



DECCAN CEMENTS LIMITED

40th Annual Report
2019-20

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Corporate Information

Board of Directors

Mr. M.B.Raju	Executive Chairman
Mr. Umesh Shrivastava	Director
Dr. S.A.Dave	Director
Mr. J.Narayanamurty	Director
Mr. K.P.Singh	Director
Mr. R.Gopalakrishnan	Director
Mrs. Mahpara Ali	Director
Ms. P.Parvathi	Managing Director
Mr. S.Venkateswarlu	Director (Works)

Senior Management

Mr. C.Ramesh Reddy	Vice President (Marketing)
Mr. D.Raghava Chary	Chief Financial Officer (CFO)
Mr. Bikram Keshari Prusty	Company Secretary

Bankers

State Bank of India
Union Bank of India (Andhra Bank)
HDFC Bank
Kotak Mahindra Bank

Secretarial Auditors

Tumuluru & Co.
Company Secretaries
F. No. 102, Surya Kiran Complex
S D Road, Secunderabad -500 007

Registrar and Share Transfer Agent

KFin Technologies Private Limited.
Karvy Selenium Tower B
Plot number 31 & 32
Financial District, Gachibowli
Hyderabad - 500 032
E-mail id: einward.ris@kfintech.com

Statutory Auditors

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

Cost Auditors

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

Registered Office

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

NOTICE

NOTICE is hereby given that the **40th Annual General Meeting** of the members of **Deccan Cements Limited** will be held on **Tuesday, 15th September 2020 at 11:00 A.M.** through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM"), to transact the following business:

ORDINARY BUSINESS:

1. **To consider and adopt the audited financial statements of the Company for the financial year ended 31st March 2020 and the reports of the Board of Directors and Auditors thereon, and in this regard, to consider and if thought fit to pass the following resolution as an Ordinary Resolution:**

"RESOLVED THAT the audited financial statements of the Company for the financial year ended 31st March 2020 and the reports of the Board of Directors and Auditors thereon, as circulated to the members, be and are hereby considered and adopted."

2. **To confirm the interim dividend declared and paid for FY 2019-20, and in this regard, to consider and if thought fit to pass the following resolution as an Ordinary Resolution:**

"RESOLVED THAT interim dividend at the rate of ₹ 4.00 (Four rupees only) per equity share of ₹ 5.00 (Five rupees) each of the Company, for the Financial Year 2019-20, declared on 28th February 2020 and paid during March 2020, be and is hereby confirmed."

3. **To appoint Mr. M. B. Raju (DIN: 00016652) who retires by rotation, and in this regard, to consider and if thought fit to pass the following resolution as an Ordinary Resolution:**

"RESOLVED THAT, pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013, Mr. M. B. Raju (DIN: 00016652), who retires by rotation at this meeting and being eligible for re appointment, be and is hereby appointed as a Director of the Company."

SPECIAL BUSINESS:

4. **To appoint Mrs. Mahpara Ali (DIN: 06645262) as an Independent Director, and in this regard, to consider and if thought fit to pass the following resolution as an Ordinary Resolution:**

"RESOLVED THAT pursuant to Section 149, 152, 160, and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], read with Schedule IV to the Companies Act, 2013, Mrs. Mahpara Ali (DIN: 06645262), who was appointed as an Additional Director, in the category of Independent Director, with effect from 1st April, 2020, be and is hereby appointed as an Independent Director of the company for a term of 5 years with effect from 1st April 2020."

5. **To appoint Mr. Shonti Venkateswarlu (DIN: 08602254) as a Director liable to retire by rotation, and in this regard, to consider and if thought fit to pass the following resolution as an Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder [including any statutory modification(s) or re-enactment(s) thereof for the

time being in force], Mr. Shonti Venkateswarlu (DIN: 08602254), who was appointed as an Additional Director with effect from 11th November, 2019, be and is hereby appointed as a Director of the company liable to retire by rotation.”

6. To appoint of Mr. Shonti Venkateswarlu (DIN: 08602254) as Director (Works) for a period of five years, and in this regard, to consider and if thought fit to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder [including any statutory modification(s), or re-enactment(s) thereof for the time being in force], read with Schedule V to the Companies Act, 2013 and Articles of Association of the Company, Mr. Shonti Venkateswarlu (DIN: 08602254) be and is hereby appointed as a Whole Time Director, with designation Director (Works), of the Company for a period of five years effective from 11th November 2019, on the terms and conditions including remuneration as set out below:

RESOLVED FURTHER THAT the terms and conditions of appointment of Mr. Shonti Venkateswarlu (DIN: 0008602254) as Director (Works) including remuneration shall be as under:

- 1 **Salary** (Basic Pay and allowances): ₹ 3,00,000/- (rupees three lakhs only) per month
- 2 **Perquisites:**
Housing: Rent free furnished accommodation by the Company

Medical Reimbursement: Expenses incurred for self and his family subject to a ceiling of one month's salary per year.

Leave Travel Concession: For self and family once in a year incurred in accordance with the Rules specified by the Company, subject to a ceiling of one month's salary per year.

Personal Accident Insurance: For an amount as per the rules of the Company.

Others:

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

Contribution to Provident fund and Superannuation fund to the extent they are exempted under the Income Tax Act, 1961 and encashment of leave at the end of tenure will not be included in the computation of the ceiling on perquisites.

Provision of car for use on Company's business and, telephone and internet at residence will not be considered as perquisites. Earned / Privilege Leave will be on full pay and allowances as per

rules of the Company. Leave accumulated but not availed at during his tenure may be allowed to be encashed as per the rules of the Company.

RESOLVED FURTHER THAT notwithstanding the above, in the absence of or inadequacy of profits in any financial year, Mr. Shonti Venkateswarlu (DIN: 0008602254) be paid the above remuneration as minimum remuneration in terms of Section II (A) of Part II of Schedule V of the Companies Act, 2013.

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

- 7. To ratify Cost Auditor's remuneration for the Financial Year 2020-21, and in this regard, to consider and if thought fit to pass the following resolution as an Ordinary Resolution:**

"RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 as amended from time to time, the Company hereby ratifies the remuneration of ₹ 1,10,000/- (Rupees One Lakh Ten Thousand only) plus reimbursement of travelling and out of pocket expenses payable to Aruna Prasad & Co., Cost Accountants, Chennai, who have been appointed by the Board of Directors as Cost Auditors of the Company, to conduct the audit of the cost accounting records of the Company for the Financial Year 2020-21.

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

By Order of the Board

Sd/-

Bikram Keshari Prusty
Company Secretary
FCS 7855

Place: Hyderabad
Date: 25th June 2020

Notes:

1. Considering the present Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read together with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted convening the Annual General Meeting ("AGM" / "Meeting") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without the physical presence of the members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 ('the Act') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
2. A statement pursuant to Section 102(1) of the Act, relating to the Special Business to be transacted at the AGM is annexed hereto.
3. Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed hereto.
4. Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.
5. In terms of the provisions of Section 152 of the Act, Mr. M. B. Raju, Director, retires by rotation at the Meeting. Nomination and Remuneration Committee and the Board of Directors of the Company recommend his re-appointment.

Mr. M. B. Raju is interested in the Ordinary Resolution set out at Item No. 3 of the Notice with regard to his re-appointment. Ms. P. Parvathi, Managing Director, being related to Mr. M. B. Raju, may be deemed to be interested in the resolution set out at Item No. 3 of the Notice. The other relatives of Mr. M. B. Raju may be deemed to be interested in the resolution set out at Item No. 3 of the Notice to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Business set out under Item Nos. 1 to 3 of the Notice.
6. Details of Directors retiring by rotation / seeking appointment / re-appointment at this Meeting are provided in the "Annexure" to the Notice.
7. **Dispatch of Annual Report through Electronic Mode:**

In compliance with the MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories.

Members may note that the Notice and Annual Report 2019-20 will also be available on the

Company's website **www.deccancements.com**, websites of the Stock Exchanges, i.e., BSE Limited and National Stock Exchange of India Limited at **www.bseindia.com** and **www.nseindia.com** respectively, and on the website of Company's Registrar and Transfer Agent, KFin Technologies Private Limited ("KFinTech") at **https://evoting.karvy.com/public/downloads.aspx**

8. For receiving all communication (including Annual Report) from the Company electronically:

- (a) Members holding shares in physical mode and who have not registered / updated their email address with the Company are requested to register / update the same by writing to the Company with details of folio number and attaching a self-attested copy of PAN card to the Company at "**secretarial@deccancements.com**" or to the Company's RTA (KFin Technologies Pvt. Ltd.) at "**einward.ris@kfintech.com**".
- (b) Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participant.

PROCEDURE FOR JOINING THE AGM THROUGH VC / OAVM:

9. The Company will provide VC / OAVM facility to its Members for participating at the AGM.

- (a) Members will be able to attend the AGM through VC / OAVM or view the live webcast at "**https://emeetings.kfintech.com**" by using their e-voting login credentials.

Members are requested to follow the procedure given below:

- (i) Launch internet browser (chrome/firefox/safari) by typing the URL: "**https://emeetings.kfintech.com**"
 - (ii) Enter the login credentials (i.e., User ID and password for e-voting).
 - (iii) After logging in, click on "Video Conference" option
 - (iv) Then click on camera icon appearing against AGM event of **Deccan Cements Limited** to attend the Meeting.
- b) Members who do not have User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the procedure given in the E-voting instructions.
 - c) Members who would like to express their views or ask questions during the AGM may register themselves by logging on to "**https://emeetings.kfintech.com**" and clicking on the 'Speaker Registration' option available on the screen after log in. The Speaker Registration will be open during **12th September 2020 (Saturday) to 13th September 2020 (Sunday)**. Only those members who are registered will be allowed to express their views or ask questions. The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of the AGM.
 - d) Members will be allowed to attend the AGM through VC / OAVM on first come, first served basis to 1,000.
 - e) Facility to join the meeting shall be opened thirty minutes before the scheduled time of the AGM and shall be kept open throughout the proceedings of the AGM.

- f) Members who need assistance before or during the AGM, can contact KFinTech on "**evotings@kfintech.com**" or call on toll free numbers 040-67162222 / 1800-345-4001. Kindly quote your name, DP ID-Client ID / Folio no. and E-voting Event Number in all your communications.
10. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the AGM.
11. Members attending the AGM through VC / OAVM shall be reckoned for the purpose of quorum under Section 103 of the Act.
12. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM.

PROCEDURE FOR REMOTE E-VOTING AND E-VOTING AT THE AGM:

13. Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, as amended, and Regulation 44 of SEBI (LODR) Regulations, 2015, the Company is providing to its members facility to exercise their right to vote on resolutions proposed to be passed at AGM by electronic means ("e-voting").

Members may cast their votes remotely, using an electronic voting system on the dates mentioned herein below ("remote e-voting").

Further, the facility for voting through electronic voting system will also be made available at the Meeting ("Insta Poll") and members attending

the Meeting who have not cast their vote(s) by remote e-voting will be able to vote at the Meeting through Insta Poll.

The Company has engaged the services of KFinTech as the agency to provide e-voting facility.

The manner of voting remotely by members holding shares in dematerialized mode, physical mode and for members who have not registered their email addresses is provided in the instructions given below.

The remote e-voting facility will be available during the following voting period:

Commencement of remote e-voting	12 th September 2020 (Saturday) @ 9:00 A.M.
End of remote e-voting	14 th September 2020 (Monday) @ 5:00 P.M.

The remote e-voting will not be allowed beyond the aforesaid date and time and the remote e-voting module shall be forthwith disabled by KFinTech upon expiry of the aforesaid period.

Voting rights of a member / beneficial owner (in case of electronic shareholding) shall be in proportion to his share in the paid-up equity share capital of the Company as on the cut-off date, i.e., Tuesday, 8th September 2020.

The Board of Directors of the Company has appointed Mr. B. V. Saravana Kumar, Practicing Company Secretary (Membership No. ACS: 26944 and CP: 11727), as Scrutiniser to scrutinise the remote e-voting and Insta Poll process in a fair and transparent manner and they have communicated their willingness to be appointed and will be available for the said purpose.

Information and instructions relating to e-voting are as under:

- i. The members who have cast their vote(s) by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote(s) again at the Meeting. Once the vote on a resolution is cast by a member, whether partially or otherwise, the member shall not be allowed to change it subsequently or cast the vote again.
- ii. A member can opt for only single mode of voting per EVEN, i.e., through remote e-voting or voting at the Meeting (Insta Poll). If a member casts vote(s) by both modes, then voting done through remote e-voting shall prevail and vote(s) cast at the Meeting shall be treated as "INVALID".
- iii. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e., Tuesday, 8th September 2020 only shall be entitled to avail the facility of remote e-voting or for participation at the AGM and voting through Insta Poll. A person who is not a member as on the cutoff date, should treat the Notice for information purpose only.
- iv. Any person who becomes a member of the Company after despatch of the Notice of the Meeting and holding shares as on the cut-off date may obtain the User ID and password from KFinTech in the manner as 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> E-Voting Event

Number+Folio No. or DP ID Client ID to 9212993399

Example for NSDL: MYEPWD
<SPACE> IN12345612345678

Example for CDSL: MYEPWD
<SPACE> 1402345612345678

Example for Physical: MYEPWD
<SPACE> XXXX1234567890

- (b) If e-mail address 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.
- (c) Member may call on KFinTech's toll-free numbers **040-67162222 / 1800-345-4001** (from 9:00 a.m. to 6:00 p.m.)
- (d) Member may send an e-mail request to "evoting@kfintech.com." If the member is already registered with KFinTech's e-voting platform, then he can use his existing password for logging in.
- v. The Company has opted to provide the same electronic voting system at the Meeting, as used during remote e-voting, and the said facility shall be operational till all the resolutions proposed in the Notice are considered and voted upon at the Meeting and may be used for voting only by the members holding shares as on the cutoff date who are attending the Meeting and who have not already cast their vote(s) through remote e-voting.

vi. **Information and instructions for remote e-voting:**

I. A. **In case a member receives an e-mail from the Company / KFinTech [for members whose e-mail addresses are registered with the Company / Depository Participant(s)]:**

- (a) Launch internet browser by typing the URL: "**https://evoting.karvy.com.**"
- (b) Enter the login credentials (User ID and password given in the e-mail). The E-Voting Event Number+Folio No. or DP ID Client ID will be your User ID. However, if you are already registered with KFinTech for e-voting, you can use the existing password for logging in. If required, please visit "**https://evoting.karvy.com**" or contact toll-free numbers 040-67162222 / 1800-345-4001 (from 9:00 a.m. to 6:00 p.m.) for your existing password.
- (c) After entering these details appropriately, click on "**LOGIN**".
- (d) You will now reach Password Change Menu wherein you are required to mandatorily change your password upon logging in for the first time. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@, #, \$, etc.).

The system will prompt you to change your password and update your contact details like mobile number, e-mail address, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

- (e) You need to login again with the new credentials.
- (f) On successful login, the system will prompt you to select the E-Voting Event Number (EVEN) for Deccan Cements Limited.

SHAREHOLDERS TO SELECT THE RESPECTIVE EVENS AND VOTE DEPENDING UPON THEIR SHAREHOLDING.

- (g) On the voting page, enter the number of shares as on the cutoff date under either "FOR" or "AGAINST" or alternatively, you may partially enter any number under "FOR" / "AGAINST", but the total number under "FOR" / "AGAINST" taken together should not exceed your total shareholding as on the cut-off date. You may also choose to "ABSTAIN" and vote will not be counted under either head.

- (h) Members holding shares under multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.
 - (i) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as "ABSTAINED".
 - (j) You may then cast your vote by selecting an appropriate option and click on "SUBMIT".
 - (k) A confirmation box will be displayed. Click "OK" to confirm, else "CANCEL" to modify.
 - (l) Once you confirm, you will not be allowed to modify your vote.
 - (m) Corporate / Institutional Members (i.e., other than Individuals, HUFs, NRIs, etc.) are also required to send legible scanned certified true copy (in PDF Format) of the Board Resolution / Power of Attorney / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutiniser at e-mail id: **"mrtumuluruk@gmail.com"** with a copy marked to **"evoting@karvy.com."** It is also requested to upload the same in the e-voting module in their login. The naming format of the aforesaid legible scanned document shall be "Corporate Name EVENT NO."
- (B) **In case of a member whose e-mail address is not registered / updated with the Company / KFinTech / Depository Participant(s), please follow the following steps to generate your login credentials:**
- (a) Members holding shares in physical mode, who have not registered / updated their email addresses and bank account details with the Company, are requested to register / update the same by clicking on **https://ris.kfintech.com/email_registration/** or by writing to the Company with details of folio number and attaching a self-attested copy of PAN card at **"secretarial@deccancements.com"** or to KFinTech at **"einward.ris@kfintech.com."**
 - (b) Members holding shares in dematerialised mode who have not registered their e-mail addresses with their Depository Participant(s) are requested to register / update their email addresses with the Depository Participant(s) with whom they maintain their demat accounts.
 - (c) After due verification, the Company / KFinTech will forward your login credentials to your registered email address.
 - (d) Follow the instructions at I.(A). (a) to (m) to cast your vote.

- II. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending further communication(s).
- III. Once the vote on a resolution is cast by a member, whether partially or otherwise, the member shall not be allowed to change it subsequently or cast the vote again.
- IV. In case of any query pertaining to e-voting, members may refer to the "Help" and "FAQs" sections / E-voting user manual available through a dropdown menu in the "Downloads" section of KFinTech's website for e-voting: "<https://evoting.karvy.com>" or contact KFinTech as per the details given under sub-point no. V below.
- V. Members are requested to note the following contact details for addressing e-voting grievances:

Mr. RajKumar Kale
KFin Technologies Private Limited
Selenium Tower B, Plot 31-32,
Gachibowli, Financial District,
Nanakramguda, Hyderabad 500 032
Phone No: +91 40 6716 2222
Toll-free No: 1800-345-4001
E-mail: evoting@kfintech.com

vii. **Information and instructions for Insta Poll:**

Facility to cast vote through Insta Poll will be made available on the Video Conferencing screen and will be activated once the Insta Poll is announced at the Meeting.

- viii. The Scrutiniser will, after the conclusion of e-voting at the Meeting, scrutinise the votes cast at the Meeting (Insta Poll) and votes cast

through remote e-voting, make a consolidated Scrutiniser's Report and submit the same to the Chairman.

- ix. The result of e-voting will be declared within forty-eight hours of the conclusion of the Meeting and the same, along with the consolidated Scrutiniser's Report, will be placed on the website of the Company: "www.deccancements.com" and on the website of KFinTech at: "<https://evoting.karvy.com>." The result will simultaneously be communicated to the stock exchanges (BSE and NSE).
- x. Subject to receipt of requisite number of votes, the Resolutions proposed in the Notice shall be deemed to be passed on the date of the Meeting, i.e., Tuesday, 15th September 2020.

PROCEDURE FOR INSPECTION OF DOCUMENTS:

- 14. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM.

All documents referred to in the Notice will also be available electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM.

Members seeking to inspect such documents can send an email to "secretarial@deccancements.com."

- 15. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before Monday, 7th September 2020 through email to "[secretarial@ deccancements.com](mailto:secretarial@deccancements.com)." The same will be replied by the Company suitably.

IEPF RELATED INFORMATION:

16. The Company has transferred the unpaid or unclaimed dividends declared up to financial years 2011-12, from time to time, to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Details of dividends so far transferred to the IEPF Authority are available on the website of IEPF Authority and the same can be accessed through the link: "www.iepf.gov.in."

17. The details of unpaid and unclaimed dividends lying with the Company as on 31st March 2020 are uploaded on the website of the Company and can be accessed through the link "<http://www.deccancements.com/shareholders-information.php>."

Details of unpaid and unclaimed dividends up to 31st March 2019 are also uploaded on the website of the IEPF Authority and can be accessed through the link: "www.iepf.gov.in."

Adhering to the various requirements set out in the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has, during

Due dates for transfer to IEPF, of the unclaimed/unpaid dividends for the financial year 2012-13 and thereafter, are as under:

Financial Year	Date of Declaration	% of Dividend Declared	Total Dividend (₹)	Unpaid Dividend as on 31.03.2020 (₹)	Due date of transfer to IEPF
2012-13	14.08.2013	20	1,40,07,500	2,25,606	18.09.2020
2013-14	29.09.2014	12	84,04,500	1,56,178	30.10.2021
2014-15	22.09.2015	25	1,75,09,375	3,22,754	26.10.2022
2015-16*	16.03.2016	50	3,50,18,750	6,57,965	20.04.2023
2016-17	11.08.2017	60	4,20,22,500	7,35,480	10.09.2024
2017-18	10.08.2018	60	4,20,22,500	4,73,838	13.09.2025
2018-19	07.08.2019	75	5,25,28,125	5,15,662	13.09.2026
2019-20*	28.02.2020	80	5,60,30,000	1,23,416	07.03.2027

* Interim Dividend

financial year 2019-20, transferred to the IEPF Authority all shares in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more as on the due date of transfer, i.e., 12th September 2019. Details of shares so far transferred to the IEPF Authority are available on the website of the Company and the same can be accessed through the link: "<http://www.deccancements.com/shareholders-information.php>." The said details have also been uploaded on the website of the IEPF Authority and can be accessed through the link: "www.iepf.gov.in."

Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back from the IEPF Authority.

The concerned members/investors are advised to visit the weblink "<http://www.deccancements.com/shareholders-information.php>" or visit the weblink of the IEPF Authority "<http://www.iepf.gov.in/IEPF/refund.html>", or contact the Company's RTA (KFin Technologies Pvt. Ltd.), for detailed procedure to lodge the claim with the IEPF Authority.

OTHER INFORMATION:

18. Members holding shares in electronic form are requested to intimate any change in their address and update their Bank Account particulars (viz. Account No., Name & Branch of the Bank and the MICR Code) to their DPs with whom they are maintaining demat account.
19. Members holding shares in physical form are requested to register their Bank Account particulars (viz. Account No., Name & Branch of the Bank and the MICR Code) or update of their bank details already registered with the Company / KFin Technologies Pvt. Ltd. to enable the Company to remit the dividend electronically.
20. Members holding shares in physical form are requested to keep their addresses updated and write to the Company's RTA (KFin Technologies Pvt. Ltd.) for updation of the address.
21. Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) and Bank Account details. Members holding shares in electronic form are requested to submit the PAN and Bank account details to their DPs with whom they are maintaining demat accounts. Members holding shares in physical form shall submit their PAN and Bank Account details to the Company's RTA (KFin Technologies Pvt. Ltd.).
22. Members are requested to note that, as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, requests for transfer of shares held in physical form, except transmission or transposition, will not be processed after 31st March, 2019. In this regard, members are requested to dematerialize their shares held in physical form. Members may contact the Company or the Company's RTA (KFin Technologies Pvt. Ltd.) for assistance in this regard.
23. To support the 'Green Initiative', Members who have not registered their email IDs so far are requested to register their email IDs for receiving all communication(s) including Annual Report, Notices etc from the Company in electronic form.
24. The Company has paid the Listing Fees for the Year 2020-21 to both the Stock Exchanges where equity shares of the Company are listed.

Explanatory statement under Section 102 of the Companies Act, 2013

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

Item No.4: To appoint Mrs. Mahpara Ali (DIN: 06645262) as an Independent Director:

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 ("the Act") and the Articles of Association of the Company, on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company, at its meeting held on 13th February 2020 has appointed Mrs. Mahpara Ali (DIN: 06645262) as an Additional Director of the Company, in the category of Independent Director, with effect from 1st April 2020.

Further, the Nomination and Remuneration Committee recommended the Board to place a proposal before the upcoming Annual General Meeting to appoint her as an Independent Director of the company for a period of 5 years with effect from 1st April, 2020, the date on which she was appointed as an additional director.

Pursuant to Section 161(1) of the Act, Mrs. Mahpara Ali holds office up to the date of this meeting.

Mrs. Mahpara Ali is not disqualified from being appointed as a director in terms of Section 164 of the Act and has given her consent to act as a director.

The company has received requisite declaration from Mrs. Mahpara Ali pursuant to the provisions of Section 149(7) of the Act that she meets the criteria of independence as provided in Section 149(6) of the Act.

In the opinion of the Board, Mrs. Mahpara Ali fulfills the conditions specified in the Act and the Rules made thereunder to be appointed as an Independent Director.

The terms and conditions of appointment of Mrs. Mahpara Ali, as an Independent Director, as approved

by the Board, are open for inspection at the registered office of the company by any member during normal business hours. This would also be posted on the company's website.

Details of Mrs. Mahpara Ali are provided in the "Annexure" to the Notice, pursuant to the provisions of:

- (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
- (ii) Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India.

She shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof or for any other purpose as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings and profit related commission within the limits stipulated under Section 197 of the Act.

Mrs. Mahpara Ali is interested in the resolution set out at Item No. 4 of the Notice with regard to her appointment.

Relatives of Mrs. Mahpara Ali may be deemed to be interested in the resolution to the extent of their shareholding, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

This statement may also be regarded as an appropriate disclosure under the Act and the Listing Regulations.

The Board commends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the members.

Item No.5: To appoint Mr. Shonti Venkateswarlu (DIN: 08602254) as a Director liable to retire by rotation:

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 ("the Act") and the Articles of Association of the Company, on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company, at its meeting held on 11th November 2019 has appointed Mr. Shonti Venkateswarlu (DIN: 08602254) as an Additional Director of the Company.

Further, the Nomination and Remuneration Committee recommended the Board to place a proposal before the upcoming Annual General Meeting to appoint him as a Director, liable to retire by rotation, of the company.

Pursuant to Section 161(1) of the Act, Mr. Shonti Venkateswarlu holds office up to the date of this meeting.

Mr. Shonti Venkateswarlu is not disqualified from being appointed as a director in terms of Section 164 of the Act and has given her consent to act as a director.

