

# 36<sup>TH</sup> ANNUAL REPORT 2015-16



**DECCAN CEMENTS LIMITED**



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## Corporate Information

### Board of Directors

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

### Senior Management

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

### Bankers

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

### Secretarial Auditors

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

### Registrar and Share Transfer Agent

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Karvy Computershare Pvt. Ltd.  
Karvy Selenium Tower B  
Plot number 31 & 32  
Financial District, Gachibowli  
Hyderabad - 500 032

### Statutory Auditors

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M Bhaskara Rao & Co.  
Chartered Accountants  
5-D, 5<sup>th</sup> Floor, 'Kautilya', 6-3-652  
Somajiguda, Hyderabad - 500 082

### Cost Auditors

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

### Registered Office

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

## NOTICE

Notice is hereby given that the **Thirty-sixth Annual General Meeting** of the Members of **Deccan Cements Limited** will be held on **Friday, 23rd September 2016** at **10:00 A.M.** at Bhaskara Auditorium, Birla Museum, Adarsh Nagar, Hyderabad – 500 063 to transact the following businesses:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2016 and the Statement of Profit & Loss for the Year ended on that date together with the Reports of Directors' and Auditors' thereon.
2. To confirm the payment of Interim Dividend of ₹ 5/- (50%) per fully paid-up equity shares of ₹ 10/- each of the Company as final dividend for the Financial Year 2015-16.
3. To appoint a Director in place of Mr. P Venugopal Raju (DIN: 00016548) who retires by rotation and being eligible offers himself for re-appointment.
4. To ratify the appointment of auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Section 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, the Company hereby ratifies the appointment of M/s. M Bhaskara Rao & Co., Chartered Accountants, Hyderabad, having Firm Registration No. 000459S issued by the Institute of Chartered Accountants of India, as the Auditors of the Company for the Financial Year 2016-17 to hold office from the conclusion of this Annual General Meeting up to the conclusion of the thirty-seventh Annual General Meeting of the Company, at such remuneration as may be fixed by the Board of Directors of the Company.”

### SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to Section 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 ₹ 90,000/- (Rupees Ninety Thousand only) plus reimbursement of travelling and out of pocket expenses payable to Aruna Prasad & Co., Cost Accountants, Chennai who have been appointed by the Board of Directors as Cost Auditors of the Company, to conduct the audit of the cost accounting records of the Company for the Financial Year ending 31st March 2017.

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

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

“RESOLVED THAT pursuant to the provisions of Section 20 of the Companies Act, 2013 and other applicable provisions, if any, of the said Act and relevant rules prescribed thereunder, whereby a document may be served on any member by the Company by sending it to him by post or by registered post or by speed post or by courier or by electronic or other mode as may be prescribed, the consent of the Company be and is hereby accorded to charge from the member the fee in advance equivalent to the estimated actual expenses of delivery of the documents, pursuant to any request made by the Member for delivery of such document to him, through a particular mode of services mentioned above provided that such request along with requisite fee has been duly received by the Company at least one week in advance of the dispatch of document by the Company and that no such request shall be entertained by the Company post the dispatch of such document by the Company to the Member.

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



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

By Order of the Board

**S K Mishra**

Place: Hyderabad  
Date : 09.08.2016

Company Secretary  
FCS 8555

## NOTES

- 1) **A Member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and vote instead of himself and such proxy need not be a member of the Company. Proxies, in order to be effective, should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting. A Proxy Form is annexed to this Report.**

Members are requested to note that a person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

Members, Proxies and Authorised Representatives are requested to handover the attendance slip as enclosed, duly completed and signed, mentioning therein details of their DP ID and Client ID / Folio No. for admission to the Annual General Meeting Hall.

- 2) Corporate Members intending to send their authorized representatives are requested to

send duly certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the Annual General Meeting (AGM).

- 3) An explanatory statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the AGM is annexed hereto.
- 4) In terms of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 brief resume of the Director seeking appointment / reappointment at the AGM are given in the annexure to this Notice.
- 5) The Register of Members and Shares Transfer Books of the Company will be closed from Saturday, 17th September 2016 to Friday, 23rd September 2016 (both days inclusive).
- 6) Members holding shares in electronic form are requested to intimate any change in their address and update their Bank Account particulars (viz. Account No., Name & Branch of the Bank and the MICR Code) to their DPs with whom they are maintaining demat account.
- 7) Members holding shares in physical form are requested to register their Bank Account particulars (viz. Account No., Name & Branch of the Bank and the MICR Code) or update of their bank details already registered with the Company / Karvy to enable the Company to remit the dividend electronically.
- 8) Members holding shares in physical form are requested to keep their addresses updated and write to Company's Registrar and Transfer Agent – Karvy Computershare Private Limited (Karvy) for updation of the address.
- 9) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their DPs with whom they are maintaining demat accounts. Members holding shares in physical form can submit their PAN details to Karvy.

