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**PANYAM  
CEMENTS & MINERAL  
INDUSTRIES LIMITED**

*If undelivered please return to :*

**PANYAM CEMENTS &  
MINERAL INDUSTRIES LIMITED**

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

**58th  
ANNUAL REPORT  
2013 - 2014**

**BOARD OF DIRECTORS**

S. SREEDHAR REDDY  
*Managing Director*

V. SURESHKUMAR

V. ARVINDA RANI

V. RAMNATH

A.V. NARASIMHA REDDY

DR. R. K. PRASAD SUNKARA

**REGISTRAR & SHARE  
TRANSFER AGENTS**

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

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

**CENTRAL ADMINISTRATIVE OFFICE :**

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

**AUDITORS**

**Brahmayya & Co.**  
Chartered Accountants  
Adoni 518 301.

**COST AUDITOR**

Mrs. Aruna Prasad  
Cost Accountant  
Plot No. 802, 64<sup>th</sup> Street,  
10<sup>th</sup> Sector, K.K. Nagar,  
Chennai - 600 078.

**BANKERS**

State Bank of India  
Main Branch  
Nandyal

State Bank of Hyderabad  
Overseas Branch  
Somajiguda  
Hyderabad

Indian Overseas Bank  
Adarshnagar,  
Hyderabad

**REGISTERED OFFICE**

C-1, Industrial Estate  
Bommalasatram,  
Nandyal - 518 502  
Kurnool District, A.P.  
Telephone Nos.08514-222274  
Fax No.: 08514-243106  
E-mail: regoffice@panyamcements.com

**CEMENT WORKS:**

Cementnagar - 518 206  
Kurnool District, A.P.  
Telephone No.: 08516-274638  
Fax No.: 08516-274644  
E-mail: pcmil@panyamcements.com

**PANYAM CEMENTS & MINERAL INDUSTRIES LIMITED**

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

**NOTICE**

Notice is hereby given that the Fifty Eighth Annual General Meeting of the Members of the Company will be held on Saturday, the 27<sup>th</sup> September, 2014 at 11.45 A.M., at the Registered Office of the company, C-1, Industrial Estate, Nandyal, Kurnool District, Andhra Pradesh to transact the following business:-

**Ordinary Business**

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March 2014, and the Statement of Profit and Loss for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Sri. V. Sureshkumar Shastry (DIN: 01788268), who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Sri. V. Ramnath (DIN: 01303846), who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.

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

**Special Business:**

5. To consider and if thought fit to pass the following resolution with or without modifications as an Ordinary Resolution:  
"RESOLVED that Smt. V. Aravinda Rani (DIN: 01241976), who was appointed as an Additional Director of the Company by the Board of Directors of the Company and who holds office upto the date of the ensuing Annual General Meeting under Section 161(1) of the Companies Act, 2013 and in respect of whom the company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company liable for retirement by rotation."
6. To consider and if thought fit to pass the following resolution with or without modifications as a Special Resolution:  
"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Sri S. Sreedhar Reddy (DIN: 01440442) as Managing Director of the Company for a period of 5 (five) years with effect from 30th October, 2014 on the terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re appointment and / or remuneration as it may deem fit and as may be acceptable to Sri S. Sreedhar Reddy, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;  
RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."
7. To announce the result of the postal ballot in respect of resolution to be passed under Section 180(1)(c) of the Companies Act, 2013 under Item No.1 of the Postal Ballot dated August 13, 2014.
8. To announce the result of the postal ballot in respect of resolution to be passed under Section 180(1)(a) of the Companies Act, 2013 under Item No.2 of the Postal Ballot dated August 13, 2014.
9. To announce the result of the postal ballot in respect of resolution to be passed under Section 186 of the Companies Act, 2013 under Item No.3 of the Postal Ballot dated August 13, 2014.

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

**Place: Nandyal**  
**Dt:- 13<sup>th</sup> August, 2014**

**S. SREEDHAR REDDY**  
Managing Director

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

**Notes:-**

1. The Explanatory Statement pursuant to section 102 of the Companies Act, 2013 (Act) in respect of the business under Item Nos. 5 to 9 of the Notice, is annexed hereto. The relevant details as required under clause 49 of the Listing Agreements entered into with the Stock Exchanges, of persons seeking appointment/re-appointment as Directors under Item No. 2 to 3 and Item Nos. 5 to 6 of the Notice, are also annexed.
2. **A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company.** The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
4. Brief resume of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange.
5. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Sundays, during business hours up to the date of the Meeting.
8. The Company has notified closure of Register of Members and Share Transfer Books from Monday, September 22, 2014 to Saturday, September 27, 2014 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.
9. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / XL Softech Systems Ltd.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / XL Softech Systems Ltd.
11. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form can be downloaded from the Company's website [www.panyamcements.com](http://www.panyamcements.com) under the section 'Investor Relations'.
12. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to XL Softech Systems Ltd, for consolidation into a single folio.
13. Non-Resident Indian Members are requested to inform XL Softech Systems Ltd, immediately of:
  - (a) Change in their residential status on return to India for permanent settlement.
  - (b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
14. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
15. The Notice of the AGM along with the Annual Report 2013-14 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
16. The Annual Report of your company for the financial year 2013-14 would also be made available in the Company's website" [www.panyamcements.com](http://www.panyamcements.com)
17. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with XL Softech Systems Ltd/Depositories.
18. In compliance with the provisions of section 108 of the Act and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all resolutions set forth in this Notice.

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

**In case of members receiving e-mail:**

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
<b>PAN</b>	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>● Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>● In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
<b>DOB</b>	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
<b>Dividend Bank Details #</b>	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> <li>● Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id folio number in the Dividend Bank details field.</li> </ul>

- (i) After entering these details appropriately, click on "SUBMIT" tab.
- (ii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (iii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (iv) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (v) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (vi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (vii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (viii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (ix) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (x) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
  - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

**In case of members receiving the physical copy:**

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on <Date and Time> and ends on <Date and Time>. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of <Record Date>, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to helpdesk.evoting@cdslindia.com.

19. Kindly note that the Shareholders can opt only one mode of voting, i.e. either by Physical Ballot or e voting. If you are opting for e-voting, then do not vote by Physical Ballot also and vice versa. However, in case the Shareholders cast their vote by Physical Ballot and e-voting, then voting done through valid Physical Ballot shall prevail and voting done by e-voting will be treated as invalid.
20. The voting period commences on 18<sup>th</sup> September, 2014 and ends on the close of 20<sup>th</sup> September 2014 (5.30 p.m.). The e-voting module shall also be disabled by CSDL for voting thereafter.
21. The Scrutinizer will submit his report to the Chairman of the Company after completion of the scrutiny of the e-voting process and the results will be announced at the Registered Office of the Company situate at C-1, Industrial Estate, Nandyal - 518 502, Kurnool District, Andhra Pradesh on 27<sup>th</sup> September 2014.

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

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

**Item No. 2:**

Sri V. Sureshkumar Shastry, aged about 40 years has obtained his degree i.e. B.E. in Computer Science and M.Sc. in Physics from BITS, Pilani. He got extensive experience in managing projects in VLSL. He has extensively travelled to Japan, Germany and USA and gained vast experience. His vast experience will be an added advantage to the growth of the company.

**Item No. 3:**

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

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

**Item No. 5:**

Smt. V. Aravinda Rani (DIN.01241976) was appointed as an Additional Director of the Company on 13<sup>th</sup> August, 2014 by the Board of Directors of the Company. According to the provisions of Section 161 of the Companies Act, 2013, Smt. V.Aravinda Rani holds office up to the date of the ensuing Annual General Meeting. As required under Section 160 of the Companies Act, 2013, a notice has been received from the member signifying his intention to propose her appointment as a Director of the Company.

Mrs. V. Aravinda Rani, aged about 33 years, is a graduate in Mechanical Engineering from the prestigious GPREC Kurnool. An academican by profession now, she is the key founder member of Nandi Academy, an international standards based school that offers all-round development of students through project based learning, adopting varied curriculum like Exceed, Multiple intelligence techniques etc with CBSE and IGCSE affiliations.

Mrs. V. Aravinda Rani also participates in the day-to-day operational and financial decisions in the Nandi Group of Companies. Her vast experience will be an added advantage to the growth of the company.

Smt. V. Aravinda Rani, Sri. V. Sureshkumar Shastry and Sri S.Sreedhar Reddy are deemed to be interested in the resolution.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

**Item No. 6:**

The present tenure of office of Sri S. Sreedhar Reddy (DIN: 01440442), who was appointed as Managing Director of the Company will be expired on 29<sup>th</sup> October, 2014.

Further, the Board at its meeting held on August 13, 2014 has, subject to the approval of members, re-appointed Sri S. Sreedhar Reddy as Managing Director, for a period of 5 (five) years from the expiry of his present term, which will expire on October 29, 2014, at the remuneration recommended by the Remuneration Committee of the Board and approved by the Board.

It is proposed to seek the members' approval for the re-appointment of and remuneration payable to Sri S. Sreedhar Reddy as Managing Director, in terms of the applicable provisions of the Companies Act, 2013.

The Broad particulars of the terms of re-appointment of and remuneration payable to Sri S. Sreedhar Reddy are as under:-

**A) Remuneration:**

The Company shall pay to Sri S.Sreedhar Reddy in consideration of the performance of his duties salary of Rs.1,50,000/-(Rupees One lakh and fifty thousands only) per month.

**B) Perquisites:**

In addition to the salary as above, Sri S.Sreedhar Reddy shall be entitled to the following perquisites:

**Category "A"**

i) **Housing:**

Sri S.Sreedhar Reddy shall be entitled to house rent allowance upto 60% of the salary. Expenditure on furniture, water, gas at actual shall be in addition payable by the Company to Sri S.Sreedhar Reddy.

ii) **Medical Reimbursement:**

Expenses actually incurred for Sri S.Sreedhar Reddy and his family shall be reimbursed subject to a ceiling of one month's salary in a year or three months salary over a period of three years.

iii) **Leave Travel Concession:**

For Sri S.Sreedhar Reddy and his family once in a year incurred in accordance with any rule specified by the Company.

iv) **Club Fees:**

Fees of clubs subject to a maximum of two clubs provided no life membership or admission fee shall be paid.

v) **Personal Accident Insurance:** As per the rules of Company policy.

**Category "B"**

i) **Provident Fund and Superannuation Fund:**

Contribution to the Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act. This will not be included in the computation of the ceiling on perquisites.

ii) Gratuity shall not exceed one half month's salary for each completed year of service.

**Category "C"**

**Provision of car and telephone:**

Sri S.Sreedhar Reddy shall be entitled to a motor car for use on company's business and telephone at residence. However use of car for private purpose and personal long distance calls on telephone shall be billed by the company to him.

A brief profile of Sri. S. Sreedhar Reddy is given below:

Sri S. Sreedhar Reddy, aged about 38 years is an Engineering Graduate in Electronics and Communications. He is having about fifteen years of industrial experience. Sri S.Sreedhar Reddy has put in his best efforts in reviving the company during his tenure as Managing Director of the Company and put the company back on rails.

Sri S.Sreedhar Reddy is also the Managing Director of S.P.Y. Agro Industries Limited, 135 KL Per day grain based ethanol project and he is instrumental in implementing the project successfully. Under his stewardship, the said Company is expanding its unit and the same is under progress.

**General:**

(i) The Managing Director will perform his duty as such with regard to all work of the Company and he will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board.

(ii) The Managing Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Companies Act, 2013 with regard to duties of directors.

(iii) The Managing Director shall adhere to the Company's Code of Business Conduct & Ethics for Directors and Management Personnel.

Sri S.Sreedhar Reddy satisfy all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for his re appointment. He is not disqualified from being appointed as Directors in terms of Section 164 of the Act.

The above may be treated as a written memorandum setting out the terms of re-appointment of Sri S.Sreedhar Reddy under Section 190 of the Companies Act, 2013.

Sri S.Sreedhar Reddy, Sri. V. Sureshkumar Shastry and Smt. V. Aravinda Rani are deemed to be interested in the resolution.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board commends the Ordinary Resolutions set out at Item No. 6 of the Notice for approval by the shareholders.

