

PANYAM CEMENTS AND MINERAL INDUSTRIES LIMITED

**TRANSCRIPT OF 65TH ANNUAL GENERAL MEETING HELD ON 30TH DECEMBER, 2021 AT
03.30 P.M THROUGH VIDEO CONFERENCE ('VC')/OTHER AUDIO VISUAL MEANS ("OAVM")**

Moderator: You may proceed with the meeting, sir. Thank you. Its 3:30.

Mr. Bhrugesh Amin: Yeah, Good afternoon everyone. I hope my voice is clear.

Moderator: It's clear sir.

Mr. Bhrugesh Amin: I request KFin team to kindly confirm so that we can start with the proceedings of the meeting.

Unknown Speaker: You got your quorum sir.

Moderator: Sir, the required quorum is present sir you may proceed with the meeting sir, thank you.

Mr. Bhrugesh Amin: Hello.

Moderator: Sir, the required quorum is present, Sir. You may proceed with the meeting, sir. Thank you.

Mr. Bhrugesh Amin: Sir, we are not able to hear you.

Unknown Speaker: Sir, am I audible to you? Hello.

Mr. Bhrugesh Amin: Hello. KFin team, can you confirm so that we can start.

Unknown Speaker: Sir, your quorum is present and you can start the meeting. Hello.
Mr. Bhrugesh Amin. Am I audible to you?

Moderator: So, sorry for the inconvenience, sir we will reconnect in a minute. Thank you. Sir, Good afternoon, Sir. Mr. Bhrugesh Amin sir.

Mr. Bhrugesh Amin: Good afternoon.

Moderator: Sir, you're able to hear us now sir?

Mr. Bhrugesh Amin: I'm able to hear you.

Moderator: Thank you. Thank you, sir, the required quorum is present sir, you may proceed with the meeting, sir. Thank you.

Mr. Bhrugesh Amin: Thank you. Thank you for your confirmation. Good afternoon, everyone, dear shareholders. On behalf of the company. I as, Erstwhile Resolution professional, as well as member of implementation and monitoring committee. I welcome you all to the 65th Annual General Meeting of the company, which is convened electronically through video conference mode. I hope you and your family members are safe and in good health. I would now preside over this meeting in accordance with the articles of association of the company and conduct the proceedings after introducing other members of the board and special invitees. However, in view of the prevailing situation across the country due to outbreak of COVID 19 pandemic, the Ministry

