



DECCAN CEMENTS LIMITED

**35th Annual Report
2014-15**



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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	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

Bankers

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

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-fifth Annual General Meeting** of the Members of **Deccan Cements Limited** will be held on **Tuesday, 22nd September 2015** 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 2015 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.
4. To ratify the appointment of 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 Section 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, the Company hereby ratifies the appointment of M/s. M Bhaskara Rao & Co., Chartered Accountants, Hyderabad, having Firm Registration No. 000459S issued by the Institute of Chartered Accountants of India, as the Auditors of the Company for the Financial Year 2015-16 to hold office from the conclusion of this Annual General Meeting up to the conclusion of the thirty-sixth Annual General Meeting of the Company 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 Section 152 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the "Act") and the Companies (Appointment

and Qualification of Directors) Rules, 2014, Mr. Ramamurthy Gopalakrishnan (DIN 00296413), who was appointed by the Board of Directors as an Additional Director (in the category of Non-Executive Non-Independent Director) of the Company, with effect from 11th August 2015 and who holds office upto the date of the ensuing Annual General Meeting, in terms of Section 161 of the Act and in respect of whom the Company has received a Notice, in writing from a member under Section 160 of the Act, proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, 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 Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, the Company hereby ratifies the remuneration of ₹ 90,000/- (Rupees Ninety 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 2016"

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

"RESOLVED THAT pursuant to Section 5 and 14 of the Companies Act, 2013, and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) the consent of the Company, be and is hereby accorded for replacing the existing Articles of Association by adoption of new set of Articles of Association of the Company based on the form of Table F of Schedule I of the Act and

after incorporating all the applicable clauses in conformity with the provisions of the Act and the Rules made thereunder.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company, be and is hereby authorized to take all such steps and actions and give such directions as may be in its absolute discretion deemed necessary and to settle any question that may arise in this regard."

8. 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 94 and all other applicable provisions, if any, of the Companies Act, 2013, approval of the Company, be and is hereby accorded to maintain Register of Members, Index of Members, Register

of Renewed and Duplicate Shares and other documents required to be annexed thereto and other related books or any one or more of them be kept at the office of the Company's Registrar & Transfer Agent viz., Karvy Computershare Private Limited, Karvy Selenium, Tower-B, Plot No. 31 & 32, Financial District, Gachibowli, Hyderabad - 500 032 or any other place within the local limits of the city of Hyderabad, instead of their office at Plot No. 17 to 24, Vittal Rao Nagar, Madhapur, Hyderabad - 500 081."

By Order of the Board

Place : Hyderabad
Date : 11.08.2015

S K Mishra
Company Secretary
M. No. A18747

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 Books of the Company will be closed from Wednesday, 16th September 2015 to Tuesday, 22nd September 2015 (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.
- 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 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(VIII)(E) of the Listing Agreement, brief resumes of the Directors proposed to be appointed/reappointed at the Meeting are given in the annexure to this notice.
- 9) The Company has paid the Listing Fees for the year 2015-16 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) The Company has transferred the unpaid or unclaimed dividends declared up to financial years 2006-07, from time to time on due dates, to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 29 September 2014 (date of last Annual General Meeting) on the website of the Company www.deccanements.com, as also on the website of the Ministry of Corporate Affairs.
- 12) Pursuant to Section 108 of the Companies Act, 2013 and Rule 20 of Companies (Management and Administration) Rules, 2014 read with Clause 35B of the Listing Agreement, the Company has made arrangement for providing the facility to vote 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 AGM. The Company has appointed Karvy Computershare Private Limited (KCPL) as the Agency for the purpose of facilitating the electronic voting. Alternately, members may choose to vote through postal ballot as enclosed with this report.
- 13) The facility for voting, through ballot or 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 or postal ballot shall be able to exercise their voting right at the meeting. The Members who have cast their vote by remote e-voting or postal ballot prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
- 14) The Company has appointed Mr. Tumuluru Krishnamurthy, Practicing Company Secretary, failing him Mr. P V Sarvana Kumar, 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.
- 15) The Results of the voting along with the Scrutinizer's Report shall be placed on the Company's website www.deccanements.com and on the website of KCPL. The same shall also be communicated to the Stock Exchanges.

INSTRUCTION FOR E-VOTING

- a. Use the following URL for e-voting from Karvy website: <http://evoting.karvy.com>.
- b. Shareholders of the Company holding shares either in physical form or in dematerialized form, as on Tuesday, 15th September 2015, 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. If you are already registered with KCPL for e-voting then you need to use your existing User ID and Password for casting vote.
- d. After entering the details appropriately, click on LOGIN. On successful login, the system will prompt you to select the EVEN (E-Voting Event Number) i.e. Deccan Cements Limited. 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.
- e. Shareholders holding multiple folios/demat account shall choose the voting process separately for each folio/demat account.
- f. 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.

- g. Once the vote on the resolution is cast by the shareholder, he shall not be allowed to change it subsequently.
- h. The Portal will be open for voting from 09.00 a.m. on 19th September 2015 to 5.00 p.m. on 21st September 2015.
- i. Members who have acquired shares after the dispatch of the Notice of the Meeting and holding shares as on the cut-off date may obtain the User ID and Password in the manner mentioned below:
 - a. If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may send SMS : MYEPWD <space> 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> XXX1234567

- b. If e-mail or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page 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.
- j. Members may call Karvy's toll free number 1-800-3454-001 or may send e-mail request to evoting@karvy.com, in case of any clarification with respect to e-voting.

Explanatory statement under Section 102 of The Companies Act, 2013 ("the Act")

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

Item No. 5:

The Board, based on the recommendation of the Nomination and Remuneration Committee, appointed

Mr. R Gopalakrishnan as Additional Director of the Company, with effect from 11th August 2015. Mr. R Gopalakrishnan holds office upto the date of the ensuing Annual General Meeting and is eligible for appointment as a Director.

Pursuant to Section 160 of the Act, the Company has received a Notice, in writing, from a Member along with a deposit of ₹ 1,00,000/-, proposing the candidature of Mr. R Gopalakrishnan, as a Director of the Company. The Board is of the opinion that the experience of Mr. R Gopalakrishnan will be of great value to the Company and hence, recommends his appointment as a Director of the Company.

The appointment of Mr. R Gopalakrishnan, as a Director liable to retire by rotation, is now being placed before the Members, for their approval.

Mr. R Gopalakrishnan is concerned and interested in the Resolution mentioned at Item No. 5 of the Notice. Other than Mr. R Gopalakrishnan no other Director, Key Managerial Personnel or their relatives are concerned or interested in the Resolution.

Item No. 6:

The Board of Directors of the Company, on the recommendation of the Audit Committee, has appointed Aruna Prasad & Co., Cost Accountants as the Cost Auditors to conduct the audit of the cost accounting records of the Company for the Financial Year ending 31st March 2016 at a remuneration of ₹ 90,000/- (Rupees Ninety Thousand only) plus reimbursement out of pocket expenses.

As per the Section 148 of the Companies Act, 2013 and the Rules framed thereunder, the remuneration payable to the Cost Auditors 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. 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March 2016.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, in the resolution set out at Item No. 6 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 6 of the Notice for approval of the members.

Item No. 7:

The existing Articles of Association of the Company, is in accordance with the Companies Act, 1956 and several regulations in the existing Articles of Association contain references to specific sections of the Companies Act, 1956 and some regulations in the existing Articles of Association are no longer in conformity with the new Companies Act, 2013. Upon enactment of the new Act various provisions of the Companies Act, 1956 have been repealed and in view of the same the existing Articles of Association of the Company needed to be re-aligned as per the provisions of the new Act.

The Board of Directors ("Board") decided to incorporate / substitute / alter certain provisions as per the Act. As this would result in a number of changes in the existing Articles of Association of the Company, it was desirable to adopt a new set of Articles of Association in place of and in exclusion to the existing Articles of Association of the Company. The new set of Articles of Association to be substituted in place of existing Articles of Association is based on Table 'F' of Schedule I of the Companies Act, 2013 which sets out the model Articles of Association for a Company limited by shares.

The proposed new draft Articles of Association is being uploaded on the Company's website i.e. www.deccanacement.com for perusal by the Members and is available for inspection at the Registered Office of the Company during business hours on all working days including and upto the date of the meeting.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested financially or otherwise, in the resolution set out at Item No. 7 of the Notice.

The Board recommends the Special Resolution set out at Item No. 7 of the Notice for approval of the Shareholders.

Item No. 8:

Under the provisions of the Companies Act, 2013 certain documents such as the Register of Members and Index of Members, Register of renewed and duplicate shares, together with copies of certificates and documents and other related books or any one or more of those are required to be maintained at the registered office of the Company unless a special resolution is passed in a general meeting authorizing the keeping of the register at any other place within the city, town or village in which the registered office is situated or any other place in India, in which more than one-tenth of the total members entered in the register of members reside.

For operational convenience, the Registrar & Transfer Agent of the Company, Karvy Computershare Private Limited moved to a new premises and in view of the enabling provisions of the Companies Act, 2013 as stated above, it is necessary to seek the consent of the Members by way of special resolution to maintain the registers and records in the new premises of Karvy at Selenium Tower B, Plot No. 31 & 32, Financial District, Gachibowli, Hyderabad - 500 032. Accordingly the above documents would be kept at the new premises of Karvy or any other place within the local limits of the city of Hyderabad where their office may shift.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested financially or otherwise, in the resolution set out at Item No. 8 of the Notice.

The Board recommends the Special Resolution set out at Item No. 8 of the Notice for approval of the members.

By Order of the Board

S K Mishra
Company Secretary
M. No. A18747

Place : Hyderabad
Date : 11.08.2015

ANNEXURE TO THE NOTICE

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

Particulars	Mr. M B Raju	Mr. R Gopalakrishnan
Date of Birth	28/12/1939	26/01/1955
Date of Appointment	31/07/1979	11/08/2015
Qualification	B.E Mechanical – Andhra University	Fellow Member of the Institute of Company Secretaries of India (ICSI)
Brief resume and expertise in specific functional area	Founder of DCL. Honors' Graduate in Mechanical Engineering. Technocrat Entrepreneur and eminent Industrialist, with more than 47 years experience in the Cement Industry.	35 years of experience in corporate sector in areas of General Management, Financial, Legal and Secretarial compliance. Was associated with DCL Group for over 20 years.
Directorships in other companies	<ul style="list-style-type: none"> • DCL Information Technologies Ltd. • K V K Raju International Leadership Academy 	<ul style="list-style-type: none"> • Vishwamber Cements Ltd. • VRVS Fiscal Services Pvt. Ltd. • Corporate Value Management and Research Institute Pvt. Ltd
Chairmanship/ Membership of committees of other companies	Nil	Nil
Shareholding in the company	503343 equity shares (7.19%)	Nil

DIRECTORS' REPORT

Dear Shareholders,

The Directors of your company are glad to present the 35th Annual Report together with the Audited Financial Statements of the Company for the Financial Year ended 31st March 2015.

Financial Results

The Financial Results for the year ended 31st March 2015 are summarized below:

	(₹ in Lakh)	
Particulars	2014-15	2013-14
Net Sales	43860.78	39136.88
Other Income	204.52	202.07
Total	44065.30	39338.92
Profit before Depreciation and Finance Charges	6745.77	5939.28
Less: Depreciation	1948.33	2440.09
Interest and Bank Charges	2663.19	2734.64
Profit before Tax and Prior period items	2134.25	764.55
Less: Provision for Taxation	426.97	152.94
Deferred Taxation	(238.98)	136.47
Wealth Tax	15.49	15.23
MAT Credit entitlement	(57.12)	(42.44)
Net Profit after Tax	1987.89	502.35
Profit brought forward from previous year	16459.11	16067.65
Profit available for Appropriation	18447.00	16570.00
Appropriations		
Depreciation adjustment pursuant to Schedule II to the Companies Act, 2013	252.26	-
Proposed Dividend	175.09	84.05
Dividend Distribution Tax	35.01	14.28
Transfer to Reserve	149.61	12.56
Balance Retained	17835.03	16459.11

Results of Operations

Net sales of the Company for the year under review stood at ₹ 43860.78 Lakh as compared to previous year sales of ₹ 39136.88 Lakh and the profit after tax

of the Company for the current year was at ₹ 1987.89 Lakh as compared to the previous year profit of ₹ 502.35 Lakh. The performance of the Company for the financial year 2014-15 was satisfactory. Similar to previous year the Cement Industries in South India continued to operate under pressure because of lower capacity utilization and excessive supply.

Dividend

In consonance with the Company's policy of rewarding its shareholders on a consistent basis, your directors are pleased to recommend a dividend of ₹ 2.50/- per equity share i.e. 25% dividend on the Equity Share Capital of the Company, for the approval of the Members in the ensuing annual general meeting. The cash outflow for dividend, if declared as above, for the year ended 31st March 2015 will be ₹ 175.09 Lakh and ₹ 35.01 Lakh towards dividend distribution tax. In the previous year ended 31st March 2014 dividend amount was ₹ 84.05 Lakh and dividend distribution tax was ₹ 14.28 Lakh. Your directors propose to transfer ₹ 149.61 Lakh to Reserves.

Capital Structure

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

Fixed Deposits

During the year under review, the Company has not accepted any deposits. The position as on 31st March 2014 was ₹ 940.25 Lakh. In compliance with the provisions of Section 74 of the Companies Act, 2013 the company has repaid all the deposits accepted till 31st March 2014 by 31st March 2015 and the balance stood at Nil.

Management Discussion and Analysis Report

A report on the Management Discussion and Analysis is appended to this Report.

Corporate Governance

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

Transfer to Investor Education and Protection Fund

During the year, the Company has transferred a sum of ₹ 3,52,933/-, the unclaimed/unpaid dividend amount pertaining to the financial year 2006-07, to the Investor Education and Protection Fund (IEPF) in compliance with applicable provisions of Section 124 of the Companies Act, 2013. Further the unclaimed/unpaid amount pertaining to the Financial Year 2007-08 is due for transfer to the IEPF on 4th October 2015. The year-wise details of unclaimed dividend are uploaded to IEPF portal of Ministry of Corporate Affairs (MCA) and as well as available in the website of the Company at www.deccancements.com. Shareholders are advised to check their unpaid/unclaimed dividend status and contact the Company for encashment of the same if, depicting unpaid.

Directors and Key Managerial Personnel

Pursuant to Section 152 of the Companies Act, 2013 Mr. M B Raju, Executive Chairman (DIN: 00016652) is liable to retire by rotation at the forthcoming Annual General Meeting and is eligible for re-appointment.

Pursuant to Section 149 and 152 of the Companies Act, 2013 and the Rules thereunder read with Schedule IV of the Act, Mr. Umesh Shrivastava, Dr. S A Dave, Mr. J Narayanamurthy and Mr. K P Singh were appointed as independent directors at the annual general meeting of the Company held on 29th September 2014 for a period of 5 years. The terms and conditions of appointment of independent directors are as per Schedule IV of the Act. During the year, the Independent Directors of the company had no pecuniary relationship or transactions with the Company except sitting fee and commission paid to them. They have submitted declarations that each of them meets the criteria of independence as provided in Section 149(6) of the Act and there has been no change in their status as an independent director during the year.

During the year Ms. P Parvathi, Managing Director, Mr. RVA Narasimha Rao, Chief Financial Officer (CFO) and Mr. S K Mishra, Company Secretary were designated as "Key Managerial Personnel" of the Company pursuant to Section 2(51) and Section 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Familiarization program for Independent Directors

In terms of Clause 49 of the Listing Agreement, the Company has adopted a familiarization programme for Independent Directors. Every independent director of the board shall be provided with the programme to familiarize himself with the Company's philosophy, vision, mission, strategies, operations and functions. The details of the familiarization programme adopted by the Company are available on the Company's website at www.deccancements.com.

Statutory Auditor

In terms of provisions of Section 139 of the Companies Act, 2013 M/s. M Bhaskara Rao & Co., Chartered Accountants, Hyderabad were appointed as Statutory Auditors of the Company in the thirty fourth annual general meeting of the Company held on 29th September 2014 for a period of three years i.e. till the conclusion of the thirty seventh annual general meeting to be held in the year 2017, subject to ratification of their appointment at every AGM. Their appointment from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting will be ratified at the ensuing annual general meeting.

The Company has received confirmation regarding their consent and eligibility that their appointment, if ratified, would be within the prescribed limits under Sections 139 and 141 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and that they are not disqualified.

The Notes on financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

Cost Auditor

Aruna Prasad & Co., Cost Accountants, Chennai, has been reappointed by the Board of Directors as Cost Auditor of the Company for the financial year 2015-16. The remuneration of the cost auditor is required to be ratified by the members in accordance with the provisions of Section 148(3) of the Companies Act, 2013 and Rule 14 of Companies (Audit and Auditors) Rules, 2014. Accordingly, the matter is being placed before the Members for ratification at the ensuing Annual General Meeting.

