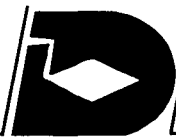




**DECCAN CEMENTS LIMITED**



**DECCAN  
CEMENTS  
LIMITED**

## **NOTICE**

Notice is hereby given that the **TWENTY THIRD ANNUAL GENERAL MEETING** of the Members of **DECCAN CEMENTS LIMITED** will be held on Friday, the 5th day of September, 2003 at 11.00 AM at "Bhaskara Auditorium", Bir la Museum, Adarsh Nagar, Hyderabad - 500 063 to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Profit & Loss Account and Cash Flow Statement for the year ended 31st March, 2003 and the Audited Balance Sheet as at that date and the Directors' and the Auditors' Report thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Mr D R K Rao, Director who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr P Venugopal Raju, Director, who retires by rotation and is eligible for re-appointment.
5. To appoint M/s. M. Bhaskara Rao & Co., Chartered Accountants as Statutory Auditors to hold office from the conclusion of this Annual General Meeting upto the conclusion of next Annual General Meeting of the Company and to fix their remuneration.

### **SPECIAL BUSINESS:**

6. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, Managing Director Ms. P. Parvathi be

reappointed for a further period of 5 years with effect from 1st July, 2003 on the following terms and conditions:

i) Salary: Rs.60000/- per month with annual increment of Rs.5000/-

ii) Commission:  
Commission @ 1% of the net profits of the Company computed in the manner laid down in Section 309 of the Companies Act, 1956.

iii) Perquisites and Allowances:

I. Housing:

a) The expenditure incurred by the Company on hiring accommodation for the Managing Director shall be subject to a ceiling of 60% of salary.

b) Where the Company does not provide accommodation to the Managing Director, House Rent Allowance may be paid by the Company in accordance with (a) above.

c) The expenditure incurred by the Company on gas, electricity, water and furnishing will be valued as per the Income Tax Rules, 1962 subject to a ceiling of 10% of salary.

II. Medical Reimbursement:

Expenses incurred for self and family subject to a ceiling of one month's salary per year or three months' salary in a period of three years.

III. Leave Travel concession:

For self and family once in a year in accordance with any rules specified by the Company.



IV. Club Fees:

*Fees of Clubs subject to a maximum of two clubs, admission and life membership fees not being allowed.*

V. Personal Accident Insurance:

*For an amount as per the rules of the Company.*

VI. Other Perquisites:

i. *Company's contribution towards Provident Fund subject to a ceiling of 12% of salary, as per rules of the Company.*

ii. *Company's contribution towards Pension / Superannuation Fund, as per rules of the Company - such contribution together with the contribution to the Provident Fund shall not exceed 27% of salary.*

iii. *Gratuity payable in accordance with an approved scheme and shall not exceed one and half month's salary for each completed year of service.*

*Contribution to Provident fund and Superannuation fund to the extent they are exempted under the Income Tax Act, 1961 and encashment of leave at the end of tenure will not be included in the computation of the ceiling on perquisites. Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. All long distance personal calls shall be duly logged in and paid for by the Managing Director. Earned / Privilege Leave on full pay and allowances as per rules of the*

*Company. Leave accumulated but not availed of during her tenure may be allowed to be encashed as per the rules of the Company.*

*"RESOLVED FURTHER THAT in pursuance of the provisions of Schedule XIII of the Companies Act, 1956, the above remuneration by way of salary and perquisites be paid as minimum remuneration to Ms. P. Parvathi, Managing Director, in the event of absence or inadequacy of profits in any financial year."*

7. *To consider and if thought fit to pass with or without modifications the following resolutions as Ordinary Resolution:*

*"RESOLVED THAT the Authorised Share Capital of the Company be and is hereby increased from Rs.7,50,00,000 (Rupees Seven Crores and Fifty lakhs only) to Rs.10,00,00,000/- (Rupees Ten Crores only) by addition of 25,00,000 Equity Shares of Rs.10/- each.*