of Corporate Affairs has permitted company to hold their AGM; Annual General Meetings through video conferencing or audio-visual means and has also allowed companies to send annual reports and the notice convening the Annual General Meeting electronically. Considering the health and safety of all our stakeholders, and in particular the shareholders. The 65th Annual General Meeting of the company is being conducted through video conferencing, to avoid any physical presence of the members at a common venue. The soft copy of the annual report for the financial year 20-21 has been sent to all the members holding shares in dematerialized mode, and whose email addresses are available with the Depository participants as well as to all the members holding shares in physical mode, whose email addresses are registered with the company or RTA for communication purpose. As the moderator has already confirmed that the requisite quorum is present, and therefore now I call this meeting to order, the registers of the directors and the key managerial personnel and their shareholdings and the other documents mentioned in the notice convening this meeting will be available for inspection by the members. Members seeking to inspect such documents can contact the company. As mentioned in the notice convening the meeting, which is being held electronically, the proxy related procedures have been dispensed with, as per the regulatory requirement. Now, let me introduce you the directors, auditors and senior executives of the company attending the meeting through video conferencing, from their respective location. So Mr. S Sreedhar Reddy, who is the managing director, he has informed me just a few minutes back that due to some technical issues which he's facing at his location, he will not be able to join the meeting. Our other directors Mr. Panduranga Rao, Dr. R K Prasad Sunkara and Mr. Jayarama Reddy also could not join us for the meeting. We have been joined. Our secretary auditor's K.S Rao and company represented by Mr. P Govardhan Reddy who is a partner with the firm has also joined us from his location, our secretarial auditor and scrutinizer for the e-voting process BSS and associates have been represented by Mr. S. Srikant has also joined from his location. Our company secretary and CFO, Miss Diya Venkatesan has also joined from her location. Please note that she has joined the company with effect from 8th November 2021. Our one of the members of implementation and monitoring committee, who is also representative of resolution applicant, Mr. A.P Srinivasan has also joined us from his location. To your company, by virtue of being listed company is required to provide e-voting facility to its shareholders. Voting by show of hands is no longer permitted. The company has engaged the services of M/S KFin Technologies Private Limited to provide the facility of remote e-voting to all its members to cast their votes on the businesses contained in the notice. Voting will be in proportion to the shares held by the members as on cutoff date, this being 23rd December 2021. In line with the regulatory requirements, remote e-voting facilities on KFin's e-voting platform admin provided to the members of the company, starting from 24 December 2021 till 29th December 2021, and disabled for the voting by KFin thereafter. As mentioned in the notice convening meeting for such of those members who did not or could not avail the remote e-voting facilities. The company is pleased to provide the facility to cast their votes electronically during the AGM on the proposed resolutions through KFin's Instapoll mechanism. So this Instapoll facility will be activated at the end of this meeting. Members can avail this facility and cast their votes on the resolution proposed in the notice. Let me reiterate that this facility is available only to those members who have not cast their votes through the remote e-voting facility provided earlier by the company. In case, any member has already voted in the remote e-voting, he or she will not be able to cast their vote again through the Instapoll. The company has appointed M/S BSS and Associates, practising company secretaries for scrutinizing the e-voting process in a fair and transparent manner. Once all of you have cast your votes, the votes will be counted by the scrutinizers, they will then unlock the results of the remote e-voting, which will be then consolidated with the results of the voting done today during the meeting. The voting results, along with the scrutinizer's report will be communicated to the stock exchange within 48 hours and the same will be placed on the website of the company and on the e-voting platform of KFin. Just to sum up, following is the schedule for today's meeting. After I conclude my speech, those who have registered as a speaker at the meeting will be invited by the moderator. Considering the time of all those attending the meeting, we would request the speakers to be brief and restrict their address to the matters relevant to the business containing the AGM notice. After this, the

questions or queries raised by the speakers by the shareholders who have already registered the same in the link provided by KFin for this purpose would be tabulated and answered. After the queries have been answered. The meeting will conclude and those of you who have not yet cast their votes would be given the opportunity to exercise the same. So, with that, now, we will proceed with the meeting.