Secretarial Auditor

Pursuant to provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 your Company engaged the services of Tumuluru & Co., Company Secretary in Practice, Hyderabad to conduct the Secretarial Audit of the Company for the financial year ended 31st March 2015. The Secretarial Audit Report in Form MR-3 is annexed to this Report (**Annexure I**).

There has been no qualification, reservation, adverse remarks or disclaimer in the Secretarial Audit Report.

Extract of Annual Return

An extract of Annual Return in Form MGT-9 as on 31st March 2015 is annexed to this Report (**Annexure II**).

Board Meetings

During the year, four (4) meetings of the Board were held. The details of the meetings are furnished in the Corporate Governance Report which forms part of this Report.

Directors' Responsibility Statement

Pursuant to the provisions of Section 134 (3)(c) and 134 (5) of the Companies Act, 2013, relating to Directors' Responsibility Statement, your Directors, confirm that:

- a) in the preparation of the annual accounts for the year ended 31st March 2015, the applicable accounting standards had been followed and there are no material departure;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 31st March 2015 and of the profit of the company for the year ended on that date;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- d) the directors had prepared the annual accounts for the year ended 31st March 2015 on a going concern basis;
- e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Policy on Directors' appointment and remuneration and other details

The Company's policy on directors' appointment and remuneration and other matters has been disclosed in the Corporate Governance Report, which forms part of this Report.

Particulars of loans, guarantees or investments under Section 186

The Company has not granted any loans, secured or unsecured, which falls under the provisions of Section 186 of the Companies Act, 2013.

Particulars of Contracts or arrangement with related parties referred under Section 188(1)

Transactions entered by the Company with its related parties during the year were on an arm's length basis. The Company had not entered into any arrangement / transaction with related parties which could be considered material in nature and accordingly the disclosure of Related Party Transactions in Form AOC 2 is not applicable. However, Suitable disclosures as required under AS-18 have been made in Note 29 to the Financial Statements.

In compliance of Clause 49 of the Listing Agreement the Company has formulated a Related Party Transactions Policy and the same is available on the Company's website www.deccancements.com.

Energy Conservation, Technology Absorption and Foreign Exchange

Information required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 forming part of the Directors' Report for the year ended 31st March 2015 are given in **Annexure III**.

Risk Management

The Company has framed a Risk Management Policy. The detail of policy is disclosed in the company's website www.deccancements.com. The Risk Management Policy of the Company envisages identification of risk and procedures for assessment and mitigation thereof.

Corporate Social Responsibility (CSR)

Pursuant to Section 135 of Companies Act, 2013, your Company has constituted a Corporate Social Responsibility Committee. The composition of the Corporate Social Responsibility Committee is provided in the Corporate Governance Report. Your Company has formulated a Corporate Social Responsibility Policy, which has been approved by the Board indicating the projects or programs to be undertaken by the Company, in line with Schedule VII of the Act. The same is available on the website of the Company at www.deccancements.com.

A brief outline of the Corporate Social Responsibility policy of the Company and the Annual Report on CSR activities undertaken during the year 2014-15 in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed to this Report (**Annexure IV**).

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, Independent Directors at their meeting without the participation of the Non-independent Directors and the members of Management, evaluated the Board's performance. The Board as per the recommendations of the Nomination and Remuneration Committee has framed the performance evaluation criteria for the Board and its members. A questionnaire for the evaluation of the Board and its members prepared in accordance with the framework of the performance evaluation of the Board and its members, including composition and quality, roles and responsibilities, processes and functioning, adherence to the Code of Conduct and ethics and best practices in Corporate Governance was circulated to the directors.

Particulars of Employees

The information required pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in **Annexure V**.

During the financial year under review, none of the Company's employees are in receipt of remuneration more than the limit prescribed under Section 197(12) read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014.

Prevention of Sexual Harassment Policy

The Company has formulated a policy on Prevention of Sexual Harassment at workplace for women in the line with the requirements of the 'The Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013 and the Rules made thereunder. During the financial year ended 31st March 2015, the Company has not received any Complaint pertaining to Sexual Harassment.

Acknowledgement

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

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

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

For and on behalf of the Board

M B Raju

Executive Chairman

DIN: 00016652

Place : Hyderabad

Date : 11.08.2015

Annexure I**Form No. MR 3
SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Deccan Cements Limited
'6-3-666/B, 'Deccan Chambers'
Somajiguda, Hyderabad
500 082, Telangana

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Deccan Cements Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (not applicable during the audit period)
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (not applicable during the audit period)
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (not applicable during the audit period)

- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (not applicable during the audit period)
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (not applicable during the audit period)

(vi) Other laws applicable to the company as per the representations made by the Company.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India, to the extent applicable under the Companies Act, 2013
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange and Bombay Stock Exchange.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc mentioned above.

We further report that -

- (i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. No changes in the composition of the Board of Directors took place during the period under review.
- (ii) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (iii) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the shareholders have approved a special resolution under Section 180 of the Act, authorising the Board of Directors to borrow monies (apart from temporary loans obtained from Company's bankers in the ordinary course of business) which shall not exceed the total sum of ₹ 400 crore at any time.

Tumuluru Krishna Murty
Proprietor

Tumuluru & Co.

Practicing Company Secretary

Membership No.FCS 142

Certificate of Practice No.1293

Place : Hyderabad

Date : 11.08.2015

This report is to be read with our letter of even date which is annexed as Enclosure A and forms an integral part of this report.

ENCLOSURE A

To
The Members
Deccan Cements Limited

Our report of even date is to be read along with this letter

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Tumuluru Krishna Murty
Proprietor
Tumuluru & Co.
Practicing Company Secretary
Membership No. FCS 142
Certificate of Practice No.1293

Place : Hyderabad
Date : 11.08.2015

Annexure II

Form No. MGT - 9

EXTRACT OF ANNUAL RETURN AS ON 31ST MARCH 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and Other Details:

(i)	CIN	L26942TG1979PLC002500
(ii)	Registration Date	31.07.1979
(iii)	Name of the Company	Deccan Cements Limited
(iv)	Category / Sub-Category of the Company	Public Company - Limited by Shares
(v)	Address of the registered office and contract details	6-3-666/B, 'Deccan Chambers', Somajiguda, Hyderabad – 500082, Telangana
(vi)	Whether listed company (Yes / No)	Yes
(vii)	Name, Address and contact details of Registrar and Transfer Agent, if any;	*Karvy Computershare Private Limited 17-24, Vittal Rao Nagar, Madhapur, Hyderabad - 500 081 Phone: 040 - 23420815-28 Fax : 040 – 23420814 Email id : einwards.ris@karvy.com Website : www.karvycomputershare.com

* Address changed during 2015-16. For new address, please refer Corporate Governance Report.

II. Principal Business Activities of the Company:

SL. No.	Name and Description of Main Products Services	NIC Code of the Product	% to total turnover of the company
1.	<ul style="list-style-type: none"> Manufacturing of Cement in form of Clinker Manufacturing of Portland Cement, Slag cement and similar 	23941 23942	0.05 98.22
2.	<ul style="list-style-type: none"> Generation of Electricity 	35101 / 35102 / 35106	1.73

III. Particulars of Holding, Subsidiary and Associate Companies: Nil



IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01.04.2014]			No. of Shares held at the end of the year [As on 31.03.2015]			% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical		Total
A. Promoters								
(1) Indian								
a) Individual / HUF	741631	0	741631	10.59	741631	0	741631	10.59
b) Central Govt.	0	0	0	0	0	0	0	0
c) State Govt.(s)	0	0	0	0	0	0	0	0
d) Bodies Corp.	3169393	0	3169393	45.25	3169393	0	3169393	45.25
e) Banks / FI	0	0	0	0	0	0	0	0
f) Any other	23350	900	24250	0.35	23350	900	24250	0.35
Sub-total (A) (1)	3934374	900	3935274	56.19	3934374	900	3935274	56.19
(2) Foreign								
a) NRI(s) Individual (s)	0	0	0	0	0	0	0	0
b) Other - Individual	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0
d) Banks/FI's	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0
Sub-total A (2)	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A) = A(1) + A(2)	3934374	900	3935274	56.19	3934374	900	3935274	56.19
								-

B. Public Shareholding											
1. Institutions											
a) Mutual Funds	1300	2500	3800	0.05	351161	2500	353661	5.05	5.00		
b) Banks / FI	0	494	494	0.01	0	494	494	0.01	-		
c) Central Govt.	0	0	0	0	0	0	0	0	-		
d) State Govt.(s)	0	0	0	0	0	0	0	0	-		
e) Venture Capital Funds	0	0	0	0	0	0	0	0	-		
f) Insurance Companies	0	0	0	0	0	0	0	0	-		
g) FIs	1600	350	1950	0.03	1600	350	1950	0.03	-		
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	-		
i) Others (specify)	0	0	0	0	0	0	0	0	-		
Sub-total (B)(1)	2900	3344	6244	0.09	352761	3344	356105	5.08	4.99		
2. Non-Institutions											
(a) Bodies Corp.											
(i) Indian	1145461	5810	1151271	16.44	902336	5760	908096	12.97	(3.47)		
(ii) Overseas	0	0	0	0	0	0	0	0	-		
(b) Individuals											
(i) Individual shareholders holding nominal share capital upto ₹ 1 Lakh	601861	272410	874271	12.48	650687	260121	910808	13.00	0.52		
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	306217	22500	328717	4.69	173680	11250	184930	2.64	(2.05)		
(c) Others (specify)											
- Non Resident Indians	706966	0	706966	10.09	702482	0	702482	10.03	(0.06)		



- Clearing Members	1007	0	1007	0.01	6055	0	6055	0.09	0.08
Sub-total B(2)	2761512	300720	3062232	43.72	2435240	277131	2712371	38.73	(4.99)
Total Public Shareholding (B) = B(1) + B(2)	2764412	304064	3068476	43.81	2788001	280475	3068476	43.81	-
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	-
Grand Total (A+B+C)	6698786	304964	7003750	100.00	6722375	281375	7003750	100.00	-

(ii) Shareholding of Promoter (including Promoter Group):

Sl No	Shareholder's Name	Shareholding at the beginning of the year As on 01.04.2014			Share holding at the end of the year As on 31.03.2015			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Melville Finvest Ltd	2301856	32.87	0.00	2301856	32.87	0.00	0.00
2	Satyasai Investments & Leasing Ltd	523737	7.48	0.00	523737	7.48	0.00	0.00
3	Manthana Bangar Raju	423343	6.04	0.00	423343	6.04	0.00	0.00
4	DCL Securities Ltd	256000	3.66	0.00	256000	3.66	0.00	0.00
5	Manthana Bangararaju HUF	154235	2.20	0.00	154235	2.20	0.00	0.00
6	DCL Exim Limited	87800	1.25	0.00	87800	1.25	0.00	0.00
7	Bangar Raju Manthana	80000	1.14	0.00	80000	1.14	0.00	0.00
8	Lakshmi Manthana	48750	0.70	0.00	48750	0.70	0.00	0.00
9	Parvathi Penmetcha	19003	0.27	0.00	19003	0.27	0.00	0.00
10	Lakshmi Manthana	16300	0.23	0.00	16300	0.23	0.00	0.00

11	Anirudh Raju Penmetcha (PAC)	11300	0.16	0.00	11300	0.16	0.00	0.00
12	Aishwarya Penmetcha (PAC)	10750	0.15	0.00	10750	0.15	0.00	0.00
13	P Varun Raju Kumar (PAC)	1000	0.01	0.00	1000	0.01	0.00	0.00
14	Penumatcha Venkata Ramachandra Raju (PAC)	800	0.01	0.00	800	0.01	0.00	0.00
15	Venugopal Raju Penmetcha (PAC)	300	0.00	0.00	300	0.00	0.00	0.00
16	Penumatcha Anirudh (PAC)	100	0.00	0.00	100	0.00	0.00	0.00
Total		3935274	56.19	0.00	3935274	56.19	0.00	0.00

(iii) Change in Promoters' (including Promoter Group) Shareholding:

	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
At the beginning of the year 01.04.2014	3935274	56.19		
Changes during the year	No Change			
At the end of the year 31.03.2015			3935274	56.19



iv) Shareholding Pattern of top ten shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

1. IL and FS Trust Company Limited					Cumulative shareholding during the year	
At the beginning of the year 01.04.2014					No. of Shares	% of total shares of the company
Date	Increase (+)	Decrease (-)	Reason			
04.04.2014	0	-1268	Sale		792717	11.32
16.05.2014	1478	0	Purchase		791449	11.30
30.05.2014	5790	0	Purchase		792927	11.32
06.06.2014	1961	0	Purchase		798717	11.40
13.06.2014	0	-9619	Sale		800678	11.43
20.06.2014	0	-5007	Sale		791059	11.29
30.06.2014	86	0	Purchase		786052	11.22
18.07.2014	0	-1101	Sale		768138	11.22
25.07.2014	302	0	Purchase		785037	11.21
01.08.2014	501	0	Purchase		785339	11.21
08.08.2014	195	0	Purchase		785840	11.22
15.08.2014	1405	0	Purchase		786035	11.22
22.08.2014	0	-1816	Sale		787440	11.24
29.08.2014	0	-13083	Sale		785624	11.22
05.09.2014	0	-24500	Sale		772541	11.03
12.09.2014	0	-37165	Sale		748041	10.68
30.09.2014	0	-4000	Sale		710876	10.15
06.02.2015	679	0	Purchase		706876	10.09
13.02.2015	4000	0	Purchase		707555	10.10
20.02.2015	2322	0	Purchase		711555	10.16
27.02.2015	183	0	Purchase		713877	10.19
06.03.2015	110	0	Purchase		714060	10.20
27.03.2015	637	0	Purchase		714170	10.20
At the end of the year 31.03.2015					714807	10.21
					714807	10.21

2. UTI-MID Cap Fund				Cumulative shareholding during the year	
				No. of Shares	% of total shares of the company
At the beginning of the year 01.04.2014				Nil	Nil
Date	Increase (+)	Decrease (-)	Reason		
12.09.2014	194543	0	Purchase	194543	2.77
03.10.2014	4427	0	Purchase	198970	2.84
21.11.2014	150891	0	Purchase	349861	4.99
At the end of the year 31.03.2015				349861	4.99

3. Keswani Harish		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the company
At the beginning of the year 01.04.2014		349550	4.99
		No Change	
At the end of the year 31.03.2015		349550	4.99

4. Ricky Ishwardas Kirpalani		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the company
At the beginning of the year 01.04.2014		250000	3.57
		No Change	
At the end of the year 31.03.2015		250000	3.57

5. Finquest Securities Pvt. Ltd. Client Beneficiary				Cumulative shareholding during the year	
				No. of Shares	% of total shares of the company
At the beginning of the year 01.04.2014				152757	2.18
Date	Increase (+)	Decrease (-)	Reason		
04.04.2014	0	-21670	Sale	131087	1.87
18.07.2014	12000	0	Purchase	143087	2.04
22.08.2014	0	-158	Sale	142929	2.04
05.09.2014	0	-557	Sale	142372	2.03
12.09.2014	0	-142372	Sale	0	0
At the end of the year 31.03.2015				Nil	Nil

6. Sunidhi Capital Private Ltd				Cumulative shareholding during the year	
				No. of Shares	% of total shares of the company
At the beginning of the year 01.04.2014				100000	1.43
Date	Increase (+)	Decrease (-)	Reason		
13.06.2014	0	-100000	Sale	0	0
At the end of the year 31.03.2015				Nil	Nil

7. Ricky Ishwardas Kirpalani				Cumulative shareholding during the year	
				No. of Shares	% of total shares of the company
At the beginning of the year 01.04.2014				91057	1.30
Date	Increase (+)	Decrease (-)	Reason		
29.08.2014	0	-1076	Market Sale	89981	1.28
At the end of the year 31.03.2015				89981	1.28

8. Bhagwandas Jaju				Cumulative shareholding during the year	
				No. of Shares	% of total shares of the company
At the beginning of the year 01.04.2014				36800	0.53
				No Change	
At the end of the year 31.03.2015				36800	0.53

9. Pratibhuti Vinayog Limited – Investment A/c				Cumulative shareholding during the year	
				No. of Shares	% of total shares of the company
At the beginning of the year 01.04.2014				35000	0.50
				No Change	
At the end of the year 31.03.2015				35000	0.50

10. Amritlal Kalidas Thosani				Cumulative shareholding during the year	
				No. of Shares	% of total shares of the company
At the beginning of the year 01.04.2014				35000	0.50
Date	Increase (+)	Decrease (-)	Reason		
22.08.2014	0	-672	Sale	34328	0.49
29.08.2014	0	-2328	Sale	32000	0.46
05.09.2014	0	-2000	Sale	30000	0.43
12.09.2014	0	-4210	Sale	25790	0.37
19.09.2014	0	-3790	Sale	22000	0.31
14.11.2014	0	-100	Sale	21900	0.31
21.11.2014	0	-4900	Sale	17000	0.24
23.01.2015	0	-500	Sale	16500	0.24
06.02.2015	0	-1773	Sale	14727	0.21
At the end of the year 31.03.2015				14727	0.21