Details of Mr. Shonti Venkateswarlu are provided in the "Annexure" to the Notice, pursuant to the provisions of:

- (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
- (ii) Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India.

Mr. Shonti Venkateswarlu is interested in the resolution set out at Item No. 5 of the Notice with regard to his appointment.

Relatives of Mr. Shonti Venkateswarlu may be deemed to be interested in the resolution to the extent of their shareholding, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their

relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

This statement may also be regarded as an appropriate disclosure under the Act and the Listing Regulations.

The Board commends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the members.

Item No.6: To appoint of Mr. Shonti Venkateswarlu (DIN: 08602254) as Director (Works) for a period of five years:

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company ("the Board"), at its meeting held on 11th November 2019 has, subject to approval of members, appointed Mr. Shonti Venkateswarlu (DIN: 08602254) as a Whole Time Director, designated as Director (Works) for a tenure of 5 years with effect from 11th November 2019, on terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee of the Board.

Members' approval is sought for the appointment of and remuneration payable to Mr. Shonti Venkateswarlu as a Whole-time Director, designated as Director (Works), in terms of the applicable provisions of the Companies Act, 2013 ("the Act").

Broad particulars of the terms of appointment of and remuneration payable to Director (Works) are stated in the proposed resolution.

The Whole-time Director shall perform his duties as such with regard to all work of the Company and will manage and attend to such business and carry out the orders and directions given by the Board / Managing Director from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board / Managing Director and the functions of the Wholetime Director will be under the overall authority of the Managing Director/ Board of Directors.

The Whole-time Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.

The Whole-time Director shall adhere to the Company's Code of Conduct.

Mr. Shonti Venkateswarlu satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under subsection (3) of Section 196 of the Act for being eligible for his appointment. He is not disqualified from being appointed as a Director in terms of Section 164 of the Act.

The above may be treated as a written memorandum setting out the terms of appointment of Mr. Shonti Venkateswarlu under Section 190 of the Act.

Details of Mr. Shonti Venkateswarlu are provided in the "Annexure" to the Notice, pursuant to the provisions of:

- (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
- (ii) Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India.

Mr. Shonti Venkateswarlu is interested in the resolution set out at Item No. 6 of the Notice.

The other relatives of Mr. Shonti Venkateswarlu may be deemed to be interested in the resolution set out at Item No. 6 of the Notice, to the extent of their shareholding, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

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

Item No.7: To ratify Cost Auditor's remuneration for the Financial Year 2020-21:

On the recommendation of the Audit Committee, the Board of Directors of the Company, has appointed Aruna Prasad & Co., Cost Accountants as the Cost Auditor to conduct the audit of the cost accounting records of the Company for the Financial Year ending 31st March, 2021 at a remuneration of ₹ 1,10,000/- (Rupees One Lakh Ten Thousand only) plus reimbursement of travelling and out of pocket expenses.

In accordance with the provisions of Section 148 of the Companies Act, 2013 ("the Act") read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board, has to be ratified by the members of the Company.

Accordingly, ratification by the members is sought for the remuneration payable to the Cost Auditors for the financial year ending 31st March 2021 by passing an Ordinary Resolution as set out at Item No. 7 of the Notice.

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.

The Board commends the Ordinary Resolution set out at Item No. 7 of the Notice for ratification by the members.

By Order of the Board

Sd/-

Bikram Keshari Prusty

Company Secretary

FCS 7855

Place : Hyderabad

Date : 25th June 2020

ANNEXURE TO THE NOTICE DATED 25th JUNE 2020

Details of Directors Retiring by Rotation and seeking appointment at the Annual General Meeting:

Mr. M.B.Raju:

Date of Birth	28.12.1939
Age	80 Years
Date of Appointment	31.07.1979
Qualification	B.E - Mechanical (Hons.) Andhra University
Brief resume and expertise in specific functional area	Founder of DCL; Honors' Graduate in Mechanical Engineering; Technocrat Entrepreneur and Eminent Industrialist with more than 4 decades of experience in the Cement Industry
Directorships in other companies	1. DCL Information Technologies Limited 2. K V K Raju International Leadership Limited
Chairmanship/Membership of committees of other companies	Nil
Shareholding in the company	11,60,921 equity shares (8.29%)
No. of Meetings of the Board attended during year 2019-20	5 out of 5
Total Remuneration paid for the year 2019-20	₹ 249.35 Lakhs
Remuneration proposed to be paid	As per existing approved terms and conditions
Relationships between Directors Inter-se	Mr. M B Raju, Executive Chairman is the father of Ms. P. Parvathi, Managing Director.

Mrs. Mahpara Ali:

Date of Birth	28.07.1951
Age	68 Years
Date of Appointment	01.04.2020
Qualification	Master Degree in Arts and Bachelor of Arts (Hons), Diploma in International Banking and Finance from Indian Institute of Banking and Finance.
Brief resume and expertise in specific functional area	<ul style="list-style-type: none"> Mrs. Mahpara Ali holds Master Degree in Arts and Bachelor of Arts (Hons). She also holds Diploma in International Banking and Finance from Indian Institute of Banking and Finance. She has served in various capacities in the State Bank of India (SBI) for 39 years. She Joined as Probationary Officer and held many key assignments covering all areas of banking. Before retirement she held the position of Chief General Manager of Bangalore circle of SBI
Directorships in other companies	1. Ramky Infrastructure Limited 2. Krishna Bhima Samruddhi Lokal Area Bank Limited
Chairmanship/Membership of committees of other companies	Nil
Shareholding in the company	Nil
No. of Meetings of the Board attended during year 2019-20	Not Applicable
Total Remuneration paid for the year 2019-20	Not Applicable
Remuneration proposed to be paid	Sitting Fees for attending Board and Committee Meetings; and Collectively with all the Non-Executive Directors entitled for a Commission for a sum not exceeding 1% per annum of the net profits of the company calculated in accordance with the provisions of Section 198 of the Companies Act, 2013, subject to a ceiling of ₹ 10.00 Lakhs per annum.
Relationships between Directors Inter-se	Not related to any other Director

Mr. Shonti Venkateswarlu:

Date of Birth	01.06.1961
Age	59 Years
Date of Appointment	11.11.2019
Qualification	B.Sc. and MBA
Brief resume and expertise in specific functional area	More than 35 years of experience, in various positions, including senior positions in Cement Industry. Before inducted into the Board, he was Senior Vice President (Works) of Deccan Cements Limited.
Directorships in other companies	Nil
Chairmanship/Membership of committees of other companies	Nil
Shareholding in the company	Nil
No. of Meetings of the Board attended during year 2019-20	2 out of 2
Total Remuneration paid for the year 2019-20	₹ 16.88 Lakhs
Remuneration proposed to be paid	As per the resolution at Item No. 6 of the Notice convening this Meeting read with explanatory statement thereto.
Relationships between Directors Inter-se	Not related to any other Director

By Order of the Board

Sd/-

Bikram Keshari Prusty

Company Secretary

FCS 7855

Place : Hyderabad

Date : 25th June 2020

DIRECTORS' REPORT

Dear Shareholders,

The Directors of your company are glad to present the 40th Annual Report together with the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2020.

Financial Results

The Financial Results for the year ended 31st March, 2020 are summarized below:

	(₹ in Lakhs)	
Particulars	2019-20	2018-19
Revenue from operations	55,584.82	65,141.52
Other Income (net)	955.66	987.02
Total Income	56,540.48	66,128.54
Operating expenses		
Depreciation and amortization expenses	47,755.17	55,619.22
	2,091.25	2,231.21
Total expenses	49,846.42	57,850.43
Profit before Finance cost and Tax and Exceptional Item	6,694.06	8,278.11
Less: Finance cost	677.62	773.04
Exceptional Item	962.41	-
Current tax	1,235.89	2,649.41
Deferred tax	(1,846.24)	249.66
Net Profit after Tax	5,664.38	4,606.00
Other comprehensive income	(5.06)	3.76
Total comprehensive income for the year	5,659.32	4,609.76
Profit brought forward from previous year	34,049.42	29,946.28
Less: Dividend (including Corporate Dividend Tax)	(1,308.74)	(506.61)
Closing Balance of Profit	38,400.00	34,049.42
Earnings Per Share (in ₹)	40.44	32.88

Results of Operations:

The profit after tax of the Company for the current year was at ₹ 5,664.38 Lakh as compared to the previous

year profit of ₹ 4,606.00 Lakh. During the year there is no change of business.

The Financial statements are required to be presented in accordance with the Ind-AS requirements from the financial year 2018-19. It shows there is a decrease in revenues by 14.67%. As per Ind-AS requirements GST, rebates and discounts are reduced from the Gross revenue. For the sake of better understanding, the changes in the Gross and the Net Revenue disclosed in the financial statements are given below:

	(₹ in Lakhs)	
Particulars	2019-20	2018-19
Sale of products		
(a) Cement - Gross Revenue	80,515.42	91,072.57
GST	17,601.51	19,919.02
Rebates	8,023.92	6,739.84
Cement - Net Revenue	54,889.99	64,413.71
(b) Power (Net of charges for wheeling, banking)		
Wind	47.68	77.81
Hydel	519.30	347.71
Thermal	-	135.87
Power - Net Revenue	566.98	561.39
Other operating revenues		
Scrap sales	127.85	166.42
Revenue (Net of Taxes and Rebates)	55,584.82	65,141.52

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

Dividend:

In consonance with the Company's policy of rewarding its shareholders on a consistent basis, your directors declared interim dividend of ₹ 4/- per equity share i.e. @80% dividend on the Equity Share Capital of the Company for FY 2019-20. The said dividend was paid during March 2020.

The cash outflow for interim dividend FY 2019-20 was ₹ 560.30 Lakh and ₹ 115.19 Lakh towards tax on dividend totaling to ₹ 575.49 Lakhs. The cash outflow for dividend declared for FY 2018-19 was ₹ 525.28 Lakh and ₹ 107.97 Lakh towards tax on dividend totaling to ₹ 633.25 Lakhs.

Your directors have not recommended any final dividend for the financial year 2019-20.

Your directors have not proposed to transfer any sum to Reserves for the financial year 2019-20.

Capital Structure:

There is no change in the capital structure during the year.

Deposits:

During the year under review, the Company has not invited / accepted any amount falling within the purview of provisions of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

Management Discussion and Analysis Report:

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

Business Responsibility Report:

Business Responsibility Report as per regulation 34 of the listing regulations forms part of this Annual Report.

Corporate Governance:

The Company's Report on Corporate Governance is attached, and forms part of this Report.

Certificate from the Statutory Auditors of the Company M/s. M Anandam & Co., Chartered Accountants confirming the compliance with the conditions of Corporate Governance as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is appended to this Report.

Transfer to Investor Education and Protection Fund (IEPF):

During the year, the Company has transferred a sum of ₹ 3,68,844/-, the unclaimed and unpaid dividend pertaining to the Financial Year 2011-12, to the Investor Education and Protection Fund (IEPF) in compliance with applicable provisions of the Companies Act, 2013.

Further, the unclaimed and unpaid dividend amount pertaining to the Financial Year 2012-13 is due for transfer to IEPF on 18th September, 2020. The year wise details of unpaid and unclaimed amounts lying with the Company as on 31st March, 2020 are uploaded to IEPF portal of the Ministry of Corporate Affairs (MCA) "www.iepf.gov.in" and also available in the Company's website "www.deccancements.com". Shareholders are advised to check their unpaid and unclaimed dividend status and contact the Company for encashment of the same, if depicting unpaid.

Section 124(6) of the Companies Act, 2013 read with the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 mandates companies to transfer shares against which dividends remain unpaid / unclaimed for a continuous period of seven years to the IEPF. As per the Ministry of Corporate Affairs General Circular No.12/2017 dated 16th October, 2017, the Company has transferred 11,300 equity shares belonging to 32 shareholders through corporate action on 15th October, 2019 to the demat account of IEPF Authority held with NSDL. Similarly, the shares in respect of which dividend are unpaid / unclaimed for a continuous period of seven years, since the dividend declared for the Financial Year 2012-13, are due for transfer to IEPF on 18th September, 2020.

Directors and Key Managerial Personnel:

During the year Mr. K. P. Singh, Independent Director was re-appointed by the shareholders of the Company by passing a special resolution for the Second Term of 5 (Five) Consecutive Years with effect from 29th September, 2019 to 28th September, 2024. The terms and conditions of appointment of independent directors

are as per Schedule IV of the Act. They have submitted declarations that each of them meets the criteria of independence as provided and in Section 149(6) of the Act and there has been no change in their status as independent director during the year.

Pursuant to Section 152 of the Companies Act, 2013 Mr. M. B. Raju (DIN: 00016652) is liable to retire by rotation at the forthcoming Annual General Meeting and being eligible has offered himself for reappointment. The Board recommends his reappointment.

As per the recommendation of the Nomination and Remuneration Committee, your Directors appointed Mr. Shonti Venkateswarlu (DIN: 08602254) as an Additional Director of the Company, with effect from 11th November, 2019, who will holds office of Director up to the date of ensuing Annual General Meeting of the company. Further, subject to the approval of the members he was appointed as Whole-time Director of the Company with designation Director (Works), for a period of 5 (five) years with effect from 11th November 2019. As per the recommendation of the Nomination and Remuneration Committee, the Board recommends his appointment as Director liable to retire by rotation at the ensuing Annual General Meeting of the company. Further, the Board recommends to accord approval in connection with his appointment as a Whole-time Director of the Company with designation Director (Works).

Further, as per the recommendation of the Nomination and Remuneration Committee, your Directors appointed Mrs. Mahpara Ali (DIN: 06645262 and Independent Director Registration No. IDDB-DI-202002-008803) as an Additional Director of the Company, in the category of Independent Director, with effect from 1st April, 2020, who will holds office of Director up to the date of ensuing Annual General Meeting of the company. As per the recommendation of the Nomination and Remuneration Committee, the Board recommends her appointment as an Independent Director for a term of 5 years with effect from 1st April 2020.

The company has received requisite declaration from Mrs. Mahpara Ali pursuant to the provisions of Section 149(7) of the Act that she meets the criteria of independence as provided in Section 149(6) of the Act.

In the opinion of the Board, Mrs. Mahpara Ali fulfills the conditions specified in the Act and the Rules made thereunder to be appointed as an Independent Director.

Brief resume of the Director(s) retiring by rotation, seeking 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 calling the 40th Annual General Meeting.

Pursuant to Section 2(51) and Section 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, during the financial year 2019-20 under review the following changes were made in the position of Key Managerial Personnel of the Company:

1. Mr. S. K. Mishra resigned from the position of Company Secretary and relieved from his duties on 10th June, 2019, and in his place Mr. Bikram Keshari Prusty joined as Company Secretary of the Company with effect from 8th July, 2019.
2. Mr. RVA Narasimha Rao, Chief Financial Officer of the Company was superannuated on 29th June, 2019, and in his place Mr. D. Raghava Chary is designated as Chief Financial Officer of the Company with effect from 1st July, 2019.
3. Mr. S. Venkateswarlu, Senior Vice President (Works) is appointed as Whole Time Director with designation Director (Works) with effect from 11th November, 2019.

Ms. P Parvathi, Managing Director, continued as the "Key Managerial Personnel" of the Company.

Familiarization program for Independent Directors:

The Company has adopted a familiarization programme prepared in the line of Regulation 25(7) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for Independent Directors to familiarize them with the Company's philosophy, vision, mission, strategies, operations and functions. The details of the familiarization programme are available on the Company's website at "www.deccancements.com".

Declaration by Independent Directors:

Your Company has received necessary declaration from each independent director under Section 149 of the Companies Act, 2013, confirming that he/she meets the criteria of independence laid down in Section 149 of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Statutory Auditor:

M/s. M Anandam & Co., Chartered Accountants, Secunderabad, were appointed as Statutory Auditors of the Company in the 37th annual general meeting of the Company held on 11th August, 2017 for a period of five years i.e. till the conclusion of the 42nd annual general meeting to be held in the year 2022 for FY 2021-22.

The Notes on the 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:

M/s. Aruna Prasad & Co., Cost Accountants, Chennai, has been reappointed by the Board of Directors as Cost Auditor of the Company for the Financial Year 2020-21. The remuneration of the cost auditor is required to be ratified by the members in accordance with the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the 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 the 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 M/s. Tumuluru & Company, Company Secretaries, Hyderabad to conduct the Secretarial Audit of the Company for the financial year ended 31st March, 2020. 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 2020 is annexed to this Report (**Annexure II**).

Board Meetings:

During the year, Five (5) meetings of the Board of Directors were convened and held. The details of the meetings of the Board 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, 2020, 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, 2020 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, 2020 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.

CEO/CFO Certification:

The CEO and CFO certification on the Financial Statements for Year 2019-20 is provided elsewhere in this Annual Report.

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):

The Company had not entered into any arrangement/ transaction with related parties which is material in nature and accordingly, the disclosure of Related Party Transactions in Form AOC-2 is not applicable.

Transactions entered by the Company with its related parties were on an arm's length basis and suitable

disclosures as required under Ind AS-24 have been made in Note No. 32 to the Financial Statements.

In compliance of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 2019 are given in **Annexure III**.

Internal Control Systems and its Adequacy:

The details in respect of internal control and its adequacy are included in the Management Discussion & Analysis, which forms part of this report.

Risk Management:

The Company has framed a Risk Management Policy and details of policy are disclosed in the company's website "www.deccancements.com". The Risk Management Policy 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 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 "www.deccancements.com".

A brief outline of the CSR policy of the Company and the Annual Report on CSR activities undertaken during the year 2019-20 in the format prescribed in the

Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed to this Report (**Annexure IV**).

Board Evaluation:

In compliance of the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the annual performance evaluation of individual directors was carried out by the Board.

The detailed criteria in which the performance of the individual directors was carried out has been disclosed in the Corporate Governance Report.

The Performance evaluation of independent directors was done by the entire Board of Directors excluding the director being evaluated.

Particulars of Employees:

The information required pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is 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) Rules, 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, 2020, the Company has not received any Complaint pertaining to Sexual Harassment.

Impact assessment of the global health pandemic COVID - 19 and related estimation uncertainty:

Your Company had suspended operations w.e.f. 23.03.2020 as per the directives of both the Central

and State Governments in the wake of COVID -19 pandemic. The Company's operations were impacted in the month of March 2020. The Company has made an assessment on measurement of assets and liabilities including recoverability of carrying values of its assets, its liquidity position and ability to repay its debts for the next year, and concluded that no material adjustments are considered necessary. From 20th April 2020, operations have commenced in a phased manner taking into account directives from the Government.

The Company has not availed moratorium allowed by RBI for payment of its debt obligations and the Company continues to service all its payment obligations in time. The Company has adequate liquidity in the form of cash and credit facilities/lines for meeting its funds requirements.

Acknowledgement:

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

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

For and on behalf of the Board

Sd/-

M.B.Raju

Executive Chairman

DIN: 00016652

Place: Hyderabad

Date: 25th June 2020

Annexure-I

**Form No. MR-3
SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31st March 2020

(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

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 **31st March 2020 (herein after called as Audit Period)** 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 31st March 2020 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 there under to the extent of :
 - a) Foreign Direct Investment (**Not Applicable during the Audit Period**)
 - b) Overseas Direct Investment; (**Not Applicable during the Audit Period**)
 - c) External Commercial Borrowings (**Not Applicable during the Audit Period**);
- 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, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009/2018; **(not applicable during the Audit Period)**
 - d. The Securities and Exchange Board of India (Share Based Benefits) Regulations, 2014; **(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)** and
 - h. The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998/2018; **(not applicable during the Audit Period)**
- vi. We further report that having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test- check basis, the Company has complied with the following laws applicable specifically to the Company:
- a. Cement (Quality Control) Order, 2003
 - b. Cement Cess Rules, 1993
 - c. The Electricity Act, 2003
 - d. The Mines Act, 1952
 - e. Mines and Minerals (Development & Regulation) Act, 1957
 - f. The Forest Conservation Act, 1980

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

DIRECTORS' REPORT

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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act:
- (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) All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be

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:

Corporate Social Responsibility:

The Company has spent a sum of ₹ 1,43,39,183 towards Corporate Social Responsibility during the Financial Year 2019-20, while 2% of the average net profits of the three preceding financial years was ₹ 1,38,76,062/-.

For Tumuluru & Company
Company Secretaries

Sd/-

B.V.Saravana Kumar

Partner

ACS No. : 26944

C. P. No. : 11727

UDIN: A026944B000366987

Place : Hyderabad

Date : 25.06.2020

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

Annexure - A

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

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

1. Maintenance of secretarial record 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 Management provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the 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.

For Tumuluru & Company
Company Secretaries

Sd/-
B.V.Saravana Kumar
Partner

ACS No. : 26944

C. P. No. : 11727

UDIN: A026944B000366987

Place : Hyderabad

Date : 25.06.2020

Annexure-II**Form No. MGT - 9****EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH 2020**

[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 contact details	6-3-666/B, 'Deccan Chambers', Somajiguda, Hyderabad – 500 082, Telangana
(vi)	Whether listed company (Yes / No)	Yes
(vii)	Name, Address and contact details of Registrar and Transfer Agent, if any;	KFin Technologies Private Limited Selenium Tower B, Plot No.31 & 32, Financial District, Nankramguda, Serilingampally, Gachibowli, Hyderabad- 500 032 Phone No: 040-67162222, Fax No: 040-23001153 Email id: einward.ris@kfintech.com, Website: www.kfintech.com

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	Manufacturing of Cement in form of Clinker and Manufacturing of Portland Cement, Slag Cement and similar	23941 / 23942	98.75%
2	Generation of Electricity	35101 / 35102 / 35106	1.02%
3	Others	-	0.23%

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 01.04.2019			No. of Shares held at the end of the year as on 31.03.2020			% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical		Total
A. Promoters								
(1) Indian								
a) Individual / HUF	14,83,262	0	14,83,262	10.59	14,83,262	0	14,83,262	10.59
b) Central Govt.	0	0	0	0.00	0	0	0	0.00
c) State Govt.(s)	0	0	0	0.00	0	0	0	0.00
d) Bodies Corp.	63,38,786	0	63,38,786	45.25	63,45,415	0	63,45,415	45.30
e) Banks / FI	0	0	0	0.00	0	0	0	0.00
f) Any other	48,546	0	48,546	0.35	48,546	0	48,546	0.35
Sub-total (A) (1)	78,70,594	0	78,70,594	56.19	78,77,223	0	78,77,223	56.24
(2) Foreign								
a) NRI(s) Individual (s)	0	0	0	0.00	0	0	0	0.00
b) Other - Individual	0	0	0	0.00	0	0	0	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00
d) Banks / FI's	0	0	0	0.00	0	0	0	0.00
e) Any other	0	0	0	0.00	0	0	0	0.00
Sub-total A (2)	0	0	0	0.00	0	0	0	0.00
Total Shareholding of Promoter (A) = A(1) + A(2)	78,70,594	0	78,70,594	56.19	78,77,223	0	78,77,223	56.24
B. Public Shareholding								
1. Institutions								
a) Mutual Funds	19,77,512	2,800	19,80,312	14.14	17,43,566	2,800	17,46,366	12.47
b) Banks / FI	218	988	1,206	0.01	6,212	988	7,200	0.05
c) Central Govt.	0	0	0	0.00	0	0	0	0.00
d) State Govt.(s)	0	0	0	0.00	0	0	0	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00
g) FIs	2,48,784	700	2,49,484	1.78	3,15,906	700	3,16,606	2.26
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00

Category of Shareholders	No. of Shares held at the beginning of the year as on 01.04.2019			No. of Shares held at the end of the year as on 31.03.2020			% Change during the year
	Demat	Physical	Total	Demat	Physical	Total	
(i) Others (specify)	0	0	0	0	0	0	0.00
Sub-total (B)(1)	22,26,514	4,488	22,31,002	20,65,684	4,488	20,70,172	-7.21
2. Non-Institutions							
(a) Bodies Corp.							
(i) Indian	7,35,686	3,020	7,38,706	7,00,739	2,620	7,03,359	-4.78
(ii) Overseas	0	0	0	0	0	0	0.00
(b) Individuals							
(i) Individual shareholders holding nominal share capital upto ₹ 1 Lakh	16,28,089	2,51,041	18,79,130	18,39,332	1,96,041	20,35,373	8.31
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	1,44,200	0	1,44,200	1,27,137	0	1,27,137	-11.83
(c) Others (specify)							
- Non Resident Indians	9,93,461	0	9,93,461	10,35,132	0	10,35,132	4.19
- NRI Non Repatriation	26,828	0	26,828	22,444	0	22,444	-16.34
- Clearing Members	5,539	0	5,539	7,220	0	7,220	30.35
- Trust	0	0	0	500	0	500	100.00
- NBFCs Registered with RBI	160	0	160	160	0	160	0.00
- IEPF	1,17,880	0	1,17,880	1,28,780	0	1,28,780	9.25
Sub-total B(2)	36,51,843	2,54,061	39,05,904	38,61,444	1,98,661	40,60,105	3.95
Total Public Shareholding (B) = B(1) + B(2)	58,78,357	2,58,549	61,36,906	59,27,128	2,03,149	61,30,277	-0.11
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0.00
Grand Total (A+B+C)	1,37,48,951	2,58,549	1,40,07,500	1,38,04,351	2,03,149	1,40,07,500	0.00

