DECCAN CEMENTS LIMITED

33rd Annual Report 2012-13











Social Responsibilities...

Board of Directors

Mr. M B Raju	Executive Chairman
Mr. Umesh Shrivastava	Director
Dr. S A Dave	Director
Mr. J Narayanamurty	Director
Mr. K P Singh	Director
Mr. P Venugopal Raju	Director
Ms. P Parvathi	Managing Director



Senior Management

Mr. L Jayashankar	President
Mr. G R Ram	Senior Vice President
Mr. M Krishnam Raju	Vice President (Marketing)
Mr. S Venkateswarlu	Vice President (Works)
Mr. H V B N Murthy	General Manager (Finance)
Mr. S K Mishra	Company Secretary

Statutory Auditors

M Bhaskara Rao & Co.
Chartered Accountants
5-D, 5th 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: 040-23310168
Fax: 040-23318366
E-mail: secretarial@deccancements.com
Website: www.deccancements.com

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NOTICE

Notice is hereby given that the **Thirty-third Annual General Meeting** of the Members of **Deccan Cements Limited** will be held on **Wednesday, the 14th day of August 2013 at 10.00 A.M.** at Bhaskara Auditorium, Birla Museum, Adarsh Nagar, Hyderabad - 500 063 to transact the following businesses:

Ordinary Business

1. To receive, consider and adopt the Balance Sheet as at 31st March 2013 and the Statement of Profit & Loss for the Year ended on that date together with the Reports of Directors' and Auditors' thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr. P Venugopal Raju, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. J Narayanamurty, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint M Bhaskara Rao & Co., Chartered Accountants, Hyderabad, having Firm Registration No. 000459S issued by the Institute of Chartered Accountants of India as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting up to the conclusion of the next Annual General Meeting and to fix their remuneration.

By Order of the Board

Place : Hyderabad
Date : 21.05.2013

S K Mishra
Company Secretary

Notes:

1) **A Member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and vote instead of himself and such proxy need not be a member of the Company. Proxies, in order to be effective, should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.**
2) Member desiring any information or clarification as regards to the Annual Accounts are requested to write to the Company at least 7 (Seven) days before the Meeting so as to enable the Management to keep the information ready at the Meeting.
3) The Register of Members and Shares Transfer Book of the Company will be closed from 8th August 2013 to 14th August 2013 (both days inclusive).
4) Payment of dividend, if declared at the Meeting, on equity shares held in electronic form will be payable to the beneficial owners of shares as on 7th August 2013 as per the Downloads furnished to the Company by Depositories for this purpose. In case of shares held in physical form, dividend will be paid to the shareholders, whose names appear on the Register of Members as on 14th August 2013.
5) Members are requested to update their Bank Account particulars (viz. Account No., Name & Branch of the Bank and the MICR Code) to their DPs in case of shares held in electronic mode and to the Registrar and Share Transfer Agent in case of shares held in physical mode, for printing on dividend warrant to ensure that there is no fraudulent encashment of the warrants.
6) Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease in portfolio management. Members may contact the Company or the Company's Registrar and Transfer Agent for assistance in this regard.
7) Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
8) In terms of clause 49(IV)(G) of the Listing Agreement, brief resumes of the Directors proposed to be reappointed at the Meeting are given in the annexure.

IMPORTANT

1) The Ministry of Corporate Affairs of Government of India (MCA) has introduced **"Green initiatives in Corporate Governance"** by allowing paperless compliances by companies i.e. service of any document can be made through electronic mode. Keeping in view the underlying spirit and pursuant to the said initiative of MCA, your company proposed to send all future communications and/or documents viz. Notice, Annual Reports and other Shareholders information in electronic form through e-mail. Hence, the members are requested to register their e-mail address with the Company's Registrar and Transfer Agent (RTA) quoting their folio number in case of shares held in physical form and to their Depository Participant (DP) in case of shares held in electronic form. Please note that the said documents shall also be uploaded on the website of the Company www.deccancements.com for ready reference/ download.