11. Bharat Jayantilal Patel				Cumulative shareholding during the year	
				No. of Shares	% of total shares of the company
At the beginning of the year 01.04.2014				34000	0.49
Date	Increase (+)	Decrease (-)	Reason	0	0
12.09.2014	0	-34000	Market Sale		
At the end of the year 31.03.2015				NIL	NIL

12. Kiran Chulani				Cumulative shareholding during the year	
				No. of Shares	% of total shares of the company
At the beginning of the year 01.04.2014				33670	0.48
				No Change	
At the end of the year 31.03.2015				33670	0.48

13. Pankaj Amritlal Thosani				Cumulative shareholding during the year	
				No. of Shares	% of total shares of the company
At the beginning of the year 01.04.2014				28000	0.40
Date	Increase (+)	Decrease (-)	Reason		
30.09.2014	0	-2748	Sale	25252	0.36
10.10.2014	0	-99	Sale	25153	0.36
17.10.2014	0	-1457	Sale	23696	0.34
07.11.2014	0	-2696	Sale	21000	0.30
14.11.2014	0	-1000	Sale	20000	0.29
At the end of the year 31.03.2015				20000	0.29

14. Panav Advisors LLP				Cumulative shareholding during the year	
				No. of Shares	% of total shares of the company
At the beginning of the year 01.04.2014				Nil	Nil
Date	Increase (+)	Decrease (-)	Reason		
12.09.2014	20790	0	Purchase	20790	0.30
30.09.2014	450	0	Purchase	21240	0.30
28.11.2014	0	-146	Sale	21094	0.30
20.02.2015	0	-1510	Sale	19584	0.28
13.03.2015	0	-468	Sale	19116	0.27
At the end of the year 31.03.2015				19116	0.27

v) Shareholding of Directors and Key Managerial Personnel:

Sl No.	Name	Designation	Shareholding at the beginning of the year 1 April 2014		Shareholding at the end of the year 31 March 2015	
			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Mr. M B Raju	Executive Chairman	503343	7.19	503343	7.19
2	Dr. S A Dave	Independent Director	0	0	0	0
3	Mr. Umesh Shrivastava	Independent Director	3580	0.05	3580	0.05

Sl No.	Name	Designation	Shareholding at the beginning of the year 1 April 2014		Shareholding at the end of the year 31 March 2015	
			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
4	Mr. J Narayanamurty	Independent Director	0	0	0	0
5	Mr. K P Singh	Independent Director	0	0	0	0
6	Mr. P Venugopal Raju	Non-executive Director	300	0.01	300	0.01
7	Ms. P Parvathi	Managing Director	19003	0.27	19003	0.27
8	Mr. R V A Narasimha Rao	CFO	0	0	0	0
9	Mr. S K Mishra	Company Secretary	0	0	0	0

Note: No change in shareholding during the year.

V. Indebtedness:

Indebtedness of the Company including interest outstanding / accrued but not due for payment

(₹ in Lakh)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year 01.04.2014				
(i) Principal Amount	17,991.86	-	940.25	18,932.11
(ii) Interest due but not paid	NIL	NIL	NIL	NIL
(iii) Interest accrued but not due	132.34	-	0.12	132.46
Total (i + ii + iii)	18,124.20	-	940.37	19,064.57
Change in Indebtedness during the financial year				
Addition	18.92	-	-	18.92
Reduction	4747.01	-	940.37	4747.01
Net Change	4728.09	-	940.37	4728.09
Indebtedness at the end of the financial year 31.03.2015				
(i) Principal Amount	13,291.21	-	NIL	13,291.21
(ii) Interest due but not paid	-	-	NIL	-
(iii) Interest accrued but not due	104.90	-	NIL	104.90
Total (i + ii + iii)	13,396.11	-	NIL	13,396.11

VI. Remuneration of Directors and Key Managerial Personnel:

A. Remuneration to Managing Director, Whole Time Director and / or Manager: (Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager		Total Amount
		Mr. M B Raju - Executive Chairman	Ms. P Parvathi - Managing Director	
1.	Gross Salary-			
	(a) Salary as per provisions contained in the section 17(1) of the Income Tax Act, 1961	48,00,000	71,40,000	1,19,40,000
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	41,06,982	6,13,999	47,20,981
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2.	Stock Option	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL
4.	Commission			
	- As % of Profit	33,64,956	45,17,939	78,82,895
	- Other, specify	-	-	-
5.	Others, Please specify	-	-	-
	Total (A)	1,22,71,938	1,22,71,938	2,45,43,876
	Ceiling as per the Act	1,22,71,938*	1,22,71,938*	2,45,43,876

* paid as minimum remuneration in terms of proviso to Section II (A) of Part II of Schedule V of the Companies Act, 2013 with shareholders approval by means of Special Resolution.

B. Remuneration to other Director: (Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. P V G Raju	Dr. S A Dave	Mr. U Shrivastava	Mr. J Narayanamurty	Mr. K P Singh	
1.	Independent Directors						
	Fee for attending board committee meetings	N.A	26,000	14,000	30,000	23,000	93,000
	Commission	N.A	1,00,000	1,00,000	1,00,000	1,00,000	4,00,000
	Others, please specify	N.A	N.A	N.A	N.A	N.A	N.A
	Total (1)	N.A	1,26,000	1,14,000	1,30,000	1,23,000	4,93,000

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. P V G Raju	Dr. S A Dave	Mr. U Shrivastava	Mr. J Narayanamurty	Mr. K P Singh	
2.	Other Non-Executive Directors						
	Fee for attending board meetings	25,000	N.A	N.A	N.A	N.A	25,000
	Commission	1,00,000	N.A	N.A	N.A	N.A	1,00,000
	Others	N.A	N.A	N.A	N.A	N.A	N.A
	Total (2)	1,25,000	N.A	N.A	N.A	N.A	1,25,000
	Total (B) = (1+2)	1,25,000	1,26,000	1,14,000	1,30,000	1,23,000	6,18,000
	Overall ceiling as per the Act	₹ 23,66,909/-					

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD: (Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount
		Mr. R V A Narasimha Rao Chief Financial Officer (CFO)	Mr. S K Mishra Company Secretary	
1.	Gross Salary-			
	a) Salary as per provisions contained in the section 17(1) of the Income Tax Act, 1961	22,66,556	11,74,410	34,40,966
	b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	NIL	NIL	NIL
	c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	NIL	NIL	NIL
2.	Stock Option	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL
4.	Commission			
	- As % of Profit	NIL	NIL	NIL
	- Other, specify	NIL	NIL	NIL
5.	Others, Please specify	NIL	NIL	NIL
	Total	22,66,556	11,74,410	34,40,966

VII. Penalties / Punishment / Compounding offences:

There being no penalties / punishment / Compounding offences on company or directors or any other officers, hence not applicable.

Annexure III

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

A. Conservation of Energy

- (i) The steps taken or impact on conservation of energy:

Measures are taken to reduce energy consumption by using energy-efficient equipments. The Company regularly reviews power consumption patterns across all locations and implement requisite improvements/changes in the process in order to optimize energy/ power consumption and thereby achieve cost savings.

- (ii) The steps taken by the Company for utilizing alternate sources of energy:

The Company has two non-conventional power plant one is 2.025 MW capacity Wind Power Project and the other unit is a 3.75 MW Mini Hydel Project.

Disclosure of Particulars with Respect to Conservation of Energy

	Current Year 2014-15	Previous Year 2013-14
I) Power and Fuel Consumption		
1. Electricity		
(a) Purchased		
Unit: (KWH - Lakh)	202.25	218.14
Total Amount (₹ in Lakh)	1805.32	1808.65
Average rate per unit (₹)	8.92	8.29
(b) Own Generation		
(i) Through diesel generator		
Units Generated (KWH - Lakh)	0.67	0.12
Total Amount (₹ in Lakh)	15.24	4.81
Rate per unit (₹)	22.88	38.73
Units per Liter of Diesel Oil (₹)	2.90	1.61
(ii) Thermal Generation (CPP)		
Units Generated (KWH - Lakh)	761.80	850.47
Total Amount (₹ in Lakh)	4379.97	4486.75
Rate per unit (₹)	5.74	5.28
2. Coal (C & D Grade):		
Used as fuel in kiln		
Quantity (Million K Cal)	673227	708579
Total Cost (₹ in Lakh)	8372.07	8976.31
Average Rate (₹ / Million K Cal)	1243.57	1266.81
II) Power and Fuel consumption per unit of production		
Electricity (KWH / Tonne of Cement)	85	90
Coal %	16.27	15.80

B. Technology Absorption:

- a) Research & Development (R&D) : Not Applicable
- b) Technology Absorption, Adaption and Innovation : Not Applicable

C. Foreign Exchange Earnings And Outgo-

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

The Company presently has no export business on hand.

- b. Total foreign exchange used and earned: (₹ in Lakh)

Particulars	Current Year 2014-15	Previous Year 2013-14
Used	30.26	29.72
Earned	Nil	Nil

Annexure IV

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

1. A brief outline of the Company's CSR policy:

In compliance with the requirements of Section 135 of the Companies Act, 2013 your company has constituted a Corporate Social Responsibility ("CSR") Committee during the Financial Year 2014-15. The CSR Committee formulated a CSR Policy indicating the areas in which activities are to be undertaken. Accordingly the Company has undertaken the CSR activities in areas of promoting education, preventive health care, rural development projects and promotion of rural sports which has benefitted the community at large. These projects are in accordance with Schedule VII of the Companies Act, 2013.

2. The composition of the CSR Committee:

Name of the Director	Category	Designation
Mr. K P Singh	Independent Director	Chairman
Mr. P Venugopal Raju	Non-Executive Director	Member
Ms. P Parvathi	Managing Director	Member

3. Average net profit of the company for the last three financial years : ₹ 2694.25 Lakh

4. Prescribed CSR expenditure : ₹ 53.89 Lakh

5. Details of CSR spent during the financial year:

- a) Total Amount to be spent for the Financial Year : ₹ 53.89 Lakh
- b) Amount unspent, if any : ₹ 19.79 Lakh
- c) Manner in which the amount spent during the financial year 2014-15 is detailed below: (₹ in Lakh)

Sl. No.	CSR Project or Activity identified	Sector in which the projects is covered	Local area or other	Amount outlay (Budget)	Amount spent on the projects or programs	Cumulative expenditure upto the reporting period.	Amount spent: Direct or through implementing agency
1	Promoting education especially for among children	Promoting Education	Children from surrounding villages of our cement plant area	27.50	26.80	26.80	Direct
2	Installation of Mineral Water Treatment Plant	Making availability of safe drinking water	At various locations	12.00	-	-	-
3	Construction of toilets for girl students in schools	Preventive Health care and Sanitation	At various locations	4.00	-	-	-

Sl. No.	CSR Project or Activity identified	Sector in which the projects is covered	Local area or other	Amount outlay (Budget)	Amount spent on the projects or programs	Cumulative expenditure upto the reporting period.	Amount spent: Direct or through implementing agency
4	Aforestation, plantations, green belt development	Environmental Sustainability - Agro Forestry	Surrounding villages of our cement plant area	1.40	-	-	-
5	Conducting health camp	Promoting preventive Health care	Surrounding villages of our cement plant area	2.00	1.68	1.68	Direct
6	Promoting Education for children from remote backward areas	Promoting education especially for among children	Remote villages of Andhra Pradesh	1.60	1.60	1.60	Janahitha
7	Providing construction material and cement for construction of houses, road and other public utilities	Rural Development projects	Surrounding villages of our cement plant area	1.50	1.02	1.02	Direct
8	Distribution of sports equipments	Promoting rural sports	Surrounding villages of our cement plant area	1.39	0.31	0.31	Direct
9	Expenditure on administrative overheads limiting to 5% of CSR	-	-	2.50	2.69		Direct
Total				53.89	34.10		

6. Out of all the activities identified, installation of water treatment plants and construction of toilets could not be completed by year end hence were not accounted for in the books. These activities were completed after end of the year. Further as 2014-15 was the first year of implementation of CSR, implementation of the activities was a challenge for the existing manpower.

7. Responsibility Statement:

The Committee confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the Company.

Hyderabad
Date: 11.08.2015

K P Singh
Chairman, CSR Committee
DIN: 02951522

P Parvathi
Managing Director
DIN: 00016597

Annexure V

REMUNERATION DETAILS PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- i) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Name of Directors	Designation	Ratio of remuneration
Mr. M B Raju	Executive Chairman	53.72
Mr. U Shrivastava	Independent Director	0.39
Dr. S A Dave	Independent Director	0.39
Mr. J Narayanamurthy	Independent Director	0.39
Mr. K P Singh	Independent Director	0.39
Mr. P Venugopal Raju	Non-Executive Director	0.39
Ms. P Parvathi	Managing Director	53.06

- ii) The percentage in increase in remuneration of each directors, chief financial officer, company secretary, if any in the financial year.

Name of Directors / KMP	Designation	% increase in Remuneration
Mr. M B Raju	Executive Chairman	11.58
Mr. U Shrivastava	Independent Director	N.A.
Dr. S A Dave	Independent Director	N.A.
Mr. J Narayanamurthy	Independent Director	N.A.
Mr. K P Singh	Independent Director	N.A.
Mr. P Venugopal Raju	Non-Executive Director	N.A.
Ms. P Parvathi	Managing Director	23.55
Mr. RVA Narasimha Rao	Chief Financial Officer	2.5
Mr. S K Mishra	Company Secretary	5.83

Note: The Independent Directors and Non-Executive Director of the Company are entitled only for sitting fee and commission as per the statutory provisions and within the limits approved by the shareholders.

- iii) The percentage increase in the median remuneration of Employees for the financial year: 13.34%.
- iv) There were 333 permanent employees as on 31st March, 2015.
- v) The explanation on the relationship between average increase in remuneration and Company performance:

The increase in remuneration is decided on the basis of factors like industry scenario, Company performance, general economic environment vis-a-vis the wage increase given by different industry sectors.

- vi) Comparison of the remuneration of the key managerial personnel against the performance of the Company:

The revenue growth during FY 2014-15 over FY 2013-14 was 12% and net profit growth was 296%. The average increase in the remuneration of the Key Managerial Personnel during FY 2014-15 was 18.91%.

- vii) a. Variation in the market capitalization:

The market capitalisation was ₹ 12326.6 Lakh at March 31, 2014 and ₹ 22222.9 Lakh at March 31, 2015 i.e. an increase of 80.28%.

- b. Price earnings ratio:

The price earning ratio was 24.54 at March 31, 2014 as compared to 11.18 at March 31, 2015.

- c. Market quotations of the shares of the Company:

The closing price of Company's equity shares on NSE and BSE as of March 31, 2015 was ₹ 317.30 and ₹ 309.20 respectively.

- viii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration:

The average increase in the remuneration of employees excluding KMPs during FY 2014-15 was 6.14% and the average increase in the remuneration of KMPs was 18.91%.

- ix) The key parameters for any variable component of remuneration availed by the directors:

Each of the Executive Directors of the company are entitled for a commission @2% of the net profit of the Company. All the Non-executive Directors, collectively are entitled for commission @1% of the net profit of the company subject to a maximum of ₹ 5 Lakh per annum.

- x) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: Not Applicable.
- xi) The remuneration of Directors was as per the Remuneration Policy of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The financial year 2014-15 was a challenging one for most industries and cement was not an exception. Even in the challenging environment, the Company could improve its profitability during the year despite increase in cost of several key inputs. The Company's performance for the year ended 31st March 2015 and the Management's view on the future outlook are detailed below:

Industry Structure and Developments

The year under review had challenges on several fronts including the general election during the year. With a stable Government coming in power at Centre and formation of new state of Telangana lead to some signs of recovery in economy and created business confidence and optimism for better governance. The government's 'Make in India' program is likely to push growth in several sectors. The specific initiatives like Swatch Bharat over the next 5 years, own house for every citizen and plans to have hundred new smart cities in the coming years are expected to transform the economy and the society in a significant manner.

The construction and infrastructure industry has been one of the fast growing industries. India is the 2nd largest Cement producing country in the world, next only to China. Cement being a core and an essential component in any kind of construction activity or projects particularly in the government's infrastructure and housing programs, it plays a crucial role in socio-economic growth and development of the nation.

The overall cement demand is estimated to grow at the rate of 7-8% in current financial year. The consumption growth may go beyond 7-8% if investment is made in the infrastructure segment. With the reduction in fiscal deficits and Consumer Price Index, it is expected that the interest rates would gradually come down which would stimulate demand in the housing sector.

In line with the Budget 2015-16, the announcement made with regard to huge emphasis on infrastructure is expected to provide impetus to the cement industry. However, to meet the level of cement demand arising out of expected increase in the growth rates, Government has to ensure adequate availability of

land and consistent availability of major inputs like coal and adequate infrastructure- rail availability. The new government is focusing on improving the infrastructure via expeditious clearances of the road projects, low-cost housing projects and removing the bottlenecks in power projects.