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

Sl No.	Shareholder's Name	Shareholding at the beginning of the year as on 01.04.2019			Share holding at the end of the year as on 31.03.2020			% 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	46,03,712	32.87	0.00	46,03,712	32.87	0.00	0.00
2	Satyasai Investments & Leasing Ltd	10,47,474	7.48	0.00	10,54,103	7.53	0.00	0.63
3	Bangar Raju Manthana	11,60,921	8.29	0.00	11,60,921	8.29	0.00	0.00
4	DCL Securities Ltd	5,12,000	3.66	0.00	5,12,000	3.66	0.00	0.00
5	DCL Exim Limited	1,75,600	1.25	0.00	1,75,600	1.25	0.00	0.00
6	Lakshmi Manthana	2,84,335	2.03	0.00	2,84,335	2.03	0.00	0.00
7	Parvathi Penmetcha	38,006	0.27	0.00	38,006	0.27	0.00	0.00
8	Anirudh Raju Penmetcha (PAC)	22,846	0.16	0.00	22,846	0.16	0.00	0.00
9	Aishwarya Penmetcha (PAC)	21,500	0.15	0.00	21,500	0.15	0.00	0.00
10	P Varun Raju Kumar (PAC)	2,000	0.01	0.00	2,000	0.01	0.00	0.00
11	Penumatcha Venkata Ramachandra Raju (PAC)	1,600	0.01	0.00	1,600	0.01	0.00	0.00
12	Venugopal Raju Penmetcha (PAC)	600	0.00	0.00	600	0.00	0.00	0.00
	Total	78,70,594	56.19	0.00	78,77,223	56.24	0.00	0.09

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

1.MELVILLIE FINVEST LIMITED	Cumulative shareholding during the year	
	No. of Shares	% of total shares of the company
At the beginning of the year on 01.04.2019	46,03,712	32.87
At the end of the year on 31.03.2020	46,03,712	32.87

2. BANGAR RAJU MANTHENA	Cumulative shareholding during the year	
	No. of Shares	% of total shares of the company
At the beginning of the year on 01.04.2019	11,60,921	8.29
At the end of the year on 31.03.2020	11,60,921	8.29

3. SATYASAI INVESTMENTS & LEASING LIMITED				Cumulative shareholding during the year	
				No. of Shares	% of total shares of the company
At the beginning of the year on 01.04.2019				10,47,474	7.48
Date	Increase (+)	Decrease (-)	Reason		
20.03.2020	3,800		Purchase	10,51,274	7.51
27.03.2020	2,229		Purchase	10,53,503	7.52
31.03.2020	600		Purchase	10,54,103	7.53
At the end of the year on 31.03.2020				10,54,103	7.53

4. DCL SECURITIES LIMITED	Cumulative shareholding during the year	
	No. of Shares	% of total shares of the company
At the beginning of the year on 01.04.2019	5,12,000	3.66
At the end of the year on 31.03.2020	5,12,000	3.66

5. LAKSHMI MANTHENA	Cumulative shareholding during the year	
	No. of Shares	% of total shares of the company
At the beginning of the year on 01.04.2019	2,84,335	2.03
At the end of the year on 31.03.2020	2,84,335	2.03

6. DCL EXIM PRIVATE LIMITED	Cumulative shareholding during the year	
	No. of Shares	% of total shares of the company
At the beginning of the year on 01.04.2019	1,75,600	1.25
At the end of the year on 31.03.2020	1,75,600	1.25

7. PARVATHI PENMETCHA	Cumulative shareholding during the year	
	No. of Shares	% of total shares of the company
At the beginning of the year on 01.04.2019	38,006	0.27
At the end of the year on 31.03.2020	38,006	0.27

8. ANIRUDH RAJU PENMETCHA	Cumulative shareholding during the year	
	No. of Shares	% of total shares of the company
At the beginning of the year on 01.04.2019	22,846	0.16
At the end of the year on 31.03.2020	22,846	0.16

9. AISHWARYA PENMETCHA	Cumulative shareholding during the year	
	No. of Shares	% of total shares of the company
At the beginning of the year on 01.04.2019	21,500	0.15
At the end of the year on 31.03.2020	21,500	0.15

10. P VARUN RAJU KUMAR	Cumulative shareholding during the year	
	No. of Shares	% of total shares of the company
At the beginning of the year on 01.04.2019	2,000	0.01
At the end of the year on 31.03.2020	2,000	0.01

11. P V R RAJU	Cumulative shareholding during the year	
	No. of Shares	% of total shares of the company
At the beginning of the year on 01.04.2019	1,600	0.01
At the end of the year on 31.03.2020	1,600	0.01

12. VENUGOPAL RAJU PENMETCHA	Cumulative shareholding during the year	
	No. of Shares	% of total shares of the company
At the beginning of the year on 01.04.2019	600	0.00
At the end of the year on 31.03.2020	600	0.00

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

1. UTI - CORE EQUITY FUND				Cumulative shareholding during the year	
				No. of Shares	% of total shares of the company
At the beginning of the year on 01.04.2019				6,75,329	4.82
Date	Increase (+)	Decrease (-)	Reason		
05/04/2019	25,000		Purchase	7,00,329	5.00
10/05/2019	25,000		Purchase	7,25,329	5.18
10/05/2019		25,000	Sale	7,00,329	5.00
At the end of the year on 31.03.2020				7,00,329	5.00

2. Keswani Harish				Cumulative shareholding during the year	
				No. of Shares	% of total shares of the company
At the beginning of the year on 01.04.2019				5,90,985	4.22
Date	Increase (+)	Decrease (-)	Reason		
31/05/2019		8,459	Sale	5,82,526	4.16
07/02/2020	5,82,526		Purchase	11,65,052	8.32
07/02/2020		5,82,526	Sale	5,82,526	4.16
At the end of the year on 31.03.2020				5,82,526	4.16

3. HSBC Infrastructure Equity Fund				Cumulative shareholding during the year	
				No. of Shares	% of total shares of the company
At the beginning of the year on 01.04.2019				5,62,373	4.01
Date	Increase (+)	Decrease (-)	Reason		
05/04/2019		22,696	Sale	5,39,677	3.85
31/05/2019		2,473	Sale	5,37,204	3.84
07/06/2019		10,500	Sale	5,26,704	3.76
26/07/2019		3,655	Sale	5,23,049	3.73
09/08/2019		6,278	Sale	5,16,771	3.69
23/08/2019		9,042	Sale	5,07,729	3.62
30/08/2019		11,225	Sale	4,96,504	3.54
06/09/2019		284	Sale	4,96,220	3.54
20/09/2019		1,073	Sale	4,95,147	3.53
27/09/2019		9,568	Sale	4,85,579	3.47
30/09/2019		4,808	Sale	4,80,771	3.43
04/10/2019		100	Sale	4,80,671	3.43
25/10/2019		1,259	Sale	4,79,412	3.42
01/11/2019		10,624	Sale	4,68,788	3.35
08/11/2019		15,973	Sale	4,52,815	3.23
15/11/2019		4,720	Sale	4,48,095	3.20
22/11/2019		13,790	Sale	4,34,305	3.10
29/11/2019		30,018	Sale	4,04,287	2.89
06/12/2019		14,500	Sale	3,89,787	2.78
13/12/2019		11,047	Sale	3,78,740	2.70
20/12/2019		2,356	Sale	3,76,384	2.69
27/12/2019		5,462	Sale	3,70,922	2.65
31/12/2019		26,400	Sale	3,44,522	2.46
03/01/2020		13,311	Sale	3,31,211	2.36
24/01/2020		7,364	Sale	3,23,847	2.31
31/01/2020		3,656	Sale	3,20,191	2.29
14/02/2020		3,683	Sale	3,16,508	2.26
20/03/2020		445	Sale	3,16,063	2.26
At the end of the year on 31.03.2020				3,16,063	2.26

4. IL and FS Trust Co. Ltd.,				Cumulative shareholding during the year	
				No. of Shares	% of total shares of the company
At the beginning of the year on 01.04.2019				5,23,973	3.74
Date	Increase (+)	Decrease (-)	Reason		
26/04/2019		889	Sale	5,23,084	3.73
03/05/2019		2,376	Sale	5,20,708	3.72
10/05/2019		1,044	Sale	5,19,664	3.71
17/05/2019	307		Purchase	5,19,971	3.71
24/05/2019	5,076		Purchase	5,25,047	3.75
31/05/2019		20,969	Sale	5,04,078	3.60
12/07/2019	559		Purchase	5,04,637	3.60
19/07/2019	74		Purchase	5,04,711	3.60
30/08/2019	626		Purchase	5,05,337	3.61
06/09/2019		76	Sale	5,05,261	3.61
27/09/2019		18,191	Sale	4,87,070	3.48
04/10/2019		1,381	Sale	4,85,689	3.47
11/10/2019		3,996	Sale	4,81,693	3.44
25/10/2019		2,410	Sale	4,79,283	3.42
08/11/2019	989		Purchase	4,80,272	3.43
03/01/2020	3		Purchase	4,80,275	3.43
10/01/2020		7,675	Sale	4,72,600	3.37
17/01/2020		2,136	Sale	4,70,464	3.36
24/01/2020	1,576		Purchase	4,72,040	3.37
31/01/2020	2,328		Purchase	4,74,368	3.39
07/02/2020	1,968		Purchase	4,76,336	3.40
14/02/2020	7,647		Purchase	4,83,983	3.46
21/02/2020	10,747		Purchase	4,94,730	3.53
28/02/2020	2,762		Purchase	4,97,492	3.55
06/03/2020	594		Purchase	4,98,086	3.56
At the end of the year on 31.03.2020				4,98,086	3.56

5. L&T Mutual Fund Trustee Limited-L&T Emerging Business Fund				Cumulative shareholding during the year	
				No. of Shares	% of total shares of the company
At the beginning of the year on 01.04.2019				4,44,601	3.17
Date	Increase (+)	Decrease (-)	Reason		
14/02/2020		3,438	Sale	4,41,163	3.15
28/02/2020		6,480	Sale	4,34,683	3.10
20/03/2020		3,082	Sale	4,31,601	3.08
At the end of the year on 31.03.2020				4,31,601	3.08

6. Ricky Ishwardas Kirpalani				Cumulative shareholding during the year	
				No. of Shares	% of total shares of the company
At the beginning of the year on 01.04.2019				4,44,601	3.17
Date	Increase (+)	Decrease (-)	Reason		
31/05/2019	5,761		Purchase	4,00,757	2.86
07/06/2019	26,572		Purchase	4,27,329	3.05
14/06/2019	4,126		Purchase	4,31,455	3.08
28/06/2019	9,692		Purchase	4,41,147	3.15
07/02/2020	4,41,147		Purchase	8,82,294	6.30
07/02/2020		4,41,147	Sale	4,41,147	3.15
At the end of the year on 31.03.2020				4,41,147	3.15

7. IDFC CORE EQUITY FUND				Cumulative shareholding during the year	
				No. of Shares	% of total shares of the company
At the beginning of the year on 01.04.2019				2,92,609	2.09
Date	Increase (+)	Decrease (-)	Reason		
26/07/2019	3,800		Purchase	2,96,409	2.12
15/11/2019		2,808	Sale	2,93,601	2.10
22/11/2019		615	Sale	2,92,986	2.09
29/11/2019		13	Sale	2,92,973	2.09
At the end of the year on 31.03.2020				2,92,973	2.09

8. Fidelity Investment Trust Fidelity Emerging Market Fund				Cumulative shareholding during the year	
				No. of Shares	% of total shares of the company
At the beginning of the year on 01.04.2019				2,36,946	1.69
Date	Increase (+)	Decrease (-)	Reason		
16/08/2019		3,916	Sale	2,33,030	1.66
23/08/2019		2,116	Sale	2,30,914	1.65
30/08/2019		3,568	Sale	2,27,346	1.62
27/09/2019		3,295	Sale	2,24,051	1.60
30/09/2019		668	Sale	2,23,383	1.59
04/10/2019		1,037	Sale	2,22,346	1.59
At the end of the year on 31.03.2020				2,22,346	1.59

9. Investor Education And Protection Fund Authority (IEPF)				Cumulative shareholding during the year	
				No. of Shares	% of total shares of the company
At the beginning of the year on 01.04.2019				1,17,880	0.84
Date	Increase (+)	Decrease (-)	Reason		
18/10/2019	11,300		Statutory Transfer	1,29,180	0.92
10/01/2020		200	Claimed by Shareholder	1,28,980	0.92
24/01/2020		200	Claimed by Shareholder	1,28,780	0.92
At the end of the year on 31.03.2020				1,28,780	0.92

10. FIRST WATER FUND				Cumulative shareholding during the year	
				No. of Shares	% of total shares of the company
At the beginning of the year on 01.04.2019				0	0.00
Date	Increase (+)	Decrease (-)	Reason		
26/07/2019	412		Purchase	412	0.00
02/08/2019	4,282		Purchase	4,694	0.03
09/08/2019	2,615		Purchase	7,309	0.05
16/08/2019		2,599	Sale	4,710	0.03
30/08/2019	5,000		Purchase	9,710	0.07
22/11/2019	25,290		Purchase	35,000	0.25

10. FIRST WATER FUND				Cumulative shareholding during the year	
				No. of Shares	% of total shares of the company
29/11/2019	13,639		Purchase	48,639	0.35
06/12/2019	15,000		Purchase	63,639	0.45
13/12/2019	5,000		Purchase	68,639	0.49
27/12/2019	15		Purchase	68,654	0.49
31/12/2019	2,000		Purchase	70,654	0.50
03/01/2020	3,000		Purchase	73,654	0.53
10/01/2020	284		Purchase	73,938	0.53
24/01/2020	788		Purchase	74,726	0.53
31/01/2020	7,000		Purchase	81,726	0.58
07/02/2020	2,488		Purchase	84,214	0.60
14/02/2020	2,000		Purchase	86,214	0.62
28/02/2020	1,040		Purchase	87,254	0.62
At the end of the year on 31.03.2020				87,254	0.62

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	Designation	Shareholding at the beginning the year 31 st March 2019		Shareholding at the end of the year 31 st March 2020	
			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	11,60,921	8.29	11,60,921	8.29
2	Dr. S.A.Dave	Independent Director	0	0	0	0
3	Mr. Umesh Shrivastava	Independent Director	7,160	0.05	7,160	0.05
4	Mr. J.Narayanamurthy	Independent Director	0	0	0	0
5	Mr. K.P.Singh	Independent Director	0	0	0	0
6	Mr. R.Gopalakrishnan	Non-Executive Director	0	0	0	0
7	Ms. P.Parvathi	Managing Director	38,006	0.27	38,006	0.27

DIRECTORS' REPORT

Sl. No.	Name	Designation	Shareholding at the beginning of the year 31 st March 2019		Shareholding at the end of the year 31 st March 2020	
			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
8	Mr. S. Venkateswarlu [§]	Director (Works)	0	0	0	0
9	Mr. R V A Narasimha Rao [*]	Chief Financial Officer	0	0	0	0
10	Mr. S K Mishra [#]	Company Secretary	0	0	0	0
11	Mr. D.Raghava Chary ^{**}	Chief Financial Officer	0	0	0	0
12	Mr. Bikram Keshari Prusty ^{##}	Company Secretary	0	0	0	0

[§] Mr. S.Venkateswaralu is appointed as Director (Works) with effect from 11th November 2019.

^{*} Mr. R V A Narasimha Rao, CFO, was superannuated on 29th June 2019.

^{**} Mr. D.Raghava Chary is appointed as CFO with effect from 1st July 2019.

[#] Mr. S.K.Mishra resigned and relieved from his duties on 10th June 2019.

^{##} Mr. B.K.Prusty is appointed as Company Secretary with effect from 8th July 2019.

vi) Indebtedness:

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

(₹ in Lakhs)

Particulars	Secured Loans	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year 01.04.2019				
(i) Principal Amount	98.94	1,625.00	-	1,723.94
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	98.94	1,625.00	-	1,723.94
Change in Indebtedness during the financial year				
Addition	5,815.42	-	-	5,815.42
Reduction	83.04	-	-	83.04
Net Change	5,732.38	-	-	5,732.38
Indebtedness at the end of the financial year 31.03.2020				
(i) Principal Amount	5,831.32	1,625.00	-	7,456.32
(ii) Interest due but not paid	40.60	-	-	40.60
(iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	5,871.92	1,625.00	-	7,496.92

vii) Remuneration of Directors and Key Managerial Personnel:

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

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager			Total Amount
		Mr. M.B.Raju Executive Chairman	Ms. P. Parvathi Managing Director	Mr. S. Venkateswaralu Director (Works) ^s	
1	Gross Salary				
	(a) Salary as per provisions contained in the section 17(1) of the Income Tax Act, 1961	60.00	91.80	15.76	167.56
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	77.07	39.48	1.12	117.67
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	NIL	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL
4	Commission				
	- As % of Profit	112.28	112.28	NIL	224.56
	- Other, specify	NIL	NIL	NIL	NIL
5	Others, Please specify	NIL	NIL	NIL	NIL
	Total (A)	249.35	243.56	16.88	509.79
	Ceiling as per the Act				561.40

^s Mr. S. Venkateswaralu is appointed as Director (Works) with effect from 11th November 2019.

B. Remuneration to other Directors: (₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Mr. R. Gopala krishnan	Dr. S. A. Dave	Mr. U. Shriva stava	Mr. J. Narayana murty	Mr. K. P. Singh	Total Amount
1.	Independent Directors						
	Fee for attending board committee meetings	N.A	1.48	2.28	2.75	2.50	9.00
	Commission	N.A	2.00	2.00	2.00	2.00	8.00
	Others, please specify	N.A	N.A	N.A	N.A	N.A	N.A
	Total (1)	NA	3.48	4.48	4.75	4.50	17.00
2.	Other Non-Executive Directors						
	Fee for attending board meetings	2.03	N.A	N.A	N.A	N.A	2.03
	Commission	2.00	N.A	N.A	N.A	N.A	2.00
	Others	N.A	N.A	N.A	N.A	N.A	N.A
	Total (2)	4.03	N.A	N.A	N.A	N.A	4.03
	Total (B) = (1+2)	4.03	3.48	4.48	4.75	4.50	21.03
	Overall ceiling as per the Act						56.14

DIRECTORS' REPORT

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD:

(₹ in Lakhs)

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#	Mr. D.Raghava Chary Chief Financial Officer (CFO)**	Mr. B.K. Prusty Company Secretary##	
1	Gross Salary						
	a)	Salary as per provisions contained in the section 17(1) of the Income Tax Act, 1961	18.19	5.83	15.60	12.08	51.70
	b)	Value of perquisites u/s 17(2) of the Income Tax Act, 1961	NIL	NIL	NIL	NIL	NIL
	c)	Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	NIL	NIL	NIL	NIL	NIL
2	Stock Option		NIL	NIL	NIL	NIL	NIL
3	Sweat Equity		NIL	NIL	NIL	NIL	NIL
4	Commission						
	- As % of Profit		NIL	NIL	NIL	NIL	NIL
	- Other, specify		NIL	NIL	NIL	NIL	NIL
5	Others, Please specify		NIL	NIL	NIL	NIL	NIL
	Total		18.19	5.83	15.60	12.08	51.70

* Mr. R V A Narasimha Rao, CFO, was superannuated on 29th June 2019.

** Mr. D.Raghava Chary is appointed as CFO with effect from 1st July 2019.

Mr. S K Mishra resigned and relieved from his duties on 10th June 2019.

Mr. B.K.Prusty is appointed as Company Secretary with effect from 8th July 2019.

III. Penalties / Punishment / Compounding offences:

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

For and on behalf of the Board

Sd/-

M.B.Raju

Executive Chairman

DIN: 00016652

Place: Hyderabad

Date: 25th June 2020

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 equipment. 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

I) Power and Fuel Consumption	Current Year 2019-20	Previous Year 2018-19
1 Electricity		
a Purchased		
Unit: (KWH - Lakh)	160.47	227.22
Total Amount (₹ in Lakh)	1,358.54	1,855.02
Average rate per unit (₹)	8.47	8.16
b Own Generation		
i Through diesel generator		
Units Generated (KWH - Lakh)	0.000	0.000
Total Amount (₹ in Lakh)	2.972	0.571
Rate per unit (₹)	0	0
Units per Liter of Diesel Oil (₹)	0	0
ii Thermal Generation (CPP)		
Units Generated (KWH - Lakh)	1,179.67	1,335.68
Total Amount (₹ in Lakh)	5,097.76	5,812.13
Rate per unit (₹)	4.32	4.35
2 Coal: Used as fuel in kiln		
Quantity (Million K Cal)	9,25,736	10,93,312
Total Cost (₹ in Lakh)	13,280.11	15,529.06
Average Rate (₹ / Million K Cal)	1,434.55	1,420.37
II) Power and Fuel consumption per unit of production		
Electricity (KWH / Tonne of Cement)	82	82
Coal %	18.09	18.33

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 or products and services and export plans:

The Company presently has no export business on hand.

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

Particulars	Current Year 2019-20	Previous Year 2018-19
Used	23.51	9.97
Earned	NIL	NIL

For and on behalf of the Board

Place: Hyderabad
Date: 25th June 2020

Sd/-
M.B.Raju
Executive Chairman
DIN: 00016652

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. The CSR Committee has formulated a CSR Policy indicating the areas in which activities are to be undertaken. The CSR Policy of the Company is available at "<http://www.deccancements.com/pdf/CSRPolicy.pdf>". As per the Policy, the Company during the year has undertaken the CSR activities in areas of promoting education, making availability of safe drinking water, preventive health care and rural development projects which have benefited 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
Dr. S.A.Dave	Independent Director	Member
Ms. P.Parvathi	Managing Director	Member

3. Average net profit of the company for the last three financial years : ₹ 6,938.00 Lakhs

4. Prescribed CSR expenditure : ₹ 138.76 Lakhs

5. Details of CSR spent during the financial year:

a) Amount to be spent for the Financial Year 2019-20 : ₹ 138.76 Lakhs

b) Amount unspent, if any : NIL

c) Manner in which the amount spent during the financial year 2019-20 is detailed below:

(₹ in Lakhs)

Sl. No.	CSR Project or Activity identified	Sector in which the projects is covered	Projects or programmes (1) Local areas (2) State and district where projects or programs was undertaken	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 and for remote backward area – Item No.(ii) of the Schedule VII	Promoting Education	DCL High School	114	65.88	65.88	Direct
			65 No's of school Benches with Desks items provided surrounding villages		2.79	2.79	Direct
			Construction of Auditorium in DCL High School		46.92	46.92	Direct
			Districts of Telangana and Andhra Pradesh		1.56	1.56	Janahita

DIRECTORS' REPORT

Sl. No.	CSR Project or Activity identified	Sector in which the projects is covered	Projects or programmes (1) Local areas (2) State and district where projects or programs was undertaken	Amount Outlay (Budget)	Amount spent on the Projects or programs	Cumulative expenditure upto the reporting period.	Amount spent: Direct or through implementing agency
2	Promoting Health Care – Item No. (i) of the Schedule VII	Promoting Health Care including preventive health care , sanitation and safe drinking water	Medical Camp - Ortho, Gynaec & Cardiac	6.5	1.86	1.86	Direct
			Medical Camp - Gynaec,Lungs, Eye & Ear		1.91	1.91	Direct
			Medical Tests for Surrounding Villagers		0.60	0.60	Direct
			Water Tank desilting works at Janpahad Village		1.04	1.04	Direct
			Contribution of Cement for Toilets construction in Mahankaligudem village		0.60	0.60	Direct
			Mobile Toilets for Darga Urusu.		1.44	1.44	Direct
3	Promote Rural Sports – Item No. (vii) of the Schedule VII	Promoting Rural Sports	Prizes Sponsor to Sports Meet - Kalmethanda & Damarcherla village	0.30	0.30	0.30	Direct
4	Rural Development Projects – Item No. (x) of the Schedule VII	Rural Development projects	Roads Excavation in Ravipahad, Sunyapahad, Mahankaligudem Villages	17.96	3.05	3.05	Direct
			Contribution to CC Roads & Development works at M.gudem, Sunypahad & Darga villages		15.44	15.44	Direct
Total				138.76	143.39	143.39	

5. During the year the Company spent the requisite amount towards CSR Activities.

6. Responsibility Statement:

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

For and on behalf of the Board

Sd/-

M.B.Raju

Place: Hyderabad

Date: 25th June 2020

Executive Chairman

DIN: 00016652

Annexure V

REMUNERATION DETAILS PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 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 to Median Remuneration
Mr. M. B. Raju	Executive Chairman	55.47
Mr. U. Shrivastava	Independent Director	0.95
Dr. S. A. Dave	Independent Director	0.77
Mr. J. Narayanamurty	Independent Director	1.06
Mr. K. P. Singh	Independent Director	1.00
Mr. R. Gopalakrishnan	Non-Executive Director	0.90
Ms. P. Parvathi	Managing Director	54.18
Mr. S. Venkateswarlu [§]	Director (Works)	3.75

[§] Mr. S. Venkateswaralu is appointed as Director (Works) with effect from 11th November 2019

- 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 / (decrease) in Remuneration
Mr. M. B. Raju	Executive Chairman	(7.82)
Mr. U. Shrivastava	Independent Director	N.A.
Dr. S. A. Dave	Independent Director	N.A.
Mr. J. Narayanamurty	Independent Director	N.A.
Mr. K. P. Singh	Independent Director	N.A.
Mr. R. Gopalakrishnan	Non-Executive Director	N.A.
Ms. P. Parvathi	Managing Director	(9.57)
Mr. S. Venkateswarlu [§]	Director (Works)	N.A.
Mr. RVA Narasimha Rao*	Chief Financial Officer	N.A.
Mr. S. K. Mishra [#]	Company Secretary	N.A.
Mr. D. Ragahava Chary**	Chief Financial Officer	N.A.
Mr. Bikram Keshari Prusty ^{###}	Company Secretary	N.A.

[§] Mr. S. Venkateswaralu is appointed as Director (Works) with effect from 11th November 2019.

DIRECTORS' REPORT

* Mr. R V A Narasimha Rao, CFO, was superannuated on 29th June 2019.