*RESOLVED FURTHER THAT the first two lines of the existing Clause V(a) of Memorandum of Association of the Company be and is hereby substituted as follows:*

*The Authorised Share Capital of the Company is Rs.10,00,00,000/- (Rupees Ten Crores only) divided into 1,00,00,000 Equity Shares of Rs.10/- (Rupees Ten only) each.*

8. *To consider and if thought fit, to pass with our without modification the following Resolution as a Special Resolution:*

*RESOLVED THAT the existing Article 3 of the Articles of Association of the Company be and is hereby substituted as follows:*

*The Authrosied Share Capital of the Company is Rs.10,00,00,000/- (Rupees Ten Crores only) divided into 1,00,00,000 Equity Shares of Rs.10/- (Rupees Ten only) each.*



9. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

*"RESOLVED THAT pursuant to the provisions of Section 81 (1A) and the other applicable provisions, if any, of the Companies Act, 1956, and SEBI Guidelines for Preferential issues as in force and the relevant provisions of Memorandum and Articles of Association of the Company and subject to such approvals, consents, permissions and sanctions as may be necessary from the financial institutions, the SEBI, RBI, Government of India and other authorities as the case may be and subject to such conditions as may be prescribed, while granting such approvals, consents, permissions and sanctions and which conditions while granting such approvals, consents, permissions and sanctions and accepted by the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall include a committee thereof) in the best interest of the Company, the Board be and is hereby authorized to offer, issue and allot upto 672763 fully paid up Equity Shares of the Company of the face value of Rs.10/- each for cash at the premium of Rs.34.50 per each such Equity Shares of the Company on preferential basis, to the Promoters of the Company, namely, M/s M B Raju, DCL Securities Ltd., Melville Finvest Ltd., and Satyasai Investments & Leasing Ltd.*

*RESOLVED FURTHER THAT for the purpose of determining the price for the issue of the aforesaid Equity Shares of the Company in pursuance of the applicable SEBI Guidelines for Preferential Shares, the relevant date is 6th August, 2003 being 30 days prior to the date of this Annual General Meeting.*

*RESOLVED FURTHER THAT the Equity Shares allotted pursuant to this resolution shall rank pari-passu in all respects with the existing Equity Shares of the Company except that they*

*shall be entitled for dividend on pro-rata basis from the date of allotment.*

*RESOLVED FURTHER THAT the allotment of the aforesaid Equity Shares on a fully paid-up basis for each and despatch of the shares certificates for such shares shall be completed within three months from the date of passing this resolution and in the unlikely event the same is not so completed, this resolution shall lapse and shall have no effect.*

*RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, the Board be and is authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as it may deem fit, necessary or desirable."*

*By Order of the Board*

**R. GOPALAKRISHNAN**  
General Manager (Legal) &  
Company Secretary

Registered Office  
6-3-666/B,  
'Deccan Chambers'  
Somajiguda,  
HYDERABAD - 500 082

Date: 08.08.2003.

**Notes:**

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend instead of himself/herself and such Proxy need not be a member of the Company. Proxies in order to be effective should be received by the Company at its Registered Office not less than 48 hours before commencement of the meeting.
2. Members are requested to notify immediately any change in their address to the Company's Registrars (with their Folio Number(s)).



**DECCAN  
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3. *The Register of Members and Share Transfer Books of the Company will be closed from 29.08.2003 to 05.09.2003 (both days inclusive).*
4. *Payment of dividend on shares, if declared at the meeting, will be made to those members whose names appear on the Company's Register of Members on 29.08.2003.*
5.
  - a) *Under the provisions of Section 205A of the Companies Act, 1956, the Company has already transferred all unclaimed dividends upto and including the financial Year ended 31st March, 1995.*
  - b) *Pursuant to the provisions of Section 205A of the Companies Act, 1956, as amended, dividends for the financial year ended 31st March, 1996 and thereafter, which remains unpaid or unclaimed for a period of 7 years will be transferred to the "Investor Education and Protection Fund" of the Central Government.*
6. **Stock Exchanges:**
  - a) *The Company's shares are listed with Hyderabad (Regional) 3-6-275, Himayat Nagar, HYDERABAD - 500 029 and Mumbai Stock Exchange Phiroze Jeejeebhoy Towers, Dalal Street, MUMBAI - 400 023.*
  - b) *The Annual Listing Fee for the year 2003-2004 has been paid in time as per Clause 38 of the Listing Agreement to Stock Exchanges at Hyderabad and Mumbai.*
7. *The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto.*

***Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956***

**ITEM NO.6**

*Ms. P Parvathi, joined the Company in the year 1993 as the Wholetime Director and later redesignated as Executive Director. She was appointed as Managing Director w.e.f 01.07.1998. Her present term as the Managing Director expires on 30th June, 2003. The Board of Directors have reappointed Ms P Parvathi as Managing Director for a period of 5 years with effect from 1st July, 2003 on the terms as proposed and your approval is sought for the same.*

*None of the Directors is interested or concerned in the resolution except Ms P Parvathi herself and Mr M B Raju and Mr P Venugopal Raju, who are related to Ms P Parvathi.*

*The Board of Directors of the Company commend this resolution for the requisite approval of the Shareholders.*

**ITEM NO.7 & 8:**

*The present authorized capital of the Company is Rs.7,50,00,000/- divided into 75,00,000 Equity Shares of Rs.10/- each. The present paid up capital is Rs.7,00,37,500/-. To keep sufficient unissued share capital, the authorized capital is proposed to be enhanced to Rs.10,00,00,000/-. This requires amendments to the Memorandum and Articles of Association of the Company, approval for which is sought as per the resolution contained in notice.*

*None of the directors is interested are concerned in this Resolution.*

*The Board of Directors of the Company commend this resolution for the requisite approval of the Shareholders.*

**Inspection of Documents:**

*The relevant documents may be inspected at the Registered Office of the Company during working day/hours, prior to Annual General Meeting for the above items.*

**ITEM NO.9:**

The object of this Preferential Issue to the Promoters of the Company, namely, M/s M B Raju, DCL Securities Ltd., Melville Finvest Ltd., and Satyasai Investments & Leasing Ltd., is to augment long term resources of the Company as also to strengthen the voting power of the present promoters of the Company through the creeping acquisition route pursuant to Regulation 11 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997. Since the aforesaid acquisition of Equity Shares is not more than 5% of the voting rights in the financial year ended March, 2004, pursuant to Regulation 11 thereof, no public announcement is necessary.

The shareholding pattern of the Company before and after the proposed Preferential offer is given below:

Category	Pre-Issue		Post-Issue	
	No. of Shares	% of Share Holding	No. of Shares	% of Share Holding
a) Promoters, Directors Associates and their Relatives	3008892	42.962	3681655	47.960
b) NRIs / FII's / OCBs	6200	0.088	6200	0.081
c) UTI / Mutual Funds / Banks / Financial Institutions	179938	2.569	179938	2.344
d) Body Corporate	1229795	17.559	1229795	16.020
e) Public	2578925	36.822	2578925	33.595
Total	7003750	100.00	7676513	100.00

As stated in the resolution, the Equity Shares shall be issued to the Promoters of the Company mentioned below and their percentage holding Post Preferential Issue shall be as under:

Name	Pre Issue	% to Equity Pre-Issue	Shares proposed to be Allotted	% of Post-Issue
M B Raju	408750	5.836	91393	6.515
DCL Securities Ltd.,	250100	3.571	55920	3.986
Melville Finvest Ltd.,	1997182	28.516	469552	32.134
Satyasai Investments & Lsg. Ltd.,	250000	3.570	55898	3.985
Persons acting in concert	102860	1.469	—	1.340
Total	3008892	42.962	672763	47.960



The Statutory Auditors of the Company, M/s M Bhaskara Rao & Company, Chartered Accountants, Hyderabad have certified that the Preferential Issue in pursuance of the above resolution is in accordance with the SEBI Guidelines for Preferential Issues as in force including determination of Issue price and copies of the Auditor's Certificate shall be available for inspection at the Annual General Meeting.