The Government of India plans to increase its investment in infrastructure to US \$ 1 trillion in the Twelfth Five Year Plan (2012-17) as compared to US \$ 514 billion estimated to have been spent on infrastructure development under the Eleventh Five Year Plan (2007-12). The company is also optimistic and expects demand for cement will improve during the Twelfth Five Year Plan. Upcoming infrastructure projects, including energy, roads, ports and airport projects etc, across nation will continue to drive the growth.

Opportunities and Threats

With the implementation of the planned initiatives, the building material and construction industry would experience a faster growth. Infrastructure projects such as the dedicated freight corridors, new air and seaports, housing sector, road transport and highways etc. provide significant opportunities to cement sector. It is to note that satellite towns are seeing significant housing demand, on back of lower land cost and is expected to drive cement demand. All this brings about a tremendous scope for the cement industry in the country. Cement is a commodity business and sales volumes mostly depend upon the distribution reach of the company. We have established strong dealer and direct user networks and expertise in producing various grades and varieties of cement over the years.

The cement industry in India faces number of regulatory issues such as land acquisition, obtaining mining rights, obtaining environment clearance etc. These regulatory processes lack clarity and have in-built complications, which should be simplified by the Government. The mismatch in demand and supply of cement, volatility in fuel prices and freight charges, increase in man power cost at various stages have had an impact on the realisations and margins leading

to a pressure on the bottom line. Energy efficiencies, equipment availability and input material costs have been the major focus areas for cost reduction in the past. However, recently freight (both inwards and outwards) has also become a focus point.

Outlook

India's population is fast urbanizing. Expect this urbanization move will generate unprecedented demand for quality real estate and infrastructure including housing sector. Infrastructure, a key driver of the economy is a major force for overall development a country. Implementation of Government initiatives of like Swatch Bharat, Own house for every citizen and Smart Cities would help the industry to register growth at a faster pace.

The demand increase is expected to be sustained due to New Government spending on infrastructure projects, rural housing and development and the general enhancement in the economic activities in coming years. It depends on government to push investment in infrastructure projects, policy changes that are necessary to speed up. Lower demand, pricing pressures and increase in costs resulted in muted performance of cement companies.

Cement demand across the country during the year continued to be sluggish. The excess capacity created by the cement industry during the last few years coupled with tepid demand had its impact on cement production and sales realisation. The capacity-demand mismatch is expected to come down over a period of next few years, improving the capacity utilisation of the industry. The Company would continue to focus on cost control measures and strategic decisions on production and distribution to protect and improve its profitability

Cement industry has witnessed massive capacity additions during the past few years which has resulted in significant pressure on price realization and also on capacity utilization. If the slowdown, overall sluggishness and lowering volumes continues for an extended period, it would deeply impact the growth of cement industry.

Risks and Concerns

Your company does not perceive any serious risk or concern apart from the normal business areas of risks connected with the cement industry in general, few of which are:

- Lower demand growth than expected
- Lower Capacity utilization
- Lower prices leading to low realizations
- Increase in input material cost
- Increase in fuel & power cost
- Increase in transportation cost both for input materials and finished goods
- Coal supplies and its prices.
- Changes in Government policies
- Labour / manpower risk.
- Finance and interest rate risks.

Internal Control Systems and Their Adequacy

Your company has an appropriate and sound internal control system for the business process, with regard to efficiency in operations, financial reporting and controls, compliance with applicable laws and regulations etc. All operating parameters are monitored and controlled. The system has a process designed to take care of various control and audit requirements which ensures that all the assets are protected against loss from unauthorized use and all the transactions are recorded and reported correctly.

An external independent agency of chartered accountants has been appointed as internal auditor to independently audit the Company's accounts and operations. Regular internal audit and checks are carried out to ensure the robustness of the systems. The internal auditor submits their reports to the Audit Committee of the Board of Directors. The committee also reviews the adequacy and effectiveness of internal control systems and suggests improvement as and when required.

Financial and Operational Performance

The revenue generated from operations for the year 2014-15 is ₹ 50671.75 Lakh against ₹ 44933.39 Lakh in the previous year. In terms of quantity 1078647 MT of cement were sold during the year 2014-15 as compared to 1079176 MT sold in the previous year.

The profit before tax of the company for the year 2014-15 stood at ₹ 2134.25 Lakh as compared to ₹ 764.55 Lakh in the previous year. The outgo on finance cost is ₹ 2663.19 Lakh as against ₹ 2734.64 Lakh in the previous year. The profit after tax for the year was ₹ 1987.89 Lakh against ₹ 502.35 Lakh in the previous year. It is gratifying indeed to note that this creditable performance could be achieved in spite of the fact that there is no growth in the volume. The Company remained focused on delivering high quality and greater benefits to its customers and other stakeholders through the year.

Human Resources & Industrial Relations:

We fully recognize that people are the lifeline of the Organisation. The Company continues its focus on retention and development of its human resources through continuous training, motivation, engagement initiatives and provides a holistic environment where employees get opportunities to realize their potential. The Company believes that human resources are very important and valuable asset. Company's Health and Safety Policy commits to provide a healthy and safe work environment to all employees.

The company continues to maintain and enjoy a cordial relationship with its employees and staff, providing a positive environment to improve efficiency, encourages performance oriented culture through employee appraisal systems leading up to succession planning, training needs, skill and capability enhancement programs. As on 31st March 2015 the Company has 333 employees working in its units and various offices.

Cautionary Statement:

Statements in the "Management Discussion & Analysis Report" which seek to describe the Company's objective, projections, estimates, expectations or predictions may be considered to be "forward looking statements" within the meaning of applicable securities laws or regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include demand-supply conditions, increase in installed capacities, prices of input materials, cyclical demand, pricing in the Company's markets, changes in Government regulations, tax regimes etc., besides other factors, such as litigations and labour related issues.

REPORT ON CORPORATE GOVERNANCE

1. STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy on Corporate Governance strives to meet its business objectives efficiently and accomplishing its responsibility towards its stakeholders. The Company has been consistently practicing good Corporate Governance. The Company creates an environment for the efficient conduct of the business, enables the management to meet its obligations towards all its stakeholders, including amongst others, customers, employees and the community in which the Company operates.

The Company believes that Corporate Governance provides a structure through which:

- Objectives of the Company are set, means for achieving and monitoring performance are determined;
- Long term value of the enterprise is maximized;
- The business complies with legal and regulatory frameworks; and
- Offers better value to shareholders / stakeholders and the society at large.

2. BOARD OF DIRECTORS

a. Composition and Category of Directors

The Board comprises of seven directors of whom two are executive including one woman director, one non-executive and four are Independent directors. The composition of the Board is in conformity with the requirements of the Listing Agreement.

Pursuant to provisions of Clause 49 of the Listing Agreement all the Board Members have disclosed about the board and committee positions held by them in other companies as given below:

Name of the Directors	Category	*No. of outside Directorships	#No. of Committee Position held	
			Chairman	Member
Mr. M B Raju	Executive Chairman	1	-	-
Mr. Umesh Shrivastava	Independent and Non-Executive Director	1	-	3
Dr. S A Dave	Independent and Non-Executive Director	8	4	4
Mr. J Narayanamurthy	Independent and Non-Executive Director	1	1	1
Mr. K P Singh	Independent and Non-Executive Director	0	-	1
Mr. P Venugopal Raju	Non-Executive Director	2	-	1
Ms. P Parvathi	Managing Director	3	-	1

* Public Limited Companies, other than Deccan Cements Limited

Only chairmanship/membership in Audit & Stakeholders/Investors Grievance Committee of all public limited companies whether listed or not including Deccan Cements Limited are considered.

Appointments of Directors on various committees are as per the guidelines of the Listing Agreement. The Directors have intimated from time to time, their membership in various committees in other companies including changes thereof.

b. Board Meetings

Meetings of the Board of Directors are scheduled well in advance and generally held at the Registered Office of the Company at Hyderabad. Notice of the Board Meeting with the detailed agenda is sent at least seven days in advance to all the Directors. Senior members of the Management of the Company are invited to attend the Board Meetings, make presentations and provide clarifications as and when required. The Board meets at least once in a quarter to review the quarterly performance and unaudited financial results.

The Board of Directors of your company met 4 (Four) times during the year 2014-15 on 20th May 2014, 8th August 2014, 14th November 2014 and 3rd February 2015 to transact various businesses. During the year the Company also held the 34th Annual General Meeting (AGM) on 29th September 2014.

Following table displays attendance of Directors in the Board Meeting and Annual General Meeting held during year 2014-15:

Name of the Director	No. of Board Meetings attended	Attendance at the Last Annual General Meeting
Mr. M B Raju	4	Yes
Mr. Umesh Shrivastava	2	No
Dr. S A Dave	4	No
Mr. J Narayanamurty	4	Yes
Mr. K P Singh	4	No
Mr. P Venugopal Raju	4	Yes
Ms. P Parvathi	4	Yes

c. Code of Conduct

The Company has adopted a Code of Conduct as required under Clause 49(II) (E) of the Listing Agreement with the Stock Exchanges. This code is posted on the Company's website at www.deccanements.com. All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year under review. Declaration to this effect signed by the Managing Director is annexed to this report.

d. Committees of the Board

In order to carry out the responsibilities & decision making more smoothly and in prudent manner the Board has formed 4 committees. The decisions and recommendations of the Committees are placed before the Board for information. The Committees are:

- Audit Committee
- Nomination and Remuneration Committee
- Share Transfer and Stakeholders' Relationship Committee
- Corporate Social Responsibility Committee

3. AUDIT COMMITTEE

The Audit Committee of the Company is constituted pursuant to section 177 of the Companies Act, 2013 and Clause 49 the Listing Agreements entered with the Stock Exchanges. All members of the Audit are financially literate and more than one member possess accounting / related financial management expertise.

Terms of Reference

The Board of Directors at its meeting held on 20th May 2014 amended the terms of reference the Audit Committee to make the same in line with the provisions Section 177 of the Companies Act, 2013 and amended Clause 49 of the Listing Agreement. The terms of reference of the Audit Committee are broadly as follows:

- a. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- c. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- d. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report
 - ii. Changes, if any, in accounting policies and practices and reasons for the same
 - iii. Major accounting entries involving estimates based on the exercise of judgment by management
 - iv. Significant adjustments made in the financial statements arising out of audit findings
 - v. Compliance with listing and other legal requirements relating to financial statements
 - vi. Disclosure of any related party transactions
 - vii. Qualifications in the draft audit report
- e. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- f. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- g. Approval or any subsequent modification of transactions of the company with related parties;
- h. Scrutiny of inter-corporate loans and investments;
- i. Valuation of undertakings or assets of the company, wherever it is necessary;
- j. Evaluation of internal financial controls and risk management systems;
- k. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- l. Reviewing the adequacy of internal audit function,
- m. Discussion with internal auditors of any significant findings and follow up there on.

Composition, Meetings and Attendance of the Committee

During the year 2014-15 the Audit Committee met 4 (Four) times on 20th May 2014, 8th August 2014, 14th November 2014 and 3rd February 2015. The following table displays the attendance of the members in the meetings of the Audit committee.

Name of the Director	Designation	Category	No. of Meetings attended
Mr. J Narayanamurty	Chairman	Independent Director	4
Mr. Umesh Shrivastava	Member	Independent Director	2
Mr. P Venugopal Raju	Member	Non-Executive Director	4

Meetings of Audit Committee are also attended by the Chief Financial Officer and the Statutory and Internal Auditors as invitees and are generally attended by the Senior Management Executives of the Company. The Company Secretary acts as Secretary of the Audit Committee.

4. **NOMINATION AND REMUNERATION COMMITTEE**

Terms of Reference

The Board of Directors at its meeting held on 20th May 2014 changed the name of the Remuneration Committee to Nomination and Remuneration Committee and amended its terms of reference to make the same in line with the provisions Section 178 of the Companies Act, 2013 and amended Clause 49 of the Listing Agreement. The terms of reference of the Nomination and Remuneration Committee are broadly as follows:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- Such other matters that may be authorised by the Board from time to time.

Composition, Meetings and Attendance of the Committee

During the year 2014-15, the Nomination and Remuneration Committee met on 8th August 2014 and 3rd February 2015. The following table displays the constitution and attendance of the members in the meetings of the Nomination and Remuneration Committee:

Name of the Director	Designation	Category	No. of Meeting attended
Mr. Umesh Shrivastava	Chairman	Independent Director	2
Mr. J Narayanamurty	Member	Independent Director	2
Mr. K P Singh	Member	Independent Director	2
Dr. S A Dave	Member	Independent Director	2

Nomination and Remuneration Policy

The Key Objectives of the Policy are:

- to guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- to evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.

- c. to recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

The function of the Committee is to perform the duties as mentioned in the "Terms of Reference", including but not limited to determining and making recommendations with respect to all forms of compensation to be granted to the Directors and senior management of the Company.

Non-Executive Directors Compensation and Disclosures

Non-Executive Directors have been paid sitting fees for their attendance at the Board/Committee meetings and Commission on profits at such rates as determined by the Shareholders.

Details of Sitting Fees paid & Commission payable to the Non-Executive Directors for the Year 2014-15

Name of the Directors	Sitting Fees (in ₹)	Commission (in ₹)
Mr. Umesh Shrivastava	14,000/-	1,00,000/-
Dr. S A Dave	26,000/-	1,00,000/-
Mr. J Narayanamurty	30,000/-	1,00,000/-
Mr. K P Singh	23,000/-	1,00,000/-
Mr. P Venugopal Raju	25,000/-	1,00,000/-

The Non-Executive Directors are collectively entitled for a Commission @ 1% of the net profits of the Company, subject to an overall ceiling of ₹ 500,000/- (Rupees Five Lakh only).

Remuneration to Executive Directors

Details of Remuneration paid to the Executive Directors during the Financial Year 2014-15

(₹ in Lakh)

Name of the Directors	Salary	Perquisites & Other Benefits	Total
Mr. M B Raju	48.00	74.72	122.72*
Ms. P Parvathi	71.40	51.32	122.72*

*Minimum remuneration as per Schedule V of the Companies Act, 2013

5. SHARE TRANSFER & STAKEHOLDERS' RELATIONSHIP COMMITTEE

Composition, Meetings and Attendance of the Committee

During the year 2014-15 the Share Transfer and Stakeholders' Relationship Committee met 4 (Four) times on 20th May 2014, 8th August 2014, 14th November 2014 and 3rd February 2015. The following table displays the constitution and attendance of the members in the meetings of the Committee:

Name of the Director	Designation	Category	No. Meetings attended
Dr. S A Dave	Chairman	Independent Director	4
Mr. J Narayanamurty	Member	Independent Director	4
Ms. P Parvathi	Member	Managing Director	4

Mr. S K Mishra, Company Secretary is the Compliance Officer of the Company.

Details of Complaints received and resolved during the year 2014-15

Nature of Complaints	Received and Resolved	Pending
Non-receipt Dividend Warrants	8	NIL
Non-receipt of Annual Report	2	NIL
Non-receipt of Securities	1	NIL
Non-receipt of Share after Transfer / Transmission	1	NIL

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Composition, Meetings and Attendance of the Committee

In compliance of Section 135 of the Companies Act, 2013 the Board of Directors at its meeting held on 20th May 2014 has constituted the Corporate Social Responsibility (CSR) Committee. During the year 2014-15, the Committee met once on 8th August 2014. The following table displays the constitution and attendance of the members in the meetings of the Committee:

Name of the Director	Designation	Category	No. Meetings attended
Mr. K P Singh	Chairman	Independent Director	1
Mr. P Venugopal Raju	Member	Non-Executive Director	1
Ms. P Parvathi	Member	Managing Director	1

7. SEPARATE MEETING OF INDEPENDENT DIRECTORS

In compliance to Clause 49(II)(B)(6) of the Listing Agreement Independent Directors of the Company shall meet at least once in every financial year without the presence of Executive Directors or management personnel. During the Financial Year 2014-15, a separate meeting of Independent Directors of the Company was held on 3rd February 2015.

8. GENERAL BODY MEETINGS

During the preceding three years, Annual General Meetings of the Company were held at Bhaskara Auditorium, Birla Museum, Adarsh Nagar, Hyderabad – 500 063. The number, date and time of AGMs held during last three years and the special resolution(s) passed thereat, are given below:

Financial Year	2013-14
AGM No.	34 th
Date	29 th September 2014
Time	10:00 AM
Special Resolutions	1. Borrowing power of the Board U/s 180(1) (c) of the Companies Act, 2013 2. Creation of Charge on the Assets of the Company U/s 180(1)(a) of the Companies Act, 2013 3. Payment of Commission on profits to Non-Whole Time Directors of the Company. 4. Modification in appointment and remuneration of the Executive Chairman. 5. Modification in payment of remuneration to the Managing Director

Financial Year	2012-13
AGM No.	33 rd
Date	14 th August 2013
Time	10:00 AM
Special Resolutions	NIL

Financial Year	2011-12
AGM No.	32 nd
Date	7 th August 2012
Time	10:00 AM
Special Resolutions	1. Reappointment of Executive Chairman of the Company, fixing the Remuneration and other terms. 2. Reappointment of Managing Director of the Company, fixing the Remuneration and other terms.

