



DECCAN CEMENTS LIMITED

34th Annual Report
2013-14



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Corporate Information

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. G R Ram	Senior Vice President
Mr. M Krishnam Raju	Vice President (Marketing)
Mr. S Venkateswarlu	Vice President (Works)
Mr. R V A Narasimha Rao	Chief Financial Officer (CFO)
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

Cost Auditors

M/s. Aruna Prasad & Co.
Plot No. 802/2
64th Street, 10th Sector
K K Nagar
Chennai - 600 078

Registered Office

"Deccan Chambers"
6-3-666/B, Somajiguda
Hyderabad - 500 082
Tel: 040-23310168
Fax: 040-23318366
E-mail: info@deccancements.com
Website: www.deccancements.com
CIN: L26942TG1979PLC002500

Bankers

State Bank of India
Andhra Bank
State Bank of Hyderabad
Indian Bank
State Bank of Mysore

NOTICE

Notice is hereby given that the **Thirty-Forth Annual General Meeting** of the Members of **Deccan Cements Limited** will be held on **Monday, 29th September 2014 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 Audited Balance Sheet as at 31st March 2014 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 (DIN: 00016548) 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 pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M Bhaskara Rao & Co., Chartered Accountants, Hyderabad, having Firm Registration No. 000459S issued by the Institute of Chartered Accountants of India, be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting up to the conclusion of the thirty-seventh Annual General Meeting of the company to be held in the year 2017 (subject to ratification of their appointment at every Annual General Meeting) at such remuneration as may be fixed by the Board of Directors of the Company."

SPECIAL BUSINESS:

5. To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions, if

any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Clause 49 of the Listing Agreement, Mr. Umesh Shrivastava (DIN: 00229382), Director of the company who retires by rotation at the Annual General Meeting 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 his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years with effect from 29th September 2014 to 28th September 2019, not liable to retire by rotation."

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

"RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Clause 49 of the Listing Agreement, Dr. S A Dave (DIN: 00001480), Director of the company who retires by rotation at the Annual General Meeting 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 his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years with effect from 29th September 2014 to 28th September 2019, not liable to retire by rotation."

7. To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules,

2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Clause 49 of the Listing Agreement, Mr. J Narayanamurthy (DIN: 00026474), Director of the company who retires by rotation at the Annual General Meeting 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 his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years with effect from 29th September 2014 to 28th September 2019, not liable to retire by rotation."

8. To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Clause 49 of the Listing Agreement, Mr. K P Singh (DIN: 02951522), Director of the company who retires by rotation at the Annual General Meeting 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 his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years with effect from 29th September 2014 to 28th September 2019, not liable to retire by rotation."

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

"RESOLVED THAT pursuant to the provisions of Section 148, other applicable provisions of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s Aruna Prasad & Co., Cost Accountants, Chennai, the Cost Auditors appointed by the Board of Directors to conduct

the audit of the cost accounting records of the Company for the Financial year ending 31st March 2015, with a remuneration of ₹ 60,000/- (Rupees Sixty Thousand only) plus out of pocket expenses, be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT the Board of Directors of the Company 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."

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

"RESOLVED THAT in supersession of the Ordinary Resolution passed at the 27th Annual General Meeting held on 25th July 2007 and pursuant to the provisions of Section 180(1)(c) of the Companies Act 2013, the Rules made thereunder and its related and applicable provisions if any, or any other law for the time being in force (including any statutory modification or amendment thereto or reenactment thereof) the Company hereby accords its consent to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute for this purpose) of the Company for borrowing any sum or sums of money from time to time whether in Indian rupees or foreign currency (including External Commercial Borrowings in foreign denominated currencies from any foreign source/countries as prescribed by guidelines, if any in this respect) from any one or more Company's bankers and/or from any one or more persons, firms, bodies corporate, financial institutions, banks or other acceptable source whether by way of advances, deposits, loans, debentures, bonds or other securities, whether shareholder of the Company or not, whether unsecured or secured and on such terms and conditions as the Board may deem fit, any sum or sums of monies which together with the monies already borrowed by the Company (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business) will or may exceed the aggregate paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided such excess amount so borrowed by the

Board shall not at any time exceed the limit of ₹ 400 Crore (Rupees Four Hundred Crore only).

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorised to do all such acts, deeds and things as it may in its absolute discretion deem fit, necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient.

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolutions are hereby approved, ratified and confirmed in all respects."