** Mr. D.Raghava Chary is appointed as CFO with effect from 1st July 2019.

Mr. S K Mishra resigned and relieved from his duties on 10th June 2019.

Mr. B.K.Prusty is appointed as Company Secretary with effect from 8th July 2019.

Note: The Independent Directors and Non-Executive Directors 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: 2.32%.

iv) There were 337 permanent employees as on 31st March 2020.

v) 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 2019-20 was 2.51% and the average decrease in the remuneration of KMPs during FY 2019-20 was 5.37 % (due to decrease in profit during FY 2019-20).

vi) The remuneration of Directors was as per the Remuneration Policy of the Company.

vii) Details of Top 10 Employees:

Sl. No.	Name	Designation	Remuneration (Annual) ₹ in Lakhs	Qualification & Experience	Date of Commencement of Employment	Age	Last Employment Details
1	S.Venkateswarlu	Sr. Vice President (Works)	25.47	B. Sc, MBA & 38 Years	02-04-2012	59	Plant Head - Athi River Mining Ltd.
2	U.Raghavendra Varma	General Manager (E&I)	24.87	B. Tech (EEE) & 33 Years	17-03-2012	57	Dy. GM (Works) - NCL Industries Ltd.
3	G.Venkata Subbaiah	Sr. General Manager (Projects & Operations)	24.72	Diploma in Mech. Engg. & 31 Years	02-08-2018	58	G M (Pyro Section & Operations) - Ultra Tech Cement Ltd.
4	C.Ramesh Reddy	Vice President (Marketing)	21.94	B. com, MBA, LLB & 26 Years	10-10-2008	49	Dy. Manager (Sales) - Ultra Tech Cement Ltd.

Sl. No.	Name	Designation	Remuneration (Annual) ₹ in Lakhs	Qualification & Experience	Date of Commencement of Employment	Age	Last Employment Details
5	A V S Seshu	General Manager (Purchase)	21.85	BE (Mech Eng) & 27 Years	07-05-2012	52	Sr. Manager (Materials) - Vijai Electricals Ltd.
6	D.Raghava Chary	Senior General Manager (Finance) & CFO	21.16	FCA & 33 Years	15-04-2019	57	GM-(Finance & Admin)- Raycom Eng systems Ltd. (Dubai)
7	P.Srinivasa Rao	Chief Manager (Mech)	15.76	B. Tech (Mech Engg) & 25 Years	06-01-2011	52	Dy. Manager (Mechanical) - India Cements Ltd.
8	P.Anirudh Raju	Manager (Corporate Services)	15.71	B. Tech (Mech Engg), M.SC	01-01-2018	29	NA
9	S.Nagamalleswara Rao	Dy. General Manager (P&A)	15.69	LLB, MA & 31 Years	17-07-2015	55	Sr. Manager (HR)- Anjani Portland Cement Ltd.
10	P.Sunil Kumar	Asst. General Manager (Marketing)	15.09	MBA & 20 Years	22-08-2018	45	Sr. Manager (Sales & Marketing)- Kesoram Industries Ltd.

Note: • All the above employees are under regular employment contract.

- Except Mr. P.Anirudh Raju (who is holding 22,846 shares) and Mr. P.Sunil Kumar (who is holding 100 shares), none of the above employees holds any shares in company.
- Except Mr. P.Anirudh Raju, (who is son of Ms. P.Parvathi, Managing Director), none of the above employees is relative of any director of the company.
- Mr. S.Venkateswaralu is appointed as Director (Works) with effect from 11th November 2019

For and on behalf of the Board

Sd/-

M.B.Raju

Executive Chairman

DIN: 00016652

Place: Hyderabad

Date: 25th June 2020

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Company has once again shown a stable, sustained and improved performance with a decent bottom line (profit after tax) during the year under review. However, there were periods of concern with fall in prices as well as demand for the product during the year. With the drop in demand and price, the company's PBT level has come down compared to the previous financial year.

We summaries below the Management's view on the Performance of the Company for the year 2019-20 and on the future outlook for the Company:

Industry Structure and Developments

Cement production in India reached 334.48 million tonnes (MT) in FY20.

Due to the increasing demand in various sectors such as housing, commercial construction and industrial construction, cement industry in India is expected to reach 550-600 million tonnes per annum (MTPA) by the year 2025.

Further, In order to help private sector companies, thrive in the industry, the Indian Government has approved various investment schemes. Some of the initiatives taken by the Indian Government are:

- The Union Budget has allocated ₹ 139 billion for Urban Rejuvenation Mission: AMRUT and Smart Cities Mission. Government's infrastructure push combined with housing for all, Smart Cities Mission and Swachh Bharat Abhiyan is going to boost cement demand in the country. The move is expected to boost the demand of cement from the housing segment.
- As per Union Budget 2019-20, Government planned to upgrade 1,25,000 km of road length over the next five years.

- An outlay of ₹ 27,500 crore has been allotted under Pradhan Mantri Awas Yojana in the Union Budget 2020-21.

The demand as well as price of Cement during the first quarter of FY 2019-20 was good. However, due to general election, change of governments in various states, non availability of sand in AP and ambiguity in policy decisions of the respective governments on various infrastructure projects, the demand of Cement had come down during second and third quarter of FY 2019-20. Accordingly, the price of Cement also went down during that period. The demand of Cement picked up during the fourth quarter of FY 2019-20. However, due to country wide lockdown started during the last week of March, the industry and your Company could not achieve the targeted sales of Cement during FY 2019-20.

The continued emphasis on infrastructure projects is expected to give further boost to the momentum achieved in the consumption of cement country wide. Various other initiatives and projects of the Governments have started showing results in the form of improved off take of cement and are expected to give further fillip in the years to come.

Opportunities and Threats

Infrastructure development is widely acknowledged as the key to achieving growth, which has also been the focus of the government of India in its recent plans and policies. In fact, the government of India has set its ambition to become a US\$5 trillion economy by 2024. It is therefore unsurprising to find that at the heart of all the planned infrastructure development is the cement sector, and as part of the country's bouquet of eight core industries, the cement sector is key for laying the foundation of a new India.

However, the COVID-19 pandemic has taken an unprecedented toll on the Indian real estate sector and the construction industry. The nationwide lockdown has slowed down the real estate and infrastructure projects, and the allied cement industry has also suffered a setback. Since cement is a primary construction material, it has experienced a considerable dip in the overall demand ever since the announcement of the shutdown.

The demand of cement has improved since May 2020.

Outlook

Considering the overall situation and the developments taking place in Industry, the outlook for the future is expected to be reasonable.

The capacity overhang is expected to be consumed in the next few years, though regional capacity-demand mismatch would continue to have its influence on the prices.

The efforts of the company on cost-optimisation would provide relief in terms of reduction in costs and with a better management of the available resources.

The Company operates in a single segment and the product is a generic one with small variations in the form of OPC, PPC, SRC etc., and it does not require much elaboration on segment wise / product wise performance.

During the year under review the Company commissioned its Packer-4 as well as the Railway Wagon Loading system, which was planned to enhance and speed up the packing and loading capacity for both road and rail dispatches. This will also help in reducing overhead cost and demurrage charges for railway wagaon dispatches.

The Waste Heat Recovery Plant (WHR project), which was planned to be commissioned during the FY 2019-20, could not be completed due to COVID-19 lockdown. The same will be completed in FY 2020-21. The WHR was planned in order to reduce the energy cost of the Company.

Risks and Concerns

The company can be said to have the following risks and concerns which are commonly applicable to any cement unit.

- Lower demand growth leading to Lower Capacity utilization;
- Drop in realizations which may impact the margins;
- Regular increases in cost of inputs leading to impact on margins;
- Probable Uncertainties in Coal supplies and increase in the prices;
- Upward revisions in international crude prices leading to Increase in transportation cost, for both input materials and finished goods;
- Adverse Changes in Government Policies impact the costs, demand and supply;

Internal Control Systems and their Adequacy

The internal control system in place in the Company has a process designed to take care of various controls and audit requirements. It aims at effectiveness in the operations and protection of the company's assets from any possible loss and unauthorised use. It also helps proper and correct data being recorded, ensuring transparency. The design of the processes is such that there is an adequate, appropriate and need based control on the activities / business operations of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Internal Control system is helped by an established Internal Audit System which is carried out by an outside firm of Chartered Accountants of repute and experience. The internal audit carries out their reviews periodically to ensure robustness of the systems and control environment. The internal auditors submit their reports to the Audit Committee of the Board of Directors for their review. It is also ensured that the Internal Audit Scope is adequate and their reviews are well directed to achieve the desired objectives. The Committee also reviews the adequacy and effectiveness of internal control systems and suggests improvements from time to time.

The compliance to the legal and statutory requirements is given utmost importance as also to ensure efficiency in operations / reporting and controls. All parameters in all operations / activities are monitored regularly to ensure desired results.

Financial and Operational Performance

During the year under review, the Company's operational performance was not as good as of FY 2018-19. During FY 2019-20 the Company has sold 14.70 Lakh MT's of cement, as against 17.40 Lakh MT's during the year 2018-19, which is about 15.52% less in FY 2019-20 with comparison to FY 2018-19. The revenue from Cement sales in FY 2019-20 stands at ₹ 54,890 Lakh, as against ₹ 64,414 Lakh in FY 2018-19, which is about 14.79% less in FY 2019-20 with comparison to FY 2018-19.

The details of ratios and the variance are as given below:

Particulars (Ratio)	2019-20	2018-19	Variance
Debtors Turnover Ratio (in Days)	20.90	8.21	154.75%
Inventory Turnover Ratio (in Days)	67.20	56.37	19.23%
Interest Coverage Ratio	9.88	10.71	(7.75%)
Current Ratio	1.85	2.66	(30.57%)
Debt Equity ratio	0.15	0.06	139.84%
Operating profit Margin ratio	12.04%	12.71%	(5.23%)
Net profit margin ratio	10.19%	7.07%	44.12%
Return on Equity	13.23%	11.94%	10.84%

The business scenario of demand for the product and the price fluctuations can be gauged from the fact that the decrease in volume of sale by 15.52% has translated into 14.79% decrease in the revenue from cement during the year. While a Tonne of Cement has fetched an average price of ₹ 3,702 per MT during 2018-19, it fetched ₹ 3,734 per MT during the year 2019-20.

Details of the Company's Performance on the basis of sale of products are given in the Note No. 20 to the Financial Statements forming part of this Annual Report.

Due to decrease in the Volume of sales, the revenue from operations came down by 14.67%, consequently EBIDTA margin decreased by 16.40%, Profit before Tax and Exceptional items reduced by 19.83%.

Inspite of drop in revenue during FY 2019-20, the Profit After Tax for the year stood at ₹ 5,664.38 Lakh compared to ₹ 4,606.00 Lakh for the previous year (an increase by about 22.98%).

As per the recent changes / new requirement, the company is required to comment upon the changes in the specified ratios beyond a threshold limit (i.e. change of 25 % or more as compared to the immediately previous financial year) along with a detailed explanation thereof.

Due to country wide lockdown during fourth week of March, the receivables as on the closing date is more than the normal, which resulted in high Debtors Turnover Ratio.

Similarly, due to country wide lockdown the company was not able to pay some of the dues by the end of the year. Further, the repayment of term loan availed by the company will start from FY 2020-21. Accordingly, the amount payable during FY 2020-21 is earmarked as current liabilities. Therefore, the Current Ratio decreased by more than 25%.

During the year the Company availed Term Loan for various projects of the Company. Accordingly, the Debt Equity Ratio increased.

The Net Profit margin increased by more than 25%, because of change in tax rates and timing difference in provision for depreciation.

Human Resources & Industrial Relations

The Company believes that the people are its assets and continues its focused attention on nurturing and developing its human resources through continuous training, motivation and engagement initiatives. The relationship with employees continues to be cordial and harmonious and always provides a positive and conducive environment to improve efficiency. Emphasis on competency improvement through skill and capability development, training programs and rationalisation of work methods, have improved employee productivity and morale. The Company's Health and Safety Policy aims at providing a healthy and safe work environment to all employees. As on 31st March 2020, the Company has 323 employees who are engaged in its units and 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 litigation and labour related issues.

For and on behalf of the Board

Place: Hyderabad
Date: 25th June 2020

Sd/-
M.B.Raju
Executive Chairman
DIN: 00016652

BUSINESS RESPONSIBILITY REPORT

[See Regulation 34(2)(f)]

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

S. No.	Particulars	Company Information
1	Corporate Identity Number (CIN) of the Company	L26942TG1979PLC002500
2	Name of the Company	Deccan Cements Limited
3	Registered address	6-3-666/B, Deccan Chambers, Somajiguda, Hyderabad, Telangana-500082
4	Website	www.deccancemets.com
5	E-mail id	secretarial@deccancements.com
6	Financial Year reported	01.04.2019 - 31.03.2020
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	1. Manufacture of clinkers and cement (23941 and 23942) 2. Generation of Electricity (35101, 35102 and 35106)
8	List three key products/ services that the Company manufactures/ provides (as in balance sheet):	1. Ordinary Portland Cement (OPC). 2. Portland Pozollana Cement (PPC). 3. Sulphate Resistance Portland Cement (SRC).
9	Total number of locations where business activity is undertaken by the Company	
(a)	Number of International Locations (Provide details of major 5)	Nil
(b)	Number of National Locations	5 States (Andhra Pradesh, Telangana, Tamilnadu, Karnataka and Odisha)
10	Markets served by the Company –Local/ State/National/International	Local, State and National

SECTION B: FINANCIAL DETAILS OF THE COMPANY

S. No.	Particulars	Company Information
1	Paid up Capital(Lakh)	Rs.7,00.375
2	Total Turnover(Lakh)	Rs.55,584.82
3	Total profit after taxes(Lakh)	Rs.5,664.38
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	The Company has spent Rs.143.39 lakhs during the Financial Year 2019-20 on CSR activities, which is more than 2% of PAT of average 3 preceding years.
5	List of activities in which expenditure in 4 above has been incurred	1. Promoting Education 2. Promoting Health Care 3. Promoting Rural Sports 4. Rural Development projects

SECTION C: OTHER DETAILS

S. No.	Particulars	Company Information
1	Does the Company have any Subsidiary Company/ Companies	No
2	Do the Subsidiary Company/ Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Not Applicable
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No. The other entities with whom the Company does business with viz suppliers, distributors etc. do not participate in the BR initiatives of the Company.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Director responsible for implementation of the BR policy/policies

No.	Particulars	Details
1	DIN Number (if applicable)	00016597
2	Name	Parvathi Penmetcha
3	Designation	Managing Director

(b) Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	00016597
2	Name	Parvathi Penmetcha
3	Designation	Managing Director
4	Telephone number	040-23310168
5	e-mail id	secretarial@deccancements.com

2. Principle-wise (as per NVGs) BR Policy/policies:

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are as follows:

P 1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
P 2	Businesses should provide goods and services that are safe and Contribute to sustainability throughout their life cycle
P 3	Businesses should promote the well being of all employees
P 4	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
P 5	Businesses should respect and promote human rights
P 6	Business should respect, protect and make efforts to restore the environment
P 7	Businesses, when engaged in influencing public and regulatory policy should do so in a responsible manner
P 8	Businesses should support inclusive growth and equitable development
P 9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

(a) Details of compliance (Reply in Y/N)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/ policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in Consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national/ international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	http://www.deccancements.com/corporate-governance.php								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The company has not understood the Principles	-	-	-	-	-	-	-	-	-
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3	The company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6	Any other reason (please specify)	-	-	-	-	-	-	-	-	-

3. Governance related to BR

No	Particulars	Details
(a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	The performance on aspects of BR is reviewed by the Managing Director on periodical basis and atleast once a year put up to the CSR Committee as well as to the Board.
(b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	The Company publishes the information on Business Responsibility which forms part of the Annual Report of the Company. The same will be disclosed on the website of the Company at www.deccancements.com

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle-1

Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. **Does the policy relating to ethics, bribery and corruption cover only the company? Yes/No. Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?**

Yes. The policies relating to ethics, bribery and corruption as well as the Whistleblower Policy covers the Directors, Employees, Vendors and Customers of the Company.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

	Pending as on 01-04-2019	Received during the Year	Redressed during the year	Pending as on 31-03-2020
Customer Complaints	Nil	Nil	Nil	Nil
Investor Complaints	1	26	27	Nil
Consumer cases	Nil	Nil	Nil	Nil

Principle-2

Businesses should provide goods and services that are safe and Contribute to sustainability throughout their life cycle

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

- (a) The Company is aware of its obligations on its environmental concerns, risk & opportunities appropriately and formulated the cement manufacturing process by considering of its aspects and obligations.
- (b) The company has installed world class machinery and State of Art technology for manufacturing of cement by taking care of energy conservation in the process and reduction in natural resources like 6 Stage pre-heater, Vertical roller mills, Reverse Air Bag House for Kiln Exit Gasses and Advanced PLC with FUZI Logic System for Pyro process optimization, Waste Heat recovery for Kiln & Cooler exit

gasses, Railway siding for Cement transportation, Wagon tippler for coal unloading, etc., which are known best for the energy conservation and advanced technologies using as on date.

- (c) In 2019, Clinker factor was 63.56 % with Fly Ash utilization of 32.16 % in PPC impacts saving of natural resources like limestone and coal etc.,

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

- (a) **Reduction during sourcing/ production/ distribution achieved since the previous year throughout the value chain?**
- (b) **Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

The company continuously putting its best efforts to reduce the Power/Coal and other fuels consumed per unit of cement produced. The details are as follows.

Consumption per MT of production	Industry Norms	Current Year (FY 2019-20)	Previous Year (FY 2018-19)
Electricity (KWH/MT of Cement)	100	80.11	80.31
HSD (LTRS/T of Clinker)	NA	0.817	0.756
Specific Heat (K.Cal/Kg Clinker)	800	743.39	742.03

3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Yes. The company has implemented ISO Policy for Quality, Environment, Health & Safety, which covers continual improvement, operational efficiency, people orientation, customer focus, fulfillment of stakeholders' interests, and, discharge of corporate responsibilities.

The company has been focusing in sustainability of environment, water conservation as well as energy conservation, and implemented the same like treating of domestic sewage water and usage of Fly Ash and Gypsum in Cement Manufacturing process, Power generation from Waste Heat Recovery technology, Railway sliding for Cement Loading at Plant, Cement transportation and unloading facility using wagon tippler. Our company has long term leases for limestone, agreements with Power Plants for supply of fly ash, agreements with Singareni Coal Calories Limited for supply of Coal, etc.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes. Our Company encourages procurement of goods and services from local and small producers surrounding its plant locations, to encourage the local employment to the society. Our contractors who are engaged in operational and maintenance of plants mostly employ workmen from nearby villages.

5. Does the company have a mechanism to recycle products and waste?

If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Yes. Our Captive Power Plant generates Bottom Ash and Fly Ash and 100% of the same is being used during manufacturing of PPC.

Waste water generated from our plant and residential colony is recycled and reused for green belt development purpose.

Principle-3

Businesses should promote the well being of all employees

1. **Please indicate the Total number of employees:** 337
2. **Please indicate the Total number of employees hired on temporary/ contractual/ casual basis:** 450
3. **Please indicate the Number of permanent women employees:** 8
4. **Please indicate the Number of permanent employees with disabilities:** Nil
5. **Do you have an employee association that is recognized by management:** Yes, we have recognized trade unions affiliated to either of TNTUC, INTUC, CITU.
6. **What percentage of your permanent employees is members of this recognized employee association?**
23%
7. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/ forced labour/ involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

8. **What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?**

(a)	Permanent Employees	100% Safety training and skill up gradation (by way of working)
(b)	Permanent Women Employees	100% Safety training and skill up gradation (by way of working)
(c)	Casual/Temporary/Contractual Employees	100% Safety training by way working OJT
(d)	Employees with Disabilities	Not Applicable

Principle-4

Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. Has the company mapped its internal and external stakeholders? Yes/No

Yes, the company has mapped its internal as well as external stakeholders.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

The company has further identified the disadvantaged, vulnerable and marginalised stakeholders, namely the communities around its manufacturing sites and its workers/ contractual workers.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

A comprehensive stakeholder engagement program operates to facilitate several initiatives for engagement of different stakeholders.

Continuous training on safety are held with employees, contract workers and the community to ensure 'Zero Harm' level. The communities and its people are being identified as important stakeholders. All the programs have defined goal and objectives and aim to specially focus the underprivileged and marginalized section of communities. Our team promotes communication between the plant, stakeholders and its neighbouring community.

Principle-5

Businesses should respect and promote human rights.

1. Does the policy of the company on human rights cover only the company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?

All aspects of the human rights are in built and covered under the Code of Business Conduct as well in various human resource practices.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

The Company has received 26 stakeholder (Shareholders) complaints in during FY 2019-20 and 100% of the complaints were satisfactorily resolved by the management.

Principle-6

Business should respect, protect and make efforts to restore the environment.

1. Does the policy related to Principle 6 cover only the company or extends to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ others.

The Company's Corporate Environment Policy covers the Company only.

2. **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Yes/No.**

If yes, please give hyperlink for web page etc.

Yes. The Company has taken initiatives for reduction of CO₂ by installing Waste Heat Recovery Power Plant, procuring coal through wagons, increased blended cements production up to 40% of the total cement production by using Fly Ash, implemented continuous Energy Monitoring systems, which are addressed in our website "www.deccancements.com".

3. **Does the company identify and assess potential environmental risks? Yes/No**

Yes. The Management is well aware of its environmental risks both internal and external and formulated the Cement manufacturing process by considering its aspects and obligations.

4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

Yes. The company is under PAT Cycle-II which is one of the programme of NMEEE (National Mission for Enhanced Energy Efficiency) under the project of National Action Plan on Climate Change. We have filed our compliance and met the targets given in the PAT Cycle- II.

5. **Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Yes/No.**

If yes, please give hyperlink for web page etc.

Yes, The company is trying to adopt the global latest technologies like installation of 7.0 MW Waste Heat Recovery Power Plant, 3.75 MW Hydel Power plant in Nagarjunasagar Canal, integrating the plant with rail connectivity, installation of Wind Energy, and continuous up-gradation of equipment to improve energy efficiency.

6. **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

The emissions/waste generated from the plant are well within the limits of the norms prescribed by the SPCB/CPCB. The emission data of the stacks are being uploaded to the State and Central Pollution Control Board Websites regularly. In this connection, the Company is also submitting the said reports to the SPCB every year.

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

Nil.

Principle-7

Businesses, when engaged in influencing public and regulatory policy should do so in a responsible manner.

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**
 - (a) Cement Manufacturing Association
 - (b) Confederation of Indian Industry (CII)
 - (c) Federation of Telangana Chambers of Commerce and Industry (FTCCI)
2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No;**

If yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

Yes, the Company actively works with above associations and advocate in the following broad areas which impact the Cement Industry:

1. Sustainable Mining Practices
2. Extended Producers Responsibility and safe management of plastic waste
3. New environmental regulations
4. Co-processing of municipal & industrial hazardous & non-hazardous wastes
5. Use of recycled waste materials (construction & demolition waste) in cement and concrete
6. Manufactured Sand and aggregate from industrial waste
7. RPO-REC regulations for cement and power plants, PAT regulations
8. Green Energy status for Waste Heat Recovery System
9. Development of new product standards for low carbon cement and concrete products
10. Environment Product Declaration and Green pro-label of Products
11. Green Buildings
12. Fly ash based pre-fab building materials
13. Promotion of Concrete Roads

Principle-8

Businesses should support inclusive growth and equitable development

- Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

Yes, the Company has the specific programmes/initiatives/projects in pursuance of its CSR policy.

The Company carried out CSR projects in pursuance of inclusive development, primarily focusing on:

- Rural Development
 - Quality of elementary Education
 - Water, Sanitation and Hygiene
- Are the programmes/projects undertaken through in-house team/ own foundation/ external NGO/ government structures/ any other organization?**

The Company's CSR projects are mostly implemented through in-house team. In some cases we are implementing through external NGO, other organisation and with the help of local Government Authorities.

- Have you done any impact assessment of your initiative?**

Yes, the CSR committee internally performs an impact assessment of its initiatives at the end of each year to understand the efficacy of the programme in terms of delivery of desired benefits to the community and to gain insights for improving the design and delivery of future initiatives.

- What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.**

S.No.	CSR Projects	Expenditure (Rs. In Lakhs)
1	Promoting Education	117.15
2	Promoting Health Care	7.45
3	Promoting Rural Sports	0.30
4	Rural Development projects	18.49
	Total	143.39

Details of the same are provided in 'Annexure IV' of the Directors Report, which forms part of the Annual Report.

- Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

Yes, all the community development initiatives of the Company are implemented through participatory approach. The portfolio of CSR projects are drawn from need assessments done by our internal team through participatory rural appraisal method with the help of local government officials. A panel comprising of

different stakeholders from community representatives and functional at plant location, regularly monitors the implementation of CSR initiatives and suggests measures for course corrections. The community ownership and sustainability are the criteria that are built in CSR initiatives from the start by creating community managed organisations. Community contribution is always a priority as that ensures continuance of the project through self governance model.

Principle-9

Businesses should engage with and provide value to their customers and consumers in a responsible manner.

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

No customer complaints/ consumer cases are pending as on the end of the financial year.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)

No, the Company only displays information as mandated by local laws. No additional information is being provided on the cement bags.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No cases filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

The Company carries out consumer survey and satisfaction survey from time to time based on commercial needs.

For Deccan Cements Limited

Place: Hyderabad
Date: 25th June 2020

Sd/-
P.Parvathi
Managing Director
DIN : 00016597

CORPORATE GOVERNANCE REPORT

A report on Corporate Governance is set out in compliance with the Corporate Governance requirements as stipulated in Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

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

Composition and Category of Directors:

As on 31st March 2020, the Board comprises of eight directors of whom three are executive including one woman director, one non-executive and four are independent directors. The composition of the Board is in conformity with the Regulations 17 of the Listing Regulations read with Section 149 of the Companies Act, 2013.