Note:

- All the resolutions set out in the respective notices were passed by the Shareholders.
- No Extra-Ordinary General meeting was held during the Financial Year 2014-15.
- There was no requirement of passing any resolution through postal ballot.

9. DISCLOSURES

- a. The Company has formulated and adopted a policy for determining the material related party transactions and the details of such policy are available on the Company's website: www.deccancements.com. The details of related party transactions are disclosed in Note No. 29 of Notes to the Financial Statements.
None of the business transactions with any of the related parties was in conflict with the interests of the Company during the financial year 2014-15.
- b. During the last three years there were no strictures or penalties imposed by either the SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets.
- c. The Company has formulated and adopted 'Vigil Mechanism/Whistle Blower Policy'. And the same is placed on the company's website www.deccancements.com. Further it is hereby affirmed that no personnel has been denied access to the Audit Committee.
- d. The Company has complied with the mandatory requirements and the following non-mandatory requirements
 - the Company's financial statements for the year 2014-15 are unqualified,
 - the positions of the Chairman of the Board and the Managing Director of the Company are held by separate individuals.

10. MEANS OF COMMUNICATION

- a. Quarterly financial results of the Company are forwarded to the Stock Exchanges and published in Financial Express and Andhra Prabha newspapers in line with the Listing Agreement requirements.
- b. The Financial Results and other the official news of the Company are displayed on the Company's website www.deccancements.com.
- c. The Company has not made any presentations to any Institutional Investors / Analysts during the last financial year.

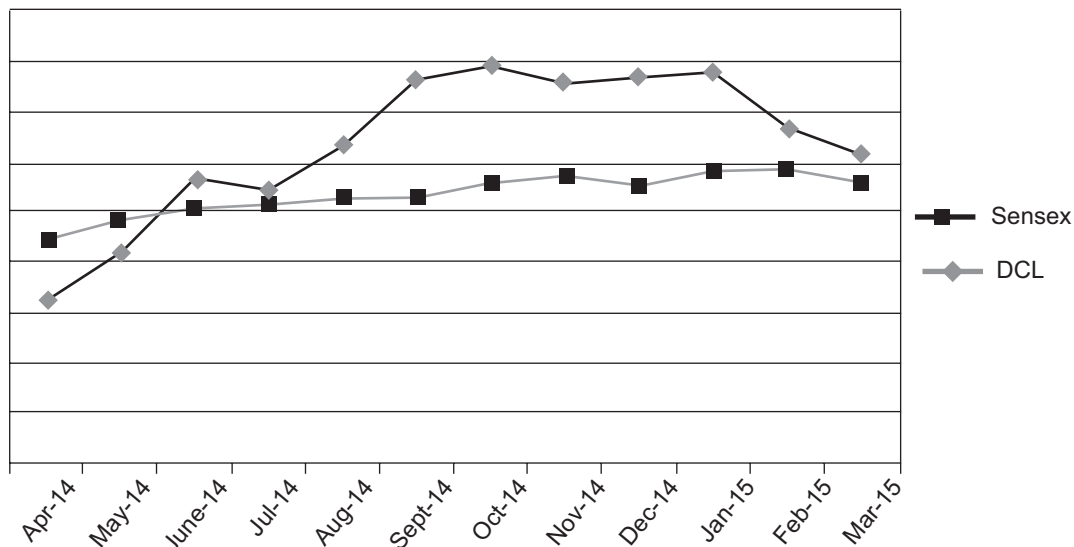
11. GENERAL SHAREHOLDER INFORMATION

- a. Annual General Meeting : 35th Annual General Meeting
Date : 22nd September 2015
Time : 10.00 A.M.
Venue : Bhaskara Auditorium, Birla Museum,
Adarsh Nagar, Hyderabad - 500 063
- b. Financial Year : 1st April to 31st March
- c. Date of Book Closure : 16th September 2015 to 22nd September 2015
(both days inclusive)
- d. Dividend Payment : Credit/ dispatch of dividend warrants between
5th October 2015 and 12th October 2015
- e. Listing with Stock Exchanges : BSE Limited - Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai – 400 001

National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1, G Block,
Bandra - Kurla Complex, Bandra (East)
Mumbai – 400 051
- f. Stock Code/ Symbol : BSE - 502137
: NSE - DECCANCE
- g. Market Price Data during each month in last Financial Year 2014-15:

Month and Year	High (₹)		Low (₹)	
	BSE	NSE	BSE	NSE
April 2014	183.50	185.00	162.00	162.55
May 2014	221.00	219.85	157.75	159.20
June 2014	292.00	297.60	205.00	213.30
July 2014	303.90	304.35	250.05	248.90
August 2014	344.00	344.90	265.00	262.05
September 2014	410.00	411.00	300.00	300.15
October 2014	400.15	405.00	351.10	352.00
November 2014	424.00	455.00	376.00	373.90
December 2014	424.95	491.00	361.10	361.00
January 2015	410.85	433.95	371.05	376.40
February 2015	420.00	420.00	332.10	333.00
March 2015	379.00	380.50	301.00	297.50

h. Performance in comparison to BSE Sensex:



Sensex	22418	24217	25413	25895	26638	26631	27866	28694	27499	29183	29362	27957
DCL	163.20	210	285.25	272.95	315.05	383	396	378.60	385.15	391	335.30	309.20

- i. Registrars and Share Transfer Agent : Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot number 31 & 32,
Financial District, Gachibowli, Hyderabad 500 032.
Telephone No: 040 - 67162222, Fax No: 040 - 23001153
Email id: einward.ris@karvy.com,
Website: www.karvycomputershare.com

j. Share Transfer System:

The Physical Shares along with valid and duly executed transfer instrument as and when received are duly processed and shares in respect of valid transfer instruments are transferred in the name of transferee. Duly transferred share certificates are returned within a period of 15 days from the date of receipt subject to the documents being valid and complete in all respects. The Managing Director has been delegated powers to approve transfers. A summary of transfer/transmission of shares of the Company so approved by the Managing Director is placed at every Share Transfer and Stakeholders' Relationship Committee Meeting.

Pursuant to Clause 47(C) of the Listing Agreements, the Company obtains certificates from a practicing Company Secretary on a half-yearly basis to the effect that all the transfers are completed within the stipulated period. A copy of such certificates so received is submitted to both the Stock Exchanges, where the shares of the Company are listed.

k. Distribution of Shareholding as on 31st March 2015:

Category (Amount in ₹)	Number of Shareholders	% to total no. of shareholders	Number of Shares	% to paid up share capital
01 - 5,000	3566	90.01	427640	6.11
5,001 - 10,000	196	4.95	155516	2.22
10,001 - 20,000	94	2.37	145239	2.07
20,001 - 30,000	28	0.71	71469	1.02
30,001 - 40,000	13	0.33	46273	0.66
40,001 - 50,000	15	0.38	68411	0.98
50,001 - 100,000	18	0.45	137842	1.97
100,001 and above	32	0.81	5951360	84.97
	3962	100.00	7003750	100.00

l. Dematerialization of Shares and Liquidity:

The Company has arrangements with National Securities Depositories Ltd (NSDL) and Central Depository Services India Ltd (CDSL) to establish electronic connectivity of its shares for script-less trading. As of 31st March 2015 – Total 67,22,375 (95.99%) number of shares were dematerialized with the following Depositories (ISIN No. INE583C01013)

- National Securities Depository Limited - 50,11,652 shares (71.56%)
- Central Depository Services Limited - 17,10,723 shares (24.43%)

m. Outstanding GDR's / ADR's / Warrants or any Convertible Instruments, Conversion date and likely impact on equity:

The Company has not issued any of the above instruments and therefore the impact on equity does not arise.

n. Location of Company's Plants:

Cement Plant	Bhavanipuram, Mahankaligudem, Nalgonda Dist., Telangana - 508 218
Thermal Power Plant	Bhavanipuram, Mahankaligudem, Nalgonda Dist., Telangana - 508 218
Hydel Power Plant	GBC - 1, Head Regulator, Nekarikallu Adda Road, Narsaraopet, Guntur Dist., Andhra Pradesh - 522 601
Wind Farms	Polepalli Village, Ramagiri Mandal, Ananthapur Dist., Andhra Pradesh

o. Address for Correspondence:

Shareholders can correspond with the Company or Registrar and Share Transfer Agent (RTA) as per the following:

Company	RTA
Deccan Cements Limited Secretarial Department "Deccan Chambers", 6-3-666/B, Somajiguda, Hyderabad – 500 082 Phone - 040 - 23310168/552 Fax - 040 - 23318366 Email Id: secretarial@deccancements.com Website: www.deccancements.com	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot No: 31 & 32, Financial District, Gachibowli Hyderabad - 500 032 Telephone No: 040 – 67162222, Fax No: 040 - 23001153 email id : einward.ris@karvy.com website: www.karvycomputershare.com

12. OTHER DISCLOSURES AS PER CLAUSE 49 OF THE LISTING AGREEMENT

a. Subsidiaries:

There is no subsidiary to the Company.

b. Management Discussion and Analysis Report:

Management Discussion and Analysis Report on the Business of the Company form part to this Annual Report.

c. Shareholders:

Appointment / re-appointment of Directors: the brief resume of the Director(s) retiring by rotation, seeking re-appointment, including nature of their experience in specific functional areas, names of companies in which they hold directorship and membership of committees of the Board is appended to the Notice for calling the 35th Annual General Meeting.

d. CEO / CFO Certification:

The CEO and CFO certification of the Financial Statement for Year 2014-15 is provided elsewhere in this Annual Report.

Declaration on Code of Conduct

This is to confirm that all the Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended 31st March 2015 as envisaged in clause 49 of the Listing Agreement with the Stock Exchanges.

Place: Hyderabad
Date: 11.08.2015

P Parvathi
Managing Director
DIN: 00016597

Auditor's Certificate on Corporate Governance

To the Members of
Deccan Cements Limited

We have examined the compliance of conditions of Corporate Governance by Deccan Cements Limited ("the Company"), for the year ended on March 31, 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance of the condition of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representation made by the Directors and the management, we certify that the Company has complied with the conditions of the Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

The Share Transfer Agent of the Company has certified the number of complaints received from the investors and the number of complaints resolved during the financial year and that there are no complaints pending as at the year end as stated under serial no. 5 of the Company's Report on Corporate Governance.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness, with which the management has conducted the affairs of the Company.

For M. Bhaskara Rao & Co.
Chartered Accountants
Firm Registration Number: 000459S

Place : Hyderabad
Date : 11.08.2015

V K Muralidhar
Partner
Membership No.201570

CEO AND CFO CERTIFICATION

We, P Parvathi, Managing Director and R V A Narasimha Rao, Chief Financial Officer of the Company certify that:

- a. We have reviewed the Financial Statements and the Cash Flow Statement for the Financial Year ended 31st March 2015 and that to the best of our knowledge and belief, we state that:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. We further state there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and that there are no deficiencies in the design or operation of internal controls which we are aware.
- d. We have indicated to the Auditors and the Audit Committee:
 - i. that there are no significant changes in internal control over financial reporting during the year;
 - ii. that there are no significant changes in accounting policies during the year and hence no disclosure is required to be made in the notes to the Financial Statements; and
 - iii. that there are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the Management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Hyderabad
Date : 30.05.2015

R V A Narasimha Rao
Chief Financial Officer

P Parvathi
Managing Director
DIN: 00016597

Independent Auditor's Report

To
The Members,
Deccan Cements Ltd

We have audited the accompanying financial statements of Deccan Cements Ltd ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting the fraud and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and the matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and other operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in

conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India, in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) According to the information and explanations given to us and in our opinion, there are no financial transactions or matters which have any adverse effect on the functioning of the company;
 - f) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of sub-section (2) of Section 164 of the Act.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, to the best of our information and according to the explanations given to us and in our opinion:
 - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 27 to the financial statements.
 - ii. the Company does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

M Bhaskara Rao & Co
Chartered Accountants
Firm Registration Number: 000459S

Hyderabad,
May 30, 2015

V K Muralidhar
Partner
Membership Number: 201570

STATEMENT REFERRED TO IN PARAGRAPH (1) OF OUR REPORT OF EVEN DATE

- i. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) The management has conducted physical verification of major fixed assets during the year and as explained to us, no material discrepancies have been noticed on such verification.
- ii. a) The inventory (excluding stocks with third parties) has been physically verified by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) In our opinion and according to the information and explanation given to us and on the basis of our examination of the inventory records, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account.
- iii. According to the information and explanations given to us, the Company has not granted any loans secured or unsecured to Companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Therefore clause 3(iii) of the Order is not applicable.
- iv. According to the information and explanations given to us and in our opinion, there are adequate internal control systems commensurate with the size of the Company and nature of its business for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- v. In our opinion and according to the information and explanation given to us the Company has complied with the provisions of Section 73 and Section 74 of the Act and the rules framed there under and applicable directives issued by Reserve Bank of India with regard to deposits accepted.
- vi. On the basis of records produced to us, we are of the opinion that prima facie the Cost Records and Accounts prescribed by the Central Government under Section 148(1) of the Act have been maintained. However, we are not required to and have not carried out any detailed examination of such Records and Accounts.
- vii. a. The Company has been regular in depositing undisputed applicable statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess, Investor Education and Protection Fund and other material statutory dues applicable to it with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess, Investor Education and Protection Fund and other material statutory dues were in arrears, as at 31st March 2015 for a period of more than six months from the date they became payable.
- b. According to the information and explanation given to us, there are no dues of Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues which have not been deposited on account of any dispute except:

Name of the Statute	Nature of Dues	Assessment year to which the amount relates	₹ In Lakh.	Forum where dispute is pending
Income Tax Act 1961	Disallowance of debenture issue expenses and bad debts.	1997-98	6.46	Income Tax appellate Tribunal, Hyderabad.
Andhra Pradesh General Sales Tax Act/ VAT Act.	Sales Tax on packing material	1993-94	11.52	High Court of Andhra Pradesh
	Sales tax demand for the deemed excess production based on energy audit	1999-00 & 2000-01	85.68	High Court of Andhra Pradesh
	Sales Tax Demand for interest	--	137.24	Deputy Commissioner (Appeals) Hyderabad
	Sales Tax Demand – recovery of excess paid interest.	2002-03 to 2004 - 05	51.61	High Court of Andhra Pradesh
Water Cess	Dispute on water rates levied on the quantum of water used in the generation of power.	1997-98 to 2007-08	723.29	High Court of Andhra Pradesh
Electricity Duty	Dispute on duty levied by A.P Govt. on electricity generated and consumed.	2003-04 to 2008-09	316.23	High Court of Andhra Pradesh
Central Excise	Dispute on Cenvat availed on MS Angles, MS Plates, MS Sheets, HR Coils.	March 2008 to April 2009	412.64	CESTAT, Bangalore
A.P.M.M.C. Rules, 1966	Dispute on Seigniorage Fee to be paid on Minor Minerals.		23.59	Ministry of Mines & Geology, Telengana

- viii. The Company has no accumulated losses as at March 31, 2015. Further it has not incurred any cash losses in the financial year under report and in the immediately preceding financial year.
- ix. According to the information and explanations given to us and in our opinion, as at March 31, 2015, the company has no dues to financial institutions / banks. The company has not issued any debentures.
- x. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
- xi. According to the information and explanations given to us and in our opinion, during the year under report, no term loans were availed.
- xii. During the course of our examinations of the books and records of the Company carried out in accordance with the generally accepted practices in India and according to the information and explanations given to us, no instance of fraud on or by the company was noticed or reported during the year, nor have we been informed of such case by the management.