   Further please note that as a member of the Company, you are always entitled to request and receive free of cost a copy of the annual report and other documents in accordance with the provisions of the Companies Act, 1956.

2) Members are informed that the dividend amount remaining unclaimed, for the year ended 31st March 2006 shall become due for transfer on 30th August 2013 to the Investor Education and Protection Fund established by the Central Government in terms of Section 205C of the Companies Act, 1956. Any member, who has not claimed the dividend, is requested to approach the Company or the Registrar and Share Transfer Agent of the Company for claiming the same as early as possible.

By Order of the Board

Place : Hyderabad
Date : 21.05.2013

S K Mishra
Company Secretary

Annexure - Details of Directors seeking re-appointment at the Annual General Meeting

Name of the Director	Mr. P Venugopal Raju	Mr. J Narayanamurty
Date of Birth	29th November 1959	10th October 1942
Date of Appointment	22nd September 1996	23rd June 2009
Brief resume and expertise in specific functional area	A Chartered Accountant, with PG qualification in Management from Massachusetts Institute of Technology, USA with over 25 years experience in Industry, Real Estate and Building Construction and also in other Business activities.	Retired Chief General Manager of IDBI with over 40 years of rich experience in project financing, implementations and monitoring.
Qualification	Chartered Accountant from Institute of Chartered Accountants of India (ICAI), New Delhi.	M.A. and CAIIB Certificate
Directorships held in other companies	1. DCL Information Technologies Limited 2. Melvillie Finnvest Limited 3. DCL Securities Limited 4. Vibrant Developers Private Limited	Dyna Vision Limited
Chairman / Member of the Committee of the Board of Directors of the Company	Audit Committee - Member	1. Audit Committee - Chairman 2. Share Transfer & Investors Relations Committee - Member 3. Remuneration Committee - Member
Shareholding, if any, in the Company	300 equity shares	Nil

DIRECTORS' REPORT

Dear Shareholders,

The Directors of your company are glad to present the 33rd Annual Report together with the Audited Accounts of the Company for the Financial Year ended 31st March 2013.

Financial Results

The Financial Results for the year ended 31st March 2013 are summarized below: **(₹ in Lakhs)**

Particulars	2012-13	2011-12
Net Sales	**49914.76**	50979.72
Other Income	**297.57**	348.01
Total	**50212.33**	51327.73
Profit before Depreciation and Interest	**6791.98**	11906.76
Less: Depreciation	**2464.75**	2468.63
Interest and Finance Charges	**3068.52**	4056.90
Profit before Tax and Prior period items	**1258.71**	5381.23
Less: Provision for Taxation	**251.72**	1076.56
Deferred Taxation	**241.29**	158.54
Prior year Taxation	**19.15**	36.39
Wealth Tax	**15.23**	15.47
MAT Credit entitlement	**-**	(682.00)
Net Profit after Tax	**731.32**	4776.27
Profit brought forward from previous year	**15555.07**	11500.63
Profit available for Appropriation	**16286.39**	16276.90
Appropriations		
Proposed Dividend	**140.08**	210.11
Dividend Tax	**23.81**	34.09
Transfer to Reserve	**54.85**	477.63
Balance Retained	**16067.65**	15555.07

Results of Operations

Net sales of the Company for the year under review stood at ₹ 49914.76 Lakhs as compared to previous year sales of ₹ 50979.72 Lakhs. However, the profitability of the Company for the current year witnessed as ₹ 731.32 Lakhs as compared with the previous year profit of ₹ 4776.27 Lakhs.

Primarily due to depressed market conditions, increased input costs and lower realizations, operations of the Company were under pressure. In spite of these factors, the Company managed to generate positive results.

Dividend

In consonance with the company's policy of rewarding its shareholders on a consistent basis, your directors are pleased to recommend a dividend of ₹ 2/- per equity share i.e. {@ 20% dividend on the Equity Share Capital of the Company} for the approval of the Members. The cash outflow for dividend, if declared as above, for the year ended 31st March 2013 will be ₹ 140.08 Lakhs and dividend distribution tax of ₹ 23.81 Lakhs. In the previous year ended 31st March 2012 dividend outflow was ₹ 210.11 Lakhs and dividend distribution tax was ₹ 34.09 Lakhs.