**Item No.7**

Pursuant to the provisions of Section 110 of the Companies Act, 2013, read with Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), the Resolution under Section 180(1)(c) of the Companies Act, 2013 authorising the Board of Directors of the Company to borrow any sum or sums of money from time to time at their discretion, for the purpose of the business of the Company, requires approval of the shareholders through Postal Ballot. The Notice of the Postal Ballot, explanatory statement thereto and the postal ballot form were sent to the Members. The Chairman of the meeting shall declare the result of the postal ballot at the Annual General Meeting.

**Item No.8:**

Pursuant to the provisions of Section 110 of the Companies Act, 2013, read with Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), the Resolution under Section 180(1)(a) of the Companies Act, 2013 authorizing the Board of Directors to mortgage and/or charge, in addition to the mortgages and/or charges created/to be created by the Company, in such form and manner and with such ranking as to priority and for such time and on such terms as the Board may determine, requires approval of the shareholders through Postal Ballot. The Notice of the Postal Ballot, explanatory statement thereto and the postal ballot form were sent to the Members. The Chairman of the meeting shall declare the result of the postal ballot at the Annual General Meeting.

**Item No.9:**

Pursuant to the provisions of Section 110 of the Companies Act, 2013, read with Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), the Resolution under Section 186 authorizing the Board of Directors of the Company from time to time to make loans to any bodies corporate and/or acquire by way of subscription, purchase or otherwise shares and/or debentures (whether convertible or not) or warrants or other equity related securities of any bodies corporate in India or abroad, and/or give any guarantee(s) requires approval of the shareholders through Postal Ballot. The Notice of the Postal Ballot, explanatory statement thereto and the postal ballot form were sent to the Members. The Chairman of the meeting shall declare the result of the postal ballot at the Annual General Meeting.

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

**Place: Nandyal**  
**Dt:- 13<sup>th</sup> August, 2014**

**S. SREEDHAR REDDY**  
Managing Director

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

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

Particulars	V. Sureshkumar Shastry	V. Ramnath	V. Aravinda Rani	S. Sreedhar Reddy
Date of Birth	27-11-1973	09-02-1956	12-01-1979	03-01-1976
Date of Appointment	30-05-2011	18-01-1992	13-08-2014	18-08-2004
Qualifications	B. Tech	B. Tech	B. Tech	B. Tech
Expertise in specific functional areas	Managing projects in VLSL and PVC Pipes	Cement Technology and Printing Technology	Academician by Profession	Cement Technology PVC Pipes and ENA
Directorships held in other companies (excluding foreign companies)	Kasura Technologies Pvt.Ltd. Nandi Grain Derivatives P. Ltd. Sujala Infrastructure Pvt.Ltd Nandi Trade Impex Private Limited Integrated Thermoplastics Pvt.Ltd. Nandi Water Containers P.Ltd.	Velco Technologies Ltd. Cheran Cement Ltd Bon Sante Baking Ltd Tegra Digital Private Ltd .	Sujala Feeds Pvt Ltd Nandi Pipes Pvt Ltd. Sreekanth Trading Pvt Ltd Nandi Water Containers Pvt Ltd Nandi Pipes Hyderabad Pvt Ltd Nandi Milk Products. Pvt Ltd S.P.Y.Agro Industries Ltd Nandi PVC Products Pvt Ltd	S.P.Y.Agro Industries Ltd. Nandi Polymers India (P) Ltd. Ananta Pvc Pipes Pvt Ltd. Sreekanth Pipes Pvt Ltd Nandi Water Containers Pvt Ltd Suraj Water Tanks Pvt Ltd Nandi Irrigation Systems Ltd Nandi CPVC Pipe Products (I) Pvt Ltd . Nandi Grain Derivatives Pvt Ltd Nandi Concrete Products Pvt Ltd Nandi Pumps Pvt Ltd Nandi Oxygen Pvt Ltd Nandi Metals Pvt Ltd Padila Automation Pvt Ltd Monarch Water Containers Pvt Ltd.
Memberships/ Chairmanships of committees of other companies (includes only Audit Committee and Shareholders/ Investors Grievance Committee)	Nil	Nil	Nil	Nil
Number of shares held in the Company	1843752	502050	1033081	1717876

**DIRECTORS' REPORT :**

To  
The Members

Your Directors have pleasure in presenting the 58<sup>th</sup> Annual Report and Audited Statements of Accounts for the year ended 31<sup>st</sup> March, 2014:

**FINANCIAL RESULTS :**

	(Rs.in lakhs)	
	Year ended 31 <sup>st</sup> March 2014	Year ended 31 <sup>st</sup> March 2013
<b>Income:</b>		
Gross Sales of manufactured products ..	6175.91	13300.89
Less: Excise Duty and Sales Tax ..	1410.83	3074.87
Net Sales of manufactured products ..	4765.08	10226.02
Other Income ..	457.53	553.13
<b>Total</b> ..	<b>5222.61</b>	<b>10779.15</b>
Profit(+) / (Loss) (-) before Interest and Depreciation	(-) 1292.06	41.92
Less: Interest and Finance charges ..	1293.22	1260.51
Less: Depreciation ..	661.50	808.67
Net Profit (+) / (Loss) (-) before exceptional and Extra-Ordinary Items and Tax	(-) 3246.78	(-) 2027.26
Add:Exceptional Items on transfer of Wire Division Land property under Joint Development Agreement	2820.97	4276.00
Net Profit(+) / (Loss) (-) / before Extra-ordinary Items and tax	(-) 425.81	2248.74
Provision for - Income Tax for the year (MAT)	-	500.00
Deferred Tax Liability	-	0.00
Net Profit / (Loss) after tax	(-) 425.81	1748.74
Loss Brought Forward from previous year	(-)1524.84	(-) 3273.58
Loss carried to Balance Sheet	(1950.65)	(1524.84)

**OPERATIONS:**

The company has produced during the year 2013-14, 1,40,298 M.Tonnes of cement as against 2,88,421 M. Tonnes produced during the previous year. The performance of the Company during the year severely affected due to non-availability of power on continuous basis and also coal due to its diversion to Thermal Power Stations and the agitations in the State of Andhra Pradesh. Added to this, due to unhealthy competition among the top players of Cement Industry, the market prices were uneconomical, which affected the mini cement plants. On account of all these factors, the operations of the company have come to stand-still from November 2013 onwards due to disconnection of power by Andhra Pradesh Central Power Distribution Company Limited (APCPDCL).

The gross sales for the year under report was Rs. 6175.91 lakhs as against Rs. 13300.89 lakhs in the previous year. The Net Loss after tax for the year was Rs.425.81 lakhs as against net profit of Rs.1748.74 lakhs in the previous year. During the financial year ended 31.03.2014, the company has earned a profit of Rs.2820.97 lakhs as against Rs.4276.00 lakhs in previous year on sale of land property at Wire Division, Bangalore under Joint Development Agreement.

As stated in our last year Annual Report, the developer Greenage Griha Nirman Private Limited (formerly known as Bhimsankar Realtors Private Limited) has completed the first phase of construction of four blocks and the remaining six blocks in second phase will be completed before 31<sup>st</sup> March, 2015 with a grace period of six months.

**MODERNISATION OF THE CEMENT UNIT:**

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

**DIVIDEND:**

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

**PUBLIC DEPOSITS:**

The Company has not accepted any public deposits under Section 58-A and 58AA of the Companies Act, 1956 and there are no fixed deposits outstanding as on 31.03.2014.

**INSURANCE:**

The assets of the Company are adequately insured.

**CURRENT YEAR PROSPECTS:**

The management is taking extraneous efforts to improve the performance of the company during the current financial year. The cement plant was restarted from 21<sup>st</sup> July, 2014 onwards, since the cement prices have gone up and it is a positive sign for the Cement Industry. Further during the current financial year there will be increase in demand due to anticipated construction activity in new State of Andhra Pradesh.

**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.

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

**AUDITORS:**

M/s. Brahmayya & Co., Chartered Accountants, Adoni, Statutory Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

The Company has received letters from them to the effect that their re-appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for re-appointment.

**AUDITOR'S REPORT:**

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

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

**COST AUDIT:**

The Central Government has ordered the audit of cost accounts relating to manufacture of cement for the financial year ended 31-03-2014. With the approval of the Central Government, M/s. Aruna Prasad & Co, Cost Accountant, Chennai have been appointed to audit the cost accounts. The audit is under progress.

The Cost Audit Report in XBRL format for the financial year ended 31<sup>st</sup> March, 2013 was filed vide SRN No. S29358405 with Ministry of Corporate Affairs, New Delhi.

**DIRECTORS:**

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

Sri S.P.Y. Reddy, Chairman and Sri A. Sreenivasulu Reddy, Director of the Company and Sri A. Sathya Bhushana Rao, Alternate Director to Dr. R.K.Prasad Sunkara have resigned as Directors of the Company during the current financial year 2014-15. The Board placed on record its appreciation for active participation and advises during the deliberations of Board and Audit Committee during their tenure of office.

Pursuant to provisions of Sec.161 (1) of Companies Act, 2013 and the Articles of Association of the Company Smt. Aravinda Rani was appointed as an Additional Director on August 13, 2014 and she shall hold office up to the date of the ensuing Annual General Meeting. The Company has received requisite notice in writing from a member proposing Smt. Aravinda Rani for appointment as a Director.

The present tenure of office of Sri S.Sreedhar Reddy as Managing Director of the Company will expire on 29<sup>th</sup> October, 2014. The Board of Directors has considered and reappointed him as Managing Director of the Company for a period of five years with effect from 30<sup>th</sup> October, 2014 subject to the approval by the members of the Company at the ensuing Annual General Meeting.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

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

- a) that in preparation of the accounts for the financial year ended 31<sup>st</sup> March, 2014, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the statement of affairs of the Company at the end of the financial year and of the loss of the Company for the year under review;
- c) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) that the Directors have prepared the accounts for the financial year ended 31<sup>st</sup> March, 2014 on a "going concern" basis.

**AUDIT COMMITTEE:**

During the year 2013-14, the Audit Committee consisted of Sri Sri A.V.Narasimha Reddy, Sri. A.Sreenivasulu Reddy and Sri. A.Sathya Bhushana Rao. Sri A.Sreenivasulu Reddy was the Chairman of the Audit Committee.

All are independent and non executive directors. The Audit Committee met four times during last year and reviewed the Internal Audit Reports and quarterly results.

**CORPORATE GOVERNANCE:**

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

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

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

The information required under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 with respect to these matters are set out in the Annexure I and forms part of the report.

**COMPLIANCE WITH LISTING AGREEMENT:**

**Clause 43A:**

The Equity/Preference Shares of the Company are listed on the Bombay Stock Exchange Limited and the annual listing fee was paid to the said Stock Exchange for the financial year 2014-15 on 19<sup>th</sup> May, 2014.

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

**ACKNOWLEDGEMENTS:**

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

**By Order of the Board of Directors**

For Panyam Cements & Mineral Industries Ltd

**S. SREEDHAR REDDY**

Managing Director

Place: Nandyal

Dated: 13<sup>th</sup> August, 2014.

**ANNEXURE TO DIRECTORS' REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014:**

**ANNEXURE I**

**A. Conservation of Energy:**

- (a) Energy conservation measures taken:

High Efficiency fans are being installed to save energy.

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

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

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

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

Savings on energy thereby reducing the cost of production.

- (d) Total energy consumption per unit of production:

Particulars given in Form "A" annexed.

**B) Technology Absorption:**

Particulars given in Form "B" annexed.

**C) Foreign Exchange Earnings and Outgo:**

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

No exports were made during the year under review.

