence Ind AS 116 will not be applicable for the Company.

As per our attached report of even date

For K S Rao & Co
Chartered Accountants
Firm's Regn No.0031095

(CA P.GOVARDHANA REDDY)
Partner
Membership No.029193
Place: Hyderabad
Date: 11.02.2021

BHRUGESH AMIN

Resolution Professional of Panyam Cements and Mineral Industries Limited. Signed without any liability for administrative purpose only, as review period is prior to appointment of insolvency professional/ commencement of corporate insolvency resolution process.

For and on behalf of the Board

M/s Panyam Cements & Mineral Industries Limited

V.ARAVINDA RANI
Director

S.SREEDHAR REDDY
Managing Director

Pangam Cements & Minerals Industries Limited
Notes to financial statements for the year ended 31st March, 2020

Particulars	GROSS BLOCK						DEPRECIATION						NET BLOCK					
	As at 31st March 2017	Additions during the year	Deductions during the year	As at 31st March 2018	Additions during the year	Deductions during the year	As at 31st March 2018	For the year 2018-19	Deductions during the year	As at 31st March 2019	For the year 2019-20	Deductions during the year	As at 31st March 2020	As at 31st March 2019	As at 31st March 2020	As at 31st March 2020		
	4.18	58.91	4.18	629.95	4.18	629.95	338.51	24.28	362.80	26.55	389.34	24.80	414.14	240.61	4.18	267.15		
Freehold Land																		
Buildings - Factory	571.04	58.91	4.18	629.95	4.18	629.95	338.51	24.28	362.80	26.55	389.34	24.80	414.14	240.61	4.18	267.15		
Building-residential & Non Factory	130.73	-	-	130.73	-	130.73	111.28	0.97	112.25	0.92	113.18	0.88	114.06	16.68	17.56	18.48		
Building-others (Temporary)	7.52	-	-	7.52	-	7.52	7.52	-	7.52	-	7.52	-	7.52	-	-	(0.00)		
Roads, Culverts and Bridges	35.74	-	-	35.74	-	35.74	24.52	2.91	27.43	1.95	29.38	1.35	30.73	5.01	6.36	8.31		
Wells and Water Works	54.51	-	-	54.51	-	54.51	51.82	-	51.82	-	51.82	-	51.82	2.69	2.69	2.89		
Plant and Machinery-continuous Process	9,942.25	95.93	-	10,038.17	79.88	-	10,118.06	-	4,754.15	279.10	5,033.24	258.10	5,291.34	4,626.72	5,084.82	5,284.02		
Plant and Machinery-Power Generation	340.69	-	-	340.69	-	340.69	325.81	-	325.81	-	325.81	-	325.81	14.89	14.89	14.88		
Plant and Machinery-others	131.94	-	-	131.94	-	131.94	85.34	8.96	94.30	6.68	100.98	5.11	106.09	25.85	30.96	37.64		
Plant and Machinery-Electrical Equipments	233.33	-	-	233.33	-	233.33	225.25	-	225.25	-	225.25	-	225.25	8.08	8.08	8.08		
Plant and Machinery-others	2.54	-	-	2.54	-	2.54	1.37	0.18	1.55	0.15	1.70	0.13	1.83	0.71	0.84	0.99		
Plant and Machinery-others	924.45	98.41	-	1,022.86	3.17	-	1,026.03	-	486.92	108.55	595.48	86.28	681.76	344.27	430.55	535.94		
Electrical Installation	64.53	-	-	64.53	-	64.53	64.12	-	64.12	-	64.12	-	64.12	0.41	0.41	0.41		
Telephone Installations	5.53	-	-	5.53	-	5.53	4.97	0.12	5.09	0.08	5.17	0.05	5.22	0.31	0.36	0.44		
Railway Siding and Weigh Bridge	1,671.08	71.47	-	1,742.56	-	1,742.56	87.05	289.97	377.02	247.12	624.14	202.36	826.50	916.06	1,118.42	1,365.54		
Roadway	136.07	-	-	136.07	-	136.07	108.38	8.25	116.64	5.78	122.42	4.04	126.46	9.61	13.65	19.43		
Quarry Equipment	2,125.40	-	-	2,125.40	-	2,125.40	1,851.72	157.90	1,709.62	107.24	1,816.87	73.23	1,910.08	187.35	308.53	415.78		
Workshop Equipment	6.58	-	-	6.58	-	6.58	6.49	-	6.49	-	6.49	-	6.49	0.08	0.08	0.09		
Laboratory Equipment	7.30	41.79	-	49.09	2.26	-	51.35	6.68	9.54	11.19	20.73	11.16	31.89	19.45	30.61	39.55		
Mining Lease and Mineral Prospect	2.18	-	-	2.18	-	2.18	2.16	-	2.16	-	2.16	-	2.15	0.02	0.02	0.02		
Computers	90.21	0.45	-	90.66	-	90.66	84.35	1.81	86.16	0.36	86.53	0.13	86.66	4.00	4.13	4.50		
Office Equipments	59.08	-	-	59.08	0.92	-	60.00	57.29	0.10	57.40	0.40	57.79	58.16	1.84	2.21	1.88		
Servers & Networks	50.49	-	-	50.49	-	50.49	47.97	-	47.97	-	47.97	-	47.97	2.52	2.52	2.52		
Furniture & Fixtures	51.72	2.26	-	53.98	-	53.98	48.79	0.97	49.76	0.63	50.39	0.61	51.00	2.98	3.59	4.22		
Library	0.49	-	-	0.49	-	0.49	0.48	-	0.48	-	0.48	-	0.48	0.01	0.01	0.01		
Vehicles	538.92	8.11	-	547.03	-	547.03	497.38	12.42	509.81	5.30	515.11	3.75	518.86	28.17	31.92	37.22		
Grand Total:	17,188.49	377.33	-	17,565.83	86.24	-	16,893.04	8,555.79	9,952.28	9,492.06	10,294.06	672.35	9,11.08	10,055.33	6,637.70	8,073.77		
Previous Year	-	-	-	17,188.49	377.33	-	17,565.83	86.24	9,492.06	9,952.28	10,294.06	802.00	9,492.06	7,358.00	8,073.77	-		
CWIP at factory	-	-	-	2,315.66	-	-	2,315.66	-	-	-	-	-	2,315.66	2,315.66	2,315.66	-		

