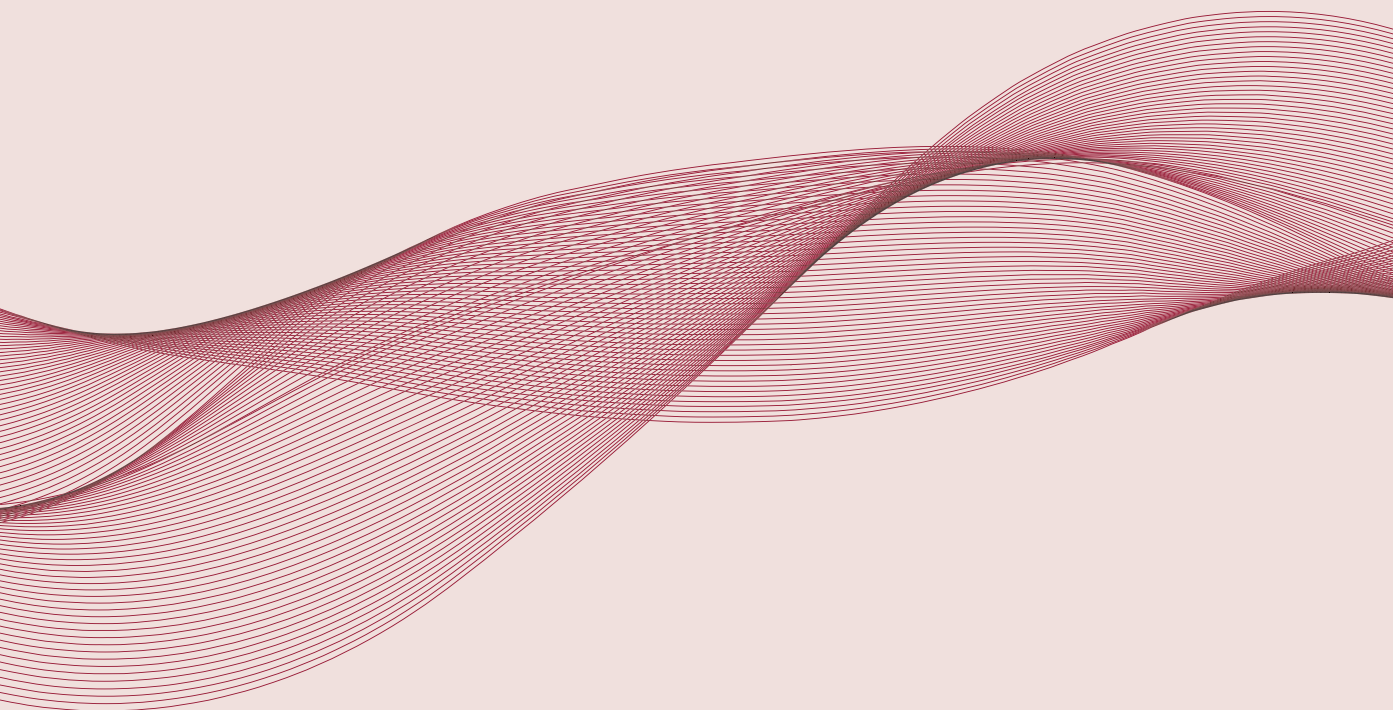


*38<sup>th</sup> Annual Report*  
*2017-18*



**DECCAN CEMENTS LIMITED**



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## Corporate Information

### Board of Directors

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Mr. M B Raju	Executive Chairman
Mr. Umesh Shrivastava	Independent Director
Dr. S A Dave	Independent Director
Mr. K P Singh	Independent Director
Mr. J Narayanamurty	Independent Director
Mr. R Gopalakrishnan	Non-Executive Director
Ms. P Parvathi	Managing Director

### Senior Management

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

### Bankers

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State Bank of India  
Andhra Bank  
Corporation Bank  
Kotak Mahindra Bank

### Secretarial Auditors

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Tumuluru & Co.  
Company Secretaries  
'Anasuya', C-66, DD Colony  
Ahobil Mutt Road  
Hyderabad - 500 007

### Registrar and Share Transfer Agent

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Karvy Computershare Pvt. Ltd.  
Karvy Selenium Tower B  
Plot No: 31 & 32  
Financial District, Gachibowli  
Hyderabad - 500 032  
Email id: einward.ris@karvy.com

### Statutory Auditors

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M Anandam & Co.  
Chartered Accountants  
7'A', Surya Towers, S.P Road,  
Secunderabad - 500 082

### Cost Auditors

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

### Registered Office

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"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

## NOTICE

Notice is hereby given that the **Thirty-eighth Annual General Meeting** of the Members of **Deccan Cements Limited** will be held on **Friday, 10th August 2018** at **10.30 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 31<sup>st</sup> March 2018 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. M B Raju (DIN: 00016652) who retires by rotation and being eligible offers himself for re-appointment.