- b) Total foreign exchange used: Rs. Nil

Total Foreign Exchange earned Rs. Nil

FORM 'A'			
FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY			
Particulars	Unit	CEMENT DIVISION	
		31-03-2014	31-03-2013
<b>A. Power and Fuel Consumption:</b>			
<b>1. Electricity:</b>			
a) Purchased			
Units	000 KWH	20044	40442
Total Amount	Rs. Lakhs	2011.58	2255.03
Average Rate	Rs./KWH	10.04	5.58
b) Own Generation			
Units	000 KWH	-	-
Units per Litre of Diesel	KWH	-	-
Cost per unit	Rupees	-	-
<b>2</b>			
Cost (Mineral Coal C - E / Imported Grade)			
Quantity	Tonnes	27428	77458
Total Cost	Rs.Lakhs	4130.56	4130.56
Average Rate	Rs.per MT	4332.89	3199.42
<b>3.</b>			
Furnace Oil			
Quantity	Kilo.Lts	-	-
Total Cost	Rs.lakhs	-	-
Average Rate	Rupees	-	-
<b>B</b>			
Consumption per unit of Production:			
Electricity	KWH/tonnes of cement	140	140
Coal	Kgs/tonnes of cement	200	269

  

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

ANNEXURE - II			
Amount in Rupees			
CASH FLOW STATEMENT FOR THE YEAR ENDED - 31.03.2014			
	LESS	ADD	NET
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>			
<b>NET PROFIT BEFORE TAX</b>			<b>-42581140</b>
ADJUSTMENT FOR :			
Depreciation		66149942	
Dividend Received	28350		
Interest received/paid	43799862	124830324	
Profit/Loss on sale of Assets / Investments	904621		
property under development	282096985		
	326829818	190980266	-135849553
<b>Operating Profit before Working Capital Changes</b>			<b>-178430693</b>
<b>ADJUSTMENT FOR :</b>			
Trade and other receivables		64185302	
Inventories		23018561	
Trade payables/Working Capital	48940890		
Working Capital Changes(Use)	48940890	87203863	38262973
Cash generated from Operations			-140167719
Less: Interest paid	124830324	921228	
Direct Taxes paid	0		
	124830324	921228	-123909096
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>			<b>-264076816</b>
Extra Ordinary Expenses / Income			0
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase/Sale of Assets	23982360	2350000	
Purchase/Sale of investments in property under development	4675000		
Interest received		42878635	
Dividend received		28350	
	28657360	45256985	16599625
<b>NET CASH FLOW USED IN INVESTING ACTIVITIES</b>			<b>-247477191</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>			
Share Capital			
Repayment of/ Proceeds from Loans		2249636	
Secured/Unsecured borrowings (Net)		255018770	
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>			<b>257268406</b>
Net Increase/Decrease in cash and cash equivalents	0	257268406	9791215
<b>Cash and Cash equivalents as on 01.04.2013</b>			<b>14028158</b>
<b>Cash and Cash equivalents as on 31.03.2014</b>			<b>23819373</b>

  

As Per our Report of even date attached	For and on behalf of the Board
<b>For Brahmayya &amp; Co.,</b>	M/s. Panyam Cements & Mineral Industries Limited
Chartered Accountants	
Firm's Regn. No :000514S	
<b>B. DAIVADHEENAM REDDY</b>	<b>V. SURESHKUMAR</b>
Partner	DIRECTOR
M.NO:026450	
Place: Nandyal	<b>S. SREEDHAR REDDY</b>
Date: 30.05.2014	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. We believe that the corporate governance is an important tool for shareholders protection and maximizing their long-term values. Panyam Cements & Mineral Industries Limited functions keeping in tune with this philosophy.

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

**Board of Directors:**

The Companies Act, 1956 and/or 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 five other Directors. Amongst them, Managing Director is only the Executive Director and all others are Non-Executive Directors.**

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

The Board has constituted four committees viz. the Audit Committee, Share Transfer Committee, Shareholders'/Investors' Grievance Committee and Remuneration Committee.

During the year 2013-14, the company convened eight Board Meetings on 20<sup>th</sup> April, 2013; 27<sup>th</sup> May, 2013; 2<sup>nd</sup> July, 2013; 12<sup>th</sup> August, 2013; 26<sup>th</sup> September, 2013; 13<sup>th</sup> November, 2013; 23<sup>rd</sup> December, 2013 and 13<sup>th</sup> February, 2014.

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

Sl. No.	Name of the Director	Catagory of Directorship	No. of Board Meetings Attended	Attendance at last AGM held on 21-09-2012	No. of other Directorships	No. of Membership Chairmanship in Board / Committees (Including our Company)
1.	Sri S.P.Y. Reddy	Promoter-Chairman	8	Yes	13	4
2.	Sri S.Sreedhar Reddy	Promoter - Managing Director	8	Yes	15	1
3	Sri V. Suresh Kumar	Promoter-Director	8	Yes	6	-
4.	Sri V. Ramnath	Independent Non-Executive Director	2	No	4	-
5	Sri A.V. Narasimha Reddy	Independent Non-Executive Director	5	No	3	2
6	Dr.R.K. Prasad Sunkara	NRI-Non-Executive Director	-	No	-	-
7	Sri A. Sathya Bhushana Rao (Alternate Director to Dr.R.K.Prasad Sunkara)	Independent Non-Executive Director	2	No	-	1
8	Sri A. Sreenivasulu Reddy	Independent Non-Executive Director	7	Yes	11	1

**3) Audit Committee:**

The Audit Committee met four times during the year i.e. 27<sup>th</sup> May, 2013; 12<sup>th</sup> August, 2013; 13<sup>th</sup> November, 2013 and 13<sup>th</sup> February, 2014.

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

The company continued to derive immense benefit from the deliberations of the Audit Committee comprising of Sri A.V. Narasimha Reddy; Sri A.Sreenivasulu Reddy and Sri A. Sathya Bhushana Rao who are independent and Non-Executive Directors. The minutes of each Audit Committee are placed before and discussed by the Board of Directors of the Company.

The attendance at the Audit Committee Meetings is given below:

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

**4) Remuneration Committee and Policy:**

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

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

**Details of remuneration to Directors for the year ended 31<sup>st</sup> March, 2014:**

**i) Executive Directors:**

The Managing Director has drawn an amount of Rs.15.00 lakhs towards salary for the year ended 31<sup>st</sup> March, 2014.

**ii) Non-Executive Directors:**

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

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

Name of the Director	Sitting Fee paid (Rs.)
1) Sri A. Sathya Bhushana Rao ..	10,000
2) Sri V. Ramnath ..	10,000
3) Dr. R.K. Prasad Sunkara ..	5,000
Total	25,000

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

During the year 2013-14, the Committee met 13 times. All shares received for transfer were registered in favour of the transferees and dispatched within a month's time, if the documents received were in order.

During the year 2013-2014, there were no requests pending for transfer.

The attendance at the Share Transfer Committee Meetings is given below:

Sl. No.	Name of the Member	No. of Meetings Held	No. of Meetings Attended
1	Sri S. Sreedhar Reddy	13	13
2.	Sri A.V. Narsimha Reddy	13	13

**B. Shareholders/Investors' Grievance Committee:**

The Shareholders/Investors' Grievance Committee consists of Sri A.V.Narasimha Reddy and Sri V.Ramnath

The Committee could not meet during the financial year 2013-14, since there were no complaints/grievances from the shareholders.

6) **Annual General Meetings:**

The last three Annual General Meetings were held as under:

Year	Location	Date	Time
2011	Registered Office C-1, Industrial Estate, Nandyal, Kurnool Dist., A.P.	15.09.2011	11.30 A.M.
2012	Registered Office C-1, Industrial Estate, Nandyal, Kurnool Dist., A.P.	22.09.2012	11.30 A.M.
2013	Registered Office C-1, Industrial Estate, Nandyal, Kurnool Dist., A.P.	21.09.2013	11.45 A.M.

**Special Resolutions :**

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

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

**7) Disclosures :**

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

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

**8) Means of Communication:**

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

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

**9) General Information for Shareholders :**

i) Date, Time and Venue of the Annual General Meeting : 27<sup>st</sup> September, 2014 at 11.45 A.M. Registered Office of the Company situated at Nandyal, Kurnool District, A.P.

ii) Financial calendar - 1<sup>st</sup> April 2014 to 31<sup>st</sup> March 2015  
Financial Reporting Un-audited

For the quarter ending June 30, 2014	Second week of August 2014
For the quarter ending Sept.30, 2014	Second week of November 2014
For the quarter ending December 31, 2014	Second week of February 2015
For the quarter ending March 31 2015 (audited)	Last week of May 2015

Annual General Meeting for the year ending 31<sup>st</sup> March, 2014 : 27<sup>st</sup> September, 2014 at 11.45 a.m.

iii) Date of Book Closure : From 22.09.2014 to 27.09.2014 (both days inclusive)

iv) Dividend payment date : N.A.

v) Listing on Stock Exchanges : The Company's shares are listed on: Bombay Stock Exchange Limited Floor 25, Phiroze Jeejeebhoy Towers Dalal Street, Mumbai 400 001.

**Listing fee was paid to the said Stock Exchange.**

vi) Market Price Data :

Month	Stock Exchange Mumbai (BSE) Rs.	
	High (Rs.)	Low (Rs.)
April 2013	54.00	40.80
May 2013	58.00	45.05
June 2013	45.90	38.50
July 2013	45.95	35.65
August 2013	50.00	41.90
September 2013	52.65	47.55
October 2013	52.40	43.75
November 2013	46.65	38.55
December 2013	42.50	31.40
January 2014	33.45	29.95
February 2014	29.80	25.25
March 2014	30.00	23.65

vii) Registrar and Share Transfer Agents

M/s. XL Softech Systems Limited  
3, Sagar Society Road No. 2,  
Banjara Hills Hyderabad - 500 034.  
Tel : 040-23545913; 914 & 915  
Fax : 040-23553214  
Email : xfield@rediffmail.com  
Website : www.xlsoftech.com

7) a) Distribution of shareholding as on 31st March 2014 :

Nominal Value of Shares	No. of Shares Holders	Percentage of Share Holders	Shares Amount in Rs.	Percentage of Share Holders %
Upto - 5000	6751	94.08	6547760	4.09
5001 - 10000	197	2.75	1570390	0.98
10001 - 20000	100	1.39	1498630	0.94
20001 - 30000	35	0.49	885800	0.55
30001 - 40000	12	0.17	436990	0.27
40001 - 50000	12	0.17	572500	0.36
50001 - 100000	23	0.32	1635130	1.02
100001 & above	46	0.64	147034190	91.79
<b>TOTAL</b>	<b>7176</b>	<b>100.00</b>	<b>160181390</b>	<b>100.00</b>

b) Pattern of shareholding as on 31<sup>st</sup> March 2014

Category	No. of Shares	% of shareholding
<b>A Promoter's holding:</b>		
1 Promoters: Indian Promoters	6586872	41.12
Foreign Promoters	-	-
2 Persons acting in concert	1717876	10.73
Sub Total	<b>8304748</b>	<b>51.85</b>
<b>B Non-Promoters holding</b>		
3 Institutional Investors:		
A Mutual Funds and UTI	1200	-
B Banks, Financial Institutions, Insurance companies(Central/ State Government Institutions/ Non-Govt.Institutions)	58110	0.37
C FII's	4269057	26.65
Sub-Total	<b>4328367</b>	<b>27.02</b>
4 Others		
A Private Corporate Bodies	203610	1.27
B Indian Public	3088906	19.28
C NRIs/OCBs	91906	0.57
D Any other (Please specify)	602	0.00
Sub Total	<b>3385024</b>	<b>21.13</b>
<b>Grand Total</b>	<b>16018139</b>	<b>100.00</b>
Note: Total foreign shareholdings:	<b>4360963</b>	<b>27.23</b>

11 Dematerialization of Shares and Liquidity:

As on 31<sup>st</sup> March, 2014, 94.19% Equity Shares have been dematerialized.

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

During the year 2013-14, the company had received requests for de-materialization 6560 shares. The Company has acted upon all valid requests received for dematerialization during 2013-14.

As on 31<sup>st</sup> March, 2014 no requests were pending for demat confirmation.

**12) Plant Locations:**

**Registered Office** : C-1 Industrial Estate, Bommalasatram Nandyal  
Kurnool District, A.P. - 518 502  
Telephone No.: 08514-222274  
Fax No.: 08514-243350  
Website: panyamcements.com  
Email: regoffice @panyamcements.com

**Cement Works** : Cement Nagar 518 206, Kurnool District, A.P.  
Tel: 08516-274638, Fax: 08516-274644

**Central Administrative Office:** Plot No.188, Phase-II,  
Kamalapuri Colony, Hyderabad 500 073.  
Telephone No.: 040-23555317  
Fax No.: 040-23555316

**MANAGEMENT DISCUSSION AND ANALYSIS:**

**1. Industry structure and development:**

In the earlier years the Cement Division was incurring losses due to its inability to operate continuously at optimum levels on account of inadequate working capital and high cost of production which is mainly due to high power consumption and coal when compared to industry norms of similar capacity. Now the management has taken various steps to optimize the production levels and taken necessary measures to reduce the cost of production. The efforts of the management in yielded results.