For M Bhaskara Rao & Co.
Chartered Accountants
Firm's Registration Number: 000 459 S

Hyderabad
May 30, 2015

V K Muralidhar
Membership Number: 201570

Balance Sheet as at 31st March 2015

(₹ in Lakh)

Particulars	Note No	As at 31st March 2015	As at 31st March 2014
I EQUITY AND LIABILITIES			
1. Shareholders' Fund			
(a) Share Capital	3	700.38	700.38
(b) Reserves and Surplus	4	23801.81	22255.52
Sub Total (A)		24502.19	22955.90
2 Non - Current Liabilities			
(a) Long Term Borrowings	5	11631.16	17156.69
(b) Deferred Tax Liabilities (Net)	6	4802.13	5041.11
(c) Other Long Term Liabilities	7	3031.79	4137.22
(d) Long Term Provisions	8	237.40	253.08
Sub Total (B)		19702.48	26588.10
3. Current Liabilities			
(a) Short - Term Borrowings	9	4279.76	3343.51
(b) Trade Payables		1461.93	1245.97
(c) Other Current Liabilities	10	4715.69	4444.39
(d) Short - Term Provisions	11	322.68	215.36
Sub Total (C)		10780.06	9249.23
TOTAL (A+B+C)		54984.73	58793.23
II. ASSETS			
1. Non - Current Assets			
(a) Fixed Assets	12		
i. Tangible Assets		33792.70	35677.86
ii. Intangible Assets		1808.58	1628.00
iii. Capital Work in - Progress		3296.02	3514.91
(b) Non - Current Investments	13	8.69	8.69
(c) Long - Term Advances	14	938.46	1160.87
Sub Total (D)		39844.45	41990.33
2. Current Assets			
(a) Inventories	15	6834.81	7088.77
(b) Trade Receivables	16	2975.16	2710.56
(c) Cash and Bank balances	17	2625.53	4326.68
(d) Short - Term Advances	18	1261.95	981.88
(e) Other Current Assets	19	1442.83	1695.01
Sub Total (E)		15140.28	16802.90
TOTAL (D+E)		54984.73	58793.23
Corporate Information; Significant Accounting Policies & Notes	1 to 43		

As per our report attached
for **M Bhaskara Rao & Co.,**
Chartered Accountants
Firm Registration Number 000459S

For and on behalf of the Board

V K Muralidhar
Partner
Membership No : 201570

M B Raju
Executive Chairman
DIN: 00016652

P Parvathi
Managing Director
DIN: 00016597

Place : Hyderabad
Date : 30.05.2015

R V A Narasimha Rao
Chief Financial Officer

S K Mishra
Company Secretary
M. No. A18747

Statement of Profit and Loss for the year ended 31st March 2015

(₹ in Lakh)

Particulars	Note No	As at 31st March 2015	As at 31st March 2014
I. Revenue from Operations	20	50671.75	44933.39
Less: Excise Duty		6810.97	5796.51
		43860.78	39136.88
II. Other Income	21	204.52	202.07
III. Total Revenue (I + II)		44065.30	39338.95
IV. Expenses:			
Cost of Raw material consumed	22	3177.92	3081.84
Changes in inventories of finished goods, work-in-process and Stock-in-Trade	23	324.76	(314.14)
Employee benefits expense	24	1687.66	1626.92
Finance Cost	25	2663.19	2734.64
Depreciation and amortization expense		1948.33	2440.09
Other expenses	26	32129.19	29005.05
Total Expenses		41931.05	38574.40
V Profit before Tax (III-IV)		2134.25	764.55
VI Tax Expense :			
(1) Current Tax		426.97	152.94
(2) Deferred Tax		(238.98)	136.47
(3) Wealth Tax		15.49	15.23
(4) Prior year tax adjustments		-	-
(5) MAT Credit Entitlements		(57.12)	(42.44)
VII Profit for the year		1987.89	502.35
VIII Earning per Equity Share :			
(1) Basic		28.38	7.17
(2) Diluted		28.38	7.17
Corporate Information; Significant Accounting Policies & Notes 1 to 43			

As per our report attached
for M Bhaskara Rao & Co.,
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Firm Registration Number 000459S

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Membership No : 201570

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Place : Hyderabad
Date : 30.05.2015

R V A Narasimha Rao
Chief Financial Officer

S K Mishra
Company Secretary
M. No. A18747

Cash Flow Statement for the Year Ended 31st March 2015

(₹ in Lakh)

Particulars	Year Ended 31st March 2015	Year Ended 31st March 2014
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit \ (Loss) Before Tax	2134.25	764.55
Adjustments for :		
Depreciation and amortisation expenses	1948.33	2440.09
Interest and Finance charges	2663.19	2734.64
Dividends Received	(0.21)	(0.16)
Interest Income	(80.23)	(151.28)
Profit on Sale of Fixed Assets	(18.96)	(1.63)
Operating Profit Before Working Capital Changes	6646.37	5786.21
Changes in Working Capital		
(Increase) / Decrease in Inventories	253.96	(1652.86)
(Increase) / Decrease in Trade Receivables	(264.60)	(1733.98)
(Increase) / Decrease in Short Term Advances	(280.07)	323.80
(Increase) / Decrease in Long Term Advances	222.41	77.82
Increase / (Decrease) in Other Long Term Liabilities	(1105.43)	2514.13
Increase / (Decrease) in Cash Credit utilisation	936.25	297.36
(Increase) / Decrease in Other Current Assets (Prepaid & S.Tax incentive)	336.71	(319.65)
Increase / (Decrease) in Short term provisions (Leave Encashment)	6.18	(13.17)
Increase / (Decrease) in Trade Payables	215.96	(1205.90)
Increase / (Decrease) in Other Current Liabilities	298.73	2466.94
Increase / (Decrease) in Long Term Provisions	(15.68)	(9.38)
Cash Generated from Operations	7250.79	6531.32
Direct Taxes Paid	(508.38)	45.14
Cash Flow before Prior period Items	6742.41	6576.46
Net Cash Flow from Operating Activity	6742.41	6576.46
B. CASH FLOW FROM INVESTING ACTIVITIES		
Inflow / (Outflow)		
Dividends received	0.21	0.16
Interest received	108.11	150.86
Purchase of Fixed Assets	(529.50)	(183.95)
(Increase) / Decrease in Capital Work in Progress	218.88	(15.13)
Sale of Fixed Assets	29.61	2.40
Net Cash Flow from Investing Activities	(172.69)	(45.66)
carried forward	6569.72	6530.80

Cash Flow Statement for the Year Ended 31st March 2015 (Contd...) (₹ in Lakh)

Particulars	Year Ended 31st March 2015	Year Ended 31st March 2014
brought forward	6569.72	6530.80
C. CASH FLOW FROM FINANCING ACTIVITIES		
Inflow / (Outflow)		
Dividend Paid (Including Dividend Tax)	(98.33)	(163.89)
Increase in Capital Reserve	43.64	56.36
Proceeds from Long Term Borrowings	(200.64)	(121.22)
Long Term Borrowings	(5324.89)	(3279.96)
Interest Paid	(2690.65)	(2779.43)
Net Cash Flow from Financing Activities	(8270.87)	(6288.14)
D. NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(1701.15)	242.66
Cash and Cash Equivalents as at the commencement of the year	4326.68	4084.02
Cash and Cash Equivalents as at the close of the year (includes Funds not available for use - Margin Money ₹83.85 Lakh Unclaimed Dividend ₹18.34 Lakh)	2625.53	4326.68

Note: Previous year's figures have been regrouped wherever necessary to conform with current year's classification.

As per our report attached
for M Bhaskara Rao & Co.,
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Firm Registration Number 000459S

V K Muralidhar
Partner
Membership No : 201570

For and on behalf of the Board

M B Raju
Executive Chairman
DIN: 00016652

P Parvathi
Managing Director
DIN: 00016597

Place : Hyderabad
Date : 30.05.2015

R V A Narasimha Rao
Chief Financial Officer

S K Mishra
Company Secretary
M. No. A18747

Notes to the Financial Statements for the Year Ended 31st March 2015

1. Corporate Information

Deccan Cements Limited ("The Company") is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on two stock exchanges in India. The Company is engaged in the manufacturing and selling of cement.

2. Significant Accounting Policies

a) Basis of Preparation

The financial statements are prepared under the historical cost convention on accrual basis in accordance with the Generally Accepted Accounting Principles (GAAP) that are followed in India. GAAP comprises the mandatory accounting standards as prescribed by Companies (Accounting Standards) Rules 2006 [which continue to apply under Companies Act, 2013("the Act")] and other applicable provisions of the Act. All incomes and expenditures, having a material bearing on the financial statements, are recognized on an accrual basis.

b) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c) Fixed Assets

Tangible Fixed Assets

Tangible Fixed Assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to working condition for its intended use.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets including day to day repairs and maintenance expenditure and cost of replacing parts are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

Capital Work-in-progress: Tangible fixed assets which are not yet ready for their intended use are stated at amount expended up to the date of the Balance Sheet date.

Depreciation on Tangible Fixed Assets

Depreciation on Tangible Fixed Assets is provided on straight line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Intangible Assets

Intangible assets acquired separately are measured on initial recognition cost and are amortized on straight line method based on the estimated useful economic life.

The amortized period and amortization method are reviewed at each financial year end.

Cost of compensatory land (intangibles) transferred to Government in lieu of forest land diverted for mining and free hold land for mining is amortized over the tenure of the Mining lease.

Impairment of Assets

All the fixed assets are assessed for any indication of impairment at the end of each financial year. On such indication, the impairment loss, being the excess carrying value over the recoverable value of the assets, is charged to the Statement of Profit & Loss in the respective financial year. The impairment loss recognized in the prior years is reversed in cases where the recoverable value exceeds the carrying value, upon the reassessment in the subsequent years.

d) Revenue Recognition

- i) Cement: Sales are recognized at the point of dispatch i.e., when significant risk is transferred to customers.
- ii) Power: Revenue from sale of power is recognized net of Wheeling and banking charges, line losses and the selling costs.

e) Inventory Valuation

- i) Raw Materials, Coal, Stores & Spares, and Packing Materials: At Weighted Average Cost
- ii) Materials in Transit: At Cost
- iii) Work in process: At Weighted Average Cost or Net Realizable Value, whichever is lower.
- iv) Finished goods: At Cost or Net Realizable Value, whichever is lower.

Cost comprises of cost of purchase, cost of conversion, & other costs incurred in bringing the inventories to its present location & condition.

f) Investments

Investments are classified as non-current and current investments. Long Term Investments are carried at cost of acquisition less provision for diminution, other than temporary, in value of such investments. Current investments are carried at lower of cost and fair value.

g) Internal Consumption

Internal consumption of the Company's products, which are otherwise marketable, is accounted for at transfer price and is included under sales.

h) Transfer price for Inter divisional transfer / consumption

- i) Cement: Internal consumption is taken at cost plus statutory levies as applicable.
- ii) Power (Hydel / Wind): At cost of purchase by the division consuming such power from external vendors.

i) Employee Benefits

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund and compensated absences.

Defined Contribution Plan

The Company's contribution to provident fund, superannuation fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined Benefit Plan

Gratuity

In accordance with the Payment of Gratuity Act, 1972 the Company provides for gratuity covering eligible employees.

Liability on account of gratuity is determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognized in the Statement of Profit and Loss, in the period in which they occur.

The gratuity liability is covered through a recognized Gratuity Fund managed by Life Insurance Corporation of India and the contributions made under the scheme are charged to Statement of Profit and Loss.

Compensated Absences

The employees are entitled to accumulate leave subject to certain limits, for future use / encashment, as per the policy of the Company.

The liability towards such unutilized leave as at the end of each balance sheet date is determined based on independent actuarial valuation and recognized in the Statement of Profit and Loss.

j) Borrowing Costs

'Borrowing costs include interest, amortization of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the

interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilized for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalization of such asset are included in the cost of the assets. Capitalization of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

k) Taxation

Provision for income tax is made for both current and deferred taxes. Provision for current income tax is made at current tax rates based on assessable income. Deferred income taxes are recognized for the future tax consequences attributable to timing differences between the carrying amounts of existing assets and liabilities and their respective tax bases. The effect on deferred tax assets and liabilities of a change in tax rates as stated in the financial statements is recognized using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets resulting from unabsorbed business loss / depreciation allowance are recognized and carried forward only when there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. All other deferred tax assets are recognized and carried forward only when there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized

l) Contingencies

The Company recognizes provisions when there is present obligation as a result of past event and it is probable that there will be an outflow of resources and reliable estimate can be made of the amount of obligation. A disclosure for contingent liabilities is made in the notes to accounts when there is a possible obligation or a present obligation that may, but probably will not; require an out flow of resources. Contingent assets are neither recognized nor disclosed in the financial statements.

m) Earnings Per Share

Basic earnings per equity share is computed by dividing the net profit for the year attributable to the Equity Shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit for the year, adjusted for the effects of dilutive potential equity shares, attributable to the Equity Shareholders by the weighted average number of the equity shares and dilutive potential equity shares outstanding during the year except where the results are anti-dilutive.

Note No 3 : Share Capital

(₹ in Lakh)

Particulars	As at 31st March 2015	As at 31st March 2014
Authorised		
1,00,00,000 Equity Shares of ₹ 10/- each	1,000.00	1,000.00
Issued, Subscribed and Fully Paid		
70,03,750 Equity Shares of ₹ 10/- each	700.38	700.38
a. Reconciliation of Number of Shares Outstanding		
At the beginning of the Year	7,003,750	7,003,750
At the end of the year	7,003,750	7,003,750

b. Terms / Rights attached

The Company has only one class of shares - Equity shares having a par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share.

The dividend proposed by Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting.

During the year ended 31st March 2015, the amount of per share dividend recognised as distribution to equity shareholders was ₹ 2.50 /- (31st March 2014 ₹ 1.20 /-) excluding tax on distributed profits.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Details of share holders holding more than 5% shares in the Company

Name	As at 31st March 2015		As at 31st March 2014	
	Number of Shares held	% of holding	Number of Shares held	% of holding
i) Melville Finvest Limited	2,301,856	32.87%	2,301,856	32.87%
ii) Satyasai Investments and Leasing Limited	523,737	7.48%	523,737	7.48%
iii) Mr. M.B. Raju	503,343	7.19%	503,343	7.19%
iv) IL & FS Trust Company Limited	714,807	10.21%	792,717	11.32%

Note No 4 : Reserves & Surplus

(₹ in Lakh)

Particulars	As at 31st March 2015	As at 31st March 2014
(a) Capital Reserve		
Opening Balance	96.60	40.24
Add: Addition during the year (Refer Note 40)	43.64	56.36
Less : Transfer to Depreciation and amortization expense	(22.88)	-
Closing Balance	117.36	96.60
(b) Power Subsidy		
Opening Balance	99.28	99.28
Closing Balance	99.28	99.28
(c) Securities Premium Account		
Opening Balance	1,250.14	1,250.14
Closing Balance	1,250.14	1,250.14
(d) General Reserve		
Opening Balance	4,350.39	4,337.83
Add: Transfer from Surplus in Statement of Profit and Loss	149.61	12.56
Closing Balance	4,500.00	4,350.39
(e) Surplus in Statement of Profit and Loss		
Opening Balance	16,459.11	16,067.65
Add: Profit for the Current Year	1,987.89	502.35
Less : Depreciation adjustment pursuant to Schedule II to the Companies Act, 2013.	(252.26)	-
Transfer to Reserves	(149.61)	(12.56)
Proposed Dividends	(175.09)	(84.05)
Corporate Dividend Tax	(35.01)	(14.28)
Closing Balance	17,835.03	16,459.11
TOTAL (a+b+c+d+e)	23,801.81	22,255.52

Note No 5: Long Term Borrowings

(₹ in Lakh)

Particulars	As at 31st March 2015		As at 31st March 2014	
	Non-Current	Current	Non-Current	Current
(a) Term Loans from Banks (Secured) - Refer Note 5 (e)				
State Bank of India	-	-	2,808.27	921.73
FCNR (B) Loan with SBI	3,113.47	1,271.00	-	-
Andhra Bank	2,584.00	618.71	3,817.00	863.00
State Bank of Hyderabad	1,768.60	422.60	2,615.93	584.00
State Bank of Mysore	1,062.14	232.87	1,569.12	331.00
State Bank of Saurashtra	-	-	1,275.69	-
Indian Bank	1,775.12	420.25	2,615.00	585.00
(b) Vehicle Loans (Secured by respective Vehicles)				
From Banks - ICICI Bank Ltd	3.96	1.14	5.10	1.02
From Others	14.18	3.17	-	-
(c) Deposits (Unsecured)				
Deposits from public (Unsecured)	-	-	0.25	-
Deposits from related parties (Note No 31 regarding details of related parties)	-	-	940.00	-
(d) Deferred Payment Liabilities (Unsecured) : Refer Note 5 (f)				
	1,309.69	200.64	1,510.33	121.21
	11,631.16	3,170.38	17,156.69	3,406.96
The above loans includes				
Secured	10,321.47	2,969.74	14,706.11	3,285.75
Unsecured	1,309.69	200.64	2,450.58	121.21
Amount disclosed under the head "Other current liabilities" Note No 10	-	(3,170.38)	-	(3,406.96)
	11,631.16	-	17,156.69	-

5.(e) Term Loans from Banks

(i) Security

The above loans from banks are secured through Joint Deed of Hypothecation dated 25.09.07 entered into by the Company with the consortium of term loan lenders. Pursuant to the said agreement, the term loans are secured by way of first pari passu charge by means of equitable mortgage of the immovable assets and hypothecation of the movable assets of the Company, present and future in favour of the Consortium of banks comprising of State Bank of India, State Bank of Hyderabad, State Bank of Mysore, Andhra Bank and Indian Bank except the current assets specifically charged to working capital lenders in respect of which second charge is created .

(ii) Repayment Schedule (for the balance term loan as at 31st March 2015)

Year	₹ in Lakh
2015 - 16	3,310.76
2016 - 17	4,853.00
2017 - 18	5,105.00
	13,268.76

(iii) Vehicle loans are secured by the vehicle purchased out of the proceeds of the said loan .

5.(f) Deferred Payment Liabilities (Unsecured)

The company in earlier years availed Sales Tax deferral loan aggregating to ₹ 1631.54 Lakh (balance outstanding as at 31.03.15 was ₹1510.33 Lakh) under a scheme of the State Government, for its enhanced capacity implemented in 2000-01. Balance loan, is repayable as per Schedule given below.