### SPECIAL BUSINESS:

4. **Ratification of Cost Auditor's remuneration for the Financial Year 2018-19.**

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

"RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 as amended from time to time, the Company hereby ratifies the remuneration of ₹1,10,000/- (Rupees One Lakh Ten Thousand only) plus reimbursement of travelling and out of pocket expenses payable to Aruna Prasad & Co., Cost Accountants, Chennai who have been appointed by the Board of Directors as Cost Auditors of the Company, to conduct the audit of the cost accounting records of the Company for the Financial Year ending 31st March 2019.

RESOLVED FURTHER THAT any of the Directors or Key Managerial Personnel of the Company, be and are hereby severally authorised to do all acts and take all steps as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board

Place: Hyderabad  
Date : 29.05.2018

**S K Mishra**  
Company Secretary  
FCS 8555

## 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.  
  
Members, Proxies and Authorised Representatives are requested to handover the attendance slip as enclosed, duly completed and signed, mentioning therein details of their DP ID and Client ID / Folio No. for admission to the Annual General Meeting Hall.
- 2) Corporate Members intending to send their authorized representatives are requested to send duly certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the Annual General Meeting (AGM).
- 3) An explanatory statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the AGM is annexed hereto.
- 4) In terms of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 brief resume of the Directors seeking appointment / reappointment at the AGM are given in the annexure to this Notice.
- 5) The Register of Members and Shares Transfer Books of the Company will be closed from Saturday, 4<sup>th</sup> August 2018 to Friday, 10<sup>th</sup> August 2018 (both days inclusive).
- 6) Members holding shares in electronic form are requested to intimate any change in their address and update their Bank Account particulars (viz. Account No., Name & Branch of the Bank and the MICR Code) to their DPs with whom they are maintaining demat account.
- 7) Members holding shares in physical form are requested to register their Bank Account particulars (viz. Account No., Name & Branch of the Bank and the MICR Code) or update of their bank details already registered with the Company / Karvy to enable the Company to remit the dividend electronically.
- 8) Members holding shares in physical form are requested to keep their addresses updated and write to Company's Registrar and Transfer Agent–Karvy Computershare Private Limited (Karvy) for updation of the address.
- 9) Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) and Bank Account details. Members holding shares in electronic form are therefore requested to submit the PAN and Bank account details to their DPs with whom they are maintaining demat accounts. Members holding shares in physical form can submit their PAN and Bank Account details to Karvy.
- 10) 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 Karvy for assistance in this regard.
- 11) To support the 'Green Initiative', Members who have not registered their email ids so far are requested to register their email ids for receiving all communication(s) including Annual Report, Notices etc from the Company in electronic form.
- 12) The Company has paid the Listing Fees for the Year 2018-19 to both the Stock Exchanges where equity shares of the Company are listed.
- 13) 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.