Mr M B Raju, Executive Chairman and Ms P Parvathi, Managing Director, Mr P Venugopal Raju, Director are interested in the resolution. None of the other Directors is in any way interested or concerned in the resolution.

The Board of Directors of the Company commend this resolution for the requisite approval of the Shareholders.

By Order of the Board

**R. GOPALAKRISHNAN**  
General Manager (Legal) &  
Company Secretary

Registered Office  
6-3-666/B,  
'Deccan Chambers'  
Somajiguda,  
HYDERABAD - 500 082

Date: 08.08.2003.

### **Information required to be furnished under clause 49 of the listing agreement**

As required under Clause 49 of the Listing Agreement the particulars of Directors who are proposed to be appointed / reappointed at this Annual General Meeting are given below:

<b>Name of the Director</b>	<b>D R K Rao</b>	<b>P Venugopal Raju</b>	<b>P Parvathi</b>
Age	72 years	43 years	38 years
Date of Appointment	25.10.1989	22.05.1998	29.06.1993
Experience	Corporate Consultant	Chartered Accountant	Company Executive with experience in Management
Qualifications	B.Sc, B.Tech	C.A.	M.Com
List of outside Directorships held	—	a) Vibrant Software Pvt. Ltd. b) Khandaleru Power Co. Ltd., c) DCL Information Technologies Ltd., d) DCL Securities Ltd., e) Melville Finvest Ltd.,	—
Chairman/member of the Committee of the Board of Directors of the Company	a) Chairman, Audit Committee b) Member, Remuneration Committee	a) Member, Audit Committee b) Member, Share Transfer Committee	a) Member Grievance Committee b) Member, Share Transfer Committee
Chairman/member of the Committee of Directors of other Companies:	—	—	—





**DECCAN CEMENTS LIMITED**  
**Registered Office :** 6-3-666/B, 'DECCAN CHAMBERS',  
 Somajiguda, Hyderabad - 500 082.

**ATTENDANCE SLIP**  
**To be handed over at the**  
**entrance of the Meeting Hall**

DPID No. * :	L.F.No. :
Client ID No. * :	No. of shares held :

I/We hereby record my/our presence at Twenty Third Annual General Meeting of the Company held at "Bhaskara Auditorium", Birla Museum, Adarsh Nagar, Hyderabad - 500 063, at 11.00 a.m on Friday, the 5th day of September, 2003.

NAME(S) OF THE SHAREHOLDER(S) (IN BLOCK LETTERS)	
SIGNATURE OF THE SHAREHOLDER(S)	
NAME OF THE PROXY (IN BLOCK LETTERS)	
SIGNATURE OF THE PROXY	

**Notes:**

1. Shareholder/Proxyholder, as the case may be, is requested to sign and hand over this slip at the entrance of the Meeting venue.
  2. Members are requested to advise the change of their address, if any, to the Company at the above address.
- \* Applicable for Investors holding shares in electronic form.



**DECCAN CEMENTS LIMITED**  
**Registered Office :** 6-3-666/B, 'DECCAN CHAMBERS',  
 Somajiguda, Hyderabad - 500 082.

**FORM OF**  
**PROXY**

DPID No. * :	L.F.No. :
Client ID No. * :	No. of shares held :

I / We ..... of .....  
 being a member / members of DECCAN CEMENTS LIMITED hereby appoint .....  
 of ..... or failing him/her ..... of .....  
 as my/our proxy to vote for me/us on my/our behalf at the 23rd Annual General Meeting of the Company  
 to be held on Friday, the 5th September, 2003 at 11.00 a.m and at any adjournment thereof.

Dated this ..... day of ..... , 2003

Signature \_\_\_\_\_

Affix  
 Re.I/-  
 Revenue  
 Stamp

**Notes:**

1. If you intend to appoint a proxy to attend the Meeting instead of yourself the proxy form must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.
  2. A proxy need not be a Member.
- \* Applicable for Investors holding shares in electronic form.