Year of Payment	Amount (₹ in Lakh)
2015 - 16	200.64
2016 - 17	Nil
2017 - 18	Nil
2018 - 19	15.37
2019 - 20	136.16
2020 - 21	268.80
2021 - 22	257.66
2022 - 23	108.96
2023 - 24	168.37
2024 - 25	354.37
Total 2015 -16 to 2024 -25	1,510.33

Note No 6: Deferred Tax Liability

(₹ in Lakh)

Particulars	As at 31st March 2015	As at 31st March 2014
a) Liability		
On Account of Depreciation	4,904.42	5,129.16
b) Asset		
On Account of Employee Benefits	(102.29)	(88.05)
Deferred Tax Liability (Net)	4,802.13	5,041.11

Note No 7: Other Long Term Liabilities

(₹ in Lakh)

Particulars	As at 31st March 2015	As at 31st March 2014
Deposits from Stockist & Others (Unsecured)	3,031.79	4,137.22
TOTAL	3,031.79	4,137.22

Note 8 : Long Term Provisions

(₹ in Lakh)

Particulars	As at 31st March 2015	As at 31st March 2014
Provision for Employee benefits		
Gratuity	209.73	168.24
Leave Encashment	27.67	84.84
TOTAL	237.40	253.08

Note 9 : Short Term Borrowings

(₹ in Lakh)

Particulars	As at 31st March 2015	As at 31st March 2014
Secured		
(a) Cash Credit from Banks		
State Bank of India	2,755.54	2,658.84
Andhra Bank	1,276.16	184.67
State Bank of Mysore	198.82	-
State Bank of Hyderabad	49.24	-
(b) Loan against Fixed Deposit	-	500.00
TOTAL	4,279.76	3,343.51

(Above cash credit facilities are secured by hypothecation of stocks of raw materials, stock in process, finished goods, spares and book debts and second charge on Fixed assets and further secured by the personal guarantee of Mr. M B Raju, Executive Chairman and Ms. P Parvathi, Managing Director).

Note 10 : Other Current Liabilities

(₹ in Lakh)

Particulars	As at 31st March 2015	As at 31st March 2014
(a) Current Maturities of Long Term Debt	3,170.38	3,406.96
(b) Interest accrued but not due		
On Term Loans	104.90	132.34
On fixed Deposits	-	0.12
(c) Unpaid Dividends	18.35	20.26
(d) Other Payables		
Creditors for Capital Goods	126.13	126.07
Statutory Remittances	455.80	318.76
Other recoveries Payable	14.50	7.80
Advances from customers	825.63	432.08
	1,422.06	884.71
TOTAL	4,715.69	4,444.39

Note No 11 : Short Term Provisions

(₹ in Lakh)

Particulars	As at 31st March 2015	As at 31st March 2014
Others		
Provision for Taxation (Net of Advance Tax)	25.47	51.59
Provision for Taxation (Wealth Tax) (Net of Advance Tax)	62.62	47.13
Proposed Dividend	175.09	84.05
Corporate Dividend Tax	35.01	14.28
	298.19	197.05
Gratuity Provision	12.65	-
Leave Encashment Provision	11.84	18.31
TOTAL	322.68	215.36

NOTE No 12 : Fixed Assets

(₹ in Lakh)

Particulars	GROSS BLOCK - AT COST			DEPRECIATION			NET BLOCK		
	As at 31st March 2014	Additions During the Year	Deductions/ Adjustments during the Year	Upto 31st March 2014	For the Year	Deductions / Adjustments during the Year	Upto 31st March 2015	As At 31st March 2015	As At 31st March 2014
A. TANGIBLE ASSETS									
Freehold Land	1849.48	-	-	-	-	-	-	1849.48	1849.48
Buildings	7730.50	-	-	1653.16	246.89	19.99	1920.04	5810.46	6077.34
Plant & Machinery	44204.06	164.25	98.62	16532.85	1566.16	186.90	18285.91	25983.78	27671.21
Other Equipment	14.19	-	-	12.06	-	0.65	12.71	1.48	2.13
Furniture & Fixtures	86.63	2.27	-	71.21	2.22	(10.52)	62.91	25.99	15.42
Vehicles	145.30	25.69	19.52	109.00	7.34	(26.39)	89.95	61.52	36.30
Office Equipment	136.15	15.23	-	110.17	7.12	(25.90)	91.39	59.99	25.98
Sub Total (A)	54166.31	207.44	118.14	18488.45	1829.73	144.73	20462.91	33792.70	35677.86
B. INTANGIBLE ASSETS									
Land - Mining	28.87	-	-	12.97	15.90	-	28.87	-	15.90
Compensatory Land for Afforestation (ML-1 & 2)	36.80	-	-	26.10	10.70	-	36.80	-	10.70
Compensatory Land for Afforestation (ML - 3)	1601.40	-	-	-	53.38	-	53.38	1548.02	1601.40
Computer software	16.75	-	-	16.75	-	-	16.75	-	-
Power Evacuation Project	-	124.28	-	-	16.26	-	16.26	108.02	-
132 KV Switch Yard	-	197.79	22.89	174.90	-	22.36	22.36	152.54	-
Sub Total (B)	1683.82	322.07	22.89	55.82	118.60	-	174.42	1808.58	1628.00
C. CAPITAL WORK IN PROGRESS									
Works in Progress - Civil & Others	3514.91	(218.89)	-	-	-	-	-	3296.02	3514.91
Sub Total (C)	3514.91	(218.89)	-	-	-	-	-	3296.02	3514.91
TOTAL (A+B+C)	59365.04	310.62	141.03	18544.27	1948.33	144.73	20637.33	38897.30	40820.77
Total of Previous Year	59172.09	199.08	6.13	16109.55	2440.09	5.37	18544.27	40820.77	43062.54

* Includes cost of 33 KV line at Wind farm, Cement Div.and Slag Division aggregating to ₹ 128.04 Lakh ownership of which vest with APTRANSCO.

Note No 13 : Non Current Investments

(₹ in Lakh)

Particulars	As at 31st March 2015	As at 31st March 2014
Long term (at cost)		
(a) Investment in Equity Instruments - Quoted		
Tata Consultancy Services Ltd. (220 Equity Shares of ₹ 1/- each fully paid)	0.47	0.47
(b) DCFEMAC Co-operative Stores Limited (Unquoted-Fully paid)	0.10	0.10
(236 Equity Shares of ₹ 100/- each)		
(c) Investment in Property		
Investment in Land	8.12	8.12
Total (a)+(b)+(c)	8.69	8.69
Less : Provision for diminution in the value of Investments	-	-
TOTAL	8.69	8.69
Aggregate market value of Quoted investments	5.62	4.69

Note No 14 : Long Term Advances

(₹ in Lakh)

Particulars	As at 31st March 2015	As at 31st March 2014
(a) Capital Advances :		
(Unsecured, Considered good)		
Advances for Capital Goods	53.34	56.55
(b) Security Deposits		
(Unsecured, Considered good)		
Deposits with Govt. & Others	885.12	1,104.32
TOTAL	938.46	1,160.87

Note No 15 : Inventories

(₹ in Lakh)

Particulars	As at 31st March 2015	As at 31st March 2014
(a) Raw Materials	399.11	345.83
(b) Work-in-process	1,089.23	1,533.24
(c) Finished goods	916.02	796.77
(d) Stores and spares	2,246.03	2,497.70
(e) Packing Material	193.87	159.75
(f) Coal	1,990.55	1,479.24
(g) Power Generation - (Banked Units) Refer Note No 2(e)	-	276.24
TOTAL	6,834.81	7,088.77

Note No 16 : Trade Receivables

(₹ in Lakh)

Particulars	As at 31st March 2015	As at 31st March 2014
Unsecured, Considered good		
(i) Outstanding for a period exceeding Six months	143.70	183.83
(ii) Other debts	2,831.46	2,526.73
TOTAL	2,975.16	2,710.56

Note No 17 : Cash and Bank Balances

(₹ in Lakh)

Particulars	As at 31st March 2015	As at 31st March 2014
(a) Balances with Banks in Current/ Collection accounts	1,926.61	2,978.24
(b) Cash on Hand	13.73	8.98
(c) Earmarked balances with Banks (Unpaid Dividend a/c)	18.34	20.26
(d) Margin Money Deposits	83.85	69.23
(e) Term Deposits with remaining maturity of more than 3 months but less than 12 months	583.00	1,249.97
TOTAL	2,625.53	4,326.68

Note No 18 : Short term Advances

(₹ in Lakh)

Particulars	As at 31st March 2015	As at 31st March 2014
Unsecured, Considered good		
(a) Advances for purchase of		
-Raw Materials and Coal	812.78	614.99
-Stores and Spares	112.99	26.27
(b) Advances to Employees	19.23	-
(c) Other Advances	316.95	340.62
TOTAL	1,261.95	981.88

Note No 19 : Other Current Assets

(₹ in Lakh)

Particulars	As at 31st March 2015	As at 31st March 2014
(a) Pre Paid Expenses	154.34	37.05
(b) Advance Income Tax (Net of Tax Provision)	112.36	57.06
(c) MAT Credit Entitlements	781.55	724.44
(d) Interest Accrued	29.97	57.85
(e) Power & Sales Tax Incentive Receivable	79.02	818.61
(f) Unbilled Revenue - Banked Energy	285.59	-
TOTAL	1,442.83	1,695.01

Note No 20 : Revenue from Operations

(₹ in Lakh)

Particulars	Year Ended 31st March 2015		Year Ended 31st March 2014	
Sale of Products				
(a) Cement Sales (unit wise breakup given below)	56,188.54		48,658.91	
(b) Clinker Sales (from unit - II) Less : VAT	29.20 56,217.74 (6,618.81) 49,598.93		1.80 48,660.71 (4,919.46) 43,741.25	
(c) Income from Power Generation (Net of Charges for Wheeling, Banking)				
Wind	144.41		163.88	
Hydel	421.14		973.86	
Thermal	424.17		-	
	989.72		1,137.74	
(d) Scrap Sales	83.10		54.40	
TOTAL	50,671.75		44,933.39	
	Quantity M.T.	Amount ₹ in Lakh	Quantity M.T.	Amount ₹ in Lakh
Turnover				
(a) Cement Division : Unit I				
Sale of Cement	43,722	2,417.17	127,686	5,621.18
Internal Consumption		-	-	-
Lab samples of Cement	1	-	3	-
		2,417.17		5,621.18
(b) Cement Division : Unit II				
Sale of Cement	1,034,925	53,770.15	951,490	43,036.81
Internal Consumption of Cement	72	1.22	70	0.92
Lab samples of Cement	10	-	9	-
Clinker Sales	1,038	29.20	84	1.80
		53,800.57		43,039.53

Note No 21 : Other Income

(₹ in Lakh)

Particulars	Year Ended 31st March 2015	Year Ended 31st March 2014
(a) Interest Income	80.23	151.28
(b) Dividend Income	0.21	0.16
(c) Profit on Sale of Fixed Assets	18.96	1.63
(d) Credit Balances Written back	12.80	14.26
(e) Miscellaneous Income	74.55	25.44
(f) Rental Income	9.46	9.30
(g) Foreign Exchange Gain	8.31	-
TOTAL	204.52	202.07

Note No 22: Cost of Raw Material Consumed

(₹ in Lakh)

Particulars	Year Ended 31st March 2015	Year Ended 31st March 2014
(i) Limestone	1,183.44	1,123.86
(ii) Iron Ore	701.69	335.91
(iii) Gypsum	828.74	1,140.07
(iv) Fly Ash	328.46	246.07
(v) Laterite	95.03	189.10
(vi) Internal Transport of Materials	40.56	46.83
TOTAL	3,177.92	3,081.84

Note No 23 : Changes in inventories of finished goods, work-in-process and stock-in-trade

(₹ in Lakh)

Particulars	Year Ended 31st March 2015	Year Ended 31st March 2014
(a) Work-in-Process		
Opening Stock	1,533.24	892.86
Closing Stock	1,089.23	1,533.24
	444.01	(640.38)
(b) Finished Goods		
Opening Stock	796.77	1,123.01
Closing Stock	916.02	796.77
	(119.25)	326.24
TOTAL	324.76	(314.14)

Note No 24 : Employee Benefits Expense

(₹ in Lakh)

Particulars	Year Ended 31st March 2015	Year Ended 31st March 2014
(a) Salaries, Wages and bonus	1,350.91	1,350.96
(b) Contribution to Provident and other funds	150.85	93.24
(c) Workmen and Staff welfare Expenses	185.90	182.72
TOTAL	1,687.66	1,626.92

Note No 25 : Finance Cost

(₹ in Lakh)

Particulars	Year Ended 31st March 2015	Year Ended 31st March 2014
(a) Interest		
(i) Borrowings	2,127.10	2,580.15
(ii) Others	192.80	77.06
(b) Other financial Charges	261.91	-
(c) Bank Charges	81.38	77.43
TOTAL	2,663.19	2,734.64

Notes to the Financial Statements

Note No 26 : Other Expenses

(₹ in Lakh)

Particulars	Year Ended 31st March 2015	Year Ended 31st March 2014
(a) Consumption of Stores and Spares	1,477.40	1,332.56
(b) Power and Fuel		
Power	1,811.50	1,813.28
Coal	11,652.64	12,248.65
	13,464.14	14,061.93
(c) Repairs and Maintenance		
Buildings	33.77	73.64
Plant and Machinery	433.88	459.51
Others	438.21	378.32
	905.86	911.47
(d) Administration Expenses		
Travelling and Conveyance	131.97	127.01
Directors' Travelling and Conveyance	7.57	8.49
Directors' sitting fees	1.18	1.17
Printing and Stationery	15.28	12.90
Communication Expenses	28.71	29.67
Legal and Professional charges	60.00	31.55
Insurance	29.09	58.14
Auditors' Remuneration	12.75	7.28
Staff Recruitment and Training	2.52	1.57
Rent	90.29	77.55
Rates and Taxes	49.18	42.10
Donations	-	5.91
Security Service Charges	116.02	120.21
Sundry Expenses	76.66	66.99
Corporate Social Responsibility	34.10	-
Business Promotion Expenses	32.24	25.90
	687.56	616.44
(e) Selling Expenses		
Consumption of Packing Materials	1,942.50	1,949.52
Advertisement and Publicity	17.66	59.92
Freight Charges		
By road	6,847.85	4,885.25
By rail	2,169.27	1,618.23
Packing and Forwarding Charges	378.31	240.16
Testing and Marking fees	15.86	12.68
Commission on Sales	408.11	429.26
Selling Expenses	729.25	520.47
Rebates, discounts and price differences	3,044.50	2,343.08
Entry Tax	23.43	24.08
Bad debts written off	17.49	-
	15,594.23	12,082.65
TOTAL	32,129.19	29,005.05

27. Contingent Liabilities and Commitments (not provided for)

(₹ in Lakh)

(A) Contingent Liabilities	Current Year	Previous Year
(a) Claims against the Company not acknowledged as Debt		
(i) Counter Guarantees to banks	656.62	577.30
(ii) Claims for difference in prices for the year 1994 - 95 filed by Metropolitan Transport Project, Chennai, matter pending with High Court of Chennai.	6.83	6.83
(b) Other Money for which the company is contingently liable		
(i) Income Tax		
For the Asst Year 1997-98 towards disallowances of debenture issue expenses and bad debts. Matter pending in appeal before the Income Tax Appellate Tribunal.	6.46	6.46
(ii) Sales Tax		
a) Regarding sales tax on packing materials in respect of Asst Year 1993-94 for which the company filed writ petition in the High Court of Andhra Pradesh and obtained stay on payment of 50% of the disputed demand.	11.52	11.52
b) Sales Tax Demand for the deemed excess production based on the Energy Audit for the years 1999 – 2000 & 2000 – 01.	85.68	85.68
c) Sales Tax Demand for interest of ₹ 1, 37, 24,338 /- on alleged excess utilization of Sales tax incentive. Stay was granted by Additional Commissioner (CT) (Legal) subject to 50 % payment of disputed amount.	137.24	137.24
d) Sales Tax Demand for ₹ 51,60,765/-recovery of excess paid interest for the Assessment years 2002 -03 to 2004 -05. Appeal was filed by the company before the High Court of A.P.	51.61	51.61
(iii) The A.P. Government has issued a G.O. Ms. No 391 levying Water Rates on the quantum of water used in the generation of power and demanded payment of ₹ 723.29 Lakh for the period 1997 to February 2008. Appeal is pending in the High Court of Andhra Pradesh.	723.29	723.29
(iv) Duty on Electricity generated and consumed was levied by the A.P. Govt. at 25 paise per unit for the years 2003 -04 to 2008 -09. The High court of A.P. has stayed the operation of AP Electricity Duty Amendment Act, 2003 but asked to submit monthly returns of generation of power.	316.23	316.23
(v) Seigniorage Fee on Sand, Metal & Gravel used for expansion project.	23.59	23.59
(vi) Central Excise Disallowance of Cenvat credit availed on MS Angles, MS Plates, MS Sheets; HR Coils. Pre deposited ₹ 1 Crore as per the order of appellate authority – CESTAT, Bangalore.	412.64	412.64
(B) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for: (net of advances)	Nil	Nil

