CORRIGENDUM TO THE PUBLIC ANNOUNCEMENT

Public Announcement to the shareholders of PANYAM CEMENTS & MINERAL INDUSTRIES LIMITED

(Regd. Office: Cementnagar – 518 206, Kurnool District, A. P., Tel. No.: 08516 – 274638, Fax. No: 08516 -274644)

This corrigendum to the Public Announcement is being issued by **Sobhagya Capital Options Limited** on behalf of Mr S Sreedhar Reddy **the acquirer** and 1. Mr. S. P. Y. Reddy, 2. Mr. V. Suresh, 3. Mrs. S. Parvathi, 4. Mrs. S. Sujala, 5. Mrs. V. Aravinda Rani, 6. Mr. Francis Reddy, 7. Mr. S. A. Rawoof, 8. Mr. N. Rama Subbaiah, 9. Mr. S. Chand Basha 10. Mr. Y. Srinivasa Reddy, **all Persons Acting in Concert**, in addition to the original Public Announcement dated 16th February, 2005 pursuant to the Provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto (Hereinafter to referred to as "Regulations")

The shareholders of Panyam Cements & Mineral Industries Limited are requested to note the following:

1. The Offer Price given in the Public Announcement at Rs.166/- per equity share has now been recomputed at Rs. 100/- per equity share taking into account the Regulation 20(11) (ii) which is specifically applicable for preferential allotment. Since the Share is frequently traded on the Stock Exchange Mumbai, the price under this regulation has accordingly been computed as the average price of the last 6 months traded price, the six months being considered prior to the month in which the meeting of the board of directors held on 3rd December, 2004 to consider the convening of the members meeting for the purpose of preferential allotment took place.
2. The Public Announcement should have been made by 18th January' 2005 but it was published on 18th February' 2005 and thus there was a delay of one month. The Acquirers are paying interest (at the rate of 10% per annum) which is computed at Rs.1/- per equity share and therefore there is a consequent change in price to Rs.101/- per equity share (Rs.100/- + Rs.1/- as interest = Rs.101/-)
3. Financial data as on 31st December' 2004 is also provided which is duly certified by the Statutory Auditors of the Company.

Other than the above, the information and all other terms and conditions contained in the public announcement dated 16th February, 2005 remain unchanged.

For and on behalf of the Acquirer and Persons Acting in Concert

Issued by:

Manager to the Offer

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Place: Hyderabad
Date: 28.03.2005