**2. Opportunity and threats:**

Our cement plant being strategically located with high quality limestone mines very near to the plant can cater to the neighbouring States of Tamilnadu, Karnataka, Goa and Kerala where the realizations are better. The Company has also made arrangements to augment its working capital by getting approval of working capital from bank and is looking to reach optimum operational levels. Further, the company has enhanced its capacity by modernization of Kiln No.1 whereby the existing capacity of the kiln was enhanced from 550 M.Tonnes per day to 1800 M.Tonnes per day..

**3. Outlook:**

The demand will be driven by Government's continued thrust on infrastructure development and boost rural and housing sector. 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 operations of Cement companies in Andhra Pradesh suffers due to lower realizations and lower demand in the State. The State has seen new players and also the existing players expending capacities due to huge availability of limestone, which is the primary material for cement.

**4. Risks and concerns**

The drying up of Government contracts through irrigation, infrastructure and housing programmes was a major reason for hitting the Industry. We presume that the bifurcation of erstwhile Andhra Pradesh into Telangana and Residuary State of Andhra Pradesh will impetes 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 unauthorised use of disposition.

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

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

**HUMAN RESOURCES AND INDUSTRIAL RELATIONS:**

The industrial relations at all the plant and offices continue to be cordial during the year under review. The total number of employees at the end of the financial year 2013-14 on the rolls of the Company is 442 at Cement Division and Central Administrative Office.

**CAUTIONARY STATEMENT:**

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

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

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

- a) We have reviewed the financial statements and the Cash Flow Statement for the financial year ended March 31, 2014 and that to the best of our knowledge and belief:
  - i) These statements do not contain any material untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the period, which are fraudulent, illegal and violative of the Company's code of conduct.
- c) We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design and operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and Audit Committee that:
  - a) There have been no significant changes in internal control over financial reporting during the year;
  - b) There have been no significant changes in accounting policies during the year; and
  - c) There have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place: Nandyal  
Dt. 30<sup>th</sup> May, 2014

For Panyam Cements & Mineral Industries Ltd.  
**S. SREEDHAR REDDY**  
Managing Director

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE :**

To  
The Members of

**M/s. Panyam Cements & Mineral Industries Limited**

We have examined the compliance of conditions of Corporate Governance by M/s.Panyam Cements & Mineral Industries Limited for the year ended 31<sup>st</sup> March, 2014, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that as per the records maintained by the Company, there were no investor grievance remaining unattended/pending for more than 30 days.

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

Place: Nandyal  
Dt. 30<sup>th</sup> May, 2014

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

**B.DAIVADHEENAM REDDY**  
Partner  
M.No.026450

**INDEPENDENT AUDITORS' REPORT :**

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

**1) Report on Financial Statements**

We have audited the accompanying financial statements of M/s.Panyam Cements & Mineral Industries Limited, Nandyal ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2014, the Statement of Profit and Loss and also the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

**2) Management's Responsibility for the Financial Statements**

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 ("the Act"),(which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and free from material misstatement, whether due to fraud or error.

**3) Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessment, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**4) Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2014;
- b) In the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows of the company for the year ended on that date.

**5) Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

As required by Section 227(3) of the Act, we report that:

- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- iii) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- iv) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act,(which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs)
- v) On the basis of the written representations received from the Directors as on 31<sup>st</sup> March, 2014 taken on record by the Board of Directors, none of the Directors is disqualified as on 31<sup>st</sup> March, 2014 from being appointed as a director in terms of section 274(1)(g) of the Act.

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

**B. DAIVADHEENAM REDDY**  
Partner  
M.No.026450

Place: Nandyal (Camp)  
Dt. 30<sup>th</sup> May, 2014

**ANNEXURE TO AUDITOR'S REPORT**

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

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

- (i) In respect of fixed assets:
- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) As explained to us, all the assets have not been physically verified by the management during the year but there is a regular programme of verification, which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) In our opinion, the company has disposed off vehicles under fixed assets and land property of discontinued operations of Wire Division, Bangalore land given for development, which is under Current Assets as Investment in land property and the going concern status of the company is not affected.
- (ii) In respect of inventories:
- (a) The inventories have been physically verified by the management at regular intervals during the year. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company has maintained proper records of inventories. As explained to us, no material discrepancies were noticed on physical verification.
- (iii) (a) The company has taken interest free unsecured loans from the companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 4075.43 lakhs and the year end balance was Rs. 4075.43 lakhs. There are companies covered in the register maintained under section 301 of the Companies Act, 1956 to which the company has granted loans/advances. The maximum amount involved during the year was Rs. 6550.45 lakhs and the year end balance of loans granted to such parties was Rs. 6550.45 lakhs.
- (b) In our opinion and according to the information and explanations given to us and as represented by the Company, the rate of interest wherever applicable and other terms and conditions on which loans have been taken from or granted to companies or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.
- (c) In our opinion and according to the information and explanations given to us and as represented by the company, in respect of loans taken/ granted by the company, the interest and the principal amounts are repayable / receivable on demand, therefore, no irregularity in repayment or receipt of principal and interest amounts.

- (d) In our opinion and according to the explanations given to us and as represented by the company, there is no overdue amount in respect of loans taken from or granted to companies or other parties listed in the register maintained under section 301 of the Companies Act, 1956, since these are repayable / receivable on demand.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any major weaknesses in internal controls.
- (v) In respect of transactions covered under Section 301 of the Companies Act, 1956:
- a) According to the information and explanations given to us, we are of the opinion that the transactions made in pursuance of contracts or arrangements, that need to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted any public deposits specified under the provisions of Section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975. No order has been passed by the Company Law Board.
- (vii) In our opinion, the company has an internal audit conducted by outside professionals, which commensurate with the size and nature of its business.
- (viii) The Central Government has prescribed for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 in respect of the products of the company. We have broadly reviewed the cost records relating to materials, labour and other items of cost maintained by the company pursuant to the Companies (Cost Accounting Records) Rules, 2011 and we are of the opinion, that prima facie, the prescribed cost records have been made and maintained. We have not however, made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (ix) In respect of statutory dues:
- a) According to the records of the company, the company is not regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees state insurance, investor education and protection fund, income-tax, sales tax, wealth tax, service tax customs duty, excise duty, cess and other material statutory dues applicable to it. There are outstanding dues as at 31.03.2014 of the above said statutory dues.
- b) According to the information and explanations given to us, the **following undisputed amounts payable in respect of income tax, wealth tax, sales tax, service tax, customs duty and excise duty were in arrears, as at 31st March, 2014 for a period of more than six months from the date they became payable and the due dates for payment of sales tax dues for July and August, 2012 considered as per the installments granted by the Department.**

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

Sl. No.	Name of the Statute	Nature of the Dues	Amount Rs. Lakhs	Period to which the amount relates
1	CST Act, 1956	Central Sales Tax	7.22 1.35 1.30 0.08	2009-10 2010-11 2011-12 2013-14
2	A.P.VAT Act, 2005	Value Added Tax	492.33	Upto August 2013
3	T.N.G.S.T Act	Tamilnadu Sales Tax	51.88	March 1999 to Feb 2000
4	Goa G.S.T Act, 1956	Goa Sales Tax	13.87	Feb.1999 to Feb 2000
5	A.P.G.S.T.Act, 1956 (Consignment Agents in Different States)	Consignment Sales Tax	16.82	1998-99 to 2003-04
6	CST Act, 1956	Central Sales Tax	11.51	2008-09
7	Profession Tax Act	Profession Tax Collections	1.13	October 2000 to August 2005
8	Income Tax Act, 1961	I.T.D.S from Interest	15.23	2004-05 to, 2005-06 and April 2013 To August, 2013
9	Income Tax Act, 1961	I.T.D.S from Professionals	4.95	2004-05 & April 2013 to August, 2013
10	Income Tax Act, 1961	I.T.D.S from Contractors	1.97	2000-01 & 2001-02
11	Income Tax Act, 1961	I.T.D.S from Commission	2.95	April 2013 to August 2013
12	Income Tax Act, 1961	I.T.D.S from Contractors	8.66	2004-05 & April 2013 to August 2013
13	Income Tax Act, 1961	T.C.S. on Royalty	20.84	July 2010 to August 2013
14	Income Tax Act, 1961	Income Tax	11.22 59.18 201.44	2008-09 2011-12 2012-13
15	E.P.F Act, 1952	P.F. Recoveries and Contributions	54.02 19.81	April 2005 to December 2005 April 2013 to August 2013
16	The Central Excise Act 1944	Excise Duty & Cess	148.59	July & August 2012
17	The Finance Act-1994	Service Tax & Cess	95.85	April 2012 to August 2013

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

Sl. No.	Name of the Statute	Nature of the Dues	Amount Rs. Lakhs (Net of Payments)	Period to Which the amount relates	Forum where dispute is pending
1	TNGST Act, 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.	232.36	Feb.97 to June 1999	Commissioner (Appeals)
3	.do.	CENVAT credit availed on refractory bricks	4.37	1994-95	A.P. High Court
4	.do.	CENVAT credit availed on service tax paid on outward freight	24.52	Dec. 06 to Aug. 07	Commissioner, Tirupati
5	.do.	CENVAT credit availed on service tax paid on outward freight	28.54	Sep. 07 to Feb. 08	Commissioner, Tirupati
6	.do.	CENVAT credit availed on service tax paid on outward freight	12.88	Apr. 2009 to Oct. 2009	Commissioner, Tirupati.
7	.do.	<b>Differential Duty</b> for Supplies made to Direct parties	40.63	Mar. 2007 to Feb. 2008	Appeal in CESTAT, Bengaluru
8	The Central Excise Act, 1944	Duty on captive consumption	1.46	2007-08	Appeal in CESTAT, Bengaluru
9	.do.	Duty on captive consumption	0.87	2008-09	Appeal in CESTAT, Bengaluru
10	.do.	Differential Duty on D.G.Set	42.37	2007-08	Appeal in CESTAT, Bengaluru
11	.do.	Differential Duty on D.G.Set	10.24	2004-05	A.P.High Court
12	.do.	Cenvat on Capital Goods (TMT Bars)	42.11	2008-09 & 2009-10	Appeal in CESTAT Bengaluru
13	.do.	<b>Differential Duty</b> on high seas imported coal	34.32	August 2012	Addl. Commissioner, Guntur
14	do.	CENVAT on Service Tax on outward GTA	35.18	Nov. 2009 to Dec. 2010	Addl. Commissioner, Tirupati
15	.do.	<b>Differential Duty</b> for Supplies made to Direct Parties	383.80	Apr. 2008 to Oct. 2011	Appeal in CESTAT Bengaluru
16	.do.	<b>Differential Duty</b> for Supplies made to Direct Parties	246.81	Nov. 2011 to Dec. 2013	Commissioner, Tirupati
17	Income Tax Act, 1961	Capital Gains Tax on Land Development Agreements	3309.50	2005-06	CIT Appeals, Hyderabad
18	Income Tax Act, 1961	MAT on Book Profit of Sick Company	878.68	2007-08	CIT Appeals, Hyderabad
19	AP VAT Act, 2005	Penalty for delay in Payment of Tax before Due dates	58.27 55.78 10.80	2011-12 2012-13 June 2013	Request for waiver before the Govt. of A.P.
20	Mines & Mineral Act	Penal Interest on Royalty dues	835.76	May. 2006 to Mar. 2014	Revision application for waiver before the Dept / Ministry of Mines
21	The Electricity Act, 2003	Fuel Surcharge Adjustment (FSA) Charges	30.08	2008-09	Supreme Court of India
			23.48	Apr. 2009 to Jun 2009	High Court of A.P. Hyderabad