28. Employee Benefits

(i) Defined Benefit Plan

- Liability for retiring gratuity as on 31st March 2015 is ₹ 222.38 Lakh (31.03.2014: ₹ 247.63 Lakh) of which ₹ 66.87 Lakh (31.03.14 ₹ 79.38 Lakh) is funded with the Life Insurance Corporation of India and the balance of ₹ 155.51 Lakh (31.03.2014: ₹ 168.25 Lakh) is included in provision for Gratuity.
- Liability for cost of compensated absences as on 31st March 2015 of ₹ 39.51 Lakh (31.03.2014: ₹ 103.15 Lakh) is unfunded and has been actuarially determined and provided for in the books.
- The details of the Company's post – retirement benefit plans for its employees including whole time directors are given below which are certified by the actuary:

(₹ in Lakh)

Particulars	Gratuity		Compensated Absences	
	2014-15	2013-14	2014-15	2013-14
Net Assets / (Liability) recognized in the Balance Sheet				
Present Value of Obligation	168.24	247.62	-	-
Fair Value of Plan Assets Liability / (Assets)	54.14	(79.38)	-	-
Unrecognized past service cost	Nil	Nil	-	-
Liability / (Assets) recognised in the Balance Sheet	222.38	168.24	39.51	103.15
Component of Employer's Expense				
Current Service Cost	13.27	15.63	-	-
Interest Cost	15.39	19.64	-	-
Expected Return on Plan Assets	(6.24)	(4.93)	-	-
Net Actuarial Gain / (Loss) recognised	44.23	(38.37)	-	-
Past Service Cost	-	-	-	-
Expenses Recognised in the Statement of Profit and loss	(66.65)	(8.03)	-	-
Movement in the Net Liability recognized in the Balance Sheet				
Opening Net Liability	168.24	185.73	103.14	108.21
Expenses recognized in the Statement of Profit and Loss	66.65	(8.03)	-	-
Employer contribution	(12.51)	(9.46)	-	-
Payment made to employee on retirement	-	-	-	-
Closing Net Liability	222.38	168.24	39.51	103.14

(₹ in Lakh)

Particulars	Gratuity		Compensated Absences	
	2014-15	2013-14	2014-15	2013-14
Actuarial Assumptions				
Discount Rate (Per annum)	9.15 %	9.15 %	9.15 %	9.15 %
Mortality	LIC (2006-08)	Ult table (2006-08)	LIC (2006-08)	Ult table (2006-08)
Expected Rate of return on Plan Asset (per annum)	9 %	7.50 %	-	-
Salary Escalation rate (Per Annum)	6 %	6.00 %	6.00%	6.00 %
Valuation Method	Projected Unit Cost Method	Projected Unit cost Method	Projected Unit cost Method	Projected Unit cost Method

(ii) Defined contribution plans

The Company made Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognized ₹150.85 Lakh (31.03.2014: ₹93.24 Lakh) for Provident Fund contributions and ₹ 8.07 Lakh (31.03.2014: ₹7.86 Lakh) for Superannuation Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

29. Accounting Standard 18 - Related Party Disclosure

(i) Names of related parties and description of relationships

Sl.No	Nature of Relationship	Name of the Person
(i)	Key Management Personnel (KMP)	a) Mr. M B Raju, Executive Chairman b) Ms. P Parvathi, Managing Director c) Mr. RVA Narasimha Rao, Chief Financial Officer d) Mr. S K Mishra, Company Secretary
(ii)	Relatives of KMP	a) Ms. M Lakshmi b) Ms. P Aishwarya c) Mr. P Anirudh Raju
(iii)	Directors	a) Mr. Umesh Shrivastava b) Dr. S A Dave c) Mr. K P Singh d) Mr. J Narayanamurty e) Mr. P Venugopal Raju
(iv)	Enterprises in which KMP or relatives having significant influence	a) DCL Exim Private Limited b) Satyasai Investment and Leasing Limited c) Melvillie Finvest Limited d) DCL Information Technologies Limited



(ii) Transactions during the year with related parties

Sl. No	Nature of Transactions	Key Management Personnel		Relatives of Key Management Personnel		Directors		Enterprises in which KMP or relatives having significant influence	
		2014 - 15	2013 - 14	2014 - 15	2013 - 14	2014 - 15	2013 - 14	2014 - 15	2013 - 14
(i)	Rent Paid	-	-	33.60	33.60	-	-	-	-
(ii)	Unsecured Loans - deposits (repayment) / taken	(700.00)	700.00	(35.00)	35.00	-	-	(205.00)	205.00
(iii)	Remuneration including Commission	305.60	231.35	-	-	5.00	5.00	-	-
(iv)	Interest on FD	-	-	3.90	0.13	-	-	6.96	-

(iii) Balance outstanding as on Balance Sheet date

Nature of Transactions	Key Management Personnel		Relatives of Key Management Personnel		Directors		Enterprises in which KMP or relatives having significant influence	
	2014 - 15	2013 - 14	2014 - 15	2013 - 14	2014 - 15	2013 - 14	2014 - 15	2013 - 14
Credit Balance								
Mr. M B Raju	-	450.00	-	-	1.00	1.00	-	-
Ms. P Parvathi	-	250.00	-	-	1.00	1.00	-	-
Ms. P Aishwarya				25.00				
Mr. P Anirudh Raju				10.00				
Mr. Umesh Shrivastava					1.00	1.00		
Mr. P Venugopal Raju					1.00	1.00		
Mr. K P Singh					1.00	1.00		
Mr. J Narayanamurthy					1.00	1.00		
Dr. SA Dave					1.00	1.00		
Mr. R V A Narasimha Rao	-	-	-	-			-	5.00
Mr. S K Mishra	-	-	-	-			-	200.00
DCL Exim Private Limited								
Satyasai Investments and Leasing Limited.								
Interest/Accrued but not due on FD				0.13				
TOTAL	-	700.00	-	35.13	5.00	5.00	-	205.00

Notes to the Financial Statements

(iv) Disclosure in respect of transactions which are more than 10 % of the total transactions of the same type with related parties during the year

(₹ in Lakh)		
Particulars	2014 - 15	2013 - 14
(a) Key Management Personal		
(i) Deposits taken / repayment		
Mr. M B Raju	(450.00)	450.00
Ms. P Parvathi	(250.00)	250.00
(ii) Remuneration including commission		
Mr. M B Raju	136.43	122.27
Ms. P Parvathi	134.76	109.07
(b) Relatives of Key Management Personnel		
(i) Rent Paid		
Ms. M Lakshmi	33.60	33.60
(ii) Deposits taken /(repayment)		
Ms. P Aishwarya	(25.00)	25.00
Mr. P Anirudh Raju	(10.00)	10.00
(c) Directors Commission		
Mr. Umesh Shrivastava	1.00	1.00
Mr. P Venugopal Raju	1.00	1.00
Mr. K P Singh	1.00	1.00
Mr. J Narayanamurthy	1.00	1.00
Dr. S A Dave	1.00	1.00
(D) Enterprises in which KMP or relatives having significant influence		
(i) Deposits taken /(repayment)		
DCL Exim Private Limited	(5.00)	5.00
Satyasai Investments and Leasing Limited	(200.00)	200.00

30. Segment Reporting

The Company is primarily engaged in manufacturing and marketing of cement. Based on risk - return profile, the other identified reportable segment of the company is generation and sale of power.

The Segment revenue, segment result and segment assets relating to power segment is less than the 10% of the total Segment revenue, result and assets. Hence, no segment reporting, as per the Accounting Standard 17 (AS 17), is required at present.

During the year under report the Company's business has been carried out in India. The conditions prevailing in India being uniform, no separate geographical disclosures are considered necessary.

31. Earnings Per Share

Particulars	31st March 2015	31st March 2014
Net Profit after tax available for equity shareholders (₹ in Lakh)	1987.89	502.35
Weighted Average number of equity shares for Basic EPS (Nos.)	70,03,750	70,03,750
Weighted Average number of equity shares for Diluted EPS (Nos.)	70,03,750	70,03,750
Face value per share (₹)	10	10
Basic & Diluted Earnings per share* (₹)	28.38	7.17

* The Company has no dilutive instruments during the year ended 31st March 2015. Hence, the Diluted Earnings per share equals to Basic Earnings per share

32. The Company has not received any intimation from 'suppliers' regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid / payable as required under the said Act have not been given.

33. Auditor's Remuneration

(₹ in Lakh)

Particulars	31st March 2015	31st March 2014
Audit Fee	4.00	4.00
Certification Work	0.75	0.28
Corporate Governance	0.10	0.10
Tax Audit Fee	0.75	0.75
Reimbursement of Expenses	1.25	1.25
Limited Review Fee	0.90	0.90
Taxation Matters	5.00	-
Total	12.75	7.28

Notes to the Financial Statements

34. Value of Imports calculated on CIF basis

(₹ In Lakh)

Particulars	Year ended 31st March 2015	Year ended 31st March 2014
Raw materials	-	-
Components and spare parts	1.28	30.26
Capital goods	-	-

35. Expenditure in Foreign Currency : ₹ 147.51 Lakh (Previous Year - Nil)

36. Value of Imported , Indigenous Raw Materials , Spare Parts and Packing materials consumed

(₹ in Lakh)

Particulars	% of total Consumption	31st March 2015 Value	% of total Consumption	31st March 2014 Value
Raw Materials				
Imported	-	-	-	-
Indigenous	100.00	3,177.92	100.00	3,081.84
Stores, Spare Parts and Packing Materials				
Imported	0.88	30.26	0.91	29.72
Indigenous	99.12	3,389.64	99.09	3,252.36

37. Derivative Instruments

The following table gives details in respect of outstanding foreign exchange forward contracts:

Particulars	As at 31st March 2015		As at 31st March 2014	
	US \$	₹ in Lakh	US \$	₹ in Lakh
Forward contracts outstanding in USD	67,42,406.88	4,384.47	Nil	Nil

As at the Balance Sheet date, the Company's net foreign currency exposures that are not hedged by a derivative instrument or otherwise is Nil (31.03.2014: Nil). The foreign exchange contract matures later than three months and not later than one year as on the Balance Sheet date.

The Company has recognized a gain of ₹ 8.31 Lakh on the derivative instrument during the year ended 31st March 2015 (31.03.2014: Nil), which is included in other income.

38. Change in Accounting Policy

Until 31st March 2014, depreciation on tangible fixed assets other than Buildings and Plant & Machinery was provided on Written Down Value Method as per the rates of depreciation prescribed in Schedule XIV to the Companies Act, 1956. With effect from 1st April 2014 to align with the useful life specified in the Schedule II of the Companies Act, 2013, the management changed the method of providing depreciation for these assets from written down method to straight line method. Consequent to the change in the method, the depreciation on these tangible fixed assets was recomputed from the date they were first put to use / capitalized and the resultant excess depreciation of ₹ 55.66 Lakh has been adjusted in current year's depreciation charge.

39. Pursuant to Schedule II of the Companies Act, 2013, with effect from 1st April 2014, the Company has adopted revised useful life of the assets aligning the same with those specified in Schedule II. The Company has fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be Nil as on 1st April 2014 and has adjusted an amount of ₹252.26 Lakh (net of deferred tax) from the opening surplus in the Statement of Profit and Loss under Reserves and Surplus. Consequent to the change in the useful life of the other assets, the impact on the depreciation expense for the current year is lower by ₹ 472.69 Lakh.
40. Pursuant to GO no 328 Dt. 31.12.2005, issued by Industries and Commerce (IP) Department, Government of Andhra Pradesh, Commissioner of Industries, Andhra Pradesh, the Company is entitled to receive an amount of ₹ 100 Lakh as financial assistance for setting up and erection of 132 KV Bay extension at 132 /33 KV Wadapally substation and erection of 32 KVDC SC Line. As against the entitlement amount of ₹ 100 Lakh, the company has received an amount of ₹ 56.36 Lakh during 2013 -14 and ₹ 24 Lakh during 2014 -15 leaving balance of ₹ 19.64 Lakh. Balance assistance receivable along with the amounts received have been recognized as Capital Reserve. The proportionate annual amortization charge has been adjusted against depreciation and amortization expense.
41. **Corporate Social Responsibility:**
- a) Gross amount required to be spent by the Company during the year ₹ 53.89 Lakh.
- b) Amount spent during the year on:

(₹ in Lakh)

Sl. No.	Particulars	Actual amount spent	Amount to be spent	Total
i	Construction / acquisition of any asset	NIL	NIL	NIL
ii	On purposes other than (i) above	34.10	19.79	53.89

42. Previous Year's figures have been, re-grouped / reclassified wherever necessary to conform to the current year classification / disclosure.
43. Figures are rounded off to the nearest rupee. Figures in brackets represent credits / deductions to the extent applicable.

Signatures To Notes To Financial Statements

As per our report attached
for M Bhaskara Rao & Co.,
Chartered Accountants
Firm Registration Number 000459S

V K Muralidhar
Partner
Membership No : 201570

M B Raju
Executive Chairman
DIN: 00016652

P Parvathi
Managing Director
DIN: 00016597

Place : Hyderabad
Date : 30.05.2015

R V A Narasimha Rao
Chief Financial Officer

S K Mishra
Company Secretary
M. No. A18747



DECCAN CEMENTS LIMITED

CIN: L26942TG1979PLC002500

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

ATTENDANCE SLIP

To be handed over at the
entrance of the Meeting Hall

DPID* :	L.F.No. :
Client ID* :	No. of shares held :

I/We hereby record my/our presence at the **35th Annual General Meeting** of the Company to be held on **Tuesday, the 22nd day of September 2015 at 10:00 A.M. at "Bhaskara Auditorium", Birla Museum, Adarsh Nagar, Hyderabad - 500 063.**

NAME(S) OF THE SHAREHOLDER(S) (IN BLOCK LETTERS)	
SIGNATURE OF THE SHAREHOLDER(S)	
NAME OF THE PROXY (IN BLOCK LETTERS)	
SIGNATURE OF THE PROXY	

* Applicable for Investors holding shares in electronic form.

Note : Shareholder/Proxy, as the case may be, is requested to sign and hand over this slip at the entrance of the Meeting venue.



DECCAN CEMENTS LIMITED

CIN: L26942TG1979PLC002500

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

Proxy Form

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Shareholder(s) (IN BLOCK LETTERS): _____

Registered Address: _____

_____ PIN Code: _____

E-mail ID: _____ Folio No./Client Id: _____ DP ID: _____

I/We, being member(s) of Deccan Cements Limited, holding _____ shares of the Company, hereby appoint:

A Name (IN BLOCK LETTERS): _____

Address : _____

E-mail Id : _____ Signature: _____

or failing him/her

B Name (IN BLOCK LETTERS): _____

Address : _____

E-mail Id : _____ Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 35th Annual General Meeting of the Company to be held on Tuesday, the 22nd day of September 2015 at 10:00 A.M. at "Bhaskara Auditorium", Birla Museum, Adarsh Nagar, Hyderabad - 500 063 and at any adjournment thereof in respect of such Resolutions as are indicated on the back of this Proxy Form:

Item Nos.	Resolutions	Vote (Please mention no. of shares)		
Ordinary Resolution		For	Against	Abstain
1.	Adoption of Audited Balance Sheet as at 31st March 2015 and Statement of Profit & Loss for the Year ended on that date together with the Reports of the Directors' and Auditors' thereon.			
2.	Declaration of dividend on equity shares.			
3.	Appointment of a Director in place of Mr. M B Raju (DIN: 00016652) who retires by rotation and being eligible offers himself for re-appointment.			
4.	Ratification of appointment of M/s. M Bhaskara Rao & Co, Chartered Accountants as the Statutory Auditors of Company and fixation of their remuneration.			
5	Appointment of Mr. Ramamurthy Gopalakrishnan (DIN:00296413) as a Director, liable to retire by rotation.			
6	Ratification of remuneration to the Cost Auditors for the Financial Year 2015-16.			
Special Resolution				
7	Approval for replacing the existing Articles of Association by adoption of new set of Articles of Association of the Company.			
8	Change of location to maintain Register of Members, Index of Members and other related books.			

Place :

Date :

Affix
Revenue
Stamp

Signature of Shareholder.....

Signature of Proxy holder

Note: This form duly filled up, stamped and signed by the appointer or his attorney duly authorized in writing or if the appointer is a Body Corporate, under the seal or signed by an attorney duly authorized by it shall be deposited at the Registered Office of the Company along with the power of Attorney, if any under which the Proxy Form is signed, not less than 48 hours before the commencement of the meeting.

Notes

[illegible]

[illegible]



◀ DCL High School

RO Water Treatment Plant ▶



◀ Medical Camp

Plantation Programme ▶





Deccan Cement

The most trusted brand