(Rupees in Lakhs)

Panyam Cements & Minerals Industries Limited
Notes to financial statements for the year ended 31st March, 2020

Note : Financial assets

4(a) Non-current Investments

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Investment in equity instruments at fair value through other comprehensive income (fully paid)		
Quoted		
3255 (31st March, 2019:8100) equity shares of Bank of Baroda (Vijaya Bank)	1.74	3.73
Unquoted		
1,25,00,000 (31st March, 2019:1,25,00,000) equity shares of of M/s S.P.Y. Agro Industries Ltd	2700.66	3,204.47
Total equity investments	2,702.40	3,208.20
Total non-current investments	2,702.40	3,208.20
Aggregate amount of quoted investments and market value thereof	1.74	3.73
Aggregate amount of un-quoted investments	2,700.66	3,204.47
Aggregate amount of impairment in the value of investments	-	-
8100 Vijaya Bank shares are converted into BOB as on 01-04-2020 with face value Rs.2/-		
402 Equity shares of Rs.2 each of BOB for every 1000 equity shares of Rs.10/- each of Vijaya Bank.		
4(b) Loans		
Inter Corporate Loans Related parties	8976.38	6768.65
Total	8,976.38	6,768.65
4(c) Other non-current financial assets		
Security Deposits with Power Distribution Corporation Ltd	18.80	671.31
Total	18.80	671.31
Note 5: Other non-current assets		
Capital Advances	1771.76	1683.72
Total	1,771.76	1,683.72
Note 6: Inventories		
Raw Materials	82.19	89.21
Work-in-progress	31.14	32.51
Finished Goods	0.00	6.11
Stores and spares,chemicals,fuel and packing materials	605.35	678.90
Coal and packing materials	161.91	273.10
Total	880.59	1,079.83

Notes to financial statements for the year ended 31st March, 2020

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Note 7(a): Trade receivables		
Unsecured and considered good*	0.00	2274.36
Unsecured and considered doubtful	2737.34	480.32
	2,737.34	2,754.68
Impairment Allowance (allowance for bad and doubtful debts)**	(388.37)	(388.37)
Total trade receivables	2,348.97	2,366.31

*(Refer Note No.30 for transactions with related parties)

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person, Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

No interest is charged on Trade Receivables for delay in payment beyond credit period from the due date of the Invoice.

The Company has used a practical expedient by computing the expected credit loss allowance for Trade Receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates are given in the provision matrix. The provision matrix at the end of the Reporting Period is as follows:

**The allowance for expected credit losses for the year includes additional provision for doubtful debts apart from provision made based on the above matrix.

Aging:	Expected credit loss	
	As at 31st March, 2020	As at 31st March, 2019
Within credit period	0.25%	0.25%
Upto 60 days past due	0.50%	0.50%
61-90 days past due	1.00%	1.00%
91-180 days past due	3.00%	3.00%
more than 180 days past due	5.00%	5.00%

Aging of receivables (₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Within credit period	-	0
Upto 60 days past due	-	6.49
61-90 days past due		0.45
91-180 days past due		213.71
more than 180 days past due	2,737.34	2534.02
Total trade receivables (before impairment allowance)	2,737.34	2,754.67

Notes to financial statements for the year ended 31st March, 2020

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Movement in Expected Credit Loss allowance :		
Balance at beginning of the year	388.37	100.00
Movement in Expected Credit Loss allowance on trade receivables calculated at lifetime expected credit losses	-	288.37
Balance at end of the year	388.37	388.37
Note 7(b): Cash and cash equivalents		
Balances with banks in Current Account	16.65	12.08
Cash on hand	0.46	0.63
Total	17.11	12.71
Note 7(c): Bank balances other than Cash and cash equivalents		
Balance with Banks in Margin Money/ Fixed Deposits for LC/BG	44.27	41.93
Total	44.27	41.93
Note 7(d): Loans		
Inter Corporate loans-Related parties	1360.00	2642.05
Total	1,360.00	2,642.05
Note 7(e): Other current financial assets		
Property of land under development	3.91	60.78
Tender/Security/Telephone Deposits	51.62	51.62
Coal Deposit	50.00	50.00
Interest Receivable	0.96	39.78
Total	106.49	202.18
Note 8: Other current assets		
Advance to Suppliers	438.04	380.73
Advance to Employees	9.41	7.09
Advance to Contractors & Transporters	0	0.06
Prepaid Insurance and other Expenses	0	18.45
Advance excise duties/CENVAT/VAT/Service tax	228.45	228.45
Other advances	86.22	86.22
Total	762.12	721.00
Note 9: Current tax liability		
Provision for income tax	423.34	415.38
Less: Advance tax & TDS	107.04	106.62
Closing balance	316.30	308.76

Notes to financial statements for the year ended 31st March, 2020

Note 10: Equity share capital and other equity (₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
10(a) Equity share capital		
(a) Authorised Share Capital :		
1,85,00,000 Equity Shares of Rs.10/- each (as at 31st march 2019 1,85,00,000 Equity Shares of Rs.10/- each)	1,850.00	1,850.00
(b) Issued:		
1,68,66,739 Equity shares of Rs.10/- each issued (as at 31st march 2019 1,68,66,739 Equity Shares of Rs.10/- each)	1,686.67	1,686.67
(c) Subscribed and fully paid		
1,68,61,199 Equity shares of Rs.10/- each fully paid (as at 31st march 2019 1,68,61,199 Equity Shares of Rs.10/- each)	1,686.12	1,686.12
(d) Subscribed & Not Fully Paid (forefeited)		
5,540 Equity shares of Rs.10/- each (as at 31st march 2019 5,540 Equity shares of Rs.10/- each)	0.30	0.30
Total	1,686.42	1,686.42