- x) In our opinion, the accumulated losses of the company are not more than fifty percent of its net worth. The company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- xi) In our opinion and according to the information and explanations given to us, we are of the opinion that the company has not defaulted in repayment of dues to Banks and debenture holders **except interest dues to J.M.Capital Management Private Limited of Rs.11.51 lakhs and delays in payment of interest and term loan installments to Banks and an amount of Rs. 288.65 lakhs outstanding towards interest and installments of term loans at the year end on 31.03.2014.**
- xii) In our opinion and according to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xv) In our opinion and according to the information and explanations given to us, the terms and conditions on which the company has given guarantees for loans taken by Cheran Cement Limited from financial institution (SIPCOT) and by M/s S.P.Y.Agro Industries Limited from State Bank of India, State Bank of Hyderabad; Bank of India, Syndicate Bank, Indian Overseas Bank, Central Bank of India and Canara Bank are not prima facie, prejudicial to the interest of the company.
- xvi) In our opinion, the term loans received during the year have been applied for the purpose for which they were raised.
- xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31<sup>st</sup> March, 2014, we report that no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
- xviii) According to the information and explanations given to us, during the year under report, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- xix) According to the information and explanations given to us, during the period covered by our audit report, the company has not issued any debentures and hence creation of securities does not arise.
- xx) The company has not raised any money by way of public issue during the year.
- xxi) In our opinion and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

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

**B.DAIVADHEENAM REDDY**  
Partner  
M.No.026450

Place: Nandyal (Camp)  
Dt. 30<sup>th</sup> May, 2014

BALANCE SHEET AS AT 31 <sup>st</sup> MARCH, 2014						Amount in Rupees			
Sl. No.	Particulars	Note No.	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013	As at 31.03.2013			
<b>I</b>	<b>EQUITY AND LIABILITIES</b>								
	<b>(1) Shareholders' funds</b>								
	(a) Share Capital	1	162141085.00		162141085.00				
	(b) Reserves and Surplus	2	136227767.85		178808907.48				
	(c) Money received against share warrants			298368852.85					340949992.48
	<b>(2) Share application money pending allotment</b>								
	<b>(3) Non-current liabilities</b>								
	(a) Long-term borrowings	3	593444538.74		337310393.41				
	(b) Deferred tax liabilities (Net)	4	41393576.00		41393576.00				
	(c) Other Long term liabilities	5	99091781.98		443607157.98				
	(d) Long-term provisions			733929896.72					822311127.39
	<b>(4) Current liabilities</b>								
	(a) Short-term borrowings	6	307013202.76		315426895.30				
	(b) Trade payables	7	95585299.14		152129098.98				
	(c) Other current liabilities	8	643257958.79		627241357.08				
	(d) Short-term provisions	9	50000000.00		50000000.00				
	<b>TOTAL</b>			1095856460.69		1144797351.36			
				<b>2128155210.26</b>		<b>2308058471.23</b>			
<b>II</b>	<b>ASSETS</b>								
	<b>(1) Non-current Assets:</b>								
	(a) Fixed Assets	10							
	(i) Tangible Assets		712563698.82		779930479.58				
	(ii) Intangible Assets		0.00		0.00				
	(iii) Capital work-in-progress		311998267.54	1024561966.36	288244448.04	1068174927.62			
	(iv) Intangible assets under development								
	(b) Non-current investments	11		3816200.00		3816200.00			
	(c) Deferred tax assets(net)								
	(d) Long-term loans and advances	12		387353162.02		389602798.60			
	(e) Other non-current assets								
	<b>(2) Current Assets:</b>								
	(a) Current investments in land property		9423740.00		66051755.00				
	(b) Inventories	13	174270331.40		197288892.65				
	(c) Trade receivables	14	106871802.65		180059202.60				
	(d) Cash and Cash equivalents	15	23819373.32		14028157.63				
	(e) Short term loans and advances	16	397913787.51		385743096.13				
	(f) Other current assets	17	124847.00	712423881.88	3293441.00	846464545.01			
	<b>TOTAL</b>			<b>2128155210.26</b>		<b>2308058471.23</b>			
	Significant Accounting Policies and Notes to Accounts	25							
Notes "1" to "17" and Note No. 25 Annexed form an Integral part of Balance Sheet									
As Per our Report of even date attached					For and on behalf of the Board				
For <b>Brahmayya &amp; Co.</b> , Chartered Accountants F.R NO:000514S					M/s. Panyam Cements & Mineral Industries Limited				
<b>B. DAIVADHEENAM REDDY</b> Partner M.NO:026450					<b>V. SURESHKUMAR</b> DIRECTOR				
Place: Nandyal Date: 30.05.2014					<b>S. SREEDHAR REDDY</b> MANAGING DIRECTOR				

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 <sup>st</sup> MARCH, 2014						Amount in Rupees	
Sl. No.	Particulars	Note No.		For the Year Ended 31.03.2014		For the Year Ended 31.03.2013	
I	Revenue from Operations	18		476508005.00		1022602288.00	
II	Other Income	19		45753223.85		55313115.38	
III	<b>Total Revenue (I+II)</b>			522261228.85		1077915403.38	
IV	<b>Expenses:</b>						
a)	Cost of materials consumed	20		64176838.69		147168023.26	
b)	Purchases of Stock-in-Trade						
c)	Changes in inventories of finished goods work-in-progress and stock in Trade	21		-24282439.00		-8405763.00	
d)	Employee benefits expenses	22		82041760.44		93292492.56	
e)	Finance costs	23		129321855.63		126050618.25	
f)	Depreciation and amortization expenses	10		66149941.50		80866725.36	
g)	Other expenses	24		480966518.22		841669186.18	
	<b>Total Expenses</b>			<b>846939353.48</b>		<b>1280641282.61</b>	
V	Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)			-324678124.63		-202725879.23	
VI	Exceptional items			282096985.00		427599759.00	
VII	Profit/(Loss) before extraordinary items and tax (V-VI)			-42581139.63		224873879.77	
VIII	Extraordinary Items						
IX	Profit/(Loss) before tax (VII-VIII)			<b>-42581139.63</b>		<b>224873879.77</b>	
X	Tax expense:						
	(1) Current tax					50000000.00	
	(2) Deferred tax					0.00	
XI	Profit/(Loss) for the period from continuing operations (IX-X)			<b>-42581139.63</b>		<b>174873879.77</b>	
XII	Profit/(Loss) from Discontinuing operations						
XIII	Tax expense of Discontinuing operations						
XIV	Profit/(Loss) from Discontinuing operations (after tax) (XII-XIII)						
XV	<b>Profit/(Loss) for the period (XI+XIV)</b>			<b>-42581139.63</b>		<b>174873879.77</b>	
XVI	Earnings per equity share: face value Rs.10/- each						
	(1) Basic			-2.67		10.90	
	(2) Diluted			-2.67		10.90	
	Significant Accounting Policies and Notes to Accounts	25					
Notes "18" to "24" and Note No:25 Annexed form an integral part of Statement of Profit and Loss							
As Per our Report of even date attached <b>For Brahmayya &amp; Co.,</b> Chartered Accountants F.R NO:000514S <b>B. DAIVADHEENAM REDDY</b> Partner M.NO:026450 Place: Nandyal Date: 30.05.2014				For and on behalf of the Board M/s. Panyam Cements & Mineral Industries Limited <b>V. SURESHKUMAR</b> DIRECTOR <b>S. SREEDHAR REDDY</b> MANAGING DIRECTOR			

NOTES TO BALANCE SHEET						Amount in Rupees			
Sl. No.	Particulars	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013	As at 31.03.2013				
<b>NOTE No. 1 - SHARE CAPITAL</b>									
<b>EQUITY SHARE CAPITAL</b>									
1.1	<b>AUTHORISED:</b>								
a)	1,85,00,000 Equity shares of Rs.10/- each	185000000.00		185000000.00					
	<b>ISSUED:</b>								
b)	1,39,32,770 Equity Shares of Rs.10/-each 20,90,909 Equity Shares of Rs.10/- each at a premium of Rs.45/- each	139327700.00 20909090.00		139327700.00 20909090.00					
<b>SUBSCRIBED AND FULLY PAID</b>									
c)	1,60,18,139 Equity Shares of Rs.10/-each		160181390.00		160181390.00				
<b>SUBSCRIBED BUT NOT FULLY PAID</b>									
d)	5540 Equity shares of Rs.10/- each								
<b>CALLS UNPAID</b>									
e)	<b>FOREFITED SHARES</b>								
f)	Amount received on forfeiture of 5540 equity shares originally issued		29795.00		29795.00				
<b>TOTAL</b>			160211185.00		160211185.00				
<b>PREFERENCE SHARE CAPITAL</b>									
1.2	<b>AUTHORISED:</b>								
a)	5500 - 15% Redeemable 'A' Cumulative Preference Shares of Rs.100/- each	550000.00		550000.00					
	23500 - 15% Redeemable 'B' Cumulative Preference Shares of Rs.100/-each	2350000.00		2350000.00					
	21000 - 14% Redeemable 'C' Cumulative Preference Shares of Rs.100/-each	2100000.00		2100000.00					
	250000 - Preference Shares of Rs.100/-each	25000000.00		25000000.00					
		30000000.00		30000000.00					
<b>ISSUED:</b>									
b)	20942- 14% Redeemable 'C' Cumulative Preference Shares of Rs.100/-each	2094200.00		2094200.00					
<b>SUBSCRIBED AND FULLY PAID</b>									
c)	19299 - 14% Redeemable 'C' Cumulative Preference Shares of Rs.100/-each		1929900.00		1929900.00				
<b>TOTAL</b>			1929900.00		1929900.00				
d)	SUBSCRIBED BUT NOT FULLY PAID								
<b>TOTAL SHARE CAPITAL (1.1+1.2)</b>			162141085.00		162141085.00				

NOTES TO BALANCE SHEET					
Sl. No.	Particulars	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013	As at 31.03.2013
<b>RECONCILIATION OF NUMBER OF SHARES OUTSTANDING</b>					
<b>1.3 EQUITY SHARES</b>			<b>No. of Shares</b>		<b>No. of Shares</b>
a)	At the beginning of the year		16018139		16018139
	Add: Issued during the year				
	Less: Bought back during the year				
	At the end of the year		16018139		16018139
<b>PREFERENCE SHARES</b>					
b)	At the beginning of the year		19299		19299
	Add: Issued during the year				
	Less: Redeemed during the year				
	At the end of the year		19299		19299
<b>1.4 LIST OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES</b>					
a)	<b>EQUITY SHARES</b>	%	<b>No. of Shares</b>	%	<b>No. of Shares</b>
	S.P.Y. Reddy	11.00	1681404	11.00	1681404
	S. Sreedhar Reddy	11.00	1717876	11.00	1716084
	V. Suresh	12.00	1843752	12.00	1843752
	S. Parvathi	6.00	921861	6.00	921861
	S. Sujala	7.00	1106274	7.00	1106274
	V. Aravinda Rani	6.00	1033081	6.00	1033081
	Copthal Mauritius Investment Limited	9.00	1380700	9.00	1380700
b)	<b>PREFERENCE SHARES</b>				
	Life Insurance Corporation of India	72.00	13891	72.00	13891
	Oriental Fire & General Insurance Co.Ltd.	28.00	5390	28.00	5390
1.5	The Company has no Subsidiaries/Associates and has no Holding Company				
1.6	Equity Shares issued, subscribed and fully paid up includes 9,17,740 equity shares of Rs.10/- each which were allotted as fully paid up for consideration other than cash pursuant to the Scheme of Amalgamation of the erstwhile Deccan Wires Limited with the Company during the year 1980-81				
1.7	Equity Shares issued, subscribed and fully paid up includes 20,90,909 equity shares of Rs.10/- each at a premium of Rs.45/- each which were allotted on preferential allotment to promoters group on 01.03.2007				
1.8	C' Cumulative Preference Shares have fallen due for redemption on 25.07.1999 and the Company has requested the institutional shareholders for extension of repayment period				