Pursuant to provisions of the Listing Regulations all the Board Members have disclosed about the board and the committee positions held by them in other companies.

Board Meetings:

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

The Board of Directors of your company met 5 (five) times during the year 2019-20 on the following days to transact various businesses:

1. 28th May, 2019;
2. 6th August, 2019;
3. 11th November, 2019;
4. 13th February, 2020;
5. 28th February, 2020.

The gap between two meetings did not exceed one hundred and twenty days. Necessary quorum was present for all the meetings.

Composition, Attendance, Board and Committee Position:

Name of the Directors	Category	No. of Board Meetings during the Year 2019-20		Whether attended last AGM held on 07.08.2019	No. of Directorships*	Name of the listed entity and Category of Directorship**	No. of Committees Position held#	
		Held	Attended				Member	Chairman
Mr. M.B.Raju	Executive Chairman	5	5	Yes	3	-	-	-
Mr. Umesh Shrivastava	Independent Director	5	4	Yes	1	-	1	-
Dr. S.A.Dave	Independent Director	5	4	Yes	2	Phoenix Township Limited – Independent Director	2	1
Mr. J. Narayanamurty	Independent Director	5	5	Yes	2	Dynavision Limited - Independent Director	2	1
Mr. K.P.Singh	Independent Director	5	5	Yes	1		1	-
Mr. R. Gopalakrishnan	Non-Executive Director	5	5	Yes	1	-	1	-
Ms. P.Parvathi	Managing Director	5	5	Yes	4	-	1	-
Mr. S. Venkateswarlu###	Executive Director	2	2	NA	1	-	-	-

* All Public Limited Companies including Deccan Cements Limited.

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

** All listed entities other than Deccan Cements Limited.

Inducted into the Board on 11th November, 2019.

Disclosure of Relationship between directors inter-se:

Mr. M B Raju, Executive Chairman is the father of Ms. P Parvathi, Managing Director.

None of the other directors are related to any other Director.

No. of Shares held by Non-Executive Directors:

Name of the Director	No. of Equity Shares Held
Mr. Umesh Shrivastava	7,160
Dr. S.A.Dave	0
Mr. J.Narayanamurty	0
Mr. K.P.Singh	0
Mr. R.Gopalakrishnan	0

Familiarisation programme:

The details of the familiarisation programme of the Independent Directors are available on the website of the Company “<http://www.deccancements.com/pdf/Details-of-Familiarization-Programme.pdf>”

List of core skills/ expertise/ competencies identified by the Board of Directors as required in the context of its business and sector for it to function effectively and those available with the Board:

Name of the Director	Qualification	Profile	Field of Specialisation/ Existing skills/ expertise/ competence
Mr. M.B.Raju	Honours Graduate in Mechanical Engineering	Technocrat Entrepreneur and eminent Industrialist, with more than 45 years experience in the Cement Industry.	Expert in Cement Operations
Mr. Umesh Shrivastava	BSc (Engg) from Banaras Hindhu University, Advanced Management Programme (AMP) at Harvard Business School, USA	Eminent Cement Technologist, with Over 4 decades experience in the Cement Industry and in Consulting. Also, is the Executive Chairman of Holtec Consulting (P) Limited, a premier consulting firm in the country, engaged in implementing modern cement plants.	Eminent Cement Technologist
Dr. S.A.Dave	Doctorate in Economics, with a Masters Degree from the University of Rochester, USA	Currently, the Chairman of Centre for Monitoring Indian Economy. Formerly, Chairman of Securities and Exchange Board of India (SEBI) and the United Trust of India (UTI). Has also functioned as the Executive Director of IDBI.	Finance and Regulatory

Mr. J.Narayanamurty	M. A and CAI I B Certificate	Retired Chief General Manager of IDBI with over 40 years of rich experience in Project Financing, Implementation & Monitoring	Finance and Banking
Mr. K.P.Singh	M.A and IAS Officer (Retd.)	worked earlier in several capacities in the Central as well as State Governments, including as Chairman of Karnataka Electricity Board; as Secretary, Defence Production; and, as Secretary, Internal Security & Intelligence	Management & Administration, Power Projects
Mr. R.Gopalakrishna	Fellow Member of Institute of Company Secretaries of India (ICSI)	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	Statutory compliance and finance
Ms. P.Parvathi	Post Graduate in Commerce	More than 25 years experience in business and commerce, most part of which has been in the Cement Industry.	Management, Finance and Operations
Mr. S.Venkateswarlu	B.Sc. and MBA	More than 35 years of experience, in various positions, including senior positions in Cement Industry	Operation and Management

We confirm that in the opinion of the board, the independent directors fulfill the conditions specified in the listing regulations and are independent of the management.

Committees of the Board:

In order to carry out the responsibilities and decision making more smoothly and in prudent manner the Board has formed 4 committees. Appointments of Directors on various committees are as per the guidelines of the Listing Regulations. The decisions and recommendations of the Committees are placed before the Board. The Committees are:

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

3. AUDIT COMMITTEE:

The Audit Committee of the Company is constituted pursuant to provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of the Listing Regulations, All members of the Audit Committee are financially literate and more than one member possess accounting / related financial management expertise.

Terms of Reference:

The terms of reference of the Audit Committee are in line with the provisions of the Regulation 18 of the Listing Regulations read with Part C of Schedule II of the said Regulations. The terms of reference are broadly as follows:

- 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;
- recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - ♦ matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
 - ♦ changes, if any, in accounting policies and practices and reasons for the same;
 - ♦ major accounting entries involving estimates based on the exercise of judgment by management;
 - ♦ significant adjustments made in the financial statements arising out of audit findings;
 - ♦ compliance with listing and other legal requirements relating to financial statements;
 - ♦ disclosure of any related party transactions;
 - ♦ modified opinion(s) in the draft audit report;
- reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- review and monitor the auditor's independence and performance, and effectiveness of audit process;
- approval or any subsequent modification of transactions of the company with related parties;
- scrutiny of inter-corporate loans and investments;

-
- valuation of undertakings or assets of the company, wherever it is necessary;
 - evaluation of internal financial controls and risk management systems;
 - reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 - reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 - discussion with internal auditors of any significant findings and follow up there on;
 - reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
 - discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 - to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 - to review the functioning of the Whistle Blower or Vigil Mechanism;
 - approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
 - carrying out any other function as authorised by the Board from time to time.

Composition, Meetings and Attendance of the Committee:

During the year 2019-20, the Audit Committee met 4 (Four) times on 28th May, 2019; 6th August, 2019; 11th November, 2019 and 13th February, 2020. Composition of the committee and details of attendance at the meetings are given below:

Name of the Director	Designation	Category	Number of Meetings	
			Held	Attended
Mr. J.Narayanamurty	Chairman	Independent Director	4	4
Mr. Umesh Shrivastava	Member	Independent Director	4	4
Mr. K.P.Singh	Member	Independent Director	4	4

The necessary quorum was present for all the meetings.

Meetings of Audit Committee were also attended by the Chief Financial Officer, the Statutory and Internal Auditors. Senior Management Executives of the Company are generally invited to attend the meetings. The Company Secretary acts as Secretary of the Audit Committee.

4. NOMINATION AND REMUNERATION COMMITTEE:**Terms of Reference:**

The terms of reference of Nomination and Remuneration Committee are in line with the provisions of Regulation 19 of the Listing Regulations read with Para A of Part D of Schedule II of the said Regulations, broadly as follows:

- formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- formulation of criteria for evaluation of performance of independent directors and the board of directors;
- devising a policy on diversity of board of directors;
- 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 of directors their appointment and removal;
- whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- recommend to the board, all remuneration, in whatever form, payable to senior management;
- Such other matters that may be authorised by the Board from time to time.

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.

Composition, Meetings and Attendance of the Committee

The Nomination and Remuneration Committee was reconstituted on 6th August 2019 consisting of the following Directors:

1. Mr. Umesh Shrivastava, Independent Director, as Chairman
2. Mr. J.Narayanamurty, Independent Director, as Member
3. Mr. R.Gopalakrishnan, Non Executive Director, as Member

During the year 2019-20, the Nomination and Remuneration Committee met 3 (three) time on 28th May 2019, 11th November 2019 and 13th Feb 2020.

The following table displays the attendance of the members in the meeting of the Nomination and Remuneration Committee during FY 2019-20:

Name of the Director	Designation	Category	Numbers of Meetings	
			Held	Attended
Mr. Umesh Shrivastava	Chairman	Independent Director	3	3
Mr. J.Narayanamurty	Member	Independent Director	3	3
Mr. K.P.Singh*	Member	Independent Director	1	1
Dr. S.A.Dave*	Member	Independent Director	1	1
Mr. R.Gopalakrishnan**	Member	Non Executive Director	2	2

* **Members of the Committee upto 6th August 2019.**

** **Become member of the Committee with effect from 6th August 2019.**

Performance Evaluation Criteria for Independent Directors:

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Nomination and Remuneration Committee determines the performance evaluation criteria for independent directors of the Company. An indicative list of factors that are considered for evaluation include; attendance and participation in the meetings and timely inputs on the minutes of the meetings; adherence to integrity and ethical standards; raising of valid concerns to the Board and constructive contribution to resolution of issues at meetings; interpersonal relations with other directors and management; objective evaluation of Board's performance; rendering independent/unbiased opinion; understanding of the Company and the external environment in which it operates; contribution to strategic direction and safeguard of confidential information.

Nomination and Remuneration Policy:

The Key Objectives of the Nomination and Remuneration Policy as framed by the Nomination and Remuneration Committee 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.
- to recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

5. REMUNERATION TO DIRECTORS:

The non-executive directors, in addition to the sitting fees payable for attending the meeting of Board of Directors and committees thereof, are collectively entitled for a commission of not exceeding 1% per annum of the net profits of the company calculated in accordance with the provisions of Section 198 of the Act, subject to a ceiling of ₹ 10,00,000/- per annum.

The Non-Executive Directors, for each of the Board and Committee Meetings attended are paid sittings fees as under:

Type of Meetings	Sitting Fees per meeting upto 6 th August 2019	Sitting Fees per meeting after 6 th August 2019
Board Meeting	₹ 20,000/-	₹ 40,000/-
Audit Committee	₹ 2,500/-	₹ 40,000/-
Other Committees	₹ 2,500/-	₹ 10,000/-

Details of Sitting Fees paid & Commission payable to the Non-Executive Directors for the Year 2019-20:

Name of the Directors	Sitting Fees (₹ in Lakhs)	Commission (₹ in Lakhs)
Mr. Umesh Shrivastava	2.28	2.00
Dr. S.A.Dave	1.48	2.00
Mr. J.Narayanamurty	2.75	2.00
Mr. K.P.Singh	2.50	2.00
Mr. R.Gopalakrishnan	2.03	2.00

The Remuneration structure of the executive directors comprises of basic salary, perquisites and allowances, contribution to provident fund etc., and Commission on Net Profits in case of Chairman, and Managing Director. The remuneration is determined considering various factors such as qualification, experience and expertise and as per approval from the shareholders as per the provisions of the Companies Act, 2013. The executive directors are not paid sitting fees for attending any Board/Committee meetings.

Details of Remuneration of the Executive Directors during the Financial Year 2019-20:

(₹ in Lakhs)

Name of the Directors	Salary	Perquisites & Other Benefits	Commission	Total
Mr. M.B.Raju	60.00	77.07	112.28	249.35
Ms. P.Parvathi	91.80	39.48	112.28	243.56
Mr.S.Venkateswaralu*	15.56	1.12	-	16.88

* Appointed as Directors (Works) with effect from 11th November 2019.

The Company has not granted any stock options to any of its directors.

6. STAKEHOLDERS' RELATIONSHIP & SHARE TRANSFER COMMITTEE:

The Stakeholders' Relationship & Share Transfer Committee is constituted in line with the provisions of Section 178 of the Companies Act, 2013 read with the Regulation 20 of the Listing Regulations.

Composition, Meetings and Attendance of the Committee:

The Stakeholders' Relationship & Share Transfer Committee was reconstituted on 6th August 2019 consisting of the following Directors:

1. Dr. S.A.Dave, Independent Director, as Chairman
2. Ms. P.Parvathi, Managing Director, as Member
3. Mr. R.Gopalakrishnan, Non Executive Director, as Member

During the year 2019-20 the Stakeholders' Relationship & Share Transfer Committee met 4 (Four) times on 28th May 2019; 6th August 2019; 11th November 2019 and 13th February 2020.

The following table displays the constitution and attendance of the members in the meetings of the Committee:

Name of the Director	Designation	Category	Numbers of Meetings	
			Held	Attended
Dr. S.A.Dave	Chairman	Independent Director	4	4
Mr. J.Narayanamurty*	Member	Independent Director	2	2
Ms. P.Parvathi	Member	Managing Director	4	4
Mr. R.Gopalakrishnan**	Member	Non Executive Director	2	2

* Members of the Committee upto 6th August 2019.

** Become member of the Committee with effect from 6th August 2019.

Mr. Bikram Keshari Prusty, Company Secretary is the Compliance Officer of the Company.

Details of complaints/grievances received and resolved during the year 2019-20:

Nature	Pending at the Beginning of the Year	Received during the Year	Resolved during the Year	Pending at the End of the Year
Non-receipt Dividend Warrants	1	8	9	0
Non-receipt of Securities	0	6	6	0
SEBI/BSE/NSE Complaints	0	1	1	0
Non-receipt of Annual Report	0	11	11	0
Others	0	0	0	0
TOTAL	1	26	27	0

7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Corporate Social Responsibility (CSR) Committee is constituted in line with the provisions of Section 135 of the Companies Act, 2013 and Rules made thereunder.

Composition, Meetings and Attendance of the Committee:

The CSR Committee was reconstituted on 6th August 2019 consisting of the following Directors:

1. Mr. K.P.Singh, Independent Director, as Chairman
2. Dr. S.A.Dave, Independent Director, as Member
3. Ms. P.Parvathi, Managing Director, as Member

During the year 2019-20, the Committee met once on 28th May, 2019. The following table displays the constitution and attendance of the members in the meeting of the Committee:

Name of the Director	Designation	Category	Number of Meeting	
			Held	Attended
Mr. K.P.Singh	Chairman	Independent Director	1	1
Mr. R.Gopalakrishnan*	Member	Non-Executive Director	1	1
Ms. P.Parvathi	Member	Managing Director	1	1
Dr. S.A.Dave**	Member	Independent Director	NA	NA

* Members of the Committee upto 6th August 2019.

** Become member of the Committee with effect from 6th August 2019.

8. SEPARATE MEETING OF INDEPENDENT DIRECTORS:

In compliance of provisions of the Regulation 25 of the Listing Regulations, during the year 2019-20, the Independent Directors of the Company met on 13th February, 2020 without the presence of Executive Directors or members of the Management.

9. 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	2018-19
AGM No.	39 th
Date	7 th August, 2019
Time	10:30 AM
Special Resolutions	<ul style="list-style-type: none"> Reappointment of Mr. K.P.Singh, Non Executive Independent Director for a second term of five consecutive years. Continuation of payment of remuneration to the Executive Directors who are Promoters in excess of threshold limits as per the SEBI (LODR) (Amendment) Regulations, 2018

Financial Year	2017-18
AGM No.	38 th
Date	10 th August, 2018
Time	10:30 AM
Special Resolutions	NIL

Financial Year	2016-17
AGM No.	37 th
Date	11 th August, 2017
Time	11:00 AM
Special Resolutions	<ul style="list-style-type: none"> • Payment of commission to Non-Executive Directors of the Company. • Reappointment of Mr. M.B.Raju as Executive Chairman (DIN: 00016652) for a period of five years. • Reappointment of Ms. P.Parvathi, designated as Managing Director (DIN: 00016597) for a period of five years.

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 2019-20.
- During the Financial Year 2019-20 the Company did not seek the approval of the shareholders by way of ordinary/special resolution through postal ballot.

10. MEANS OF COMMUNICATION

- Quarterly financial results of the Company are forwarded to the Stock Exchanges and published in Business Standard, Andhra Prabha/Prajashakthi newspapers in line with the provisions of the Listing Regulations.
- The Financial Results and other official news of the Company are displayed on the Company's website "www.deccancements.com".
- The Company has not made any presentations to any Institutional Investors / Analysts during the last financial year.

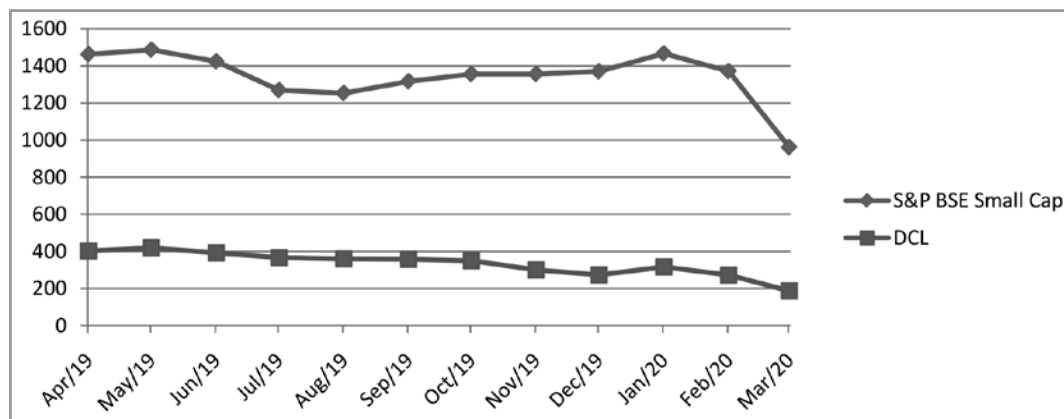
11. GENERAL SHAREHOLDER INFORMATION

- | | | |
|---------------------------------|---|--|
| a) Annual General Meeting | : | 40 th Annual General Meeting |
| Date | : | 15 th September 2020 |
| Time | : | 11:00 A.M. |
| Venue | : | Registered Office
Deccan Chambers, 6-3-666/B
Somajiguda, Hyderabad - 500082. |
| b) Financial Year | : | 2019-20 |
| c) Dividend payment date | : | Directors have not recommended any final dividend for the financial year 2019-20. |
| d) Listing with Stock Exchanges | : | BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001
National Stock Exchange of India Ltd.
Exchange Plaza, Plot No. C/1, G Block,
Bandra - Kurla Complex, Bandra (East),
Mumbai – 400 051
Listing Fee paid to both the stock Exchanges for the Financial Year 2020-21. |
| e) Stock Code | : | BSE – 502137
NSE – DECCANCE |

f) Market Price Data during each month in last financial year 2019-20:

Month and Year	High (₹)		Low (₹)	
	NSE	BSE	NSE	BSE
April 2019	442.00	442.50	387.50	388.00
May 2019	489.50	486.60	365.15	368.00
June 2019	430.90	431.15	381.10	383.00
July 2019	406.85	419.00	338.80	331.30
August 2019	396.00	389.00	331.05	330.00
September 2019	409.00	418.00	350.60	352.05
October 2019	362.95	358.00	326.00	329.70
November 2019	364.90	370.00	299.15	300.00
December 2019	306.90	308.00	261.00	264.95
January 2020	364.00	364.00	270.15	271.00
February 2020	337.00	331.95	257.00	258.85
March 2020	311.00	287.85	161.00	146.60

g) Performance of Company Share in comparison to BSE Small Cap Index:



Comparison of monthly closing price of Company Share and BSE Small Cap Index.

	April 2019	May 2019	June 2019	July 2019	August 2019	September 2019	October 2019	November 2019	December 2019	January 2020	February 2020	March 2020
S&P BSE Small Cap	14624.56	14867.04	14239.33	12692.18	12534.70	13170.76	13558.05	13560.57	13699.37	14667.96	13709.01	9608.92
DCL	402.05	419.05	392.00	366.65	359.65	357.55	350.00	300.25	273.05	316.20	272.15	187.20

Scale: DCL 1 = 1; S&P BSE Small Cap 10 = 1

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- h) Registrars and Share Transfer Agent : KFin Technologies Private Limited
Selenium Tower B, Plot No.31 & 32,
Financial District, Nankramguda, Serilingampally,
Gachibowli, Hyderabad- 500 032
Phone No: 040-67162222, Fax No: 040-23001153
Email id: einward.ris@kfintech.com,
Website: www.kfintech.com

i) Share Transfer System:

The Physical Shares along with valid and duly executed transfer instrument as and when received were duly processed and shares in respect of valid transfer instruments were transferred in the name of transferee. Duly transferred share certificates were 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 were placed before the every Stakeholders' Relationship and Share Transfer Committee Meeting.

Pursuant to Regulation 40(9) of the Listing Regulations, the Company obtained certificates from a practicing Company Secretary on a half-yearly basis to the effect that all the transfers were completed within the stipulated period. Copies of such certificates so received were submitted to both the Stock Exchanges, where the shares of the Company are listed.

j) Distribution of Shareholding as on 31st March, 2020:

Category (Amount in ₹)	Number of Shareholders	% to total no. of shareholders	Number of Shares	% to paid up share capital
1-5000	6,652	94.17	98,18,440	7.01
5001- 10000	205	2.90	31,45,260	2.25
10001- 20000	115	1.63	34,18,430	2.44
20001- 30000	19	0.27	9,53,270	0.68
30001- 40000	15	0.21	10,41,970	0.74
40001- 50000	10	0.14	9,22,600	0.66
50001- 100000	23	0.33	32,46,200	2.32
100001 & Above	25	0.35	11,75,28,830	83.90
Total	7,064	100.00	14,00,75,000	100.00

k) 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 on 31st March 2020 total of 1,38,04,351 (98.55%) number of shares were dematerialized with the following Depositories (ISIN No. INE583C01013):

- National Securities Depository Limited – 1,01,23,021 shares (72.27%)
 - Central Depository Services Limited – 36,81,330 shares (26.28%)
- l) 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.
- m) Commodity Price Risk or Foreign exchange risk and hedging activities:
- Commodity Price Risk: The major commodities which the Company uses in the production process are Coal, Laterite, Iron Ore, Gypsum. Any increase in prices of all these items will have an impact adversely on cost of production and if the market cannot compensate for such price hike, profitability may be affected.
 - Foreign Exchange Risk: The Company does not have any forex exposure whether it is for term loans or working capital loans etc. Only forex risk is with reference to remittances to be made for imports of spares and components which is not material for the Company to opt for hedging.
- n) Location of Company's Plants:

Cement Plant	Bhavanipuram, Janpahad (Post), Palakaveedu (Mandal); Suryapet Dist, Telangana State - 508 218
Thermal Power Plant	Bhavanipuram, Janpahad (Post), Palakaveedu (Mandal); Suryapet Dist, Telangana State - 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 - 515101

- o) Address for Correspondence:

Shareholders can correspond with the Company or Registrars and Share Transfer Agent 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	KFin Technologies Private Limited (Unit: Deccan Cements Limited) Selenium Tower B Plot No: 31 & 32, Financial District, Gachibowli, Hyderabad - 500 032 Phone No: 040 - 67162222 Fax No: 040 - 23001153 email id : einward.ris@kfintech.com website: www.kfintech.com

p) Credit Ratings:

The Company obtained credit rating of its bank credit facilities from CRISIL, and details of credit ratings as are under:

Long Term Rating	CRISIL A/Stable
Short Term Rating	CRISIL A1

There is no change in credit rating during the year.

12. OTHER DISCLOSURES

- a. The details of related party transactions are disclosed in Note No. 32 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 2019-20.
- b. During the last three years there were no strictures or penalties imposed either by 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 of the Listing Regulations and the following discretionary requirements specified in Part E of Schedule II as detailed below:
 - i. The Board: Maintenance of Office to the Non-executive Chairperson at the Company's expense: This is not applicable as the Chairperson of the Company is an Executive Director.
 - ii. Shareholders' rights: All the quarterly financial results are placed on the Company's Website: www.deccancements.com, apart from publishing the same in the Newspapers.
 - iii. Modified opinion(s) in audit report: There are no modified opinions in the Audit Reports.
 - iv. Separate Posts of Chairman and CEO: The Company has separate posts of Chairman and Managing Director.
 - v. Reporting of internal auditor: The Internal auditor reports to the Chairman of the Audit Committee directly.
- e. Web link where policy for determining 'material' subsidiaries is disclosed- Not Applicable (There is no subsidiary to the Company).
- f. The Company has formulated and adopted a policy for determining the material related party transactions. The web link for Related Party Transactions policy and the details of such policy are available at "<http://www.deccancements.com/pdf/RPTPolicy.pdf>".
- g. Commodity price risks and commodity hedging activities

The major commodities which the Company uses in the production process are Coal, Laterite, Iron Ore, Gypsum. Any increase in prices of all these items will have an impact adversely on cost of production and if the market cannot compensate for such price hike, profitability may be affected. However, the Company is not involved in any commodity hedging activities.
- h. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) - Not Applicable.

- i. The Company has obtained a Certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any other statutory authority. A copy of such certificate is enclosed to the Annual Report.
- j. Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year- There is no such instance during the year, and the Board considered and accepted the recommendations made by the Committees.
- k. The Statutory Auditors of the company have neither provided any services nor have been paid any fees by any one of the group entities of the company. Detail of fees paid to the Statutory Auditors is given in Note 27(a) to the Financial Statements.
- l. During the financial year ended 31st March, 2020, the Company has not received any Complaint pertaining to Sexual Harassment.

13. NON-COMPLIANCES OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT:

The Company has complied with all the requirements of the Corporate Governance Report for the Financial Year 2019-20.

14. DISCLOSURES OF THE COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND CLAUSES (b) TO (i) OF SUB-REGULATION (2) OF REGULATION 46

The Company has complied with all the applicable provisions of the Listing Regulations on Corporate Governance for the Financial Year 2019-20.