**DECCAN  
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LIMITED**

## **Board of Directors**

### **Directors**

*M B Raju  
J Narayana Murthy  
Umesh Shrivastava  
K Gangi Reddy  
D R K Rao  
P Venugopal Raju  
P Parvathi*

*Executive Chairman  
(IDBI Nominee)*

*Managing Director*

### **Senior Executives**

*G R Ram  
K Mohan Rao  
P J Reddy  
R Kiran Babu  
R Gopalakrishnan*

*Sr. Vice President  
Vice President (Marketing)  
Vice President (Works)  
General Manager (Finance)  
General Manager (Legal) &  
Company Secretary  
General Manager (Works).*

*K Srihari*

### **Auditors**

*M Bhaskara Rao & Co.  
Chartered Accountants  
5-D, Fifth Floor, 'KAUTILYA',  
6-3-652, Somajiguda,  
Hyderabad - 500 082.*

### **Bankers**

*State Bank of India  
Andhra Bank*

### **Registered Office**

*'DECCAN CHAMBERS'  
6-3-666/B, Somajiguda,  
Hyderabad 500 082.  
Tel: 23310561, 23310168*



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## **DIRECTORS' REPORT**

*The Members,*

Your Directors have pleasure in presenting the Twenty Third Annual Report together with the Audited Accounts and Cash Flow Statement for the year ended 31st March, 2003.

### **Financial Results**

The Financial results for the year ended 31st March, 2003 are summarized below :

	<b>April, 2002 March, 2003</b>	<b>April, 2001 March, 2002</b>
	<b>Rs.in Lacs</b>	<b>Rs.in Lacs</b>
Sale Income	<b>11295.01</b>	7714.68
Other Income	<b>98.36</b>	100.94
<b>Total</b>	<b>11393.37</b>	7815.62
Profit before Depreciation, and interest	<b>1198.43</b>	1401.82
Less: Depreciation	<b>485.45</b>	329.97
Interest	<b>448.53</b>	251.58
<b>Profit for the year</b>	<b>264.45</b>	820.27
Provision for Taxation	<b>17.00</b>	67.50
Provision for Deferred Taxation	<b>115.15</b>	150.03
<b>Profit after Taxation</b>	<b>132.30</b>	602.74
Prior Year adjustments	<b>3.42</b>	5.73
<b>Profit brought forward from previous year</b>	<b>946.38</b>	613.00
<b>Profit available for appropriation</b>	<b>1082.10</b>	1221.47
<b>Appropriations</b>		
Proposed Dividend	<b>126.07</b>	175.09
Dividend Tax	<b>16.15</b>	—
General Reserve	<b>100.00</b>	100.00
Balance retained	<b>839.88</b>	946.38

### **Review of Operations :**

During the year under review Cement Division/ Slag Cement Division were under pressure due to adverse market conditions. Mini Hydel operations were affected due to poor monsoon and generation of power from Wind Mill at Ramagiri was less as compared to last year. A detailed Management Discussion and Analysis Report is given separately.

### **Dividend**

Considering the Company's track record of dividend payment and the current year's profitability, your Directors are pleased to recommend for your consideration a dividend of Rs. 1.80 per Equity share for the year ended 31st March, 2003 which would entail a cash outflow of Rs.126.07 lacs.

### **Fixed Deposits**

The aggregate amount of deposits accepted by the Company stood at Rs.326.10 lacs and matured and unclaimed deposits as on 31st March, 2003 were Rs. 1.13 lacs.

### **Industrial Relations:**

During the period, industrial relations continued to be cordial. Your Directors wish to place on record their appreciation for the dedicated services of its employees.

### **Insurance**

The properties of the Company including its buildings, plant and machinery and stocks wherever necessary and to the extent required have been adequately insured.

### **Corporate Governance:**

A detailed report on Corporate Governance is enclosed.

### **Directors Responsibility Statement:**

Pursuant to provisions of Section 217 (2AA) of the