

37TH ANNUAL REPORT
2016-17



DECCAN CEMENTS LIMITED

Mr. M Krishnam Raju, Sr. VP (Marketing) receiving Indian Cement Review Award for Fastest Growing Cement Company (Small Category) for the Year 2016



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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
Mr. R Gopalakrishnan	Director
Ms. P Parvathi	Managing Director

Senior Management

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

State Bank of India
Andhra Bank
State Bank of Hyderabad
State Bank of Mysore
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 Computershare Pvt. Ltd.
Karvy Selenium Tower B
Plot number 31 & 32
Financial District, Gachibowli
Hyderabad - 500 032

Statutory Auditors

M Bhaskara Rao & Co.
Chartered Accountants
5-D, 5th Floor, 'Kautilya', 6-3-652
Somajiguda, Hyderabad - 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-seventh Annual General Meeting** of the Members of **Deccan Cements Limited** will be held on **Friday, 11th August 2017 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 Balance Sheet as at 31st March 2017 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. R Gopalakrishnan (DIN: 00296413) 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 Sections 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s. M. Anandam & Co., Chartered Accountants, Secunderabad, having Firm Registration No. 000125S issued by the Institute of Chartered Accountants of India, be and are hereby appointed as Statutory Auditors of the Company in place of retiring Auditors M/s. M. Bhaskara Rao & Co., to hold office from the conclusion of this Annual General Meeting up to the conclusion of the forty-second Annual General Meeting of the company to be held in the year 2022 (subject to ratification of their appointment at every Annual General Meeting) at such remuneration and out of pocket expenses as may be fixed by the Board of Directors of the Company."

SPECIAL BUSINESS:

5. **Ratification of Cost Auditor's remuneration for the Financial Year 2017-18.**

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 2018.

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."

6. **Sub-division of equity shares of the Company of face value of ₹10/- each into 2 equity shares of ₹5/- each.**

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 61 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), and in accordance with the provisions of Articles of Association of the Company and subject to the approvals, consents, permissions and sanctions, if any, required from the concerned statutory and regulatory authority(ies) or bodies, approval of the Members of the Company, be and is hereby accorded for sub-division of 1 (One) Equity Share of the Company of Face Value of ₹10/- (Rupees Ten only) each into 2 (Two) Equity Shares of Face Value of ₹5/- (Rupees Five only) each fully paid up with effect from the "Record Date".

RESOLVED FURTHER THAT pursuant to the sub-division of equity shares of the Company, the authorized, issued, subscribed and paid-up equity share capital of nominal value of ₹10/- (Rupees Ten only) each, shall stand sub-divided into 2 equity shares of nominal value of ₹5/- (Rupees Five only) each from the record date and shall rank pari passu in all respects with and carry the same rights as to the existing fully paid-up Equity Share of ₹10/- (Rupees Ten only) each of the Company.

RESOLVED FURTHER THAT on sub-division of Equity Shares as aforesaid, the existing share certificate(s) in relation to the existing Equity Shares of the Face value of ₹10/- (Rupees Ten only) each held in physical form shall be deemed to have been automatically cancelled and to be of no effect on and from the Record Date of sub-division and the Company may, without requiring the surrender of the existing share certificate(s), directly issue and dispatch the new share certificate(s) of the Company in lieu of such existing share certificate(s) within the prescribed time period or that may be prescribed in this behalf from time to time subject to the provisions of the Companies (Share Capital and Debentures) Rules, 2014 and in the case of Equity Shares held in the dematerialized form, the number of sub-divided Equity Shares be credited to the respective beneficiary accounts of the shareholders with the Depository Participants, in lieu of the existing credits representing the Equity Shares of the Company before sub-division.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, any of the Directors or Key Managerial Personnel of the Company be and are hereby severally authorized to do all acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise for matters in relation / consequential to the Sub-division of shares including execution & filing of all the relevant documents with the Stock Exchanges, Depositories and other appropriate authorities, in due compliance of the applicable rules and

regulations, without seeking any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

7. Amendment of Memorandum of Association of the Company.

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 Sections 13, 61 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Clause V of the Memorandum of Association of the Company, relating to Share Capital, be and is hereby altered with the following:

'The Authorised Share Capital of the Company is ₹10,00,00,000/- (Rupees Ten Crores only) divided into 2,00,00,000 (Two Crore) equity shares of ₹5/- (Rupees Five only) each.'

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, any of the Directors or Key Managerial Personnel of the Company, be and are hereby severally authorized to do all acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the matter aforesaid and further to do all acts, deeds, matters and things as may be necessary, proper, desirable or expedient to give effect to this resolution.”

8. Payment of commission to Non-Executive Directors of the Company.

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% of the net profits of the company calculated in accordance with the provisions of Section 198 of the Act, subject to a ceiling of ₹10,00,000/- (Rupees Ten Lakhs only) 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 from 1st April 2017 till 31st March 2022.

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."

9. Reappointment of Mr. M B Raju (DIN: 00016652) as Executive Chairman for a period of five years.

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 Sections 196, 197, 198 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory amendment, modification, variation or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and Articles of Association of the Company and subject to approval of the Central Government, if any, Mr. M B Raju (DIN: 00016652) be and is hereby appointed as Executive Chairman of the Company for a period of five years, effective from 1st April 2017 to 31st March 2022, liable to retire by rotation, on the terms and conditions including remuneration as set out below:

1. Salary: ₹5,00,000/- (Rupees Five Lakh only) per month.
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.
 - 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 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 and internet 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 at 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 (DIN: 00016652) 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.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, any of the Directors

or Key Managerial Personnel of the Company be and are hereby severally authorized to do all acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the matter aforesaid and further to do all acts, deeds, matters and things as may be necessary, proper, desirable or expedient to give effect to this resolution."

10. Reappointment of Ms. P Parvathi (DIN: 00016597) as Managing Director for a period of five years.

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 Sections 196, 197, 198, 203 and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory amendment, modification, variation or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and Articles of Association of the Company and subject to approval of the Central Government, if any, Ms. P Parvathi (DIN: 00016597) be and is hereby appointed as Managing Director (Key Managerial Personnel) of the Company for a period of five years, effective from 1st April 2017 to 31st March 2022, on the terms and conditions including remuneration as set out below:

1. Salary: ₹4,50,000/- (Rupees Four Lakh Fifty Thousand only) per month.
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.

- 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 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 months' 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 and internet 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 at 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 (DIN: 00016597), 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."

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, any of the Directors or Key Managerial Personnel of the Company be and are hereby severally authorized to do all acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the matter aforesaid and further to do all acts, deeds, matters and things as may be necessary, proper, desirable or expedient to give effect to this resolution."

By Order of the Board

S K Mishra

Company Secretary
FCS 8555

Place : Hyderabad
Date : 19.05.2017

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, 5th August 2017 to Friday, 11th August 2017 (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) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their DPs with whom they are maintaining demat accounts. Members holding shares in physical form can submit their PAN 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 2017-18 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 2008-09 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 23rd September 2016 (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 Computershare 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