NOTES TO BALANCE SHEET					
Amount in Rupees					
Sl. No.	Particulars	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013	As at 31.03.2013
<b>NOTE NO - 2 RESERVES AND SURPLUS</b>					
(a)	Capital Reserve-opening balance		229717814.50		229717814.50
(b)	Capital Redemption Reserve-opening balance		7419300.00		7419300.00
(c)	Securities Premium Reserve-opening balance		94155905.00		94155905.00
(d)	Debentures Redemption Reserve-opening balance		0.00		0.00
(e)	Revaluation Reserve		0.00		0.00
(f)	Share Options Outstanding Account		0.00		0.00
<b>Other Reserves</b>					
(g)	General Reserve-opening balance		0.00		0.00
(h)	Surplus-Balance in Statement of Profit and Loss-Opening balance	-152484112.02		-327357991.79	
	Add/(Less): Profit/(Loss) for the Year from Statement of Profit and Loss	<b>-42581139.63</b>		<b>174873879.77</b>	
	Less: Appropriations				
	Transfer to General Reserve	0.00		0.00	
			-195065251.65		-152484112.02
	<b>TOTAL</b>		<b>136227767.85</b>		<b>178808907.48</b>
<b>NOTE NO - 3 LONG TERM BORROWINGS SECURED:</b>					
3.1	<b>Term Loans from Banks</b>				
i)	<b>Indian Overseas Bank</b>				
	Term Loan II.Rs.10.50 Crores repayable in 28 Quarterly installments of Rs.37.50 lakhs from Dec,2010.	37469341.00		52469364.00	
	Term Loan III.Rs.1.50 Crores repayable in 24 Quarterly installments of Rs.6.25 lakhs from Dec,2012	8750000.00		11250000.00	
ii)	<b>State Bank of Hyderabad</b>				
	Term Loan I Rs.21.70 crores repayable in 22 quarterly installments of Rs.98.50 lakhs from Dec'2010	39525493.75		78910423.00	
	Term Loan II Rs.13.00 crores repayable in 24 quarterly installments of Rs.54.64 lakhs from October 2012	0.00		18233400.00	
iii)	<b>State Bank of India</b>				
	Term Loan Rs.20.00 Crores payable in 20 quarterly instalments of Rs.75.00 lakhs from April 2014 and 4 instalments of Rs 125.00 lakhs from April 2019.	83176529.00		83769889.00	
	<b>TOTAL</b>		<b>168921363.75</b>		<b>244633076.00</b>
3.2	<b>Hire Purchase Finance</b>				
	For purchase of Equipment and Vehicles under hypothecation		3273636.41		20493708.98
			172195000.16		265126784.98

NOTES TO BALANCE SHEET		Amount in Rupees			
Sl. No.	Particulars	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013	As at 31.03.2013
3.4	<b>UNSECURED:</b> <b>Deferred Payment liabilities</b> Royalty payable as on 31.03.2005 of Rs.368 lakhs deferred for payment for 8 years in monthly installments from 24.05.2008 as per Order dated 24.05.2006	5862663.00		11862663.00	
3.5	Loans and advances from related parties From promoters group contribution to approved Project Scheme.	407543004.58		52477074.43	
3.6	<b>Loans and Advances from Others</b>	7843871.00	421249538.58	7843871.00	72183608.43
	<b>TOTAL</b>		<b>593444538.74</b>		<b>337310393.41</b>
3.7	There were no long term Debentures, Deposits and Finance Lease obligations.				
3.8	The following are overdue installments of term loans and interest dues as on 31.03.2014 and 31.03.2013 which are included under Other Current Liabilities  Term Loans from Banks-installments of Rs.2,03,13,600/ (Previous Year Rs.3,22,30,431/-) and Interest for the month of March Rs.85,51,476/- (Previous year Rs.1,10,15,906/-) Hire Purchase Finance-One installment of loans Rs. 44,07,675/- (Previous Year Rs76,33,028/-) and Interest dues of Rs.5,65,280/- (Previous year Rs.7,09,039/-)				
3.9	<b>SECURITY:</b>				
a)	<b>Term Loans from Banks:</b> Secured by first pari pasu charge on all the fixed assets and second charge on all Current Assets of the Company and also personal guarantee of Sri.S.P.Y. Reddy, Sri.S.Sreedhar Reddy, Managing Director and Sri. V.Ramanath, Director and Eknath Ganesh, and V.Venkata Rao, Share holders)				
b)	<b>Hire Purchase Finance:</b> Secured by hypothecation of equipment and vehicles purchased and personal guarantee of two Directors of the Company				
c)	<b>Term Loans from L&amp;T Finance Ltd.:</b> Secured by pledge of 75,98,919 equity shares of the company held by the promoters group and personal guarantee of S.P.Y.Reddy and S.Sreedhar Reddy, Managing Director of the Company. The outstanding dues are Rs. 49,75,291/- payable within 12 Months and hence included under other current liabilities.				

NOTES TO BALANCE SHEET		Amount in Rupees			
Sl. No.	Particulars	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013	As at 31.03.2013
	<b>NOTE NO: 4</b> <b>DEFERRED TAX LIABILITY (NET)</b>				
a)	Deferred tax liability as on 31.03.2014/31.03.2013 in respect of timing difference arising on account of difference between straight line and written down Value methods and rates of depreciation		75273406.00		70633002.00
b)	Less:Deferred tax asset as on 31.03.2014/31.03.2013 in respect of expenses allowable U/s 43B of IT Act, 1961		38146672.00		32280828.00
c)	Net Deferred Tax Liability as on 31.03.2014/31.03.2013		37126734.00		38352174.00
d)	Opening Deferred Tax Liability as on 01.04.2013/01.04.2012		41393576.00		41393576.00
	Net Deferred Tax (Asset) / Liability for the year		41393576.00		41393576.00
	Note: Deferred Tax Asset as on 31.03.2014/31.03.2013 was not considered as asset on consideration of prudence.				
	<b>NOTE NO: 5</b> <b>OTHER LONG TERM LIABILITIES</b>				
5.1	Advances against Joint Development of Property in Bangalore (Residential Flats construction work under progress)		28899688.00		372299688.00
5.2	Trade Deposits from Dealers (payable after 12 months from reporting date)		24711358.37		24800358.37
5.3	Caution Deposits from contractors (payable after 12 months from reporting date)		1146722.36		1146722.36
5.4	Deferred payment of interest on royalty (payable after 12 months from reporting date)		21680267.44		21680267.44
5.5	Advances against staff quarters (pending for final settlement)		8066714.69		8066714.69
5.6	Other liabilities (pending disputes for settlement and legal cases)		14587031.12		15613407.12
	<b>TOTAL</b>		<b>99091781.98</b>		<b>443607157.98</b>

NOTES TO BALANCE SHEET		Amount in Rupees			
Sl. No.	Particulars	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013	As at 31.03.2013
	<b>NOTE NO: 6 SHORT TERM BORROWINGS SECURED Other loans and advances</b>				
6.1	<b>From Banks</b>				
a)	Working capital Demand Loans				
b)	Cash Credits		307013202.76		315426895.30
	<b>TOTAL</b>		<b>307013202.76</b>		<b>315426895.30</b>
6.2	There were no loans repayable on demand and short term deposits/loans and advances from related parties				
6.3	There was no default as on 31.03.2014 and 31.03.2013 in repayment of loans and interest payments on working capital cash credit loans.				
6.4	<b>SECURITY</b>				
	<b>Cash Credits working capital loans from banks:</b> Secured by hypothecation of inventory of raw materials, finished goods, stocks in-process and book debts and first pari pasu charge on the current assets and second charge on fixed assets of the company and also by the personal guarantee of the above Directors and shareholders given for Term Loans.				
	<b>NOTE NO: 7 TRADE PAYABLES UNSECURED CREDITORS</b>				
7.1	For Capital goods				
7.2	For Supplies of raw materials/stores and spares etc		95585299.14		152129098.98
7.3	For Services				
	<b>TOTAL</b>		<b>95585299.14</b>		<b>152129098.98</b>
7.4	DUES TO MICRO, SMALL & MEDIUM ENTERPRISES AS REQUIRED UNDER THE MICRO, SMALL & MEDIUM ENTERPRISES AND DEVELOPMENT ACT, 2006 (Refer Notes to Accounts No: 25.3)				
	<b>NOTE NO: 8 OTHER CURRENT LIABILITIES</b>				
8.1	Current maturities of long term debt				
	<b>SECURED :</b>				
a)	Non Convertible Debentures (redeemed during the year 2005-06) Interest accrued and due to JM Capital Management Pvt.Ltd		1151110.00		1151110.00
b)	<b>Term Loans from - Indian Overseas Bank, State Bank of Hyderabad and State Bank of India</b>				
	Installments payable within 12 months after the reporting date		103093916.00		82118788.00
	Interest accrued and due on Term Loans and instalments due		28865075.79		43246337.00

NOTES TO BALANCE SHEET		Amount in Rupees			
Sl. No.	Particulars	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013	As at 31.03.2013
c)	<b>Hire Purchase Finance</b>				
	Installments payable within 12 months after the reporting date		24494565.03		42764686.45
	Interest accrued and due on Hire Purchase Loans and Instalment due		4972955.98		8342067.00
	<b>UNSECURED:</b>				
8.2	Deferred Payment of Royalty arrears payable within 12 months after the reporting date	10600000.00		4600000.00	
	L & T Finance Corporate Loan Instalments payable within 12 months	4910586.30		33573565.10	
	Interest accrued and due on above loan and instalments due	64704.70		13449002.08	
8.3	<b>OTHERS</b>				
a)	Caution Deposits from Dealers/Employees payable on demand	2697828.42		2134376.42	
b)	Statutory Dues towards Royalty, Excise duty, Service tax, VAT, TDS etc	197628604.70		191901437.69	
c)	Employees Salaries, Bonus and P F/ ESI recoveries and contributions to Superannuation Fund	58032442.65		23828152.96	
d)	Advances from customers	50655591.95		81749866.03	
e)	Power Charges and Other expenses payable	153801411.27		74377802.35	
f)	Other Advances from Transporters/Creditors	2289166.00	480680335.99	24004166.00	449618368.63
	<b>TOTAL</b>		<b>643257958.79</b>		<b>627241357.08</b>
8.4	There were no current maturities of Finance Lease Obligations, unpaid Dividends, unpaid matured Debentures or deposits and interest accrued thereon, Income received in advance and Application money received for allotment of securities.				
	<b>NOTE NO: 9 SHORT TERM PROVISIONS</b>				
9.1	Provision for employee benefits. Gratuity and Leave encashment obligation/contribution				
9.2	Others				
a)	Provision for Income Tax		50000000.00		50000000.00
	<b>TOTAL</b>		<b>50000000.00</b>		<b>50000000.00</b>

NOTE TO BALANCE SHEET NOTE NO. 10 : FIXED ASSETS		Amount in Rupees										
		GROSS BLOCK			DEPRECIATION			NET BLOCK				
S.No.	Particulars	As at 31st March 2013	Additions during the Year	Deductions during the Year	As at 31st March 2014	Upto 31st March 2013	For The Year 2014	Additions during the Year	Deductions during the Year	Upto 31st March 2014	As at 31st March 2014	As at 31st March 2013
1	Freehold Land	417535.58			417535.58	0.00	0.00			0.00	417535.58	417535.58
2	Buildings - Factory	53992099.68		53992099.68	24068702.27	2985493.94	2985493.94			27054196.21	26937903.47	29923397.41
3	Building Residential	13217745.34		13217745.34	10936361.87	114069.15	114069.15			11050431.02	2167314.32	2281383.47
4	Roads, Culverts and Bridges	2730051.97		2730051.97	810168.10	95994.19	95994.19			906162.29	1823889.68	1919883.87
5	Wells and Water Works	5450779.60		5450779.60	3938558.94	75611.02	75611.02			4014169.96	1436609.64	1512220.66
6	Plant and Machinery	1028722498.67		1028722498.67	363014804.66	40468567.02	40468567.02			403483371.68	625239126.99	665707694.01
7	Electrical Installation	6452728.57		6452728.57	6404395.83	7409.41	7409.41			6411805.24	40923.33	48323.74
8	Telephone Installations	552852.21		552852.21	415575.83	19095.15	19095.15			434670.98	118181.23	137276.38
9	Railway Siding and Weigh Bridge	1389296.85		1389296.85	963996.91	59159.22	59159.22			1023156.13	366140.72	425299.94
10	Roadway	9471239.56		9471239.56	9446737.58	7214.67	7214.67			9453952.25	17287.31	24501.98
11	Quarry Equipment	161190497.03		161190497.03	127762509.46	10026732.90	10026732.90			137789242.36	23401254.67	33427987.57
12	Workshop Equipment	657815.38		657815.38	649131.47	217.62	217.62			649349.09	8466.29	8683.91
13	Laboratory Equipment	729523.31		729523.31	456336.03	38000.35	38000.35			494336.38	235186.93	273187.28
14	Mining Lease and Mineral Prospecting Rights	218225.74		218225.74	215677.52	354.46	354.46			216031.98	2193.76	2548.22
15	Furniture, Fixtures and Others	24585764.75		24814304.75	20365066.91	1101013.93	1101013.93	35158.00		21501238.84	3313065.92	4220697.84
16	Library	48948.39		48948.39	48448.39	0.00	0.00			48448.39	500.00	500.00
17	Vehicles	96471274.83		3277504.00	56871926.11	11115850.47	11115850.47		1832124.74	66155651.84	27038118.99	39599348.72
	<b>TOTAL</b>	<b>1406298877.46</b>	<b>228540.00</b>	<b>3277504.00</b>	<b>626368397.88</b>	<b>66114783.50</b>	<b>66114783.50</b>	<b>35158.00</b>	<b>1832124.74</b>	<b>690686214.65</b>	<b>712563698.82</b>	<b>77930479.58</b>