So, we are meeting with a short span of a period of I think approximately three and a half months, as we have discussed or rather we have communicated earlier in the earlier AGM that the NCLT, National Company Law Tribunal, Amaravati bench by its order dated May 14, 2020, had ordered the commencement of CIRP, corporate insolvency resolution process in respect of the company under the provisions of insolvency and Bankruptcy Code. Pursuant to the admission order, and in accordance with the section 16 of the code. I, Bhruvish Amin, was appointed as the interim resolution professional, and my appointment as a resolution professional was subsequently approved by the committee of creditors of the company on 26th June 2020. As per the NCLT, by this order dated 25th June 2021 read with the order dated July 10 2021, approved the resolution plan submitted by RV Consulting Services Private Limited and Sagar Power limited. So, in the current case, the CIRP has been concluded and the resolution applicants are in process of implementing the dissolution plan. Accordingly, the implementation and the Monitoring Committee was formed with Mr. Bhruvish Amin as a monitoring member and one representative of the resolution applicant and two representatives of the secured financial creditors and one more representative of the secured and unsecured financial creditors of the monitoring committee until the closing date to supervise the implementation of the resolution plan. Accordingly, the resolution applicants have infused the funds into the company and all financial creditors as per the order has been paid. The implementation and monitoring committee has fixed 23rd December 2021 as recorded for the purpose of ascertaining the name of the shareholders who shares sell and reduce and extinguish pursuant to the resolution plan approved by the honourable national company law tribunal by order dated 25th June and 10th July 2021. The company has repaid all the outstanding dues of Bombay Stock Exchange, and also initiated a process of listing its shares on BSE. Further, in relation to the operations of the company, I would like to submit that the team of resolution applicants has already initiated processes to revive the operations at the plant. The work is currently being carried out at a rapid speed and the company may soon start its operation. With that, moving to the resolution or the business for the today's meeting. So the notice dated 3rd December 2021 convening this meeting has already been circulated as part of annual report for the financial year ended 31st March 2021 and with your permission, I shall take the same as read. As both, the statutory auditor's report and secretarial auditor reports have qualifications, observations, and comments on the financial transaction or matters. These reports are required to be read out in the meeting. So, I will be reading the relevant extract of these reports. So first, let me read the statutory auditor's report, which is on page number 44 and 45 of the annual report and the basis for the qualified opinion by the statutory audit report. So there are seven qualifications along with two emphases of matter as part of the statutory auditor report. So let me start with the first one. The auditor has invited the attention of the members to the note number 7D of the financial statement of the company has 100.82 crores outstanding inter-corporate deposits as at 31st March 2021. In the absence of external confirmation from the parties as on reporting date and owing to the uncertainty associated with the recoverability of the inter-corporate loans, we are unable to comment on the consequential impact if any on the financial statement. The attention is also invited to the note number 30 of the financial statement in respect of details related parties transaction which are not disclosed in accordance with the requirements of index 24. The second business qualification is attention is invited to the note number seven of the financial statement the company has 23.49 crore, approximately outstanding trade receivables as on 31st March 2021, which are classified as doubtful. In the absence of external confirmation from the parties as on reporting date and owing to the uncertainty associated with the recoverability of these trade receivables, we are unable to comment on the consequential impact if any on the financial statements. The third business, we did not receive any physical verification report for the inventory as on reporting date hence we

are unable to comment on the condition and existence of the impairment impact if any carrying value of the inventory as of 31st March 2021. Further, we did not receive, so, auditors did not receive physical verification report of the property plant and equipment and the capital work in progress as on reporting date. Hence, we are unable to comment on the condition, existence and the consequent impairment impact if any on carrying value of property, plant and equipment and Capital Work in Progress as at 31st March 2021. Further, they have not received, they did not obtain any external confirmation from vendors, banks, financial institutions and government authorities regarding trade payables advances to suppliers, advanced exercise, advanced excise duties, VAT, service tax, GST, other advances, borrowers, balances in current accounts, loans, cash, credit and corporate guarantees. In the absence of such confirmation as on reporting date, we are unable to comment on the consequential impact if any on the financial statements. Further, as a part of the corporate insolvency resolution process, the claims from the financial and operational creditors have been filed and further being admitted, rejected or pending verification. We are unable to comment on the liability that may arise due to such admission to the extent of unrecorded, unreconciled. The books of accounts and its consequential impact on the financial statement as on reporting dates. Further, based on the information and explanation given to the auditors, the company has not provided for the gratuity liability on actuarial valuation as required in the index 19 employee benefits and the amount of gratuity liability is not ascertained by the company and it is provided, paid on the cessation of the employment as per the accounting policy followed by the company, we are unable to qualify the impact of the same liability on the financials of the year and the report. They have also drawn the attention of the members on the following emphasis of matters, they have mentioned that we draw attention to the general information note 1.2 F to the financial statements wherein it is.