Reconciliation of the number of equity shares outstanding Number of shares

Particulars	As at 31st March, 2020	As at 31st March, 2019
At the beginning of the year	1,68,61,199	1,68,61,199
Add: Issued during the year	Nil	Nil
At the end of the year	1,68,61,199	1,68,61,199

Terms/ rights attached to equity shares

The company has only one class of equity shares having par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Details of shareholders holding more than 5% shares in the company

Name of the shareholder	As at 31st March, 2020		As at 31st March, 2019	
	No.of shares	% of holding	No.of shares	% of holding
S.P.Y.Reddy	17,31,404	10.27%	17,31,404	10.27%
S.Sreedhar Reddy	20,76,007	12.31%	20,76,007	12.31%
V.Suresh	18,78,102	11.14%	18,78,102	11.14%
S.Parvathi	9,71,861	5.76%	9,71,861	5.76%
S.Sujala	11,42,774	6.78%	11,42,774	6.78%
V.Aravinda Rani	10,73,081	6.36%	10,73,081	6.36%
	88,73,229	52.63%	88,73,229	52.63%

Notes to financial statements for the year ended 31st March, 2020

As per records of the Company including its register of share holders/members and other declarations received from share holders regarding beneficial interest, the above share holding represents legal ownership of shares as at balance sheet date.

The Company has no Subsidiaries/Associates and has no Holding Company.

10(b) Other Equity

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(i) Share premium	1,570.57	1,570.57
(ii) Capital Redemption Reserve	74.19	74.19
(iii) Retained earnings	(25,435.55)	(9,645.70)
(iv) Reserve for items of Other comprehensive income	(2,298.45)	(1,792.65)
Total	(26,089.23)	(9,793.59)
(i) Share premium		
Opening balance	1,570.57	1,570.57
Issue of equity shares by exercise of share warrants	-	
Closing balance	1,570.57	1,570.57
(ii) Capital redemption reserve		
Opening balance	74.19	74.19
Add: Transfer from Surplus in Statement of Profit & Loss	-	-
Closing balance	74.19	74.19
(iii) Retained earnings		
Opening balance	(9,645.70)	(2,906.40)
Net profit/(loss) for the period	(15,789.85)	(6,739.30)
Closing balance	(25,435.55)	(9,645.70)
(iv) Reserve for items of Other Comprehensive income		
Change in fair value of FVOCI - equity instruments		
(Net of taxes)*		
- Opening balance	(1,792.65)	(1,791.61)
- Net gains/(losses) on FVTOCI equity securities during current year	(505.80)	(1.04)
Closing balance	(2,298.45)	(1,792.65)

* tax impact is not considered

Notes to financial statements for the year ended 31st March, 2020

Note 11(a): Long Term Borrowings (₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Non-current borrowings		
Secured		
Hire Purchase Finance :		
For purchase of Equipmnet and Vehicles under hypothecation	-	8.48
14% Rated,Secured,Listed,Redeemle Non Convertible Debentures of Rs. 10,00,000/- each (NCDs):		
787 Nosof Debentures issued to EW India Special Assets Fund Pte Limited	-	4,479.83
191 Nos.of Debentures issued to E-Cap Equities Limited	-	1,087.23
Total	-	5,575.54

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

Terms of repayment

Debentures issued to EW India Special Assets Fund Pte Limited are repayable from August, 2018 to March, 2021 in Quarterly instalments at effective interest rate of 22%p.a

Debentures issued to E-Cap Equities Limited are repayable from August, 2018 to March, 2021 in Quarterly instalments at effective interest rate of 22%p.a

Hire Purchase Finance from Bank of India(BOI) is repayble from April, 2019 to March, 2021 at interest rate of 0.85% above the yearly BOIMCLRp.a and from IIFL in repayable Aprl 2018 to Aprl 2020

for the previous year from IKF is repayable from April, 2018 to November, 2018 at effective interest rate of 16%.

Security

The above NCDs are secured by Mortgage and first exclusive charge over all movable and immovable assets of the company including land, building and plant & machinery at Cement Nagar and Hypothecation of stocks and book debts on second charge basis. Further, secured by pledge of entire existing & future Promoter Group shareholding of the Company and also personal guarantee of the promoters.

Hire Purchase Finance is secured by hypothecation of equipment and vehicles purchased and personal guarantee of two directors of the Company.

Note 11(b): Other Non-Current financial liabilities (₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Trade deposits from dealers	217.49	217.49
Caution deposits from contractors	11.47	11.47
Advances against staff quarters (pending for final settlement)	78.15	78.15
Other liabilities	100.80	100.80
Interest accrued and payable after 12 months	-	2,466.27
Total	407.91	2,874.18

Notes to financial statements for the year ended 31st March, 2020

Note 12: Deferred tax liability (₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Opening balance	-	-
Less: Deferred liability reversed on consideration of prudence	-	-
Closing balance	-	-

Deferred tax liability as on 1st April, 2016 has been reversed considering deferred tax asset to the extent of liability and balance deferred tax asset has not been recognised on consideration of prudence.

Note 13: Other Non-current liabilities (₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Advances against Joint Development of Property	24.22	345.08
Total	24.22	345.08
Note 14(a): Current borrowings		
Current borrowings		
Secured from banks		
Cash Credits & Interest dues	3,130.48	2,774.17
Total	3,130.48	2,774.17

During the year there are defaults in repayment of borrowings and cash credits.

Cash Credits from banks, Secured by hypothecation of inventory of raw materials, finished goods, stocks in process and book debts and first pari pasu charge on the current assets and second charge on all the fixed assets of the company and also by the personal guarantee of the Directors and shareholders.