For and on behalf of the Board

Sd/-

M.B.Raju

Executive Chairman

DIN: 00016652

Place: Hyderabad

Date: 25th June 2020

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 2020 as envisaged under Schedule V (D) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Sd/-

P. Parvathi

Managing Director

DIN: 00016597

Place : Hyderabad

Date : 25th June 2020

CORPORATE GOVERNANCE REPORT

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

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

I, **B V Saravana Kumar, Company Secretary in Practice, Partner of Tumuluru & Company** have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Deccan Cements Limited** having CIN **L26942TG1979PLC002500** and having registered office at **6-3-666/B, Deccan Chambers, Somajiguda, Hyderabad - 500 082**, Telangana India (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

In my/our opinion and to the best of my/our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me/us by the Company & its officers, I/We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. No.	DIN	Name of the Director	Designation
1.	02951522	Kanwar Pratap Singh	Independent Director
2.	00016652	Manthana Bangar Raju	Executive Chairman
3.	00016597	Parvathi Penmetcha	Managing Director
4.	00001480	Surendra Ambalal Dave	Independent Director
5.	00026474	Jonnalagadda Narayana Murthy	Independent Director
6.	00229382	Umesh Shrivastava	Independent Director
7.	00296413	Gopalakrishnan Ramamurthi	Director
8.	08602254	Shonti Venkateswarlu	Whole Time Director

For Tumuluru & Company
Company Secretaries

Sd/-

B.V.Saravana Kumar

Partner

ACS No.: 26944

C P No.: 11727

Place: Hyderabad

Date: 25.06.2020

UDIN: A026944B000366965

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(for the Financial Year ending 31st March 2019)

Pursuant to the provisions of Regulation 34(3) read with clause (10)(i) of Schedule V Para C of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company had obtained a certificate from a company secretary in practice, for the Financial Year ending 31st March 2019, that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board / Ministry of Corporate Affairs or any such statutory authority.

However, due to some reason, a statement in this connection was missed out in the Annual Report for FY 2018-19.

NSE vide their letter dated 17th March 2020 stated that:

It has been observed that following disclosures/reports were not included in the annual report submitted by the company:

- 1. Certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies*

you are required to communicate the above disclosures/ reports to the shareholders of the company and submit a confirmation of the same to the Exchange.

In our reply to NSE, we stated that:

The Company has obtained a Certificate Dt.28.05.2019 from M/s. Tumuluru & Company, Company Secretaries, wherein they certified that:

We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

A copy of said certificate is enclosed for your reference.

However, due to some reason, a statement in this connection has been missed out in the Annual Report for FY 2018-19.

As it is too late to include the said statement the in the Annual Report for FY 2018-19, with your permission, we may upload a statement in this connection alongwith a copy of the certificate Dt.28.05.2019 obtained from the PCS, in the website of the Company, as well as in the website of the Stock Exchange. Otherwise, we may include a statement in this connection in the Annual Report for FY 2019-20, which will be circulated to the all the Shareholders of the Company.

Therefore, we are enclosing the copy of the Certificate obtained from the PCS for the financial ending 31st March 20219 to communicate the same to the shareholders.

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

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

I, **B.V.Saravana Kumar, Company Secretary in Practice, Partner of Tumuluru & Company** have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Deccan Cements Limited** having CIN **L26942TG1979PLC002500** and having registered office at **6-3-666/B, Deccan Chambers, Somajiguda, Hyderabad - 500 082**, Telangana India (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

In my/our opinion and to the best of my/our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me/us by the Company & its officers, I/We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. No.	DIN	Name of the Director	Designation
1.	02951522	Kanwar Pratap Singh	Independent Director
2.	00016652	Manthena Bangar Raju	Executive Chairman
3.	00016597	Parvathi Penmetcha	Managing Director
4.	00001480	Surendra Ambalal Dave	Independent Director
5.	00026474	Jonnalagadda Narayana Murthy	Independent Director
6.	00229382	Umesh Shrivastava	Independent Director
7.	00296413	Gopalakrishnan Ramamurthi	Director

For Tumuluru & Company
Company Secretaries

Sd/-

B.V.Saravana Kumar
Partner

Place: Hyderabad
Date: 28.05.2019

ACS No.: 26944
C P No.: 11727

AUDITORS' 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 31st March, 2020 as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15 (2) of the Listing Regulations.

The compliance of conditions of Corporate Governance is the responsibility of management. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

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

**For M. Anandam & Co.,
Chartered Accountants
(Firm Regn. No. 000125S)**

Place : Hyderabad
Date : 25th June, 2020

Sd/-
M.V.Ranganath
Partner
Membership No.028031
UDIN: 20028031AAAAFY5504

**CEO AND CFO CERTIFICATION
COMPLIANCE CERTIFICATE**

[Regulation 17(8)]

We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:

- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (2) 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.

To the best of our knowledge and belief, no transactions entered into by the Company during the year which is fraudulent, illegal or violative of the Company's code of conduct.

We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

We have indicated to the auditors and the Audit committee

- (1) significant changes in internal control over financial reporting during the year;
- (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- (3) 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 listed entity's internal control system over financial reporting.

Place: Hyderabad
Date: 25.06.2020

Sd/-
D Raghava Chary
Chief Financial Officer
ACA:200310

Sd/-
P Parvathi
Managing Director
DIN:00016597

DECLARATION

In compliance with the provisions of Regulation 33(3)(d) of the SEBI (Listing and Obligations and Disclosure Requirements) Regulations, 2015, as amended by the SEBI (Listing and Obligations and Disclosure Requirements) (Amendment) Regulations, 2016 and SEBI Circular No.CIR/CFD/CMD/56/2016, Dt. May 27, 2016, we hereby declare that M/s. M. Anandam & Co., Chartered Accountants, Statutory Auditors of the Company, have issued Audit Report with unmodified opinion on the Audited Financial Results of the Company for the year ended 31st March, 2020.

Place: Hyderabad
Date: 25.06.2020

Sd/-
D Raghava Chary
Chief Financial Officer
ACA:200310

Sd/-
P Parvathi
Managing Director
DIN:00016597

INDEPENDENT AUDITOR'S REPORT

To
The Members of Deccan Cements Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Deccan Cements Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Cash Flow Statement for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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 31st March 2020, and its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics issued by the Institute of Chartered Accountants of India. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	<p>Adequacy of the estimated provision made for wheeling charges for the energy generated at wind farm and hydel power unit to the cement plant as per the orders of the Hon'ble Supreme Court of India. Refer Note 28 of the financial statements.</p> <p>Given the significance of the matter, there is a risk that provision made for wheeling charges could significantly vary from what is being estimated.</p>	<p>Principal Audit Procedures</p> <p>We have performed the following audit procedures:</p> <ul style="list-style-type: none"> Reviewed the wheeling agreement entered by the Company with Electricity Companies. Reviewed the wheeling charges tariff orders of Andhra Pradesh Electricity Regulatory Commission (APERC). Verified the workings such as number of units generated by the wind farm and hydel power plant, wheeling charges tariff considered etc. in the respective years. Verified the adequate disclosures made as per Ind AS 1 and Schedule III of the Companies Act, 2013 We have obtained reasonable assurances from the key management of the Company on the basis of above workings.
2.	<p>The Company has material litigations which involve significant judgement to determine the possible outcome of these litigations. Refer Note 30 of the financial statements.</p>	<p>Principal Audit Procedures</p> <p>Obtained details of litigations for the year ended 31st March, 2020 from management. We have relied upon our internal experts to challenge the management's underlying assumptions in estimating the possible outcome of the disputes. Our internal team also considered the status of the disputes, legal precedence and other rulings in evaluating management's position on these matters. We have also relied on assurances and opinions provided by the various agencies, representing the company.</p>
3.	<p>Inventories as disclosed in Note 6 to the financial statements includes:</p> <ul style="list-style-type: none"> Raw materials comprising iron-ore, gypsum, limestone, laterite and flyash; Work-in-progress mainly comprising clinker Coal <p>The above items of inventory are stored in sheds, stockpiles and silos. As the weighing of these inventories is not practicable, management assesses the reasonableness of the quantities on hand by obtaining measurements of stockpiles and converting these measurements to unit of volumes by using angle of repose and bulk density. The Company involves its team in the inventory count process.</p> <p>Due to the significance of inventory balances and related estimations involved, this is considered as a key audit matter.</p>	<p>Principal Audit Procedures</p> <p>The Company performs annual inventory counts at the year end and issues prior notification of procedures to be performed for such inventory counts. Our audit procedures to assess the existence of such items of inventory included the following:</p> <ul style="list-style-type: none"> Assessed the management's process of measurement of stockpiles and the determination of values using conversion of volumes and density to total weight and the related yield. Obtained and reviewed the inventory count report of the management's team and assessed its accuracy on a sample basis.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report, Management Discussion & Analysis, and Report on Corporate Governance but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds 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.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act based on our audit, 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 purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity 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 Ind AS prescribed under Section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provision of section 197 of the Act.

- h) 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, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements (Refer Note 30 of the financial statements);

Independent Auditor's Report

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring the amounts, which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016, ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **M.Anandam & Co.,**
Chartered accountants
(Firm Registration No.000125S)

Sd/-
M.V.Ranganath
Partner

Place: Hyderabad
Date: 25th June, 2020

Membership No.028031
UDIN: 20028031AAAAFZ3479

Annexure “A” to the Independent Auditor’s Report

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Deccan Cements Limited (“the Company”) as of 31st March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing prescribed under section 143 (10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **M.Anandam & Co.,**
Chartered accountants
(Firm Registration No.000125S)

Sd/-
M.V.Ranganath
Partner

Place: Hyderabad
Date: 25th June, 2020

Membership No.028031
UDIN: 20028031AAAAFZ3479

Annexure “B” to the Independent Auditor’s Report

With reference to Paragraph 2 under ‘Report on Other Legal Regulatory Requirements’ section of our report to the Members of the Company, we report that

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) The property, plant and equipment have been physically verified by the management in a periodical manner, which in our opinion is reasonable, having regard to the size of the Company and the nature of its business. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, all the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventories have been physically verified during the year by the management. The discrepancies noticed on verification between the physical stocks and book records were not material.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3 (iii) (a) to (c) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has made investments which are in compliance with Section 186 of the Act. The Company has not granted loans, not provided guarantees and securities.
- (v) According to the information and explanations given to us, the Company has not accepted deposits within the meaning of Sections 73 to 76 of the Act and the rules framed thereunder.
- (vi) We have broadly reviewed the cost records maintained by the Company as prescribed under sub-section (1) of section 148 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, the Company is regular in depositing undisputed statutory dues including provident fund, employees’ state insurance, income-tax, goods and services tax, cess and any other statutory dues as applicable with the appropriate authorities and there were no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and records of the Company examined by us, the particulars of income tax, sales tax, value added tax, goods and services tax and any other statutory dues as at 31st March, 2020 which have not been deposited on account of any dispute pending are as under:

Name of the statute	Nature of the dues	Amount (₹ in lakhs)	Period to which the amount relates	Forum where the dispute is pending
Andhra Pradesh General Sales Tax Act, 1957 / AP VAT Act, 2005	Sales tax / VAT	11.52	1993-94	Hon'ble High Court of Telangana
		85.68	1999-00 & 2000-01	
		51.61	2002-03 to 2004-05	
		137.24	2006-07	Deputy Commissioner (Appeals), Hyderabad
Telangana VAT Act, 2005	VAT	1.62	2014-15	VAT Appellate Tribunal, Hyderabad
AP Electricity Duty Amendment Act, 2003	Electricity Duty	316.23	2003-04 to 2008-09	Hon'ble High Court of Telangana
Telangana Tax on Entry of Goods into Local Areas Act, 2001	Entry Tax	21.89	2012-13 To 2016-17	Appellate Joint Commissioner, Hyderabad

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which the loans were obtained.
- (x) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3 (xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under paragraph 3 (xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3 (xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **M.Anandam & Co.,**
Chartered accountants
(Firm Registration No.000125S)

Sd/-

M.V.Ranganath
Partner

Membership No.028031

UDIN: 20028031AAAFZ3479

Place: Hyderabad

Date: 25th June, 2020

BALANCE SHEET AS AT 31st MARCH 2020

₹ in lakhs

Particulars	Note	As at 31 st March 2020	As at 31 st March 2019
I. ASSETS			
Non-current assets			
(a) Property, plant and equipment	3.1	35,801.23	33,819.68
(b) Right-of-use assets	3.2	17.77	-
(c) Capital work-in-progress	3.3	5,982.22	895.07
(d) Investment properties	3.4	197.48	200.08
(e) Intangible assets	3.5	1,784.17	1,401.18
(f) Intangible assets under development	3.6	187.26	41.50
(g) Financial assets			
(i) Investments	4.1	8.13	8.91
(ii) Other financial assets	4.2	218.47	191.38
(h) Other non-current assets	5	1,136.83	1,689.82
Current Assets			
(a) Inventories	6	6,699.76	6,517.37
(b) Financial assets			
(i) Trade receivables	7.1	4,778.31	1,588.29
(ii) Cash and cash equivalents	7.2	11,623.57	13,080.27
(iii) Bank balances other than (ii) above	7.3	40.96	46.17
(iv) Loans	7.4	12.55	8.98
(v) Other financial assets	7.5	388.09	286.48
(c) Current tax assets (net)	8	313.09	209.14
(d) Other current assets	9	1,858.83	2,141.49
TOTAL ASSETS		71,048.72	62,125.81
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	10	700.38	700.38
(b) Other equity	11	44,289.66	39,939.08
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	12.1	6,678.11	2,515.11
(ii) Lease liabilities	3.2	14.86	-
(iii) Other financial liabilities	12.2	-	2,112.82
(b) Provisions	13	449.38	366.99
(c) Deferred tax liabilities (net)	14	4,911.80	6,759.74
(d) Other non current liabilities	15	102.23	769.33
Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	16.1	2,127.53	2,661.06
(ii) Trade payables	16.2		
a) Total outstanding dues of micro enterprises and small enterprises		4.71	12.10
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		805.88	453.02
(iii) Lease liabilities	3.2	3.56	-
(iv) Other financial liabilities	16.3	9,527.36	2,796.94
(b) Other current liabilities	17	1,310.95	2,425.17
(c) Provisions	18	122.31	128.21
(d) Current tax liabilities (net)	19	-	485.86
TOTAL EQUITY AND LIABILITIES		71,048.72	62,125.81
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

On behalf of Board of Directors

For M.Anandam & Co.,

Chartered Accountants

(Firm Registration Number: 000125S)

Sd/-

M.V.Ranganath

Partner

Membership Number: 028031

Sd/-

M.B. Raju

Executive Chairman

DIN : 00016652

Sd/-

D. Raghava Chary

Chief Financial Officer

ACA:200310

Sd/-

P.Parvathi

Managing Director

DIN : 00016597

-Sd/-

Bikram Keshari Prusty

Company Secretary

FCS: 7855

Place: Hyderabad

Date: 25th June, 2020

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2020 ₹ in lakhs

Particulars	Note	Year ended 31 st March 2020	Year ended 31 st March 2019
I. Income			
Revenue from operations	20	55,584.82	65,141.52
Other income	21	955.66	987.02
Total income		56,540.48	66,128.54
II. Expenses			
Cost of materials consumed	22	5,508.94	6,122.88
Changes in inventories of finished goods and work-in-progress	23	(493.69)	231.12
Employee benefits expense	24	2,749.40	2,628.81
Finance costs	25	677.62	773.04
Depreciation and amortization expense	26	2,091.25	2,231.21
Power and fuel		19,337.89	22,686.62
Freight charges		12,467.68	16,094.07
Other expenses	27	8,184.95	7,855.72
Total expenses		50,524.04	58,623.47
III. Profit before exceptional items and tax (I - II)		6,016.44	7,505.07
IV. Exceptional items			
Wheeling charges	28	962.41	-
V. Profit before tax (III-IV)		5,054.03	7,505.07
VI. Tax expense:			
(1) Current tax		1,226.06	2,571.80
(2) Earlier year tax		9.83	77.61
(3) Deferred tax		(1,846.24)	249.66
VII. Profit for the year (V- VI)		5,664.38	4,606.00
VIII. Other comprehensive income			
Items that will not be reclassified to profit or loss			
a) Remeasurement of defined benefit plans		(6.76)	5.78
b) Income tax relating to item (a) above		1.70	(2.02)
Other comprehensive income/(loss) (net of tax)		(5.06)	3.76
IX. Total comprehensive income for the year		5,659.32	4,609.76
X. Earnings per equity share (Face value of ₹ 5/- each)			
(1) Basic (in ₹)	33	40.44	32.88
(2) Diluted (in ₹)		40.44	32.88
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For M.Anandam & Co.,
Chartered Accountants
(Firm Registration Number: 000125S)

On behalf of Board of Directors

Sd/-
M.V.Ranganath
Partner
Membership Number: 028031

Sd/-
M.B. Raju
Executive Chairman
DIN : 00016652

Sd/-
P.Parvathi
Managing Director
DIN : 00016597

Place: Hyderabad
Date: 25th June, 2020

Sd/-
D. Raghava Chary
Chief Financial Officer
ACA:200310

Sd/-
Bikram Keshari Prusty
Company Secretary
FCS: 7855

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2020 ₹ in lakhs

Particulars	31st March 2020	31st March 2019
Cash flow from operating activities		
Profit before tax	5,054.03	7,505.07
Adjustments for:		
Depreciation and amortisation expense	2,091.25	2,231.21
Gain on disposal of property, plant and equipment (net)	(0.81)	-
Amortisation of revenue grant	(84.09)	(301.90)
Interest income on deposits	(679.88)	(478.13)
Rental income	(6.50)	(9.21)
Dividend income	(0.48)	(0.32)
Loss on disposal of property, plant and equipment (net)	-	7.57
Provision for doubtful debts	17.60	-
Finance costs	677.62	773.04
Loss on fair valuation of investments	0.77	(2.54)
Remeasurement of defined benefit plans	(6.76)	5.78
Operating Profit before working capital changes	7,062.75	9,730.57
Change in operating assets and liabilities		
(Increase) in trade receivables	(3,207.60)	(247.78)
(Increase) / Decrease in financial assets other than trade receivables	(127.06)	40.65
(Increase) / Decrease in other assets	745.81	(383.19)
(Increase) in inventories	(182.39)	(625.85)
Increase in trade payables	345.47	209.07
Increase in other financial liabilities	3,075.20	321.01
(Decrease) in provisions	74.96	41.58
(Decrease) in other liabilities	(2,183.09)	(1,258.63)
Cash Generated from Operations	5,604.05	7,827.43
Income taxes paid	(1,250.00)	(1,995.00)
Net cash inflow (outflow) from operating activities	4,354.05	5,832.42

₹ in lakhs

Particulars	31 st March 2020	31 st March 2019
Cash flows from investing activities		
Purchase of property, plant and equipment		
(i) Increase in tangible assets	(3,975.79)	(1,373.40)
(ii) Increase in intangible assets	(462.80)	-
(iii) Increase in capital work-in-progress	(5,087.15)	(452.09)
(iv) Increase in intangible assets under development	(145.76)	(41.50)
Sale of property, plant and equipment	6.02	15.16
Interest income on deposits	679.88	478.13
Dividend income	0.48	0.32
Rental income	6.50	9.21
Net cash inflow (outflow) from investing activities	(8,978.62)	(1,364.17)
Cash flow from financing activities		
Proceeds from non-current borrowings	4,354.93	150.00
Repayment of non-current borrowings	(146.71)	(83.04)
Proceeds/ (repayment) from current borrowings	854.47	2,247.76
Dividend paid (Including corporate dividend tax)	(1,308.74)	(506.61)
Finance costs	(564.70)	(773.03)
Payment for lease liabilities	(21.37)	-
Net cash inflow (outflow) from financing activities	3,167.88	1,035.08
Net increase (decrease) in cash and cash equivalents	(1,456.70)	5,503.33
Cash and Cash equivalents at the beginning of the Year	13,080.27	7,576.94
Cash and Cash equivalents at the end of the Year	11,623.57	13,080.27

Cash flow statement has been prepared under the indirect method as set out in Ind AS - 7 specified under Section 133 of the Companies Act, 2013.

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For M.Anandam & Co.,
Chartered Accountants
(Firm Registration Number: 000125S)

On behalf of Board of Directors

Sd/-
M.V.Ranganath
Partner
Membership Number: 028031

Sd/-
M.B. Raju
Executive Chairman
DIN : 00016652

Sd/-
P.Parvathi
Managing Director
DIN : 00016597

Place: Hyderabad
Date: 25th June, 2020

Sd/-
D. Raghava Chary
Chief Financial Officer
ACA:200310

-Sd/-
Bikram Keshari Prusty
Company Secretary
FCS: 7855

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2020 ₹ in lakhs

a. Equity share capital

Particulars	Note	As at 31 st March 2020	As at 31 st March 2019
Balance at the beginning of the year	10	700.38	700.38
Changes in equity share capital during the year		-	-
Balance at the end of the year		700.38	700.38

b. Other equity

Particulars	Note	Reserves and surplus			Total
		Securities premium	General reserve	Retained earnings	
Balance as at 1st April 2018	11	1,250.14	4,639.52	29,946.28	35,835.94
Dividend (including corporate dividend tax)		-	-	(506.61)	(506.61)
Profit for the year		-	-	4,605.99	4,605.99
Other comprehensive income/(loss) (net of tax)		-	-	3.76	3.76
Balance as at 31st March, 2019		1,250.14	4,639.52	34,049.42	39,939.08
Dividend (including corporate dividend tax)		-	-	(1,308.74)	(1,308.74)
Profit for the year		-	-	5,664.38	5,664.38
Other comprehensive income/(loss), (net of tax)		-	-	(5.06)	(5.06)
Balance as at 31st March, 2020		1,250.14	4,639.52	38,400.00	44,289.66
Summary of significant accounting policies	2				

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For M.Anandam & Co.,
Chartered Accountants
(Firm Registration Number: 000125S)

On behalf of Board of Directors

Sd/-
M.V.Ranganath
Partner
Membership Number: 028031

Sd/-
M.B. Raju
Executive Chairman
DIN : 00016652

Sd/-
P.Parvathi
Managing Director
DIN : 00016597

Place: Hyderabad
Date: 25th June, 2020

Sd/-
D. Raghava Chary
Chief Financial Officer
ACA:200310

Sd/-
Bikram Keshari Prusty
Company Secretary
FCS: 7855

Notes forming part of the financial statements for the year ended 31st March 2020

1 Company Information:

Deccan Cements Limited ('the Company') is a public limited company incorporated in India having its registered office at Hyderabad, Telangana. The Company is engaged in the manufacturing and selling of Cement and production and selling of power from hydel and wind sources.

2 Significant Accounting Policies:

This note provides a list of the significant accounting policies adopted in the preparation of the financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Statement of Compliance:

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Amendment Rules, 2016 and Companies (Indian Accounting Standards) Amendment Rules, 2017, the relevant provisions of the Companies Act, 2013 ('the Act') and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

New and amended standards adopted by the Company

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing 1st April 2019:

- Ind AS 116, Leases
- Uncertainty over Income Tax Treatments - Appendix C to Ind AS 12, Income Taxes
- Amendment to Ind AS 12, Income Taxes
- Plan Amendment, Curtailment or Settlement - Amendments to Ind AS 19, Employee Benefits

The amendments listed above did not have any material impact on the amounts recognised in prior periods and to the current period.

b) Basis of preparation:

The financial statements have been prepared under the historical cost convention with the exception of certain assets and liabilities that are required to be carried at fair values as per Ind AS. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

c) Use of estimates and critical accounting judgements:

In preparation of the financial statements, the Company makes judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Significant judgements and estimates relating to the carrying values of assets and liabilities include useful lives of property, plant and equipment and intangible assets, impairment of property, plant and equipment, intangible assets and investments, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies.

d) Revenue Recognition:

i) Sale of Products

Revenue is recognised when the performance obligations have been satisfied, which is once control of the goods is transferred from the Company to the customer.

Cement: Revenue related to the sale of goods is recognised when the product is delivered to the destination specified by the customer, and the customer has gained control through their ability to direct the use of and obtain substantially all the benefits from the asset.

Revenue is measured based on consideration specified in the contract with a customer which is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates and excludes amounts collected on behalf of third parties.

Power: Revenue from sale of power is recognized net of wheeling and banking charges, line losses and the selling costs.

ii) Other income

Dividend income is recognised when the shareholder's right to receive the income is established.

Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

Rental income from investment properties is recognised on a straight line basis over the term of the relevant leases.

e) Borrowing Costs:

Borrowings costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for the intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization.

Other borrowing costs are expensed in the period in which they are incurred.

f) Employee Benefits:

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave is not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligations. Remeasurements as a result of the experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Gratuity obligations

The liabilities or assets recognized in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss.

(iv) Defined contribution plans

The Company pays provident fund contributions to publicly administered funds as per local regulations and super annuation fund to LIC of India. The Company has no further payment obligations once

the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due.

(v) Bonus plans

The Company recognizes a liability and an expense for bonuses. The Company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

g) Income Taxes:

Tax expense for the year comprises current and deferred tax.

Current Tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary differences arise from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax relating to items recognized directly in equity or other comprehensive income is recognised in equity or other comprehensive income and not in the Statement of Profit and Loss.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they are related to income taxes levied by the same tax authority, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

h) Property, plant and equipment (PPE):

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of property, plant and equipment comprises of purchase price, applicable duties and taxes, any directly attributable expenditure on making the asset ready for its intended use, other

incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets, upto the date the asset is ready for its intended use.