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

"RESOLVED THAT in supersession of the Ordinary Resolution passed at the 27th Annual General Meeting held on 25th July 2007 and pursuant to the provisions of Section 180(1)(a) of the Companies Act 2013, the Rules made thereunder and all other applicable provisions if any, or any other law for the time being in force (including any statutory modification on or amendment thereto or re-enactment thereof for the time being in force) the Company hereby accords its consent to the Board of Directors (hereinafter called "the Board", which term shall be deemed to include any other Committee of the Board, which the Board may have constituted or hereinafter constitute for time being, to exercise its powers conferred on the Board of Directors by this resolution, or any person(s) authorised by the Board or its Committee for such purpose) to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, in such manner as the Board may think fit, in favour of lenders, agents, trustees and other agencies to secure the borrowings of the Company availed / to be availed by way of loan(s) (in foreign currency and/or Indian rupee)

and/or working capital facilities and/or Securities issued/to be issued by the Company, from time to time, up to an amount of ₹ 400 Crore (Rupees Four Hundred Crore only) together with interests, compound/additional interest, commitment charges, costs, expenses and all other monies payable by the Company to the concerned lenders.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized and empowered to enter into, sign, seal, execute and deliver such arrangements, assignments, conveyances, covenants, contracts, deeds, writings and other instruments and to do all such acts, deeds, matters and things in the name and on behalf of the Company as the Board may consider expedient, usual, proper or desirable for creating mortgages/charges/hypothecation on all or any of the immoveable and moveable properties of the Company, both present and future, which may be beneficial to the Company.

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolutions are hereby approved, ratified and confirmed in all respects."

12. 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 197 and other applicable provisions, if any, of the Companies Act, 2013 as amended from time to time, in addition to sitting fees paid/payable for attending the meeting of Board of Directors and Committees thereof, a sum not exceeding 1% per annum of the net profits of the company calculated in accordance with the provisions of Section 198 of the Act, subject to a ceiling of ₹ 5,00,000/- per annum, be paid to and distributed amongst the Directors (other than the Managing Director and Executive Chairman) or some or any of them in such amounts or proportions and in such manner and in all respects as may be determined by the Board of Directors, as commission and such payments shall be made in respect of the profits of the company for each financial year, for a period of five years, till 31st March 2017.

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in the foregoing resolution are hereby approved, ratified and confirmed in all respects."

13. 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 152 of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013, approval of the Company be and is hereby accorded for making office of Mr. M B Raju (DIN: 00016652), Executive Chairman, liable to retire by rotation.

RESOLVED FURTHER THAT in partial modification of Resolution No. 7 passed at the Annual General Meeting of the Company held on 7th August 2012 and pursuant Section 196, 197 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification thereto from time to time or any re-enactment thereof for the time being in force) (the "Act") read with Schedule V to the said Act, and subject to such approvals and permission of any authority as may be necessary, consent of the members be and is hereby accorded for payment of remuneration to Mr. M B Raju as Executive Chairman of the Company as per the details as approved in the above referred resolution and as reproduced below, with effect from 1st April 2014 for remainder of duration of his appointment upto 31st March 2017.

1. Salary: ₹ 4,00,000/- per month with annual increment of ₹ 25,000/-.
2. Commission: @ 2 % of the net profits of the Company in each financial year computed in the manner laid down in Section 198 of the Companies Act, 2013.
3. Perquisites and Allowances:
 - I. Housing:
 - a. The expenditure incurred by the Company on hiring accommodation for the Executive Chairman shall be subject to a ceiling of 70% of salary, over and above 10% payable by the Executive Chairman himself.

- b. Where accommodation in Company owned house is provided, the Executive Chairman shall pay to the Company by way of rent 10% of salary.
 - c. Where the Company does not provide accommodation to the Executive Chairman, House Rent allowance may be paid by the Company in accordance with (a) above.
 - d. The expenditure incurred by the Company on gas, electricity, water and furnishing will be valued as per the Income Tax Rules, 1962. This will, however, be subject to a ceiling of 10% of salary of the Executive Chairman.

II. Medical Reimbursement:

Expenses incurred for self and his 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 incurred in accordance with the 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:

- a. Company's contribution towards Provident Fund: subject to a ceiling of 12% of salary, as per rules of the Company.
- b. Company's contribution towards Pension /Superannuation Fund: as per rules of the Company; such contribution to the Provident Fund shall not exceed 27% of salary.
- c. Gratuity payable in accordance with an approved scheme and shall not

exceed one 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 and paid for by the Executive Chairman. Earned / Privilege Leave will be on full pay and allowances as per rules of the Company. Leave accumulated but not availed during his tenure may be allowed to be encashed as per the rules of the Company.

RESOLVED FURTHER THAT notwithstanding the above, in the absence of or inadequacy of profits in any financial year, Mr. M B Raju be paid the above remuneration as minimum remuneration in terms of proviso to Section II (A) of Part II of Schedule V of the Companies Act, 2013 as may be applicable to the Company from time to time."