Note 14(b): Trade payables (₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Trade payables *	2,576.06	3,004.70
Total	2,576.06	3,004.70

* (Refer Note 28 for details of dues to Micro, Small & Medium Enterprises as required under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act")
(Refer Note 30 for transactions with related parties)

Notes to financial statements for the year ended 31st March, 2020

Note 14(c): Other Current financial liabilities (₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Secured		
Current maturities of long term debt*	9,875.09	4,266.64
Interest accrued on NCDs payable within 12 months**	13,365.43	2,798.39
Interest accrued on belated payments of Govt.Dues**	-	
UnSecured		
Preference share capital	19.30	19.30
Caution Deposits from Dealers/Employees payable on demand	40.48	40.48
Employees Salaries,Bonus and P F recoveries and contributions	2,426.35	1,241.00
Power Charges and Other expenses payable	5,346.49	5,673.14
Total	31,073.14	14,038.95

Preference share capital

Cumulative Preference Shares have fallen due for redemption on 25.07.1999 and the Company has requested the institutional shareholders for extension of repayment period.

***Default in repayment of Hire Purchase Finance**

During the year the Company has delayed the repayment of dues to IIFL and IKF Finance Limited and Bank of India.

The details of overdue amounts of the Company's borrowings are as follows:

Particulars	Principal	Interest
IIFL (Jun'19 to Mar'20)	57.50	4.40
IKF (Nov'18 & Dec'18)	24.70	-
Bank of india (April 19 to March 2020)	2.15	-
Total	84.35	4.40

****Default in repayment of NCDs**

During the year the Company has delayed the repayment of dues to EW India Special Assets Fund Pte Limited and E-Cap Equities Limited towards NCDs.

The details of overdue amounts of the Company's borrowings are as follows:

Particulars	Principal	Interest & penal interest
EW India Special Assets (Aug 18-Mar 20)	3,344.75	7,707.98
E-Cap Equities (Aug 18-Mar 20)	811.75	959.94
Total	4,156.50	8,667.92

Notes to financial statements for the year ended 31st March, 2020

During the Year 2019-20 case filed in NCLT for Corporate Insolvency Resolution Process (CIRP) by IDBI Trusteeship Services Limited

IDBI Trusteeship Services Limited acting in its capacity as debenture Trustees and for the benefit of Debenture Holders i.e., EW India Special Assessts Pte.Limited and E Cap Equities Limited under the Debenture Trustee Ship has issued a notice to the Company recalling the amount due under NCDs and calling upon the payment of amount due together with further interest . It was also stated in the said notice, if the Company/Promoter Gurantor failed to comply with the requisitions contained in the recall notice, the Trustees / Debenture Holders shall be constrained to initiate proceedings under Insolvency and Bankruptcy Code 2016 for Corporate Insolvency Resolution Process (CIRP) of the Company and other appropriate proceedings for the recovery of the aforesaid dues. The Trustees have filed a case during the year 2019-2020 in NCLT for CIRP of the company being defaulted in payment of NCDs together with interest dues . The NCLT has issued order for CIRP of the company on 14-05-2020 and the CIRP is under process.

Note 15: Other current liabilities

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Statutory Dues	14,095.13	7,519.14
Advances from customers	710.09	726.47
Other Advances from Transporters/Creditors	11.74	11.74
Total	14,816.97	8,257.35

Note 16: Revenue from operations

(₹ in Lakhs)

Particulars	Current Year	Previous Year
Sale of products	-	6,897.75
Freight and other Receipts	-	45.86
Excise duty/GST	-	-
Total	0.00	6,943.61

Note 17: Other income

Interest on Bank and other deposits and income tax refund	3.67	80.97
Interest on Inter corporate loans and advances to related parties	1360.00	1,174.70
Dividend Income	-	0.10
Scrap Sales	68.17	24.93
Rent Receipts	3.36	4.14
Other Receipts	1.39	-
Total	1,436.59	1,284.84

Notes to financial statements for the year ended 31st March, 2020

Note 18: Cost of materials consumed (₹ in Lakhs)

Particulars	Current Year	Previous Year
Consumption of raw materials	-	992.61
Consumption of packing materials	-	414.44
Total	-	1,407.05
(Refer note 34 for details of consumption)		
Note 19: Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Closing Stock		
Finished Goods	-	6.11
Stock-in-process	31.14	32.51
Scrap & Disposables	-	-
Total Closing Stock	31.14	38.62
Opening Stock		
Finished goods	6.11	89.33
Stock-in-process	32.51	212.75
Scrap & Disposables	-	-
Total Opening Stock	38.62	302.08
Total changes in inventories of work-in-progress, stock-in-trade and finished goods	(7.48)	(263.46)
Current Year decrease Rs 7.48 lakhs represents the stocks written off		
Note 20: Employee Benefit Expense		
Salaries, Wages, Bonus and Allowances	564.48	923.76
Contribution to ESI & Provident Fund	27.34	41.64
Gratuity payment	227.11	1.01
Staff Welfare expenses	107.96	239.48
Total	926.89	1,205.89
Note 21: Finance cost		
Interest expenses		
On Working capital cash credits and adhoc loan	356.30	484.66
On Hire Purchase Loans	7.52	48.76
Interest on Debentures	7978.90	2,652.63
On Others	435.23	969.85
Renewal fees for Cash credits	-	8.79
Total	8,777.95	4,164.69