NOTES TO BALANCE SHEET					
Amount in Rupees					
S. No.	Particulars	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013	As at 31.03.2013
<b>11</b>	<b>NOTE NO: 11 NON CURRENT INVESTMENTS NON-TRADE INVESTMENTS</b>				
a)	In Government Securities:				
b)	In Equity Shares (Quoted and valued at cost)				
i)	10000 Units of Rs.10/- each fully paidup of BOB Mutual Fund	100000.00		100000.00	
ii)	7800 Equity Shares of Vijaya Bank at Rs.10/- each and 300 Shares at Rs.24/- per share of face value of Rs.10/- each	85200.00		85200.00	
iii)	900 Equity Shares of Gujarat State Finance Corporation of Rs.10/- each at a premium of Rs. 6.16 per share (Market value not available)	18000.00		18000.00	
iv)	1000 Redeemable 13% Preference Shares of Rs.10/- each in Ceat Finance	10000.00		10000.00	
v)	Principal Focussed Advantage Fund, Mumbai 10000 units of Rs.10/- each (Market value not available)	100000.00		100000.00	
			313200.00		313200.00
<b>11.2</b>	<b>TRADE INVESTMENTS</b>				
i)	In Equity Shares (unquoted and valued at cost) Panyam Cements Co-Operative Stores Limited, Cementnagar	2500.00		2500.00	
ii)	Sri. Somappa Co-Operative House Building Society Limited, Kurnool	500.00		500.00	
iii)	350000 Equity Shares of Rs.10/- each in Cheran Cement Limited	3500000.00		3500000.00	
			3503000.00		3503000.00
	<b>TOTAL</b>		<b>3816200.00</b>		<b>3816200.00</b>
	Aggregate Amount of:				
	Quoted Investments		313200.00		313200.00
	Market value of Quoted Investments		321975.00		379890.00
	Unquoted Investments		3503000.00		3503000.00
	Provision for diminution in value of investments		Nil		Nil
	There were no investments in Subsidiaries, Associates, Joint Ventures and controlled special purpose Entities and in Preference Shares, Bonds, Debentures, Mutual Funds and in Partnership Firms				

NOTES TO BALANCE SHEET					
Amount in Rupees					
Sl. No.	Particulars	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013	As at 31.03.2013
<b>NOTE NO: 12 LONG TERM LOANS AND ADVANCES:</b>					
12.1	<b>Unsecured and considered good</b>				
(a)	Capital Advances		20149440.50		16808239.08
(b)	Security Deposits with Power Distribution Corporation Ltd		1092375.42		45273984.42
(c)	Inter Corporate Loans and advances to related parties		366111346.10		327520575.10
	<b>TOTAL</b>		<b>387353162.02</b>		<b>389602798.60</b>
<b>NOTE NO: 13 INVENTORIES:</b>					
13.1	Raw Materials		7003727.81		6699524.07
13.2	Work-in-progress		57095447.00		79991452.00
13.3	Finished Goods		122595.00		1509029.00
13.4	Stores and spares, Chemicals and consumables		50836322.35		50468891.55
13.5	Coal and packing materials		25432727.14		11714941.31
13.6	Coal in transit		33779512.10		46905054.72
	<b>TOTAL</b>		<b>174270331.40</b>		<b>197288892.65</b>
<b>METHOD OF VALUATION OF STOCKS:</b> Refer Accounting Policies under Note No:25					
<b>NOTE NO : 14 TRADE RECEIVABLES</b>					
14.1	Trade Receivables outstanding for a period exceeding six months from the date due for payment				
a)	Unsecured and considered good		115046883.04		146257347.14
b)	Considered Doubtful			22717578.93	
	Less :Provision for doubtful debts	10000000.00		10000000.00	
			-10000000.00		12717578.93
			105046883.04		158974926.07
14.2	Other Trade Receivables :				
a)	Unsecured and considered good		1824919.61		21084276.53
	<b>TOTAL</b>		<b>106871802.65</b>		<b>180059202.60</b>

NOTES TO BALANCE SHEET					
Amount in Rupees					
Sl. No.	Particulars	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013	As at 31.03.2013
<b>NOTE NO: 15 CASH AND CASH EQUIVALENTS</b>					
15.1	Cash on hand		7015368.00		5631153.00
15.2	Balances with banks in current accounts		639472.65		2007630.72
15.3	Balance with Banks in Margin Money / Fixed Deposits for LC/BG		16164532.67		6389373.91
15.4	Deposit accounts with more than 12 Months Maturity		0.00		0.00
	<b>TOTAL</b>		<b>23819373.32</b>		<b>14028157.63</b>
<b>NOTE NO: 16 SHORT TERM LOANS AND ADVANCES UNSECURED AND CONSIDERED GOOD</b>					
16.1	Inter Corporate loans and advances to related parties	288933896.48		295524475.31	
16.2	Others				
a)	Advance to Suppliers	16357030.12		16357030.12	
b)	Advance to Employees	475641.00		599523.00	
c)	Advance to Contractors & Transporters	814245.42		814245.42	
d)	Prepaid Insurance and other Expenses	1291868.00		2031471.00	
e)	Tender/Security/Telephone Deposits	7278780.66		7278780.66	
f)	Advance Excise Duties/CENVAT/VAT/Service tax	36685618.92		17744476.71	
g)	Advance Income tax and TDS	41202863.46		34331577.46	
h)	Other Advances	4873843.45		11061516.45	
			397913787.51		385743096.13
	<b>TOTAL</b>		<b>397913787.51</b>		<b>385743096.13</b>
<b>NOTE NO: 17 OTHER CURRENT ASSETS</b>					
17.1	Interest Receivable		124847.00		3293441.00
	<b>TOTAL</b>		<b>124847.00</b>		<b>3293441.00</b>

NOTES TO STATEMENT OF PROFIT & LOSS		Amount in Rupees			
Sl. No.	Particulars	For the Year Ended 31.03.2014	For the Year Ended 31.03.2014	For the Year Ended 31.03.2013	For the Year Ended 31.03.2013
<b>NOTE NO: 18 - REVENUE FROM OPERATIONS</b>					
18.1	Sale of Manufactured Products	617591015.00			1330089311.00
	Less: Excise duty collections	82596152.00			169997196.00
	Less: Sales tax collections	58486858.00			137489827.00
	Net Sales of Manufactured Products (Refer Note No: 25.13 for details of Productwise sales)		476508005.00		1022602288.00
	<b>TOTAL</b>		<b>476508005.00</b>		<b>1022602288.00</b>
<b>NOTE NO: 19 - OTHER INCOME</b>					
19.1	Interest on Bank and other deposits		921227.57		4340113.41
19.2	Interest on Inter corporate loans and advances to related parties		42878634.90		42771896.45
19.3	Dividend Income		28350.00		20250.00
19.4	Scrap Sales		0.00		1586071.00
19.5	Rent Receipts		475433.00		456482.00
19.6	Creditors written back and bad debts collections		505342.64		86000.00
19.7	Profit on Sale of Assets		904620.74		21539.00
19.8	Other Receipts		39615.00		6009150.00
19.9	Income relating to prior period				21613.52
	<b>TOTAL</b>		<b>45753223.85</b>		<b>55313115.38</b>
<b>NOTE NO: 20 COST OF MATERIALS CONSUMED</b>					
20.1	Consumption of raw materials (Refer Notes to Account No: 25)		37030262.69		99481582.26
20.2	Consumption of packing materials		27146576.00		47686441.00
	<b>TOTAL</b>		<b>64176838.69</b>		<b>147168023.26</b>
<b>NOTE NO : 21 - CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK IN TRADE</b>					
<b>CLOSING STOCKS</b>					
a)	Finished goods		122595.00		1509029.00
b)	Stock-in-process		57095447.00		79991452.00
	<b>TOTAL</b>		<b>57218042.00</b>		<b>81500481.00</b>
<b>OPENING STOCKS</b>					
a)	Finished Goods		1509029.00		16311578.00
b)	Stock-in-process		79991452.00		56783140.00
	<b>TOTAL</b>		<b>81500481.00</b>		<b>73094718.00</b>
	<b>NET INCREASE/(DECREASE) IN STOCKS (NET TOTAL)</b>		<b>-24282439.00</b>		<b>-8405763.00</b>
<b>NOTE NO:22-EMPLOYEE BENEFITS EXPENSES</b>					
22.1	Salaries, Wages, Bonus and Allowances		58467654.13		65494436.93
22.2	Contribution to ESI & Provident Fund		2884835.00		3066129.00
22.3	Contribution to Gratuity & Superannuation Schemes		593476.00		187426.00
22.4	Staff Welfare expenses		20095795.31		24544500.63
	<b>TOTAL</b>		<b>82041760.44</b>		<b>93292492.56</b>

NOTES TO STATEMENT OF PROFIT & LOSS		Amount in Rupees			
Sl. No.	Particulars	For the Year Ended 31.03.2014	For the Year Ended 31.03.2014	For the Year Ended 31.03.2013	For the Year Ended 31.03.2013
<b>NOTE NO: 23 FINANCE COSTS</b>					
<b>Interest Expenses</b>					
a)	On Term Loans	28844504.85		40369465.00	
b)	On Working capital, cash credits and adhoc loan	50824864.00		46783741.00	
c)	On Hire Purchase Loans	2673480.96		6692361.58	
d)	Interest on Corporate Unsecured Loans	1878642.82		12771888.53	
e)	On Others	40608831.00		16676451.00	
			124830323.63		123293907.11
23.2	Other borrowing costs				
a)	Loan processing charges		4491532.00		2756711.14
	<b>TOTAL</b>		<b>129321855.63</b>		<b>126050618.25</b>
<b>NOTE NO: 24 - OTHER EXPENSES</b>					
	Consumption of stores and spares		22613172.57		50404024.80
	Power and Fuel		320001060.52		545444597.00
	Rent including Lease Rents		61200.00		213650.00
	Insurance		1120758.00		685022.00
<b>Repairs &amp; Maintenance</b>					
a)	Buildings	0.00		162279.66	
b)	Plant & Machinery	10216864.17		23529263.95	
c)	Others	4346799.40	14563663.57	6864662.00	30556205.61
	Rates & Taxes and service tax		4251552.00		5896497.00
	Excise duty on captive consumption/Stocks		-4066814.00		-2479636.00
	Travelling and conveyance		1601260.00		2526628.00
	Printing and stationery		246178.63		340014.31
	Postage Telegrams and Telephones		472536.79		575138.62
	Directors sitting fee		25000.00		65000.00
	Remuneration to Managing Director		1500000.00		1500000.00
	Directors Travelling		137440.00		65993.00
<b>Remuneration to Auditors</b>					
	Audit and Tax Audit Fee		400000.00		400000.00
	Audit-Expenses		15771.00		37287.00
	Cost Audit Fee		30000.00		30000.00
	Cost Audit expenses		8000.00		7900.00
	Advertisement		1395147.00		1518267.00
	Legal & Professional Fee and Expenses		4950465.00		6737987.00
	Bank Charges		2513046.25		1972923.60
	Other Expenses		3197444.07		2624511.93
	Vehicle Maintenance		1145454.93		1350877.53
	Donations		493805.00		409672.75
	Expenses/Income relating to Earlier Years		0.00		1069858.00
<b>SELLING EXPENSES</b>					
	Freight outward and forwarding expenses	35275300.42		52625095.57	
	Discounts /price difference and Commission on consignment sales	68060603.57		132762872.96	
	Other Selling expenses	954472.90	104290376.89	4328798.50	189716767.03
	<b>TOTAL</b>		<b>480966518.22</b>		<b>841669186.18</b>

