

39th Annual Report |
2018-19 |



DECCAN CEMENTS LIMITED



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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. R Gopalakrishnan	Director
Ms. P Parvathi	Managing Director

Senior Management

Mr. G R Ram	Sr. Vice President
Mr. C Ramesh Reddy	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

State Bank of India
Andhra Bank
Corporation Bank
Kotak Mahindra Bank

Secretarial Auditors

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

Registrar and Share Transfer Agent

Karvy Fintech Pvt. Ltd.
Karvy Selenium Tower B
Plot number 31 & 32
Financial District, Gachibowli
Hyderabad - 500 032
E-mail id: einward.ris@karvy.com

Statutory Auditors

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

Cost Auditors

Aruna Prasad & Co.
Cost Accountants
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

NOTICE

Notice is hereby given that the **Thirty-ninth Annual General Meeting** of the Members of **Deccan Cements Limited** will be held on **Wednesday, 7th August, 2019** at **11.00 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 Financial Statements as at 31st March, 2019 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. Gopalakrishnan Ramamurthi (DIN: 00296413) who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

4. **To ratify Cost Auditor's remuneration for the Financial Year 2019-20.**

To consider and if thought fit, to pass, 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 Rs. 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, 2020.

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."

5. **Reappointment of Mr. K P Singh, Non-Executive Independent Director for Second Term of 5 (Five) Consecutive Years:**

To consider, and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of, Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and Articles of Association of the Company, Mr. K P Singh (DIN: 02951522), aged 71 years, and who will attain the age of 75 years on 28th December, 2022, who was appointed as a Non-Executive Independent Director to hold office up to 28th September, 2019, is eligible for being reappointed 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 reappointed as a Non-Executive Independent Director of the Company, to hold office for a second term of 5 (five) consecutive years with effect from 29th September, 2019 to 28th September, 2024, not liable to retire by rotation.

RESOLVED FURTHER THAT any of the Directors or Key Managerial Personnel of the Company be and is hereby authorized to do all such acts and take all steps as are necessary, proper, desirable and expedient in this regard to give effect to this resolution.”

6. **To approve continuation of payment of remuneration to the Executive Directors who are Promoters in excess of threshold limits as per SEBI (LODR) (Amendment) Regulations, 2018.**

To consider and if thought fit, to pass, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Regulation 17(6)(e) of SEBI (LODR) Regulations, 2015 and other applicable provisions, if any and as per the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company, the consent of the Company be and is hereby accorded to the continuation of payment of

remuneration as per existing terms and conditions as approved by the shareholders at the 37th Annual General Meeting held on 11th August, 2017, to Mr. M.B Raju, Executive Chairman (promoter) and Ms. P Parvathi, Managing Director (member of promoter group) and who are the Executive Directors of the Company, notwithstanding their aggregate annual remuneration exceeding 5 per cent of the net profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013 till the expiry of their current term as such i.e. 31st March, 2022.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all steps as may be necessary, proper and expedient to give effect to this resolution.”

By Order of the Board

Sd/-

S K Mishra

Company Secretary
FCS 8555

Place : Hyderabad
Date : 28.05.2019

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 1st

August, 2019 to 7th August, 2019 (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 Fintech Pvt. Ltd. (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) 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 shall submit their PAN and Bank Account details to Karvy.
10. Members are requested to note that, as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, requests for transfer of shares held in physical form, except transmission or transposition, will not be processed after 31 March, 2019. In this regard, members are requested to dematerialize their shares held in physical form. 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 2019-20 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 the financial year 2010-11, 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 10th August, 2018 (date of last AGM) on the website of the Company "**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 Fintech 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 cast their vote by remote e-voting shall be able to exercise their voting right at the meeting.
18. A Member can opt voting 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 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**" 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 with a copy marked to evoting@karvy.

com. The scanned image of the above mentioned documents should be in the naming format **"DECCANCEMENTS LIMITED_39TH 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) of (A) 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 Fintech Private Limited (Unit: Deccan Cements Limited), Karvy Selenium Tower B, Plot 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500032 or at 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 Sunday, 4th August 2019 (9.00 A.M. IST) and ends on Tuesday, 6th August 2019 (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. Wednesday, 31st July 2019, 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 cut-off date i.e. Wednesday, 31st July, 2019.
- 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. Wednesday, 31st July, 2019, 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". However, Karvy shall endeavour 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 31st March, 2020 at a remuneration of Rs.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 31st March, 2020.

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.

Item No. 5:

The Members of the Company at their 34th Annual General Meeting held on 29th September, 2014 approved the appointment of Mr. K P Singh as Independent Directors of the Company for a period of 5 years i.e. from 29th September, 2014 to 28th September, 2019.

Section 149(10) of the Act provides that an Independent Director shall hold office for a term of five consecutive years on the Board and shall be eligible for re-appointment on passing a Special Resolution by the company and disclosure of such appointment shall be made in the Board's Report. Mr. K P Singh can be reappointment as Non-Executive Independent Director for second term of 5 (five) consecutive years with effect from 29th September, 2019 to 28th September, 2024 with approval of Members by way of Special Resolution.

Brief resume of Mr. Singh and other information as stipulated under Regulation 36 of the Listing

Regulations and SS-2, are provided in the annexure to this Notice.

Mr. Singh is a person of integrity; possess relevant expertise and vast experience. His association as Non-Executive Independent Director will be beneficial and in the best interest of the Company.

Based on the skills, experience, knowledge and performance evaluation, the Nomination and

Remuneration Committee and the Board of Directors have recommended for re-appointment of Mr. Singh as Non-Executive Independent Director for second term of 5 (five) consecutive years.

Mr. Singh is not disqualified from being appointed as Directors in terms of Section 164 of the Act and the Listing Regulations as amended from time to time and have given his consent to act as director. The Company has received declaration from the director that he meets the criteria of independence as prescribed both under Section 149 of the Act and under provisions of the Listing Regulations.

Copy of the draft letters for the reappointment of Mr. Singh setting out the terms and conditions would be available for inspection without any fee by the Members at the registered office of the Company during normal business hours on any working day up to the date of AGM.

The Non-Executive Directors, for each of the Board and Committee Meeting attended are paid sittings fees at Rs. 20,000/- and Rs. 2,500/- respectively. The non-executive directors, in addition to the sitting fees, are collectively entitled for a commission for 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 Rs. 10,00,000/- per annum.

None of the other 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. 5 of the Notice.

In the opinion of the Board Mr. Singh fulfils the conditions for reappointment as Non-Executive Independent Director as specified in the Act and the Listing Regulations. Accordingly the Board recommends the Special Resolution set out at Item No. 5 of the Notice for approval of the Members.

Item No. 6:

As per newly introduced Regulation 17(6)(e) of the SEBI (LODR) (Amendment) Regulations, 2018, the