Notes to financial statements for the year ended 31st March, 2020

Note 22: Other Expenses		(₹ in Lakhs)
Particulars	Current Year	Previous Year
Consumption of stores and spares	1.14	269.55
Rent including Lease Rents	-	0.24
Insurance	13.78	28.09
Repairs & Maintenance		
a) Buildings	-	-
b) Plant & Machinery	36.41	353.21
c) Others	4.34	47.17
Rates & Taxes and service tax	21.85	55.27
Travelling and conveyance	2.70	25.26
Printing and stationery	2.71	3.89
Postage Telegrams and Telephones	1.72	3.94
Remuneration to Managing Director	0.00	18.00
Remuneration to Auditors		
Audit and Tax Audit Fee	4.00	3.00
Audit Expenses	0.23	0.32
Cost Audit Fee	-	0.50
Advertisement	0.02	1.09
Legal & Professional Fee and Expenses	15.23	29.98
Bank Charges	0.15	5.88
Provision for ECL	-	267.95
Other Expenses	12.29	50.78
Vehicle Maintenance	3.08	10.72
Debit Balances written off	119.70	-
Expenses/Income relating to Earlier Years	1039.74	191.24
Selling Expenses		
Freight outward and forwarding expenses	-	833.70
Discounts and price differences	-	321.29
Other Selling expenses	0.37	16.68
Total	1,279.45	2,537.75
Note 23: Exceptional items		
Profit on sale of property	467.45	137.10
Interest on Delayed payments of Govt.Dues**	(5,988.96)	-
Loss on Sale of Assets	(23.43)	-
Total	(5,544.94)	137.10
Note 24: Tax expenses		
Current tax on profits for the year	-	-
Income tax expenses	-	-

Notes to financial statements for the year ended 31st March, 2020

The income tax expense for the year can be reconciled to the accounting profit as follows: (₹ in Lakhs)

Particulars	Current Year	Previous Year
Current tax on profits for the year	(15,789.85)	(6,496.53)
Applicable tax rate under normal provisions of income tax	34.608%	34.608%
Tax payable under normal provisions as per applicable rate	(5,464.55)	(2,248.32)
Increase/(decrease) in taxes on account of:		
Depreciation as per books	232.69	277.56
Disallowances	2,883.24	641.02
Income considered separately	(161.77)	(47.45)
Depreciation as per Income Tax act, 1961	(227.90)	(261.09)
Long term capital gains	128.87	-
Paid during the Year		
Ind AS adjustments	-	755.66
MAT credit adjustment under 115JAA	-	-
Total adjustments	2,855.12	1,365.70
Total Loss during the year	-	-
Income tax expense recognised in statement of profit and loss	-	242.77
*There is loss during the year for the Company and hence tax expense is not provided.		
Note 25: Other Comprehensive Income (OCI)		
Net gains/(losses) on FVTOCI equity securities	(505.80)	(1.04)
Tax effect	-	-
Total	(505.80)	(1.04)
Note 26: Earning Per Share (EPS)		
EPS		
Net Profit After Tax available for Equity Shareholders	(15,789.85)	(6,739.30)
Weighted Average Number of Equity Shares of Rs.10/- each	168.61	168.61
Basic Earning per Share	(93.65)	(39.97)
DPS		
Net Profit After Tax available for Equity Shareholders	(15,789.85)	(6,739.30)
Weighted Average Number of Equity Shares of Rs.10/- each	168.61	168.61
Diluted Earning per Share	(93.65)	(39.97)

Explanatory notes and other information:

27. Contingent Liabilities and Commitments:

Rupees in Lakhs

Sl. No	Particulars	As of 31st March, 2020	As of 31st March, 2019
1	As a signatory to the Memorandum of Cement Allocation and Co-ordinating Organization	1.00	1.00
2	Guarantees given by the Bankers (Net of margin money paid)	41.37	51.37
3	Corporate guarantee given to SIPCOT for the financial assistance availed by M/s Cheran Cement Limited (Liability as on 30.04.2013 as per Recall Order dt. 24.5.2013)	3,174.79	3,174.79
4	Corporate guarantee given to SBI, SBH, Bank of India, Syndicate Bank, Indian Overseas Bank, Central Bank of India and Canara Bank for financial assistance availed by S.P.Y. Agro Industries Limited. During the Year 2019-20, the above Bankers have claimed the Corporate Guarantee for Rs.11162.26 and admitted by the Resolution Professional under CIRP Ordered by NCLT.	11,174.52	10,842.05
5	Arrears of dividend on "C" Cumulative Preference shares held by institutions, being not redeemed and requested for extension of time	56.70	54.00
6	Estimated amount of contracts remaining to be executed on capital account (Net of advances)	1,332.75	1,332.75
7	Claims against the Company not acknowledged as debts being disputed and pending in appeals:		
	(i) CENTRAL EXCISE:		
a)	CENVAT credits availed and utilized were subsequently disallowed by the Department and differential duty on Imported Coal and are pending in Appeals or before CESTAT or High Court of concerned jurisdiction	434.83	439.20
b)	Differential Duty on Cement supplies made to direct parties, the Company has contested in appeals and are pending before the Commissioner of Appeals or CESTAT/or A.P High Court/Supreme Court.	2,472.72	1,438.23
c)	Interest and Penalties levied up to 31.5.2018 on belated payments of Excise Duty and Service Tax for the period from July 2012 to June 2017 was Contested and filed writ petition before the Hon'ble High Court. During the year 2019-2020 the liability is provided.	NIL	2,449.70

(ii) ELECTRICITY MATTERS:			
a)	Claim of APSEB for 10% voltage surcharge for the period from September 1983 to November 1984 contested. High Court granted stay and directed APSEB to dispose off the pending representations made by the company.	30.64	30.64
b)	Fuel Surcharge Adjustment (FSA) charges for the years 2008-09,2009-10 and for the first quarter of 2010-11 payable to APCPDCL contested by the industrial units Including the company before the Hon'ble High Court of A.P. and the High Court granted stay for the year 2009-10 and first quarter 2010-11 and the favorable order of the High Court for the year 2008-09 was referred to Supreme Court and the same is pending.	53.56	53.56
(iii) INCOME TAX MATTERS			
a)	The Assessing Officer (Dy. Commissioner of Income Tax, Kurnool) has raised demand for payment of capital gains tax on land under Joint Development Agreement for the Assessment year 2006-07 of Rs. 3309.50 lakhs including Interest up to 31.3.2014. The company contested the demand before the Commissioner of Income Tax Appeals, Hyderabad and the appeal were disposed in favour of the company vide order dated 12th February 2018.The Department filed second appeal before Appellate Tribunal, Hyderabad and the matter is pending before Tribunal.	3,309.50	3,309.50
b)	The Assessing Officer has re-opened the assessment for the Assessment year 2008-09 and demand raised for MAT liability on book profit under section115JB of Income Tax Act, of Rs. 979.77 lakhs including Interest up to 31.3.2016. The Company contested the demand before the Commissioner of Income Tax Appeals, Kurnool. The Commissioner disposed the appeal in favour of the Company vide Order dated 9.1.18 The Assessing Officer filed second appeal before the ITAT, Hyderabad and it is pending.	979.77	979.77
c)	The Assessing Officer (Asst. Commissioner of Income Tax, Kurnool) has re-opened the assessment for the assessment year 2009-10 under section 147 of the Income Tax Act and raised demand for Rs.4702.73 lakhs including Interest up to 31.12.2017. The Company contested the demand before the Commissioner of Income Tax Appeals, Kurnool and the Commissioner disposed the appeal in favour of the Company vide Order dated 5.7.18. The Assessing Officer filed further appeal before the ITAT, Hyderabad and it is pending.	4,702.73	4,702.73