All other repair and maintenance costs, including regular servicing, are recognised in the statement of profit and loss as incurred. When a replacement occurs, the carrying value of the replaced part is de-recognised. Where an item of property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items.

Property, Plant and equipment retired from active use and held for sale are stated at the lower of their net book value and net realizable value and are disclosed separately.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

i) Expenditure during construction period:

Expenditure during construction period (including finance cost related to borrowed funds for construction or acquisition of qualifying PPE) is included under Capital Work-in-Progress and the same is allocated to the respective PPE on the completion of their construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other non-current Assets".

j) Depreciation:

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on the straight line method over the useful lives as prescribed in Schedule II to the Act.

k) Intangible Assets and Amortization:

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

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

Cost of compensatory land (intangibles) paid / 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. Cost of ERP Software is amortized over a period of four years.

l) Investment Properties:

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost model which is in accordance with Ind AS 40.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no further economic benefits are expected from disposal. Any gain or loss

arising on derecognition of the property is included in profit or loss in the period in which the property is derecognised.

m) Impairment of Assets:

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

n) Inventories:

Raw Materials, Fuel, Stores & Spares and Packing Materials:

These inventories are valued at lower of cost and net realizable value (NRV). However, these items are considered to be realizable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost, Cost is determined on weighted Average basis.

Materials in Transit:

Valuation of Inventories of Materials in Transit is done at Cost

Work-in-Progress (WIP) and Finished Goods:

These inventories are valued at lower of cost and NRV. Cost of Finished Goods and WIP includes cost of raw materials, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of inventories is computed on weighted average basis.

o) Provisions, Contingent Liabilities and Contingent Assets :

The Company recognises 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 the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent Liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent assets are not recognized in financial statements since this may result in the recognition of income that may never be realised.

p) Financial instruments:

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

(i) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, in case where the company has made an irrevocable selection based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

- (iv) The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all

other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in statement of profit or loss.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial Liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant.

Interest bearing bank loans, overdrafts and unsecured loans are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may or may not be realized.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention

to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

q) Earnings Per Share :

The basic earnings per share is computed by dividing the profit/(loss) for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, profit/(loss) for the year attributable to the equity shareholders and the weighted average number of the equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

r) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

s) Transactions in Foreign Currencies:

The financial statements of the Company are presented in Indian rupees (₹), which is the functional currency of the Company and the presentation currency for the financial statements.

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction.

Foreign currency monetary assets and liabilities such as cash, receivables, payables, etc., are translated at year end exchange rates.

Exchange differences arising on settlement of transactions and translation of monetary items are recognised as income or expense in the year in which they arise.

t) Segment Reporting - Identification of Segments:

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's chief operating decision maker to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the chief operating decision maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

u) Government Grants:

Grants from the government are recognised at fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit and loss on a straight line basis over the expected lives of the related assets and presented within other income.

The benefit of a government loan at below current market rate of interest is treated as a government grant.

v) Leases

As a lessee:

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether:

- (1) The Contract involves the use of an identified asset;
- (2) The Company has substantially all the economic benefits from use of the asset through the period of the lease and
- (3) The Company has the right to direct the use of the asset.

The Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives.

They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the balance lease term of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if

not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset shall be separately presented in the Balance Sheet and lease payments shall be classified as financing cash flows.

As Lessor:

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

Operating lease – Rentals payable under operating leases are charged to the statement of profit and loss on a straight line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are utilised.

w) Dividend Distribution

Dividends paid (including income tax thereon) is recognised in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by shareholders.

x) Rounding off amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakh as per the requirement of Schedule III, unless otherwise stated.

y) Standards issued but not yet effective

There is no such notification which would have been applicable from April 1, 2020.

Notes forming part of the financial statements for the year ended 31st March 2020

3.1 (a) Property, plant and equipment

All amounts in ₹ Lakhs, unless otherwise stated

Particulars	Gross carrying amount			Accumulated depreciation			Net carrying amount
	As at 1 st April 2019	Additions	Deletions	As at 31 st March 2020	For the Year	On disposals	As at 31 st March 2020
Land	1,798.09	97.30	-	1,895.39	-	-	1,895.39
Buildings	5,640.58	125.39	-	5,765.97	240.81	-	4,812.74
Plant and equipment	29,151.13	3,651.57	-	32,802.70	1,496.49	-	26,327.62
Furniture and fixtures	50.12	3.80	-	53.92	5.27	-	28.62
Vehicles	288.75	89.91	11.62	367.04	41.99	6.41	274.23
Office equipment	122.19	7.82	-	130.01	12.97	-	48.91
Railway sidings	3,016.86	-	-	3,016.86	191.50	-	2,413.72
TOTAL	40,067.72	3,975.79	11.62	44,031.89	1,989.03	6.41	35,801.23

3.1 (b) Property, plant and equipment

Particulars	Gross carrying amount			Accumulated depreciation			Net carrying amount
	As at 1 st April 2018	Additions	Deletions	As at 31 st March 2019	For the Year	On disposals	As at 31 st March 2019
Land	1,798.09	-	-	1,798.09	-	-	1,798.09
Buildings	5,558.11	82.47	-	5,640.58	238.00	-	4,928.16
Plant and equipment	28,014.10	1,181.47	44.44	29,151.13	1,680.90	22.65	24,172.54
Furniture and fixtures	48.55	1.57	-	50.12	6.96	-	30.09
Vehicles	200.76	101.04	13.05	288.75	31.96	12.11	231.52
Office equipment	117.27	4.92	-	122.19	16.22	-	54.06
Railway sidings	3,014.93	1.93	-	3,016.86	190.98	-	2,605.22
TOTAL	38,751.81	1,373.40	57.49	40,067.72	2,165.02	34.76	33,819.68

3.2 Right-of-use assets

All amounts in ₹ Lakhs, unless otherwise stated

On transition, the adoption of IND AS 116, 'Leases', resulted in recognition of 'Right-of-Use' (ROU) asset of ₹ 37.58 lakhs and a lease liability of ₹ 37.58 lakhs. The effect of this adoption is insignificant on the profit before tax, profit for the year and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 9.6%

Following are the changes in the carrying value of right of use assets for the year ended 31st March 2020:

Particulars	As at 31 st March 2020
Opening Balance	-
Add: Additions during the year	37.58
Less: Amortisation during the year	19.81
Net carrying amount	17.77

The aggregate depreciation expense on ROU assets is included under depreciation and amortisation expense in the Statement of Profit and Loss.

The following is the break-up of current and non-current lease liabilities as at 31st March 2020:

Particulars	As at 31 March 2020
Current lease liability	14.86
Non-current lease liability	3.56
Total	18.42

The following is the movement in lease liabilities during the year ended 31st March 2020:

Particulars	Year ended 31 March 2020
Balance at the beginning of the year	-
Additions	37.58
Finance Cost accrued during the year	2.21
Deletions	-
Payment of lease liabilities	21.37
Balance at the end of the year	18.42

All amounts in ₹ Lakhs, unless otherwise stated

The table below provides details regarding the contractual maturities of lease liabilities as at 31st March 2020 on an undiscounted basis:

Particulars	As at 31 st March 2020
Less than one year	18.06
One to five years	3.66
Total	21.72

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expense recorded for short-term leases was ₹ 44.32 lakhs for the year ended 31st March 2020.

3.3 (a) Capital work-in-progress as at 31st March 2020: ₹ **5,982.22 Lakhs**.

Capital work-in-progress includes Buildings of ₹ 104.01 lakhs and Plant and Equipment of ₹ 5,878.21 lakhs

3.3 (b) Capital work-in-progress as at 31st March 2019: ₹ **895.07 lakhs**

Capital work-in-progress includes Buildings of ₹ 102.81 lakhs and Plant and Equipment of ₹ 792.26 lakhs

3.4 (a) Investment properties

Particulars	Gross carrying amount			Accumulated depreciation			Net carrying amount	
	As at 1 st April 2019	Additions	Deletions	As at 31 st March 2020	As at 1 st April 2019	For the Year	As at 31 st March 2020	As at 31 st March 2020
Land	61.02	-	-	61.02	-	-	-	61.02
Buildings	146.83	-	-	146.83	7.77	2.60	10.37	136.46
TOTAL	207.85	-	-	207.85	7.77	2.60	10.37	197.48

3.4 (b) Investment properties

Particulars	Gross carrying amount			Accumulated depreciation			Net carrying amount	
	As at 1 st April 2018	Additions	Deletions	As at 31 st March 2019	As at 1 st April 2018	For the Year	As at 31 st March 2019	As at 31 st March 2019
Land	61.02	-	-	61.02	-	-	-	61.02
Buildings	146.83	-	-	146.83	5.18	2.59	7.77	139.06
TOTAL	207.85	-	-	207.85	5.18	2.59	7.77	200.08

3.4 (c) Disclosures - Ind AS 40

All amounts in ₹ Lakhs, unless otherwise stated

Particulars	2019-20	2018-19
Rental income from investment properties	6.50	9.14
Less: Direct operating expenses (including repairs and maintenance)	0.17	0.17
Income from investment properties (net)	6.33	8.97

Fair value of the investment property as at 31st March, 2020 ₹ 101.60 lakhs (P.Y - ₹ 101.60 lakhs)**3.5 (a) Intangible assets**

Particulars	Gross carrying amount			Accumulated amortisation			Net carrying amount
	As at 1 st April 2019	Additions	Deletions	As at 31 st March 2020	As at 1 st April 2019	For the Year On disposals	As at 31 st March 2020
Compensatory land & afforestation expenses	1,557.85	462.80	-	2,020.65	163.79	72.69	1,784.17
Computer software	30.49	-	-	30.49	23.37	7.12	-
TOTAL	1,588.34	462.80	-	2,051.14	187.16	79.81	1,784.17

3.5 (b) Intangible assets

Particulars	Gross carrying amount			Accumulated amortisation			Net carrying amount	
	As at 1 st April 2018	Additions	Deletions	As at 31 st March 2019	As at 1 st April 2018	For the Year	On disposals	As at 31 st March 2019
Compensatory land & afforestation expenses	1,557.85	-	-	1,557.85	107.98	55.81	-	163.79
Computer software	30.49	-	-	30.49	15.58	7.79	-	23.37
TOTAL	1,588.34	-	-	1,588.34	123.56	63.60	-	187.16
								1,401.18

3.6 (a) Intangible assets under development as at 31st March 2020: 187.26 lakhs

Intangible assets under development represents acquisition cost of computer software and other development expenditure.

3.6 (b) Intangible assets under development as at 31st March 2019: 41.50 lakhs

Intangible assets under development represents acquisition cost of computer software and other development expenditure.

All amounts in ₹ Lakhs, unless otherwise stated

Notes forming part of the financial statements for the year ended 31st March 2020

4.1. Investments

Particulars	As at 31 st March 2020	As at 31 st March 2019
Investments in equity instruments (quoted - fully paid up)		
Fair value through profit and loss (FVTPL)		
Tata Consultancy Services Limited	8.03	8.81
440 (P.Y - 440) Equity Shares of Re. 1 /- each		
Investments in equity instruments (unquoted - fully paid up)		
At amortised cost		
DCFEMAC Co-operative Stores Limited	0.10	0.10
236 (P.Y - 236) Equity Shares of ₹ 100 /- each		
TOTAL	8.13	8.91
Aggregate market value of quoted investments	8.03	8.81
Aggregate amount of unquoted investments	0.10	0.10
Aggregate amount of impairment in value of investments	-	-

4.2. Other financial assets (non-current)

Particulars	As at 31 st March 2020	As at 31 st March 2019
Margin money deposits with banks against bank guarantees	218.47	191.38
TOTAL	218.47	191.38

5. Other non-current assets

Particulars	As at 31 st March 2020	As at 31 st March 2019
Unsecured, considered good		
Capital advances	106.42	771.29
Advances other than capital advances		
i) Taxes paid under protest	498.15	497.54
ii) Deposits with government companies and others	532.26	420.99
TOTAL	1,136.83	1,689.82

Notes to the Financial Statements

All amounts in ₹ Lakhs, unless otherwise stated

6. Inventories (Valued at lower of cost and net realisable value, unless otherwise stated)

Particulars	As at 31 st March 2020	As at 31 st March 2019
a) Raw materials	236.31	212.27
b) Work-in-progress	1,124.46	676.40
c) Finished goods	410.29	364.66
d) Stores and spares	3,200.69	2,994.00
e) Packing materials	105.09	124.67
f) Coal (includes material in transit of ₹ 11.27 lakhs (P.Y. 200.58 lakhs))	1,622.92	2,145.37
TOTAL	6,699.76	6,517.37

7.1. Trade receivables

Particulars	As at 31 st March 2020	As at 31 st March 2019
a) Trade Receivables considered good secured	1,710.61	1,136.49
b) Trade Receivables considered good unsecured	3,085.30	451.80
Less: Allowances for credit losses	(17.60)	-
TOTAL	4,778.31	1,588.29

7.2. Cash and cash equivalents

Particulars	As at 31 st March 2020	As at 31 st March 2019
a) Balances with banks		
in current accounts	41.16	2,964.58
in deposit accounts*	11,568.44	10,096.34
in margin money deposit accounts	6.54	9.07
b) Cash on hand	7.43	10.28
TOTAL	11,623.57	13,080.27

* The deposits maintained by the company with the banks comprise time deposits, which can be withdrawn without prior notice or penalty on the principal.

7.3. Other bank balances

Particulars	As at 31 st March 2020	As at 31 st March 2019
Earmarked balances with banks		
Unpaid dividend accounts	32.11	29.63
Margin money deposit accounts	8.85	16.54
TOTAL	40.96	46.17

All amounts in ₹ Lakhs, unless otherwise stated

7.4. Loans (current)

Particulars	As at 31 st March 2020	As at 31 st March 2019
Employee advances	12.55	8.98
TOTAL	12.55	8.98

7.5. Other financial assets (current)

Particulars	As at 31 st March 2020	As at 31 st March 2019
Interest accrued on deposits and others	76.48	41.33
Sales tax incentive receivable	19.65	19.65
Banked energy	291.96	225.50
TOTAL	388.09	286.48

8. Current tax assets (net)

Particulars	As at 31 st March 2020	As at 31 st March 2019
Advance tax (net of provision)	313.09	209.14
TOTAL	313.09	209.14

9. Other current assets

Particulars	As at 31 st March 2020	As at 31 st March 2019
Prepaid expenses	258.30	212.56
Advances to suppliers	1,557.71	1,842.99
Advances to transporters	1.46	28.54
Earnest money deposits	24.06	11.45
Other advances	17.30	45.95
TOTAL	1,858.83	2,141.49

10. Equity share capital

Particulars	As at 31 st March 2020	As at 31 st March 2019
AUTHORIZED		
2,00,00,000 equity shares of ₹ 5 /- each (P.Y - 2,00,00,000 equity shares of ₹ 5/- each)	1,000.00	1,000.00
TOTAL	1,000.00	1,000.00
ISSUED, SUBSCRIBED & PAID-UP CAPITAL		
1,40,07,500 equity shares of ₹ 5 /- each (P.Y - 1,40,07,500 equity shares of ₹ 5/- each)	700.38	700.38
TOTAL	700.38	700.38

Notes to the Financial Statements

All amounts in ₹ Lakhs, unless otherwise stated

(A) Movement in equity share capital:

Particulars	Number of shares	Amount
Balance at April 1, 2018	14,007,500	700.38
Movement during the year	-	-
Balance at 31st March 2019	14,007,500	700.38
Movement during the year	-	-
Balance at 31st March 2020	14,007,500	700.38

(B) Details of shareholders holding more than 5% shares in the company

Name of the shareholder	As at 31 st March 2020		As at 31 st March 2019	
	No. of Shares	% holding	No. of Shares	% holding
Melville Finvest Limited	4,603,712	32.87	4,603,712	32.87
Satyasai Investments and Leasing Limited	1,054,103	7.53	1,047,474	7.48
M.B. Raju	1,160,921	8.29	1,160,921	8.29

(C) Terms/Rights attached to equity shares

The company has only one class of equity shares having a face value of ₹ 5/- each (P.Y ₹ 5/- each). Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian Rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the equity shareholders 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

11. Other equity

Particulars	As at 31 st March 2020	As at 31 st March 2019
Reserves and surplus		
Securities premium	1,250.14	1,250.14
General reserve	4,639.52	4,639.52
Retained earnings	38,400.00	34,049.42
TOTAL	44,289.66	39,939.08
Retained earnings		
Opening balance	34,049.42	29,946.28
Add: Profit for the year	5,664.38	4,605.99
Less: Dividend (including corporate dividend tax)	(1,308.74)	(506.61)
Add: Items of other comprehensive income/(loss) recognised directly in retained earnings		
- Remeasurements of defined benefit plans (net of tax)	(5.06)	3.76
Closing balance	38,400.00	34,049.42

Nature and purpose of other reserves

(i) Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

(ii) General reserve

General reserve is used for strengthening the financial position and meeting future contingencies and losses.

(iii) Retained earnings

Retained earnings represents the cumulative profits of the Company and effects of remeasurement of defined benefit obligations. This reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

12.1. Borrowings

₹ in Lakhs

Particulars	As at 31 st March 2020	As at 31 st March 2019
Non- current		
a) Secured loans		
Equipment and vehicle loans		
From banks	4,360.28	5.35
From others	-	10.55
b) Unsecured loans		
From directors	750.00	750.00
Inter corporate deposits from related parties	875.00	875.00
Deferred payment liabilities- sales tax deferment loan	692.83	874.21
TOTAL	6,678.11	2,515.11

i) Term loans and Vehicle loans from banks and financial institutions:

The Company has availed equipment and vehicle loans from various banks and financial institutions. During the year, the company was sanctioned a term loan of ₹ 65 crores from HDFC Bank Ltd. for the capital expenditure. The company has availed an amount of ₹ 58.21 crores. The loan is repayable in 16 equal quarterly instalments starting from June 2020.

ii) Security:

Equipment and vehicle loans are secured by respective equipment and vehicles purchased out of the proceeds of the said loan. The term loan from HDFC Bank Ltd is secured by first charge on fixed assets and second charge (pari passu) on the current assets.

Notes to the Financial Statements

All amounts in ₹ Lakhs, unless otherwise stated

iii) Repayment Schedule with rate of interest:

Name of the bank/financial institution	Rate of interest	2020-21	2021-22	2022-23	2023-24
HDFC Bank Ltd	8.80%	1,455.16	1,455.16	1,455.16	1,449.96
ICICI Bank Ltd	11.25%	2.67	-	-	-
ICICI Bank Ltd	11.25%	2.67	-	-	-
BMW Financial Services Pvt Ltd	9.71%	10.54	-	-	-

Unsecured loans:

The Company has availed unsecured loans from the directors and the enterprises in which the key management personnel are interested and interest is paid at monthly floating rate of the bank.

Deferred payment liabilities:

The Company in earlier years availed interest free sales tax deferral loan aggregating to ₹ 1,631.54 lakhs under a scheme of the State Government, for its enhanced capacity implemented in 2000-01. The balance loan is repayable upto the financial year 2024-25 as per VAT assessment orders completed.

12.2. Other financial liabilities (non-current)

Particulars	As at 31 st March 2020	As at 31 st March 2019
Security deposits from stockists and dealers	-	2112.82
TOTAL	-	2112.82

13. Provisions (non-current)

Particulars	As at 31 st March 2020	As at 31 st March 2019
Employee benefits		
Gratuity	347.94	285.77
Leave encashment	98.34	79.65
Others		
Mine closure	3.10	1.57
TOTAL	449.38	366.99

14. Deferred tax liabilities (net)

Particulars	As at 31 st March 2020	As at 31 st March 2019
(i) Deferred tax liabilities on timing difference due to:		
Depreciation and amortisation	5,051.69	6,947.77
(ii) Deferred tax assets on account of:		
Employee benefits, investments etc.,	139.89	188.03
Deferred tax liabilities (net)	4,911.80	6,759.74

All amounts in ₹ Lakhs, unless otherwise stated

Movement in deferred tax liabilities (net)

Particulars	WDV of assets	Expenses allowable on payment basis	Total
As at 31 st March, 2019	6,947.77	188.03	6,759.74
(Charged)/Credited			
- to statement of profit and loss	(1,896.08)	(49.84)	(1,846.24)
- to Other comprehensive income	-	1.70	(1.70)
As at 31 st March, 2020	5,051.69	139.89	4,911.80

15. Other non current liabilities

Particulars	As at 31 st March 2020	As at 31 st March 2019
Deferred revenue grant - sales tax deferment loan	102.23	165.00
Deferred income - stockists and dealers	-	604.33
TOTAL	102.23	769.33

16.1. Borrowings

Particulars	As at 31 st March 2020	As at 31 st March 2019
Secured		
Repayable on demand		
Working capital loans from banks	2,127.53	2,661.06
TOTAL	2,127.53	2,661.06

The cash credit facilities/working capital loans which are obtained from various banks, are secured by hypothecation of stocks of raw materials, stock in process, finished goods, spares and book debts and second charge on property, plant and equipment and further secured by the personal guarantee of Mr. M.B. Raju, Executive Chairman and Ms. P. Parvathi, Managing Director.

16.1(a) Net Debt Reconciliation

Particulars	As at 31 st March 2020	As at 31 st March 2019
Opening balance of borrowings	5,644.46	3,627.29
Add:- Proceeds from non-current borrowings	4,354.93	150.00
Less:- Repayment of non-current borrowings	(146.71)	(83.04)
Proceeds/ (repayment) from current borrowings	987.11	2,089.90
Fair value adjustment	(129.30)	(139.69)
Closing balance of borrowings	10,710.49	5,644.46

Notes to the Financial Statements

All amounts in ₹ Lakhs, unless otherwise stated

16.2. Trade payables

Particulars	As at 31 st March 2020	As at 31 st March 2019
Dues to micro enterprises and small enterprises (Refer Note below)	4.71	12.10
Dues to creditors other than micro enterprises and small enterprises	805.88	453.02
TOTAL	810.59	465.12

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at 31 st March 2020	As at 31 st March 2019
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	4.71	12.10
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management.

16.3. Other financial liabilities (current)

Particulars	As at 31 st March 2020	As at 31 st March 2019
Current maturities of long term debt		
From banks	1,460.50	61.09
From others	10.54	21.95
Current maturities of deferred payment liabilities		
Sales tax deferment loan	268.80	136.16
Unpaid dividend	32.11	29.63
Interest accrued and due	47.75	-
Expenses payable	3,175.53	2,033.95
Other recoveries payable	10.26	6.39
Security deposits from transporters and suppliers	508.08	478.29
Security deposits from stockists and dealers	3,139.49	-
Capital creditors	874.30	29.48
TOTAL	9,527.36	2,796.94

All amounts in ₹ Lakhs, unless otherwise stated

17. Other current liabilities

Particulars	As at 31 st March 2020	As at 31 st March 2019
Advances from customers	644.89	1,221.62
Statutory liabilities	603.28	891.40
Deferred income - stockists and dealers	-	228.06
Deferred revenue grant - sales tax deferment loan	62.78	84.09
TOTAL	1,310.95	2,425.17

18. Provisions (current)

Particulars	As at 31 st March 2020	As at 31 st March 2019
Employee benefits		
Gratuity	90.54	98.80
Leave encashment	31.77	29.41
TOTAL	122.31	128.21

19. Current tax liabilities (Net)

Particulars	As at 31 st March 2020	As at 31 st March 2019
Provision for tax (net of advance tax)	-	485.86
TOTAL	-	485.86

Notes forming part of the financial statements for the year ended 31st March 2020

(i) Leave obligations

The leave obligation covers the company's liability for earned leave which is unfunded.

(ii) Defined contribution plans

The company has defined contribution plans namely provident fund and superannuation fund. Contributions are made to provident fund at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the Government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards defined contributions plan is as follows:

₹ in lakhs

Particulars	31 st March 2020	31 st March 2019
Company's contribution to provident fund	122.87	105.72
Company's contribution to superannuation fund	-	1.50

Notes to the Financial Statements

All amounts in ₹ Lakhs, unless otherwise stated

(iii) Post-employment obligations

a) Gratuity

The company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The company operates post retirement gratuity plan with LIC of India. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The following table sets out the amounts recognised in the financial statements in respect of gratuity plan

Particulars	Year ended 31 st March, 2020	Year ended 31 st March, 2019
Change in defined benefit obligations:		
Obligation at the beginning of the year	450.80	424.09
Current service costs	30.22	27.32
Interest costs	32.90	32.82
Remeasurement (gains)/losses	6.62	(5.77)
Benefits paid	(36.89)	(27.66)
Obligation at the end of the year	483.65	450.80
Change in plan assets:		
Fair value of plan assets at the beginning of the year	66.22	77.22
Interest income	4.08	5.26
Remeasurement (gains)/losses	(0.13)	0.01
Employer's contributions	11.88	11.39
Benefits paid	(36.89)	(27.66)
Fair value of plan assets at the end of the year	45.16	66.22
Expenses recognised in the statement of profit and loss consists of:		
Employee benefits expense:		
Current service costs	30.22	27.32
Net interest expenses	28.81	27.56
Benefits paid	15.34	22.04
	74.37	76.92

All amounts in ₹ Lakhs, unless otherwise stated

Particulars	Year ended 31 st March, 2020	Year ended 31 st March, 2019
Other comprehensive income:		
(Gain)/loss on plan assets	0.13	(0.01)
Actuarial (gain)/loss arising from changes in financial assumptions	18.56	7.84
Actuarial (gain)/loss arising from changes in experience adjustments	(11.93)	(13.61)
	6.76	(5.78)
Expenses recognised in the statement of profit and loss	81.13	71.13

Amounts recognised in the balance sheet consist of

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Fair value of plan assets at the end of the year	45.17	66.22
Present value of obligation at the end of the year	483.65	450.80
Recognises as		
Retirement benefit liability - Non-current	347.94	285.77
Retirement benefit liability - Current	90.54	98.80

Fair value of plan assets --- 100% with LIC of India

Expected contribution to post-employment benefit plan of gratuity for the year ending 31st March 2021 is ₹ 89.25 Lakhs.

iv) Significant estimates and sensitivity Analysis

The sensitivity of the defined benefit obligation to changes in key assumptions is:

Particulars	Key assumptions		Defined benefit obligation					
			Increase in assumption by			Decrease in assumption by		
	31 st March 2020	31 st March 2019	Rate	31 st March 2020	31 st March 2019	Rate	31 st March 2020	31 st March 2019
Discount rate	6.75%	7.61%	1%	462.22	431.20	1%	507.54	475.52
Salary growth rate	4.00%	4.00%	1%	510.34	475.22	1%	459.34	428.45
Attrition rate	3.00%	3.00%	1%	487.00	454.92	1%	479.94	446.26

The above sensitivity analysis is based on a change in each assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

Notes to the Financial Statements

All amounts in ₹ Lakhs, unless otherwise stated

v) Risk exposure

Through its defined benefit plans, the company is exposed to a number of risks, the most significant of which are detailed below:

Interest rate risk:

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Salary inflation risk:

Higher than expected increases in salary will increase the defined benefit obligation.