Just a minute. Sorry, So, again, let me repeat, the first main emphasis of matter is that we draw attention to the general information node 1.2 F to the financial statements wherein it is mentioned that the management has not affected in the books of accounts of the current year under the report, the changes or adjustment accordance with the NCLT approved resolution plan dated 25th June 2021 read with revised order dated 10 July 2021. Our opinion is not modified in this respect of this matter. We also draw attention to the general information, note 1.2H to the financial statements wherein it is mentioned that the only one directors of the company sign the financial statement which is not in accordance with the provisions of Section 134-1 of the Companies Act 2013 and the state provisions mandate that the financial statement had to be signed by two directors of the company. In relation to this qualification and emphasis of matters. Please note that the above disqualifications are either above qualifications that are either due to continuous noncompliance during pre CIRP period or due to CIRP process-related compliances and related consequences. However, as I communicated earlier, as a resolution plan submitted by the resolution applicant is approved by the honourable NCLT and as the same has been implemented, we expect the above qualifications to be addressed properly in near future. Now, let me also read out the report of secretarial auditor report on pages 30 and 31 of the annual report where they have covered or rather attention has been drawn with respect to irregularities or non-compliances. So let me read that relevant portion of the report. During the period under review, the company has generally complied with the provisions of the act, rules, regulations, guidelines etc mentioned above except in respect of the matters specified below. So there are no statutory registered minutes and other documents under the Companies Act 2013 are available section 203-1 2 of appointment of company secretary as the KMP and as per regulation 62 of the Security and Exchange Board of India, the listing, obligation and disclosure requirement regulation 2015. During the year under review, the company has not appointed CFO; Chief Financial Officer required to be appointed under Section 203 of the companies act, however, Ms. Diya Venkatesan has been appointed as company secretary from a compliance officer and CFO with effect from 8th November 2021. Mrs. V. Arvindarani resigned from the board of the company with effect from 28 February 2021 and the vacancy of the woman director remain vacant till date.

E-form DIL 12 has not been filed. The resolution in E-form entity 14 for approval of accounts and directors report have not been filed with ROC regulation 33 of the SEBI, LODR, regulation 2015 requires the submission of audited financial results for the year ended March 31, 2020, should have been disclosed before May 30 2020. Revised it today is basically 31st July 2020, but the same was submitted by the company on February 15, 2021, and subsequently, the revised on May 5th 2021 and the unaudited financial results for the quarter ended June 30, 2020, September 30, 2020, December 31, 2020, should have been disclosed before September 15, 2020, November 14, 2020, and February 14th, 2020, respectively. But the same were not submitted to the BSE. The provisions as specified in regulation 17- 2a and regulation 15 - 2b of the SEBI LODR act regulation 2015, regulation 18, 19, 20 and 21 shall not be applicable upon the listed company which is undergoing CIRP under the insolvency code with effect from 14th May 2020. The company has not complied with the publication of financial results in the newspaper in terms of the requirement of regulations 47-3 of SEBI LODR 2015.

The company is maintaining a functional website, but certain disclosures are not disseminated on the website under regulation 46 of SEBI LODR 2015. As per regulation 49, SEBI LODR regulation 2015 requires a certificate to be submitted for the half-year ended September 30 2020. But the same was not completed with the BSE. The company has suspended has been suspended from trading due to penal reasons. The company's master data has not been updated in MCA portal, however company made a request to the ROC has already made a request to the ROC for the same. Non-disclosure of the closure of trading window on 1st March 2017, the company has allotted 8, 43,000 and 60 equity shares of rupees 10 each upon conversion of the warrants. The application for the listing approval for the same equity shares is pending with the BSE. The above special mentioned or non-compliance or qualifications are either as a result of continuous non-compliance from the pre CIRP period or during CIRP due to various reasons the same could not be complied with. However, the IMC; implementation Monitoring Committee, along with the resolution applicant already initiated steps to comply with the Companies Act and SEBI LODR and other related regulations and we hope that this disqualification or irregularities will be addressed soon by the team of resolution applicant and IMC. Now as we move on the notice of the meeting contains two resolutions seeking approval of the shareholders. The stuff which has been given below, one is the ordinary business that is adoption of audited financial statements. Report of the directors and auditors for the year ended 31st March 2021 and special business contains shifting of the registered office of the company from present location that is C-1, Industrial estate, Bommalasatram, Nandyal, 518502, Kurnool District, Andhra Pradesh to Cement Nagar 518206, Kurnool District, Andhra Pradesh. The resolution in respect of above proposal have been provided in the notice of the meeting. So, I would now request the moderator to facilitate shareholders who have registered themselves as the speakers to speak or raise clarification regarding the accounts and the operations of the company during 2021 in the sequence of the registration in the interest of the time and with the view to give adequate opportunity to all. I once again request members to be judicious in the time and restrict the same two-three minutes. We will first hear all the queries after which I will be pleased to give my responses to your queries. In consolidation or have them been answered by my colleagues. Yes. Over to you KFin Tech.