- 14) Members seeking any information with regard to the financial statements are requested to write to the Company at least seven (7) days before the AGM so as to enable the management to keep the information ready at the AGM.
- 15) The Company has transferred the unpaid or unclaimed dividends declared up to financial years 2009-10 from time to time on due dates, to the Investor Education and Protection Fund (IEPF) established by the Central Government. As per the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 11<sup>th</sup> August 2017 (date of last AGM) on the website of the Company [www.deccancements.com](http://www.deccancements.com).
- 16) **Remote e-voting:**  
In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended time to time and the provisions of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy Computer share Private Limited (Karvy) on all resolutions set forth in this Notice, from a place other than the venue of the Meeting (Remote e-voting).
- 17) **Voting at Annual General Meeting:**  
The facility for voting, through polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their voting right at the meeting.
- 18) A Member can opt for only single mode of voting i.e. either through Remote e-voting or voting at the AGM. If a Member cast votes by both modes then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.
- 19) The Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
- 20) The resolution(s) passed by Members through e-voting is / are deemed to have been passed as if they have passed at the AGM.
- 21) The Company has appointed Mr. Tumuluru Krishnamurthy, Practicing Company Secretary, (Membership No. FCS: 142 and CP: 1293) failing him Mr. B V Saravana Kumar, Practicing Company Secretary, (Membership No. ACS: 26944 and CP: 11727) as Scrutinizer, who will scrutinize the electronic voting process in a fair and transparent manner.
- 22) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make, not later than 48 hours of conclusion of the Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.
- 23) The Results shall be declared by the Chairman or by an authorised person of the Chairman and the resolutions will be deemed to have been passed on the date of AGM, subject to receipt of requisite number of votes in favour of the resolutions.
- 24) The Results of the voting along with the Scrutinizer's Report shall be placed on the Company's website [www.deccancements.com](http://www.deccancements.com) and on the website of Karvy <https://evoting.karvy.com>. The same shall also be communicated to the Stock Exchanges.
- 25) **PROCEDURE AND INSTRUCTIONS FOR E-VOTING**
  - (A) In case a Member receives an email from Karvy [for Members whose email ids are registered with the Company/Depository Participant(s)]:

- i. Launch internet browser by typing the URL: <https://evoting.karvy.com>.
  - ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
  - iii. After entering these details appropriately, click on "LOGIN".
  - iv. You will now reach 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 (@, #, \$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email id etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
  - v. You need to login again with the new credentials.
  - vi. On successful login, the system will prompt you to select the "EVENT" i.e., "Deccan Cements Limited".
  - vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/ AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/ AGAINST" taken together shall not exceed your total shareholding as mentioned hereinabove. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
  - viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.
  - ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
  - x. You may then cast your vote by selecting an appropriate option and click on "Submit".
  - xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution(s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
  - xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at email [mrtumuluruk@gmail.com](mailto:mrtumuluruk@gmail.com) with a copy marked to [evoting@karvy.com](mailto:evoting@karvy.com). The scanned image of the above mentioned documents should be in the naming format **"DECCANCEMENTS LIMITED\_38TH AGM."**
- (B) In case of Members receiving physical copy of Notice [for Members whose email ids are not registered with the Company/ Depository Participant(s)]:
- i. E-Voting Event Number (EVEN), User ID and Password is provided in the E-Voting Form.
  - ii. Please follow all steps from Sl. No.(i) to (xii) above to cast your vote by electronic means.



## 26) OTHER INSTRUCTIONS

- a. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.karvy.com> (Karvy Website) or contact - Mr. Ramesh Desai of Karvy Computershare Private Limited (Unit: Deccan Cements Limited), Karvy Selenium Tower B, Plot 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500032 or at [evoting@karvy.com](mailto:evoting@karvy.com) or phone no. 040 - 6716 2222 or call Karvy's toll free No.1800-3454-001 for any further clarifications.
- b. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- c. The remote e-voting period commences on Tuesday, 7<sup>th</sup> August 2018 (9.00 A.M. IST) and ends on Thursday, 9<sup>th</sup> August 2018 (5.00 P.M. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Friday, 3<sup>rd</sup> August 2018, may cast their votes electronically. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. The remote e-voting modules shall be disabled for voting thereafter. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.
- d. The voting rights of Members shall be in proportion to their share of the paid up

equity share capital of the Company as on the cutoff date i.e. Friday, 3<sup>rd</sup> August 2018.

- e. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting i.e. Friday, 3<sup>rd</sup> August 2018, he/she may obtain the User ID and Password in the manner as mentioned below:
- i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS:MYEPWD <space> E-Voting Event Number + Folio No. or DP ID Client ID to 9212993399.

Example for NSDL:	MYEPWD <SPACE> IN12345612345678
Example for CDSL	MYEPWD <SPACE> 1402345612345678
Example for Physical	MYEPWD <SPACE> XXXX1234567890

- ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID/Client ID, then on the homepage of <https://evoting.karvy.com>, the member may click "Forgot Password" and enter Folio No. or DP ID/Client ID and PAN to generate a password.
- iii. Member may call Karvy's toll free number 1800-3454-001
- iv. Member may send an e-mail request to [evoting@karvy.com](mailto:evoting@karvy.com). However, Karvy shall endeavor to send User ID and Password to those new Members whose mail ids are available.