d)	The Assessing Officer (Asst. Commissioner of Income Tax, Kurnool) has reopened the assessment for the Assessment year 2010-11 under section 147 of the Income Tax Act and the company contested the demand before the Commissioner of Income Tax Appeals, Kurnool and the Appeal is pending for disposal.	169.54	174.89
e)	The Assessing Officer (Asst. Commissioner of Income Tax, Kurnool) has raised the demand for Capital Gain Tax for the Assessment Year 2013-14 of Rs.1768.67 lakhs including Interest up to 31.3.2016 The company contested the demand before the CIT (Appeals), Kurnool. The Commissioner disposed the appeal in favour of the Company. The Asst. Commissioner of Income Tax, Kurnool filed second appeal before the Appellate Tribunal, Hyderabad. The company filed the cross objections before ITAT on 23.8.2018 and the matter is pending.	1,768.67	1,768.67
iv)	COMMERCIAL TAX MATTERS		
a)	Demand raised by the Commercial Tax Department, Tamilnadu in respect of levy of penalty for the assessment year 1994-95 contested in appeal before Appellate Authority and the matter was remanded to assessing authority.	5.56	5.56
b)	The Department of Mines and Geology raised demand for penal interest from 1991-92 to 31.3.2018 on royalty dues for delay in payments and the Company has filed Application for waiver of Interest before the Department and Ministry of Mines, New Delhi and filed writ petition before the High Court of Andhra Pradesh contesting the demand. During the year 2019-2020 the liability provided.	Nil	1,848.86
v)	OTHER MATTERS		
	Suits filed by the parties against the company and pending in Appeals/ Courts	120.45	120.45
vi)	Corporate Insolvency Resolution Process initiated under Insolvency and Bankruptcy Code, 2016. before The National Company Law Tribunal, Hyderabad.		
a)	M/s SKP Labs Private Limited, Hyderabad (formerly known as Sri Karthikeya Chemicals Pvt. Ltd), the buyer of the Flats under Joint Development Agreement filed a case before NCLT, Hyderabad and claimed Interest @ 24% p.a on the advance amount paid Rs. 191.00 lakhs from 21.5.2007 to 21.10.2018 of Rs. 1552.21 lakhs for delay in handing over/executing Sale Deeds as per Agreement of Sale dated. 15.3.2007 and also claimed liquidated damages of Rs.135.00 lakhs along		

with Interest from 5.12.2011 to 5.11.2018 of Rs.463.66 lakhs. The Company has disputed the claim and filed counter affidavit before NCLT, and the case was dismissed by NCLT during the year 2019-2020.	Nil	2,150.87
b) M/s SKP Labs Private Limited, Hyderabad (formerly known as Sri Karthikeya Chemicals Pvt. Ltd), the buyer of the Flats has entered into agreement under Registered Document No.29565/2006-07 dt.15.03.2007 for purchase of 13,500 Sq. ft for consideration of Rs.252.50 Lakhs and paid advance of Rs.90.19 Lakhs and 2 flats registered for consideration of Rs.65.97 Lakhs and balance amount of Rs.24.22 Lakhs is pending as advance. The company cancelled the agreement to sell since the balance amount was not paid by the party as per the agreement and executed 5 sale deeds in favour of other parties. Against this, the party during the year 2019-2020 filed a case in the Court of City Civil Judge, Bengaluru for cancellation of 5 Registered sale deeds executed by the company and to arrange for sale deeds in favour of Sri Karthikeya Chemicals Pvt Ltd / their nominees and liquidated damages of Rs.135 lakhs together with interest at 18% amounting to Rs.243 Lakhs and further interest or alternative to pay damages of Rs.1156.89 lakhs. The case is pending for disposal before the Court.	1,156.89	Nil

28. Under the Micro, Small and Medium Enterprises Development Act, 2006 and in accordance with the notification issued by the Ministry of Corporate Affairs, certain disclosures are required to be made relating to Micro and Small Enterprises as defined in the said Act. The company is in the process of compiling the relevant information from its suppliers about their coverage under the said Act and hence required disclosures could not be made.

29. Segment Reporting

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

30. Related party transactions:

a) Names of related parties and description of relationship:

Description of Relationship	Name of related party
Enterprises where significant influence/control of key managerial personnel or their relatives exists	S.P.Y. Agro Industries Limited Sujala Pipes Private Limited Cheran Cements Limited Integrated Thermo Plastics Limited Sujala Infrastructure Private Limited Anantha PVC Pipes Private Limited Nandi Polymers India Private Limited Nandi PVC Products Private Limited Nandi CPVC Pipe Products India Private Limited Nandi Pipes Private Limited SPY Reddy Educational Society

Key Management Personnel	Sri S. Sreedhar Reddy Sri V. Suresh Kumar Sri V. Ramnath Dr. R.K. Prasad Sunkara Smt V. Aravinda Rani Sri P.J. Reddy Sri Panduranga Rao Sri S. Nageshwara Reddy
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b) Summary of transactions with the related parties is as follows:

Rupees in Lakhs

Sl. No.	Nature of Transaction	Transaction Value for the Year ended		Balance as at	
		2019-20	2018-19	31.3.2020	31.3.2019
1	Sales/advances and receivable	NIL	NIL	264.23	264.23
2	Remuneration to Key Management personnel	16.90	28.80	52.30	46.90
3	Corporate Guarantee given to SIPCOT for financial assistance availed by Cheran Cement Limited (estimated liability)	NIL	NIL	3,174.79	3,174.79
4	Corporate Guarantee given to SBI, SBH, Bank of India, Syndicate Bank, Indian Overseas Bank, Canara Bank and Central Bank for Financial assistance availed by S.P.Y. Agro Industries Limited	332.47	(1,793.42)	11,174.52	10,842.05
5	Purchases and services availed from and due to enterprises in which KMP or relatives of KMP have control / significant influence	(17.54)	9.56	(1,213.54)	(1,196.00)
6	Sales and services provided to and due from Associate Companies	Nil	(0.05)	12.44	12.44
7	Advances/Inter-corporate Deposits given to Associate Companies	925.68	1,432.54	10,336.38	9,410.70
8	Investment in Equity Shares of M/s. S.P.Y. Agro Industries Limited	(503.81)	1.97	2,700.66	3,204.47

Figures have been rounded off to the nearest decimal of Lakhs under Notes to Accounts. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Note 31: Fair value measurements**a) Financial instruments by category**

The carrying value of financial instruments by categories as of March 31, 2020 is as follows:

(Rs. lakhs)

Particulars	FVTPL	FVTOCI	Amortized cost	Total
Financial assets:				
Investments				
Equity instruments		2,702.40		2,702.40
Trade receivables			2,348.97	2,348.97
Cash and cash equivalents			17.11	17.11
Bank balances other than Cash and cash equivalents			44.27	44.27
Loans			10,336.38	10,336.38
Other financial assets			125.29	125.29
Total Financial assets		2,702.40	12,872.02	15,574.42
Financial Liabilities:				
Borrowings			3,130.48	3,130.48
Trade payables			2,576.06	2,576.06
Other financial liabilities			31,481.05	31,481.05
Total Financial liabilities			37,187.59	37,187.59

The carrying value of financial instruments by categories as of March 31, 2019 is as follows:

(Rs. lakhs)

Particulars	FVTPL	FVTOCI	Amortized cost	Total
Financial assets:				
Investments				
Equity instruments	-	3,208.20	-	3,208.20
Trade receivables	-	-	2,366.31	2,366.31
Cash and cash equivalents	-	-	12.71	12.71
Bank balances other than Cash and cash equivalents	-	-	41.93	41.93
Loans	-	-	9,410.70	9,410.70
Other financial assets			873.49	873.49
Total Financial assets	-	3,208.20	12,705.14	15,913.34
Financial Liabilities:				
Borrowings	-	-	8,349.71	8,349.71
Trade payables	-	-	3,004.70	3,004.70
Other financial liabilities	-	-	1,69,131.13	1,69,131.13
Total Financial liabilities	-	-	28,267.54	28,267.54

b) Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets as of 31st March 2020:

Fair value measurement (Rupees in Lakhs)

	Level - 1	Level - 2	Level - 3	Total
Financial assets				
Financial instruments at FVTOCI Investments in Quoted equity instruments equity shares of Vijaya Bank Ltd	1.74			1.74
Investments in Un-Quoted equity instruments				
equity shares of M/s S.P.Y. Agro Industries Ltd			2,700.66	2,700.66
Total Financial assets	1.74		2,700.66	2,702.40

Quantitative disclosures fair value measurement hierarchy for assets as at 31st March 2019:

Fair value measurement (Rupees in Lakhs)

	Level - 1	Level - 2	Level - 3	Total
Financial assets				
Financial instruments at FVTOCI Investments in Quoted equity instruments equity shares of B O B(effective 01.04.2019 Vijaya Bank Ltd merged with Bank Of Baroda)	3.73			3.73
Investments in Un-Quoted equity instruments				
equity shares of M/s S.P.Y. Agro Industries Ltd			3,204.47	3,204.47
Total Financial assets	3.73		3,204.47	3,208.20

Reconciliation of Level 3 fair value measurements

Investment in unquoted shares irrevocably designated as FVTOCI

(Rupees in Lakhs)

Particulars	As at 31st March,2020	As at 31st March 2019
Opening balance	3,204.47	3,202.50
Total gains/losses in other comprehensive income	(503.81)	1.97
Closing balance	2,700.66	3,204.47

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

Note: There are no transfers between levels 1 and 2 during the year.

Note 32: Capital Management & Risk management Capital management

The Company being in a capital-intensive industry, its objective is to maintain a strong credit rating healthy capital ratio and establish a capital structure that would maximize the return to stakeholders through optimum mix of debt and equity. The Company's capital requirement is mainly to fund its capacity expansion, repayment of principal and interest on its borrowings. The principal source of funding of the Company has been, and is expected to continue to be, cash generated from its operations supplemented by funding from borrowings. The Company regularly considers other financing and refinancing opportunities to diversify its debt profile, reduce interest cost and align maturity profile of its debt commensurate with life of the assets, and closely monitors its judicious allocation amongst competing capital expansion projects to capture market opportunities at minimum risk."

Gearing ratio

The Company monitors its capital using gearing ratio, which is total debt divided to total equity as given below:

(Rupees in Lakhs)

Particulars	As at 31st March,2020	As at 31st March 2019
Total Debt*	9,875.09	9,842.18
Equity share capital	1,686.42	1,686.42
Other equity	(26,089.24)	(9,793.59)
Cumulative redeemable preference shares	19.30	19.30
Total equity	(24,383.52)	(8,087.87)
Total debt to Total equity ratio	(0.41)	(1.22)

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

Financial risk management and objectives and policies

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact in the financial statements. The Company activities exposed it to market risk (including price risk), credit risk and liquidity risk. A Special Team with Senior Executives having exposure in various fields has been formed to assist Managing director in (a) Overseeing and approving the Company's enterprise wide risk management framework, and (b) Overseeing that all the risks that the organization faces such as market risk(including currency risk, interest rate risk and other price risk), Credit risk and liquidity risk have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks. The Managing Director and CFO, monitors and reports on the principal risks and uncertainties that can impact the company and its ability to achieve strategic objectives. The Company's management systems, organizational structures, processes, standards, code of conduct and behaviors together form the Management and business of the Company.