Moderator: Thank you, sir. I now invite our first speaker, Mr. Kamal Kishore Jawar. Mr. Kamal Kishore Jawar we request you to unmute your audio.

Mr. Kamal: Hello.

Moderator: Yes sir, you are audible sir. Please proceed, sir.

Mr. Kamal: Okay, thank you. Thank you. हमारे Chairman Sir, Bhrugesh साहब और Director, Sreedhar Reddy साहब, हमारे BSS association के Vijay Kumar साहब , all director को नमस्कार, आज

अपना ये court के बाद AGM हो रहा है। आज जो Sagar Power company ने charge दिया है हमको बड़ी खुशी की बात है। हमारा जो पैसा लगा है वो management के पास आने के बाद हमको confidence है, एक साल हो चाहे दो साल हो हमको अच्छा return मिलेगा। मैं Panyam में बहुत पुराना shareholder था तो मेरे पास बहोत अच्छे share हैं। जो कंपनी में lost हो गया था। पर हमको confidence था की देर सवेर हमको हमारा पैसा ज़रूर मिलेगा। मैं आने वाले साल की सबको शुबकामनाएं और हार्दिक बड़ाई देता हूं। हमारा कंपनी का listing और कंपनी वापस चालू होगया तो सबके लिए बहुत हो जायेगा। कंपनी ने बहुत पैसा लगाया है तो कंपनी का काम अच्छा चले और कंपनी बहोत जल्दी running में आजाये, उसके लिए मैं सबको दन्यवाद देता हूं। Thank you sir.

Moderator: Thank you, sir. We now move on to our next speaker. Mr. Afzal Uhrehman Sufi Muhammad. Mr. Afzal Uhrehman Sufi Muhammad, our next speaker, sir, Mr. Afzal Uhrehman has not joined the meeting currently. I now move on to our next speaker, Mr. Bharat Shah. Mr. Bharat Shah, we request you to unmute your audio, switch on your camera and proceed, sir.

Mr. Bharat: Yeah.

Moderator: You are audible sir please proceed sir. Thank you.

Mr. Bharat: Okay, camera is not shutting.

Moderator: You need to switch on the camera button beside the microphone, sir. In the meanwhile, you can proceed with your query sir. Thank you.

Mr. Bharat: Yeah, sir. Today is regulation professional Mr. Bhrugesh Amin, first, I would like to salute you, you're given a very good presentation today. You have given total details. So you've not left any questions for small and minority shareholders. Again your work we have seen in one year you have completed negotiations with creditors and today we can see the light incoming light, this plant will start in a short period in approximately six months or one year whatever it be and you get these minority shareholders who are for so many years will unlock their value after the new management of Sagar power, number one management in India will take this company and again all the best for and I hope Mr. Bhrugesh Amin, someone will come to other companies and this team will again see if any other companies we will meet him because he is expert in the field. Thank you, sir.

Moderator: Thank you, sir. We now move on to our next speaker. Mr. Redeppa Gundluru. Mr. Redeppa Gundluru, we request you to unmute your audio, switch on the camera and proceed Sir. Sir, you are audible sir. You may proceed, sir.

Mr. Redeppa: Thank you. Yeah, first of all, Officer and director of the board especially Sreedhar Reddy साहब, Panduranga gaaru, Ram Krishna Prasad gaaru, Jayarama Reddy, R K Prasad Sunkara and Diya Venkatesan madam, company secretary, recently joined, welcome ma'am, company secretary. Sir, R.P Sir, you know given a very good detailed presentation sir. We are very happy for this type of presentation you have given sir, each and every information you have given sir. Thank you so much, sir. Wonderful presentation, sir. Sir, our management is number one sir, as my co-shareholder told about the management sir. I am also accepting sir, our management is trustworthy, transparent management. Everything sir, very good management sir, we have good faith on this management, sir. So hopefully coming financial year we will achieve many more mentioned in this company. R.P Sir, my question is sir, sir, regarding this productions, Operation production, and sir. So please when we will we start the operations and give me the regulation restriction process, what is the status and are nothing more than Sir. We are very happy shareholders since long. So we are supporting all these resolutions and this AGM. So, finally, lastly, I wish to 2022 a grateful year to all of us and especially Panyam cement and all the employees and management sir, wish you happy New Year in advance. Thank you so much.