Demographic risk:

This is the risk of variability of results due to unsystematic nature of decrements that include withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

20. Revenue from operations

Particulars	Year ended 31 st March 2020	Year ended 31 st March 2019
Sale of products		
(a) Cement	54,889.99	64,413.71
(b) Power*		
(Net of charges for wheeling and banking)		
Wind	47.68	77.81
Hydel	519.30	347.71
Thermal	-	135.87
Other operating revenues		
Scrap sales	127.85	166.42
TOTAL	55,584.82	65,141.52

* includes unbilled revenue

21. Other income

Particulars	Year ended 31 st March 2020	Year ended 31 st March 2019
Interest income on deposits and others	679.88	478.13
Dividend income	0.48	0.32
Net gain on disposal of property, plant and equipment	0.81	-
Miscellaneous income	183.90	194.92
Rental income	6.50	9.21
Amortisation of revenue grant	84.09	301.90
Net gain on fair value changes of investment	-	2.54
TOTAL	955.66	987.02

All amounts in ₹ Lakhs, unless otherwise stated

22. Cost of materials consumed

Particulars	Year ended 31 st March 2020	Year ended 31 st March 2019
Raw materials consumed:		
Lime stone	2,116.94	2,460.13
Iron ore	1,009.81	1,070.52
Gypsum	1,309.09	1,683.50
Fly ash	916.85	664.43
Laterite	156.25	244.30
TOTAL	5,508.94	6,122.88

23. Changes in inventories of finished goods and work-in-progress

Particulars	Year ended 31 st March 2020	Year ended 31 st March 2019
Opening inventory		
Finished goods	364.66	407.80
Work-in-progress	676.40	864.38
(A)	1,041.06	1,272.18
Closing inventory		
Finished goods	410.29	364.66
Work-in-progress	1,124.46	676.40
(B)	1,534.75	1,041.06
TOTAL (A-B)	(493.69)	231.12

24. Employee benefits expense

Particulars	Year ended 31 st March 2020	Year ended 31 st March 2019
Salaries, wages and bonus	2,244.84	2,201.70
Contribution to provident and other funds	214.35	207.14
Staff welfare expenses	290.21	219.97
TOTAL	2,749.40	2,628.81

25. Finance costs

Particulars	Year ended 31 st March 2020	Year ended 31 st March 2019
Interest on borrowings	581.39	661.36
Interest on lease liabilities	2.21	-
Other borrowing cost	92.49	111.54
Interest on mine closure	1.53	0.14
TOTAL	677.62	773.04

Notes to the Financial Statements

All amounts in ₹ Lakhs, unless otherwise stated

26. Depreciation and amortization expense

Particulars	Year ended 31 st March 2020	Year ended 31 st March 2019
Depreciation of property, plant and equipment	1989.03	2165.02
Depreciation of investment properties	2.60	2.59
Amortisation of intangible assets	79.81	63.60
Amortisation of right-of-use assets	19.81	-
TOTAL	2091.25	2231.21

27. Other expenses

Particulars	Year ended 31 st March 2020	Year ended 31 st March 2019
Consumption of stores and spares	2,848.95	2,201.87
Consumption of packing material	2,093.09	2,632.69
Repairs and maintenance		
Buildings	66.98	17.86
Plant and machinery	872.60	819.33
Others	731.17	541.32
Travelling and conveyance	125.49	118.16
Directors' sitting fee	11.03	4.10
Commission to non-whole-time directors	10.00	10.00
Printing and stationery	14.28	16.36
Communication expenses	27.85	23.59
Legal and professional charges	79.88	73.34
Bank charges	23.00	8.30
Insurance	86.48	63.64
Auditors remuneration (Refer note 27a)	10.80	9.50
Rent	44.32	66.58
Rates and taxes	88.57	42.02
Donations	-	0.90
Security service charges	127.30	123.79
Corporate social responsibility expenses (Refer note 27b)	143.39	142.36
Sales promotion and other selling expenses	645.88	833.83
Provision for bad debts	17.60	-
Net loss on disposal of property, plant and equipment	-	7.57
Net loss on fair value changes of investment	0.77	-
Miscellaneous expenses	115.52	98.61
TOTAL	8,184.95	7,855.72

All amounts in ₹ Lakhs, unless otherwise stated

27 a. Payments to auditor

Particulars	Year ended 31 st March 2020	Year ended 31 st March 2019
(a) Statutory auditors		
Statutory audit fees	7.00	6.00
Certification work	-	0.15
Quarterly review fees	2.70	2.25
(b) To others		
Cost audit fees	1.10	1.10
TOTAL	10.80	9.50

27 b. Corporate social responsibility expenses

Particulars	Year ended 31 st March 2020	Year ended 31 st March 2019
Amount required to be spent as per section 135 of the Act	138.76	142.29
Amount spent during the year on :		
1. Construction/ acquisition of any assets	-	-
2. On purposes other than (1) above	143.39	142.36

28. Exceptional items

Particulars	Year ended 31 st March 2020	Year ended 31 st March 2019
Wheeling Charges	962.41	-
TOTAL	962.41	-

During the year, the Hon'ble Supreme Court has passed an order on wheeling charges stating that the Andhra Pradesh Electricity Regulatory Commission (APERC) has power to revise the wheeling charges from time to time. Accordingly, the orders passed by the Hon'ble High Court of Andhra Pradesh and Appellate Tribunal for Electricity in favour of the company are set aside. As per the calculation, an amount of ₹ 962.41 lakhs has been provided under exceptional item, subject to adjustments, if any, as per the demand by the respective Discom. The company has filed review petition on 06.01.2020 against the said order.

29. Reconciliation of tax expenses and the accounting profit multiplied by tax rate

Particulars	Year ended 31 st March 2020	Year ended 31 st March 2019
Profit before income tax expense	5,054.03	7,505.07
Tax at the Indian tax rate of 25.168% (P.Y: 34.944%)	1,272.00	2,622.57
Effect of non-deductible expense	613.74	973.36
Effect of allowances for tax purpose	(659.68)	(1,024.13)
Effect of deferred tax	(1,846.24)	249.66
Tax expense	(620.18)	2,821.46

30. Contingent liabilities

₹ in lakhs

Particulars	As at 31 st March 2020	As at 31 st March 2019
(a) Claims against the company not acknowledged as debt :		
(i) Counter gurantees to banks	1,257.81	135.78
(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) Sales tax:		
a) Sales tax demand with respect to packing materials in the 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 utilisation 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 on excess paid interest for the assessment years 2002-03 to 2004-05. Appeal is pending before the Hon'ble High Court of Judicature at Hyderabad for the State of Telangana and for the State of Andhra Pradesh.	51.61	51.61
(ii) VAT demand for 25% penalty of the disputed tax for the year 2014-15. Appeal is pending before the VAT Appellate Tribunal, Hyderabad	1.62	-
(iii) The A.P. Government has issued a G.O. Ms.No 391 levying water cess on the quantum of water used in the generation of power and demanded payment of ₹ 723.29 Lakhs for the period 1997 to February 2008. Appeal is pending before the Hon'ble High Court of Judicature at Hyderabad for the State of Telangana and for the State of Andhra Pradesh.	723.29	723.29

₹ in lakhs

Particulars	As at 31 st March 2020	As at 31 st March 2019
(iv) Duty on electricity generated and consumed was levied by the AP Govt. at 25 paise per unit for the years 2003-04 to 2008-09. The Hon'ble High Court of Judicature at Hyderabad for the State of Telangana and for the State of Andhra Pradesh has stayed the operation of AP Electricity Duty Amendment Act, 2003.	316.23	316.23
(v) Government of Andhra Pradesh issued G.O. Ms. No. 35 dated 06.02.2010 enhancing the rate of transit permit fee from ₹ 500/- per 100 permits to ₹ 10/- per ton/cmt for limestone, levied under Rule 5 of Andhra Pradesh forest Produce Rules, 1970. The company has filed a writ petition and obtained interim stay from the Hon'ble High Court of Judicature at Hyderabad for the State of Telangana and for the State of Andhra Pradesh and is paying one-third of revised fee till final order.	1113.10	996.86
(vi) Levy of entry tax on the purchase of certain goods from financial year 2012-13 to financial year 2016-17. Appeals are pending before Appellate Joint Commissioner. 35% of the disputed amount is paid for filing the appeals	21.89	-
(vii) Difference in the voltage surcharge charged by AP Transco for the period Jan 99 to Mar 00 for which the company filed a writ petition and division bench of Hon'ble High Court of Judicature at Hyderabad for the State of Telangana and for the State of Andhra Pradesh has set aside the order of single judge and remanded the matter for fresh adjudication. Total demand of ₹ 109.94 lakhs has been paid under protest.	-	-

31. Commitments

Capital commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as a liability is as follows:

₹ in lakhs

Particulars	31 st March 2020	31 st March 2019
Property, plant and equipment	1,001.07	6,061.53
Total	1,001.07	6,061.53

32. Related party transactions

Names of related parties and nature of relationship

Names of the related parties	Nature of relationship
i) Key Management Personnel (KMP):	
Mr. M.B.Raju	Executive Chairman
Ms. P.Parvathi	Managing Director
Mr. S.Venkateswarlu (w.e.f. 11.11.2019)	Director (Works)
Mr. D.Raghava Chary (w.e.f. 01.07.2019)	Chief Financial Officer
Mr. Bikram Keshari Prusty (w.e.f. 08.07.2019)	Company Secretary
Mr. RVA Narasimha Rao (up to 29.06.2019)	Chief Financial Officer
Mr. S K Mishra (up to 10.06.2019)	Company Secretary
ii) Non-whole-time Directors:	
Mr.Umesh Shrivastava	Director
Dr.S.A.Dave	Director
Mr.K.P.Singh	Director
Mr.J.Narayana Murty	Director
Mr.R.Gopalakrishnan	Director
iii) Relatives of key managerial personnel:	
Ms. M.Lakshmi	Spouse of Mr. M.B.Raju
Mr. P.Anirudh Raju	Son of Ms. P.Parvathi
Mr. P.Venugopal Raju	Son-in-law of Mr. M.B.Raju
Ms. P.Aishwarya	Daughter of Ms. P.Parvathi
Mr. P V R Raju	Spouse of Ms. P.Parvathi
iv) Enterprises in which key managerial personnel and/or their relatives have control:	
a) Satyasai Investments and Leasing Limited	
b) Melvillie Finvest Limited	
c) DCL Securities Limited	
d) DCL Exim Private Limited	
v) Enterprises in which non-whole time director is interested:	
Holtech Consulting Private Limited	

Details of transactions during the year where related party relationship existed: ₹ in lakhs

Names of the related parties	Nature of Transactions	Year ended 31st March 2020	Year ended 31st March 2019
Mr. M.B.Raju	Remuneration*	249.35	270.50
Ms. P.Parvathi	Remuneration*	243.56	269.32
Mr. S.Venkateswarlu (w.e.f. 11.11.2019)	Remuneration*	16.88	-
Mr. D.Raghava Chary (w.e.f. 01.07.2019)	Remuneration*	15.60	-
Mr. Bikram Keshari Prusty (w.e.f. 08.07.2019)	Remuneration*	12.08	-
Mr. RVA Narasimha Rao (up to 29.06.2019)	Remuneration*	18.19	34.82
Mr. S K Mishra (up to 10.06.2019)	Remuneration*	5.83	18.70
Mr.Umesh Shrivastava	Commission	2.00	2.00
Dr.S.A.Dave	Commission	2.00	2.00
Mr.K.P.Singh	Commission	2.00	2.00
Mr.J Narayana Murty	Commission	2.00	2.00
Mr.R.Gopalakrishnan	Commission	2.00	2.00
Mr.Umesh Shrivastava	Sitting fees	2.28	0.72
Dr.S.A.Dave	Sitting fees	1.47	0.70
Mr.K.P.Singh	Sitting fees	2.50	0.98
Mr.J Narayana Murty	Sitting fees	2.75	1.05
Mr.R.Gopalakrishnan	Sitting fees	2.03	0.65
Mr. M.B.Raju	Dividend	89.97	34.82
Melville Finvest Limited	Dividend	356.78	138.11
Satyasai Investments and Leasing Ltd.	Dividend	81.18	31.42
Ms. P.Parvathi	Dividend	2.94	1.14
Ms. M Lakshmi	Dividend	22.03	8.53
Mr. P.Anirudh Raju	Dividend	1.77	0.69
DCL Securities Limited	Dividend	39.68	15.36
DCL Exim Private Limited	Dividend	13.61	5.26
Mr. P.Venugopal Raju	Dividend	0.05	0.02
Ms. P.Aishwarya	Dividend	1.66	0.65
Mr. P V R Raju	Dividend	0.12	0.05
Mr. P.Anirudh Raju	Salary	14.84	13.20
Mr. M.B.Raju	Interest on unsecured loan@	18.78	19.04
	Unsecured loan outstanding	200.00	200.00

Notes to the Financial Statements

₹ in lakhs			
Names of the related parties	Nature of Transactions	Year ended 31 st March 2020	Year ended 31 st March 2019
Ms. P.Parvathi	Interest on unsecured loan@	51.66	52.36
	Unsecured loan outstanding	550.00	550.00
Melville Finvest Limited	Loan taken	-	150.00
	Interest on unsecured loan@	37.57	31.74
	Unsecured loan outstanding	400.00	400.00
Satyasai Investments and Leasing Ltd.	Interest on unsecured loan@	44.61	45.22
	Unsecured loan outstanding	475.00	475.00
DCL Securities Limited	Cement Sales	2.04	3.35
Ms. M Lakshmi	Rent paid	36.00	36.00
Holtec Consulting Private Limited	Consultancy charges	69.83	-

* Post employment benefits are actuarially determined on overall basis and hence not separately provided.

@ Interest is paid at monthly floating rate of the bank.

Details of outstanding balances as at the year end where related party relationship existed:

₹ in lakhs			
Names of the related parties	Nature of Balance	As at 31 st March 2020	As at 31 st March 2019
Credit Balances			
Mr. M.B.Raju	Commission	112.28	160.90
Ms. P.Parvathi	Commission	112.28	160.90
Mr.Umesh Shrivastava	Commission	2.00	2.00
Dr.S.A.Dave	Commission	2.00	2.00
Mr.K.P.Singh	Commission	2.00	2.00
Mr.J Narayana Murty	Commission	2.00	2.00
Mr.R.Gopalakrishnan	Commission	2.00	2.00
Debit Balances			
DCL Securities Limited	Trade Receivable	-	0.77

33. Earnings per share (EPS)

Particulars	31 st March 2020	31 st March 2019
Profit after tax (₹ in lakhs)	5,664.38	4,606.00
Weighted average number of equity shares in calculating basic and diluted EPS	1,40,075.00	1,40,075.00
Face value per share (₹)	5.00	5.00
Basic and diluted earnings per share (EPS) (₹)	40.44	32.88

34. Financial instruments and risk management

₹ in lakhs

Fair values

- The carrying amounts of trade payables, other financial liabilities (current), borrowings (current), trade receivables, cash and cash equivalents, other bank balances and loans are considered to be the same as fair value due to their short term nature.
- Borrowings (non-current) consists of loans from banks and government authorities, other financial liabilities (non-current) consists of security deposits from stockists.

The fair value of financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximation of fair values:

(i) Categories of financial instruments

₹ in lakhs

Particulars	Level	31 st March 2020		31 st March 2019	
		Carrying amount	Fair value*	Carrying amount	Fair value*
Financial assets					
Measured at amortised cost:					
Non-current					
Investments	3	0.10	0.10	0.10	0.10
Other financial assets	3	218.47	218.47	191.38	191.38
Current					
Trade receivables	3	4,778.31	4,778.31	1588.29	1588.29
Cash and cash equivalents	3	11,623.57	11,623.57	13,080.27	13,080.27
Other bank balances	3	40.96	40.96	46.17	46.17
Loans	3	12.55	12.55	8.98	8.98
Other financial assets	3	388.09	388.09	286.48	286.48
Measured at fair value through profit and loss					
Non-current					
Investments	1	8.03	8.03	8.81	8.81
Total		17,070.08	17,070.08	15,210.48	15,210.48

Notes to the Financial Statements

₹ in lakhs

Particulars	Level	31 st March 2020		31 st March 2019	
		Carrying amount	Fair value*	Carrying amount	Fair value*
Financial liabilities					
Measured at amortised cost					
Non-current					
Borrowings	3	6,780.34	6,678.11	2,680.11	2,515.11
Other financial liabilities	3	-	-	2,882.15	2,112.82
Current					
Borrowings	3	2,127.53	2,127.53	2,661.06	2,661.06
Trade payables	3	810.59	810.59	465.12	465.12
Lease liabilities	3	3.56	3.56	-	-
Other financial liabilities	3	9,527.36	9,527.36	2,796.94	2,796.94
Total		19,249.38	19,147.15	11,485.38	10,551.05

*Fair value of instruments is classified in various fair value hierarchies based on the following three levels:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques, which maximise the use of observable market data and rely as little as possible on entity specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs are not based on observable market data, the instruments are included in Level 3.

Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realized or paid in sale transactions as of respective dates. As such, the fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

The Company is exposed to market risk (fluctuation in foreign currency exchange rates, price and interest rate), liquidity risk and credit risk, which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

(A) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk, interest rate risk and price risk. Financial instruments affected by market risk include loans and borrowings, trade receivables and trade payables involving foreign currency exposure. The sensitivity analyses in the following sections relate to the position as at 31st March, 2020 and 31st March, 2019.

The analysis exclude the impact of movements in market variables on the carrying values of financial assets and liabilities .

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31st March 2020 and 31st March 2019.

(i) Foreign currency exchange rate risk

Since the company is not dealing with foreign currency transactions, there is no foreign currency exchange rate risk.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. As the Company has certain debt obligations with floating interest rates, exposure to the risk of changes in market interest rates are dependent of changes in market interest rates. Management monitors the movement in interest rate and, wherever possible, reacts to material movements in such rates by restructuring its financing arrangement.

As the Company has no significant interest bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase/(decrease) in profit before tax		Increase/(decrease) in other components of equity	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
Change in interest rate				
increase by 100 basis points	(29.79)	(13.11)	(22.29)	(8.53)
decrease by 100 basis points	29.79	13.11	22.29	8.53

The assumed increase/decrease in interest rate for sensitivity analysis is based on the currently observable market environment.

(B) Credit Risk

Credit risk is the risk arising from credit exposure to customers, cash and cash equivalents held with banks and current and non-current held-to financial assets of the Company include trade receivables, employee advances, security deposits held with government authorities and bank deposits which represents Company's maximum exposure to the credit risk.

With respect to credit exposure from customers, the Company has a procedure in place aiming to minimise collection losses. Credit Control team assesses the credit quality of the customers, their financial position, past experience in payments and other relevant factors. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including default risk associate with the industry and country in which customers operate. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. With respect to other financial assets viz., loans & advances, deposits with government and banks, the credit risk is insignificant since the loans & advances are given to employees only and deposits are held with government bodies and reputable banks. The credit quality of the financial assets is satisfactory, taking into account the allowance for credit losses.

Credit risk on trade receivables and other financial assets is evaluated as follows:

(i) Expected credit loss for trade receivable under simplified approach: ₹ in lakhs

Particulars	31 st March 2020	31 st March 2019
Gross carrying amount	4795.91	1588.29
Expected credit loss	(17.60)	-
Carrying amount of trade receivables	4778.31	1588.29

(ii) Expected credit loss for financial assets where general model is applied

The financial assets which are exposed to credit are loans to employees.

₹ in lakhs

Particulars	31 st March 2020	31 st March 2019
Asset group	Estimated gross carrying amount at default	Estimated gross carrying amount at default
Gross carrying amount		
Loans to employees	12.55	8.98
	12.55	8.98
Expected credit losses	-	-
Net carrying amount		
Loans to employees	12.55	8.98
Total	12.55	8.98

(iii) **Reconciliation of loss allowance provision** ₹ in lakhs

Particulars	Trade receivables
Loss allowance as at 1st April 2019	-
Changes in loss allowance during the year	17.60
Loss allowance as at 31st March 2020	17.60

(iv) **Significant estimates and judgements**

Impairment of financial assets:

The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(C) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding to meet obligations when due and to close out market positions. Company's treasury maintains flexibility in funding by maintaining availability under deposits in banks.

Management monitors cash and cash equivalents on the basis of expected cash flows.

(i) **Financing arrangements:**

The company had access to the following undrawn borrowing facilities at the end of the reporting period

₹ in lakhs

Particulars	As at 31 st March 2020	As at 31 st March 2019
Expiring within one year (bank overdraft and other facilities)	7,010.71	2,472.48

(ii) **Maturities of financial liabilities**

Contractual maturities of financial liabilities as at :

₹ in lakhs

Particulars	31 st March 2020		31 st March 2019	
	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
Borrowings	2,127.53	6,678.11	2,661.06	2,515.11
Trade payables	810.59	-	465.12	-
Lease liabilities	3.56	14.86	-	-
Other financial liabilities	9,527.36	-	2,796.94	2,112.82
Total	12,469.04	6,692.97	5,923.12	4,627.93

(iii) **Management expects finance cost to be incurred for the year ending 31st March 2021 is ₹ 1,038.14 Lakhs.**

Notes to the Financial Statements

All amounts in ₹ Lakhs, unless otherwise stated

35. Capital management

A. Capital management and gearing ratio

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the company's capital management is to maximise the shareholder value.

The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The company monitors capital using a gearing ratio, which is debt divided by total capital. The company includes within debt, interest bearing loans and borrowings.

Particulars	31 st March 2020	31 st March 2019
Borrowings		
Current	2,127.53	2,661.06
Non current	6,678.11	2,515.11
Current maturities of long term debt	1,739.84	219.20
Debt	10,545.48	5,395.37
Equity		
Equity share capital	700.38	700.38
Other equity	44,289.66	39,939.08
Total capital	44,990.05	40,639.47
Gearing ratio in % (debt/ equity)	23.44%	13.28%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March 2020 and 31st March 2019.

B. Dividends

Particulars	31 st March 2020	31 st March 2019
Dividends recognised		
Final dividend for the year ended 31 st March 2019 of INR 3.75/- per fully paid share (for year ended 31 st March 2018 of INR 3/- per fully paid share)	525.28	420.23
Interim dividend for the year ended 31 st March 2020 of INR 4/- per fully paid share	560.30	-
For the year ended, the directors have recommended final dividend of INR Nil per fully paid equity share (31 st March 2019 - INR 3.75/-). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting, hence the same is not recognised.	-	525.28

36. Segment information:

- a) The Company's Executive Chairman, Managing Director and Chief Financial Officer examine the Company's performance from a product perspective and have identified two operating segments viz., Cement Division and Power Division. Operations of both the segments are based in India. As per the threshold limits prescribed under Ind AS 108 "Operating Segments", the management has identified one reportable segment "Cement Division". Other segment "Power Division" is below the threshold limits prescribed under Ind AS 108. Hence, segment reporting is not given.
- b) Information about products:
Revenue from external customers - Sale of Cement : ₹ 54,889.99 Lakhs
Revenue from external customers - Sale of Power: ₹ 566.98 Lakhs
- c) The Company has not made external sales to a single customer meeting the criteria of 10% or more of the entity's revenue.

37. Impact assessment of the global health pandemic COVID - 19 and related estimation uncertainty:

The Company had suspended operations w.e.f. 23.03.2020 as per the directives of both the Central and State Governments in the wake of COVID - 19 pandemic. The Company's operations were impacted in the month of March 2020. The Company has made an assessment on measurement of assets and liabilities including recoverability of carrying values of its assets, its liquidity position and ability to repay its debts for the next year, and concluded that no material adjustments are considered necessary. From 20th April 2020, operations have commenced in a phased manner taking into account directives from the Government.

The Company has not availed moratorium allowed by RBI for payment of its debt obligations and the Company continues to service all its payment obligations in time. The Company has adequate liquidity in the form of cash and credit facilities/lines for meeting its funds requirements.

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For M.Anandam & Co.,

Chartered Accountants

(Firm Registration Number: 000125S)

On behalf of Board of Directors

Sd/-

M.V.Ranganath

Partner

Membership Number: 028031

Sd/-

M.B. Raju

Executive Chairman

DIN : 00016652

Sd/-

D. Raghava Chary

Chief Financial Officer

ACA:200310

Sd/-

P.Parvathi

Managing Director

DIN : 00016597

Sd/-

Bikram Keshari Prusty

Company Secretary

FCS:7855

Place: Hyderabad

Date: 25th June, 2020