Financial risk management and objectives and policies

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact in the financial statements. The Company activities exposed it to market risk (including price risk), credit risk and liquidity risk. "A Special

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A. Market risk

"Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices and equity prices. Financial assets/liabilities affected by this risk are borrowings, letter of credits and trade receivables and investments."

The Company's investments in listed and non-listed equity securities are susceptible to price risk arising from uncertainties about future value of the investment securities. The Company's non-current investment in equity shares are strategic investments and hence are considered as Fair Value through Other Comprehensive Income. The Company's Board of Directors reviews and approves all equity investment decisions.

B. Credit risk

"Credit risk refers to the risk that the counter party will default on its contractual obligations resulting in financial loss to the Company. The Company is operating through network of dealers based at different locations. Regular monitoring of the receivables is undertaken by the Marketing Department and in case the limits are exceeded, steps will be taken by the Marketing departments and after discussing with the management the Company will decide whether to stop or not further supplies to the concerned dealer till the amount outstanding is recovered. For the export made by the Company, the sales are backed by letters of credit or advance receipts. The internal risk management committee of the Company meets regularly to discuss the dealers and credit risks, measures taken to address them and the status and level of risk after the measures taken. Export sales are fully secured through letters of credit or against advance receipts. (refer Note No.8(a) for Trade Receivable outstanding)."

C. Liquidity risk:

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company maintains flexibility in funding by maintaining availability under committed credit lines. Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages

liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(i) **Financing arrangements**

The table below provides details regarding the remaining contractual maturities of financial liabilities as at reporting date

(Rupees in Lakhs)

Particulars	On demand	< 1 Year	1-5 Years	5 + Years	Total
As at 31st March, 2020					
Borrowings	-	-	-	-	-
Other financial liabilities	-		407.91		407.91
Total non-current financial liabilities			407.91	-	407.91
Current borrowings	-	3,130.48	-	-	3,130.48
Trade payables	-	2,576.06	-	-	2,576.06
Other current financial liabilities	-	31,073.14	-	-	31,073.14
Total current financial liabilities	-	36,779.68	-	-	36,779.68
As at 31st March, 2019					
Borrowings		-	5,575.54	-	5,575.54
Other financial liabilities		-	2,874.18	-	2,874.18
Total non-current financial liabilities		-	8,449.72	-	8,449.72
Current borrowings		2,774.17	-	-	2,774.17
Trade payables		3,004.70	-	-	3,004.70
Other current financial liabilities		14,038.95	-	-	14,038.95
Total current financial liabilities		19,817.82	-	-	19,817.82

Note 33. Revenue from operations or sale of goods (Net sales)

(Rupees in Lakhs)

S. No	Description of Goods	Qty in Mts.	For the year ended March 31, 2020	Quantity in Mts.	For year ended March 31, 2019
A	Manufactured Goods				
1	Clinker	-	-	20,546.00	576.80
2	Cement	-	-	1,94,418.00	6,320.95
	Total			2,14,964.00	6,897.75

Note 34. Cost of Raw Materials Consumed

(Rupees in Lakhs)

S.No.	Description	2019-20		2018-19	
		Qty in Tonnes	Value	Qty in Tonnes	Value
1	Limestone (Cement Grande) *	-	-	2,43,317.00	267.14
2	Laterite	-	-	8,604.00	178.75
3	Gypsum	-	-	6,947.00	127.85
4	Iron Ore	-	-	4,503.00	68.67
5	Clinker	-	-	6,291.00	147.91
6	Fly ash & Other	-	-	26,018.00	202.29
Total		-	-		992.61

* represents royalty, welfare cess on own quarrying of limestone

Note 35. Value of indigenous raw material components, spare parts and other materials consumed.

(Rupees in Lakhs)

	2019-20		2018-19	
	Value	%	Value	%
a) Raw Materials				
i) Indigenous	-	-	992.61	100%
Total	-	-	992.61	100%
b) Stores and Spare parts:	Value	%	Value	%
i) Indigenous	1.14	100%	269.55	100%
Total	1.14	100%	269.55	100%

Note 36. Value of Imports calculated on CIF Basis

(Rupees in Lakhs)

	2019-20	2018-19
a) Raw Materials	Nil	Nil
b) Components and spare parts	Nil	Nil
c) Capital Goods	Nil	Nil
Total	Nil	Nil

Note 37. Earning in Foreign Exchange

(Rupees in Lakhs)

	2019-20	2018-19
a) FOB Value of Exports	Nil	Nil
Total	Nil	Nil

Note 38. Expenditure in Foreign Exchange

(Rupees in Lakhs)

	2019-20	2018-19
a) Raw Materials	Nil	Nil
b) Travelling Expense	Nil	Nil
c) Others	Nil	Nil
Total	Nil	Nil

As per our attached report of even date

For K S Rao & CoChartered Accountants
Firm's Regn No.003109S**(CA P.GOVARDHANA REDDY)**Partner
Membership No.029193Place: Hyderabad
Date: 11.02.2021**BHRUGESH AMIN****Resolution Professional of Panyam Cements and Mineral Industries Limited. Signed without any liability for administrative purpose only, as review period is prior to appointment of insolvency professional/ commencement of corporate insolvency resolution process.**

For and on behalf of the Board

M/s Panyam Cements & Mineral Industries Limited**V.ARAVINDA RANI**

Director

S.SREEDHAR REDDY

Managing Director



**PANYAM CEMENTS &
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