Transfer to Reserve

Your directors propose to transfer ₹ 54.85 Lakhs to Reserves in compliance with the provisions of the Companies (Transfer of Profit to Reserves) Rules, 1975.

Capital Structure

During the Financial year under review, there was no change in the Share Capital of the Company.

Fixed Deposits

The Company has repaid all the deposits and hence, as on 31st March 2013 the balance stood at Nil.

Management Discussion and Analysis Report

A report on the Management Discussion and Analysis is annexed to and forms part of this Report.

Corporate Governance

The Company's Report on Corporate Governance is attached to and forms part of this Report. Certificate from the Statutory Auditors of the Company M Bhaskara Rao & Co., Chartered Accountants confirming the compliance with the conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreement is attached to this Report.

The Company has taken adequate steps for strict compliance with the Corporate Governance guidelines, as amended from time to time.

Transfer to Investor Education and Protection Fund

During the year, the Company has transferred a sum of ₹ 1,78,914/- relating to unpaid dividend for the financial year 2004-05, to the Investor Education and Protection Fund in compliance with Section 205C of the Companies Act, 1956.

Information of Year-wise Unpaid/Unclaimed Dividend

As per requirements of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, your Company has duly uploaded the year-wise details of unclaimed dividend on IEPF portal of Ministry of Corporate Affairs (MCA) and website of the Company. Shareholders are advised to visit the website of the Company viz. www.deccancements.com and check their unpaid / unclaimed dividend status and contact the Company for encashment of the same, if depicting unpaid.

Directors' Responsibility Statement

Pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956, relating to Directors' Responsibility Statement, your Directors, confirm that:

1. in preparation of the Annual Accounts for the year ended 31st March 2013, the applicable Accounting Standards have been followed and there are no material departure;
2. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as on 31st March 2013 and of the profit of the Company for the year ended on that date;
3. the Directors have taken proper and sufficient care to the best of their knowledge 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;
4. the Directors have prepared the accounts for the year ended 31st March 2013 on a going concern basis.

Directors

Pursuant to Section 255 & 256 of the Companies Act, 1956 Mr. P Venugopal Raju & Mr. J Narayanamurty, Directors of the Company are liable to retire by rotation at the forthcoming Annual General Meeting and are eligible for re-appointment.

Statutory Auditors

The Statutory Auditors of the Company M Bhaskara Rao & Co., Chartered Accountants, will retire at the ensuing Annual General Meeting of the Company and are eligible for re-appointment. They have sought re-appointment and have confirmed that their appointment, if made, shall be within the limits laid down under Section 224(1B) of the Companies Act, 1956.

Cost Auditor

Aruna Prasad & Co., Cost Accountant has been appointed, subject to the approval of the Central Government as Cost Auditor of the Company for the financial year 2013-14.

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo, as required to be disclosed 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 are annexed in Form A and Form B to this Report.

Particulars of Employees

Particulars required pursuant to the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended are annexed and forms part of this Report.

Corporate Social Responsibility

Your Company not only focuses to be a pioneer in its business and in the industry but also understands its responsibility towards the environment and people in and around it. The goal of Corporate Social Responsibility is to embrace responsibility for the Company's actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere who may also be considered as stakeholders. To name few of the social responsibilities carried out by the company:

- Free education up to 10th standard to children from neighboring villages in DCL High School;
- Provision of free medical facilities and first-aid medicines to neighbouring villagers;
- Free of cost drinking water supply to nearby Mahankaligudem village on a regular basis and to a few other neighbouring villages during summer months, including construction of a large overhead water tank at Janpahad Dargah.

Your company has also taken various measures to control pollution, preserve the environment and to improve the quality of surrounding areas. As the Plant is in a rocky area, special attention is required to plant and develop each sapling. Preferred plants are selected as per the advice received from Department of Social Forestry. Plants of various species are planted in and around the mining lease area. A well designed garden and lawn is maintained inside the plant. Separate green belt development programme is implemented adjacent to the residential colony wherein species like Mango, Neem, Oak, Teak and other varieties of trees are planted.