Moderator: Thank you, sir. We now move on to our next speaker. Mr. Ramesh Shankar Gola, we request you to unmute your audio, switch on your camera and ask your question, sir. Mr. Ramesh Shankar Gola, we request you to unmute your audio, switch on your camera and proceed sir. As there is no response from Mr. Ramesh Shankar Gola, we now move on to our next speaker Mr. K. Bharath Raj. Mr. K. Bharath Raj, we request you to unmute your audio, switch on your camera and proceed sir. K. Bharath Raj, we request you to unmute your audio, switch on your camera and proceed sir. Mr. K. Bharath Raj. Sir, we get no response from Mr. K. Bharath Raj sir, with this we have completed the registered speakers and we have given opportunity for everyone and we hand over back to you sir. Thank you.

Mr. Bhrugesh Amin: Yeah, I first of all, thank Mr. Kamal Kishore, Mr. Bharat Shah, Mr. Redeppa Gundluru, Mr. Ramesh and Mr. K. Bharat Raj, for registering themselves as a speaker and I think I have some issue with the microphone. Am I audible to all?

Moderator: You are audible sir.

Mr. Bhrugesh Amin: Thank you. Thank you. So, I, first of all, thank all the members who have registered themselves as a speaker and attending this AGM. Now a query has been raised by Mr. Redeppa Gundluru. Let me answer that question on the production and the revival of the company. So, after the NCLT order, the first process was to form IMC as I mentioned that the implementation monitoring committee has been formed and that has been operational and as a result, the resolution plan has been made fully operational or rather implemented. The resolution applicant had rather infused the money as envisaged under the plan, resolution plan. And as a result, we could repay the financial creditors as well as operational creditors as per the resolution plan well within the time. We are also now, the parallel applications have been made to various statutory authorities including the Bombay stock exchange for the revival of trading and also given impact getting implemented as a part of the implementation of the resolution time gave the required approvals under the plan. As a result, we have received few approvals from BSE and we are still awaiting for the other approvals. As soon as these approvals are in place, the plan will be then effectively made implemented and accordingly the process part will be over. As far as the operations are concerned. The team of resolution applicants has already started working on the plan, but as you are aware that since December 18, there was no work going on at the factory premises, and it may take a reasonably longer period to revive the operations completely. However, with the efforts of the team on ground, they have started rather they have finalised their plan for revival and in the coming year, we see that those plan will be implemented and implemented and we said that we will definitely see the revival in the operations, if not full, to a larger extent at the project location. I hope that this answers your query. With that, we can move on to the last part of the meeting.

So dear shareholders, this concludes the business part of the meeting. The Instapoll facility, first of all, let me again thank you all for your queries and interest in the operations of the company and this concludes the business part of the meeting. The Instapoll facility will be activated now to enable the members who have not cast their votes earlier through remote e-voting. This facility as I mentioned earlier also will be available on the left-hand corner of the video conferencing screen in the form of thumb sign. The members can click on the same to take them to the Instapoll page and vote. This facility will be available for a period of 15 minutes from the end of this meeting, M/S BSS and Associates, the scrutinizers for the meeting will submit the report to the company after consolidating the remote e-voting and voting at the AGM. As there is no other business to be transacted, I declare the meeting as closed. I thank all the shareholders for connecting with us today. I also thank KFIN team for facilitating the video conferencing, which enabled connecting with our shareholders across the world, and other services provided for ensuring seamless conduct of the meeting. I also thank our company secretary and CFO as well as the representative of the resolution applicant to join this meeting and support the company. So

with that, I hand over the proceeds to the KFin team and we can accordingly conclude the meeting.
Thank you. Thank you once again.

Moderator: Thank you, sir.