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

"RESOLVED THAT in partial modification of Resolution No. 8 passed at the Annual General Meeting of the Company held on 7th August 2012 and pursuant Section 196, 197, 203 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification thereto from time to time or any re-enactment thereof for the time being in force) (the "Act") read with Schedule V to the said Act, and subject to such approvals and permission of any authority as may be necessary, consent of the members be and is hereby accorded for payment of remuneration to Ms. P Parvathi (DIN 00016597) as Managing Director of the Company as per the details as approved in the above referred resolution and as reproduced below, with effect from 1st April 2014 for remainder of duration of her appointment upto 31st March 2017.

1. Salary: ₹ 3,50,000/- per month with annual increment of ₹ 25,000/-.
2. Commission: @ 2 % of the net profits of the Company in each financial year computed in the manner laid down in Section 198 of the Companies Act, 2013.
3. 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 70% of salary, over and above 10% payable by the Managing Director herself.
 - b. Where accommodation in Company owned house is provided, the Managing Director shall pay to the Company by way of rent 10% of salary.
 - c. 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.
 - d. The expenditure incurred by the Company on gas, electricity, water and furnishing will be valued as per the Income Tax Rules, 1962. This will, however, be subject to a ceiling of 10% of salary of the Managing Director.
 - 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 incurred in accordance with the 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:

- a. Company's contribution towards Provident Fund: subject to a ceiling of 12% of salary, as per rules of the Company.
- b. Company's contribution towards Pension /Superannuation Fund: as per rules of the Company; such contribution to the Provident Fund shall not exceed 27% of salary.
- c. Gratuity payable in accordance with an approved scheme and shall not exceed one 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 and paid for by the Managing Director. Earned/Privilege Leave will be on full pay and allowances as per rules of the Company. Leave accumulated but not availed during her tenure may be allowed to be encashed as per the rules of the Company.

RESOLVED FURTHER THAT notwithstanding the above, in the absence of or inadequacy of profits in any financial year, Ms. P Parvathi be paid the above remuneration as minimum remuneration in terms of proviso to Section II(A) of Part II of Schedule V of the Companies Act, 2013 as may be applicable to the Company from time to time."

By Order of the Board

Place : Hyderabad
Date : 08.08.2014

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. A Proxy Form is annexed to this Report.**

Members are requested to note that a person can act as a proxy on behalf of Members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

- 2) An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the Annual General Meeting (AGM) is annexed hereto.
- 3) The Register of Members and Shares Transfer Book of the Company will be closed from 22nd September 2014 to 29th September 2014 (both days inclusive).
- 4) 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 the same on dividend warrants.
- 5) 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.
- 6) Members who have not registered their email IDs, are requested to register the same.
- 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 appointed/reappointed at the Meeting are given in the annexure.
 - 9) The Company has paid the Listing Fees for the year 2014-15 to both the Stock Exchanges where the equity shares of the Company are listed.
 - 10) Relevant documents referred to in the notice are open for inspection at the Registered Office of the Company on all working days, during business hours up to the date of the Meeting.
 - 11) Pursuant to Section 108 of Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, the Company has made arrangement for providing the facility to vote at the AGM by electronic means. Members of the Company can transact all the items of the business through electronic voting system as contained in the Notice of the Meeting.
 - 12) The Company has appointed Mr. Tumuluru Krishnamurthy, Practicing Company Secretary, failing him Mr. S.S. Marthi, Practicing Company Secretary, as Scrutinizer who will scrutinize the electronic voting process in a fair and transparent manner. The Scrutinizer shall within a period of three working days from the date of conclusion of e-voting period, submit his report of the votes cast in favour or against, to the Chairman of the Company. The Company has appointed Karvy Computershare Private Limited (KCPL) as the Agency for the purpose of facilitating the electronic voting.
 - 13) The Results of the voting shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.deccancements.com and on the website of KCPL within two (2) days of passing of the resolutions at the AGM and communicated to the respective Stock Exchanges.
- b. Shareholders of the Company holding shares either in physical form or in dematerialized form, as on 29th August 2014, the cut off date, may cast their vote electronically.
 - c. Enter the login credentials i.e., user id and password as provided by KCPL and enclosed with this Annual Report. Your Folio No/DP ID Client ID will be your user ID.
 - d. After entering the details appropriately, click on LOGIN.
 - e. You will reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. The system will prompt you to change your password and update any contact details like mobile, email etc on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - f. You need to login again with the new credentials.
 - g. On successful login, the system will prompt you to select the EVEN (E-Voting Event Number) i.e. Deccan Cements Limited.
 - h. On the voting page, enter the number of shares as on the cut off date under FOR/AGAINST or alternately you may enter partially any number in FOR and partially in AGAINST but the total number in FOR/AGAINST taken together should not exceed the total shareholding. You may also choose the option ABSTAIN.
 - i. Shareholders holding multiple folios/demat account shall choose the voting process separately for each folio/demat account.
 - j. Cast your vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm else CANCEL to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, shareholders can login any number of times till they have voted on the resolution.
- INSTRUCTION FOR E-VOTING**
- a. Use the following URL for e-voting from Karvy website: <http://evoting.karvy.com>