**Explanatory statement under Section 102 of the Companies Act, 2013**

The following statement sets out all material facts relating to the Special Businesses mentioned in the accompanying Notice:

**Item No. 4:**

The Board of Directors of the Company, on the recommendation of the Audit Committee, has appointed Aruna Prasad & Co., Cost Accountants as the Cost Auditor to conduct the audit of the cost accounting records of the Company for the Financial Year ending 31<sup>st</sup> March 2019 at a remuneration of ₹1,10,000/- (Rupees One Lakh Ten Thousand only) plus reimbursement of travelling and out of pocket expenses.

As per the Section 148 of the Companies Act, 2013 and the Rules framed there under, the remuneration payable to the Cost Auditor has to be ratified by the members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditor for the Financial Year ending 31<sup>st</sup> March 2019.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, in the resolution set out at Item No. 4 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval of the Members.

By Order of the Board

**S K Mishra**

Company Secretary  
FCS 8555

Place: Hyderabad  
Date : 29.05.2018

**ANNEXURE TO THE NOTICE**

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

Particulars	Mr. M B Raju
Date of Birth	28.12.1939
Date of Appointment	31.07.1979
Qualification	B.E - Mechanical (Hons.) Andhra University
Brief resume and expertise in specific functional area	Founder of DCL; Honors' Graduate in Mechanical Engineering; Technocrat Entrepreneur and Eminent Industrialist with more than 4 decades of experience in the Cement Industry.
Directorships in other companies	<ul style="list-style-type: none"> <li>DCL Information Technologies Ltd.</li> <li>KVK Raju International Leadership Academy</li> </ul>
Chairmanship/Membership of committees of other companies	Nil
Shareholding in the Company	1160921 equity shares (8.29%)
Relationships between Directors Inter-se	Mr. M B Raju, Executive Chairman is the father of Ms. P Parvathi, Managing Director.

## BOARD'S REPORT

Dear Shareholders,

The Directors of your company are glad to present the 38<sup>th</sup> Annual Report together with the Audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March 2018.

### Financial Results

The Financial Results for the year ended 31<sup>st</sup> March 2018 are summarized below:

(₹ in Lakh)		
Particulars	2017-18	2016-17
Revenue from operations	59442.25	58672.64
Other Income (net)	395.42	241.60
Total Income	59837.67	58914.24
Less:		
Operating expenses	50918.15	48700.54
Depreciation and amortization expenses	2268.99	2172.38
Total expenses	53187.14	50872.92
Profit before Finance cost and Tax	6650.53	8041.32
Less: Finance cost	566.23	683.55
Current tax	1812.86	2315.10
Deferred tax	416.51	355.60
Net Profit after Tax	3854.93	4687.07
Other comprehensive income	(44.06)	(9.96)
Total comprehensive income for the year	3810.87	4677.11
Profit brought forward from previous year	26641.19	22469.86
Profit available for Appropriation	30452.06	27146.97

### Results of Operations

The Company recorded satisfactory performance during the year under review. The profit after tax of the

Company for the current year was at ₹3854.93 Lakh as compared to the previous year profit of ₹4687.07 Lakh. During the year there is no change of business.

The Financial statements are required to be presented in accordance with the Ind-AS requirements from the financial year 2017-18 shows that there is an increase in revenues by just 1% though the volume growth is about 9.80%. As per Ind-AS requirements VAT / GST, rebates and discounts are reduced from the Gross revenue. For the sake of better understanding of the changes that took place given below the Gross and the Net Revenue details as disclosed in the financial statements:

(₹ in Lakh)		
Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Sale of products		
(a) Cement - Gross Revenue	83,361.13	73,168.06
VAT	2,652.99	8,764.24
GST	13,729.77	-
Rebates	8,199.25	6,241.66
Cement - Net Revenue	58,779.12	58,162.16
(b) Power (Net of charges for wheeling, banking)		
Wind	93.92	182.24
Hydel	337.40	190.99
Thermal	192.40	54.04
Power - Net revenue	623.72	427.27
Other operating revenues		
Scrap sales	39.41	83.21
Revenue (Net of Taxes and Rebates)	59,442.25	58,672.64

Operational Results are further elaborated in the Management Discussion and Analysis Report.