Acknowledgement

Your Directors take this opportunity to express their gratitude to Central and State Governments and their departments and the local authorities, the Banks, Dealers, Stockists and Customers for their continued guidance and support to the Company during the year under review.

Your Directors place on record their sincere appreciation for significant contribution made by the employees through their dedication, hard work and commitment. Despite severe competition, the enthusiasm and unstinting efforts of the employees have enabled the Company to remain at the forefront of the industry.

Your Directors are also grateful to the shareholders for their confidence and faith reposed in the Company.

For and on behalf of the Board

Place : Hyderabad
Date : 21.05.2013

M B Raju
Executive Chairman

Annexure to Directors' Report

A. Conservation of Energy

FORM A

(See Rule 2)

Disclosure of Particulars with Respect to Conservation of Energy

		Current Year 2012-13	Previous Year 2011-12
I)	**Power and Fuel Consumption**		
	1) Electricity:		
	a) Purchased:		
	Unit: (KWH - Lakhs)	**143.03**	787.92
	Total Amount (₹ in Lakhs)	**853.65**	2981.80
	Average rate per unit (₹)	**5.96**	3.78
	(b) Own Generation		
	(i) Through diesel generator:		
	Units Generated (KWH - Lakhs)	**0.03**	0.09
	Total Amount (₹ in Lakhs)	**1.30**	5.44
	Rate per unit (₹)	**46.00**	63.72
	Units per Liter of Diesel Oil (₹)	**1.71**	0.94
	(ii) Captive Power Plant:		
	Units Generated (KWH - Lakhs)	**1215.07**	479.93
	Total Amount (₹ in Lakhs)	**6197.54**	2232.93
	Rate per unit (₹)	**5.10**	4.76
	2. Coal (C & D Grade):		
	Used as fuel in kiln		
	Quantity (Million K Cal)	**905599**	876231
	Total Cost (₹ in Lakhs)	**12762.05**	11655.57
	Average Rate (₹/Million K Cal)	**1409.23**	1330.19
II)	**Power and Fuel consumption per unit of production**		
	Electricity (KWH/Tonne of Cement)	**84**	86
	Coal (%)	**16.83**	16.29

B. Technology Absorption

FORM B

(See Rule 2)

Disclosure of Particulars with respect to Technology Absorption

a) Research & Development (R&D) : Not Applicable

b) Technology Absorption, Adaption and Innovation : Not Applicable

C. Foreign Exchange Earnings and Outgo

a) Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services and export plans:

The Company presently has no export business on hand.

b) Total foreign exchange used and earned: **(₹ in Lakhs)**

Particulars	Current Year 2012-13	Previous Year 2011-12
Used	**104.38**	36.10
Earned	**NIL**	NIL

Information as per Section 217 (2A) of The Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the Year ended 31st March 2013

Name, age and qualification	Designation	Date of commencement of employment	Experience in years	Remuneration (₹ in Lakhs)	Last Employment
Mr. M B Raju 73 Years B.E.	Executive Chairman	31.07.1979	50	124.39	Chairman and Managing Director, DCL Polyesters Limited
Ms. P Parvathi 47 Years M.Com.	Managing Director	01.07.1998	24	111.51	Deputy Manager-Secretarial, DCL Polyesters Limited

1. Remuneration includes salary, commission, company's contribution to provident fund, superannuation fund and group gratuity scheme, reimbursement of medical expenses and other perquisites.
2. Mr. M B Raju, Executive Chairman and Ms. P Parvathi, Managing Director are related to each other in terms of Schedule- IA read with Section 6(c) of the Companies Act, 1956.
3. The terms of employment of Mr. M B Raju and Ms. P Parvathi are contractual.

For and on behalf of the Board

Place : Hyderabad
Date : 21.05.2013

M B Raju
Executive Chairman