**NOTE NO : 25**

**Significant Accounting Policies and Notes to Accounts for the year ended 31<sup>st</sup> March, 2014**

**25.1 SIGNIFICANT ACCOUNTING POLICIES:**

**A. Basis of Preparation and Presentation of Financial Statements:**

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

**B. Inventories:**

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

**C. Depreciation:**

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

**D. Retirement Benefits to Employees:**

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

**E. Revenue Recognition:**

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

**F. Investments:**

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

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

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

**H. Borrowing Costs:**

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

**I. Segment Reporting:**

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

**J. Lease:**

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

**K. Accounting for taxes on income:**

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

**L. Impairment of Assets:**

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

**M. PROVISIONS AND CONTINGENT LIABILITIES/ASSETS:**

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

25.2 Contingent Liabilities not provided in respect of :			
Sl.No.	PARTICULARS	RUPEES IN LAKHS	
		Current Year 2013-14	Previous Year 2012-13
a)	As a signatory to the Memorandum of Cement Allocation and Co-ordinating Organization	1.00	1.00
b)	Guarantees given by the Bankers / Letters of Credit (Net of margin money paid)	222.02	220.37
c)	Corporate guarantee given to SIPCOT for the financial assistance availed by M/s.Cheran Cement Limited (as on 30-04-2013)	3174.79	3124.85
d)	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	19886.91	5877.27
e)	Arrears of dividend on "C" Cumulative Preference shares held by institutions, being not redeemed and requested for extension of time	40.50	37.80
f)	Estimated amount of contracts remaining to be executed on capital account (Net of advances)	605.78	605.78
<b>g)</b>	<b>Claims against the Company not acknowledged as debts being disputed and pending in appeals and not provided for as the Company is hopeful of success in appeals:</b>		
	<b>i) CENTRAL EXCISE :</b>		
a)	CENVAT credits availed and utilized were subsequently disallowed by the Department and demand raised for differential duty.	469.21	848.27
b)	Differential Duty on supplies made to direct parties The Company has contested in appeals and are pending with the Commssioner of Appeals or CEGAT/or A.P High Court (paid under protest Rs.12.56 lakhs)	671.24	575.74
	<b>ii) ELECTRICITY MATTERS:</b>		
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

Sl.No.	PARTICULARS	RUPEES IN LAKHS	
		Current Year 2013-14	Previous Year 2012-13
	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 favourable order of the High Court for the year 2008-09 was referred to Supreme Court and the same is pending.	53.56	53.56
	<b>iii) INCOME TAX MATTERS</b>		
	a) During the year the appeal for the Assessment year 2008-09 was disposed by the C.I.T. Appeals in favour of the company and re-opened the assessment for the Assessment Year 2006 07.	-	2378.49
	b) During the year 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. The company contested the demand before the Commissioner of Income Tax Appeals, Hyderabad.	3309.50	-
	c) During the year the Assessing Officer has re-opened the assessment for the A.Y 2008-09 and demand raised for MAT liability on book profit under section 115JB of Income Tax Act, the Company contested the demand before the Commissioner of Income Tax Appeals, Hyderabad.	878.68	-
	d) The MAT liability for the Assessment year 2009-10 was confirmed by the ITAT and not contested by the Company (Paid under protest Rs. 211.30 lakhs was adjusted and balance is payable).	-	222.52 (211.30)
	e) Demand raised by the Assessing Officer (Deputy CIT, Hyderabad) for the Assessment Year 2011-12 for payment of TDS and Interest on delayed payments, contested in appeals before the Commissioner of Income tax (Appeals), Hyderabad. During the year the appeal was disposed in favour of the Company.	Nil	32.42

Sl.No.	PARTICULARS	RUPEES IN LAKHS	
		Current Year 2013-14	Previous Year 2012-13
	<b>iv) COMMERCIAL TAX MATTERS</b>		
	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) Penalties levied by the Commercial Tax Officer, Kurnool for non payment of tax dues before the due date. The Company has requested the Government for waiver of the penalties.	124.85	114.05
	<b>v) Penal Interest/ Damages on P.F Dues</b>		
	The Department has levied penal interest and damages for delay in P.F payments for the period from May 1989 to September 2001 and the company requested for waiver. During the year the liability was provided since not waived by the Department and paid part of the amount.	-	255.39
	vi) During the year Department of Mines and Geology has raised demand for penal interest up to 31.03.2014 of Rs.1052.56 lakhs on royalty dues for delay in payments and the Company has filed Revision Application for waiver of interest before the Department and Ministry of Mines, New Delhi. (Part of the interest of Rs.216.80 lakhs was provided in earlier years)	835.76	650.26
	<b>viii) OTHER MATTERS</b>		
	Suits filed by the parties against the company and pending in Appeals Courts	120.45	126.34
25.3	Under The Micro, Small and Medium Enterprises Development Act, 2006 and in accordance with the notification issued by the Ministry of Corporate Affairs, certain disclosures are required to be made relating to Micro and Small Enterprises as defined in the said Act. The company is in the process of compiling the relevant information from its suppliers about their coverage under the said Act and hence required disclosures could not be made.		

Sl.No.	PARTICULARS	RUPEES IN LAKHS	
		Current Year 2013-14	Previous Year 2012-13
25.4	<b>Disclosure of discontinued operations of Wire / Engineering Division:</b>		
	The operations of the Wire / Engineering Division at Bangalore were permanently discontinued from October 2005 and the division was closed on 31.01.2006. The company has entered into agreements for joint development of land with the developers. As per the requirements of Revised Schedule VI which is effective from 1 <sup>st</sup> April, 2011, the book value of Rs.94.24 lakhs of land property under joint development agreements, was shown separately under "Current Assets" as current investment in land property and the amounts received from joint developers and advances received from intending buyers were shown separately under "Non-Current Liabilities" as other long term liability. There were no revenue income expenses incurred during the year and in previous year. During the year 2013-14 the company has sold the property under Joint Development Aggrement to the extent of possession given by the Developers and Sale Deeds were executed and the profit on sale of property of Rs. 2820.97 lakhs (Previous year Rs.4276.00 lakhs) was considered as exceptional item.		
25.5	Belated charges/overdue interest on delay in payment of statutory dues/liabilities have not been provided in the absence of demand for the same.		
25.6.	The balances of sundry debtors, sundry creditors, other liabilities, advance to suppliers for raw materials and spares, other advances including claims and deposits have been shown as appearing in the books of account and are subject to reconciliation and confirmation.		
25.7.	<b>Lease payments:</b>		
	The Company has not taken any assets under non cancelable operating lease agreements and hence no future lease payments.		
25.8	<b>Segment Reporting</b>		
	The business activity and geographical operations of the company is in one segment of cement product and hence segment reporting is not applicable.		

25.9 Related party transactions:

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

Sl.No.	Nature of Transaction	Rs. in lakhs			
		Year		Balance as at	
		2013-14	2012-13	31-03-14	31-03-13
1.	Sales/advances and receivable (Cheran Cement Limited)	-	-	264.23	264.23
2	Remuneration to Managing Director	15.00	15.00	Nil	Nil
3	Sitting Fee to other Directors	0.25	0.65	Nil	Nil
4	Corporate Guarantee given to SIPCOT for financial assistance availed by Cheran Cement Limited (estimated liability)	49.94	773.23	3174.79	3124.85
5	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	14009.64	(1075.27)	19886.91	5877.27
6	Unsecured loans from Promoters/Associates	3550.66	Nil	4075.43	524.77
7	Purchases and services availed from and due to Associate Companies	33.23	117.09	Dr. 18.28	10.96
8	Sales and services provided to and due from Associate Companies	12.72	132.11	151.49	840.21
9	Advances/Inter-corporate Deposits given to Associate Companies	320.00	(-)2581.71	6550.45	6230.45

25.10 EARNING PER SHARE

Basic and diluted earnings/(Loss) per share (face value of Rs.10/-each) calculated in compliance with the provisions of Accounting Standard 20 for the year ended 31.03.2014 comes to loss Rs.(2.67) (Previous year Rs.10.90).

The denominator for basic/diluted EPS is 16018139 Equity Shares of Rs.10/- each numerator is net loss of Rs.4,25,81,140 for the year as per Statement of Profit and Loss (Previous year net Profit Rs.17,48,73,880) and as reduced by the preference dividend for the year of Rs.2,70,186 - on "C" Cumulative Redeemable Preference Shares, which is not provided.

Therefore basic/diluted earning per share = Net Loss of Rs.4,28,51,326÷16018139 shares=Rs.(2.67)

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

25.12 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure as required under Revised Schedule VI.

25.13 Revenue from operations or sale of goods

Rs. in lakhs

S. No.	Description of Products	Qty. in Mts.	For the year ended 31.03.2014	Qty. in Mts.	For the year ended 31.03.2013
<b>A</b>	<b>Manufactured Goods</b>				
1	Clinker			Nil	Nil
2	Cement	140754	6175.91	292298	13300.89
	<b>Total</b>		<b>6175.91</b>		<b>13300.89</b>
<b>B</b>	<b>Traded Goods</b>		Nil		Nil

25.14 Cost of Raw Material Consumed

Rs. in lakhs

S. No.	Description	2013-14		2012-13	
		Qty. in Tonnes	Value	Qty. in Tonnes	Value
1	Limestone (Cement Grande) *	172230	118.02	390070	269.78
2	Laterite	3757	49.85	419	4.82
3	Gypsum	5406	92.12	12928	207.37
4	Iron Ore	4026	37.29	5466	46.60
5	Clinker	881	23.61	11960	327.83
6	Fly ash & Other	6442	49.41	16780	138.42
	<b>Total</b>		<b>370.30</b>		<b>994.82</b>
7	Purchase of Traded Goods	-	Nil	-	Nil

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

25.15 Value of imports calculated on CIF Basis

Rs. in lakhs

		2013-14	2012-13
a)	Raw Materials	Nil	Nil
b)	Components and spare parts	Nil	Nil
c)	Capital goods	Nil	Nil
	<b>Total</b>	<b>Nil</b>	<b>Nil</b>

25.16 Earnings in foreign Exchange		Rs. in lakhs			
		2013-14		2012-13	
	FOB Value of Exports	Nil		Nil	
25.17 Expenditure in Foreign Exchange		Rs. in lakhs			
		2013-14		2012-13	
i)	Raw Materials	Nil		Nil	
ii)	Travelling Expenses	Nil		Nil	
iii)	Others	Nil		Nil	
	<b>Total</b>	<b>Nil</b>		<b>Nil</b>	
25.18 Value of imported and indigenous raw materials components, spare parts and other materials consumed:					
		2013-14		2012-13	
		Value	%	Value	%
i)	<b>Raw Materials</b>				
	Imported	Nil	Nil	Nil	Nil
	Indigenous	370.30	100.00	994.82	100.00
	<b>Total</b>	370.30	100.00	994.82	100.00
ii)	<b>Stores and spare parts</b>				
	Imported	Nil	Nil	Nil	Nil
	Indigenous	226.13	100.00	504.04	100.00
	<b>Total</b>	226.13	100.00	504.04	100.00
As Per our report of even date attached		For and on behalf of the Board			
<b>For BRAHMAYYA &amp; CO.,</b>		M/s. Panyam Cements & Mineral Industries Limited			
Chartered Accountants					
Firm's Regn/ No. 000514S					
<b>B.DAIVADHEENAM REDDY</b>		<b>V. SURESHKUMAR</b>		<b>S. SREEDHAR REDDY</b>	
Partner		Director		Managing Director	
M.No. 026450					
Place : Nandyal (Camp)					
Date: 30 <sup>th</sup> May, 2014					

M.No.....  
No. of Shares :.....

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

I/We.....of.....  
.....in the district of.....being  
a member/ members of the above-named Company hereby appoint.....  
.....of.....  
in the district of.....or failing him.....  
.....of.....  
in the district of.....as my/our proxy to  
attend and vote for me/us on my/our behalf at the Fifty Eighth Annual General Meeting of the Company  
to be held on Saturday, the 27<sup>th</sup> September, 2014 at 11.45 A.M. and at any adjournment thereof.

Signed this.....day .....2014

Signed.....

Affix  
30 paise  
Revenue  
stamp

N.B. : 1) This instrument should be in writing and should be deposited not less than 48 hours before the time of meeting.  
2) Any member entitled to attend and vote at the meeting is entitled to appoint a proxy and the proxy need not be a member.