- 10) Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease in portfolio management. Members may contact the Company or Karvy for assistance in this regard.
- 11) To support the 'Green Initiative', Members who have not registered their email ids so far are requested to register their email ids for receiving all communication(s) including Annual Report, Notices etc from the Company in electronic form.
- 12) The Company has paid the Listing Fees for the Year 2016-17 to both the Stock Exchanges where equity shares of the Company are listed.
- 13) Relevant documents referred to in the notice are open for inspection at the Registered Office of the Company on all working days, during business hours up to the date of the Meeting.
- 14) Members seeking any information with regard to the financial statements are requested to write to the Company at least seven (7) days before the AGM so as to enable the management to keep the information ready at the AGM.
- 15) The Company has transferred the unpaid or unclaimed dividends declared up to financial years 2007-08 from time to time on due dates, to the Investor Education and Protection Fund (IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 22nd September 2015 (date of last AGM) on the website of the Company [www.deccancements.com](http://www.deccancements.com), as also on the website of the Ministry of Corporate Affairs.
16. **Remote e-voting:** In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended time to time and the provisions of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy Computershare Private Limited (Karvy) on all resolutions set forth in this Notice, from a place other than the venue of the Meeting (Remote e-voting).
17. **Voting at Annual General Meeting:** The facility for voting, through polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their voting right at the meeting.
18. A Member can opt for only single mode of voting i.e. either through Remote e-voting or voting at the AGM. If a Member cast votes by both modes then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.
19. The Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
20. The resolution(s) passed by Members through e-voting is / are deemed to have been passed as if they have passed at the AGM.
21. The Company has appointed Mr. Tumuluru Krishnamurthy, Practicing Company Secretary, (Membership No. FCS: 142 and CP: 1293) failing him Mr. B V Saravana Kumar, Practicing Company Secretary, (Membership No. ACS: 26944 and CP: 11727) as Scrutinizer, who will scrutinize the electronic voting process in a fair and transparent manner.
22. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make, not later than 48 hours of conclusion of the Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.

23. The Results shall be declared by the Chairman or by an authorised person of the Chairman and the resolutions will be deemed to have been passed on the date of AGM, subject to receipt of requisite number of votes in favour of the resolutions

24. The Results of the voting along with the Scrutinizer's Report shall be placed on the Company's website [www.deccanements.com](http://www.deccanements.com) and on the website of Karvy <https://evoting.karvy.com>. The same shall also be communicated to the Stock Exchanges.

## 25. PROCEDURE AND INSTRUCTIONS FOR e-VOTING

(A) In case a Member receives an email from Karvy [for Members whose email ids are registered with the Company/Depository Participant(s)]:

- i. Launch internet browser by typing the URL: <https://evoting.karvy.com>.
- ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
- iii. After entering these details appropriately, click on "LOGIN".
- iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email id etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the "EVENT" i.e., "Deccan Cements Limited".
- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/ AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/ AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.
- ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
- x. You may then cast your vote by selecting an appropriate option and click on "Submit".
- xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution(s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
- xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email [mrtumuluruk@gmail.com](mailto:mrtumuluruk@gmail.com) with a copy marked to [evoting@karvy.com](mailto:evoting@karvy.com). The scanned image of the above mentioned documents should be in the naming format "**DECCAN CEMENTS LIMITED\_36TH AGM.**"

- (B) In case of Members receiving physical copy of Notice [for Members whose email ids are not registered with the Company/ Depository Participant(s)]:
- E-Voting Event Number (EVEN), User ID and Password is provided in the E-Voting Form.
  - Please follow all steps from Sl. No. (i) to (xii) above to cast your vote by electronic means.

## 26. OTHER INSTRUCTIONS

- In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.karvy.com> (Karvy Website) or contact - Ms. Mercy Soujanya of Karvy Computershare Private Limited (Unit: Deccan Cements Limited), Karvy Selenium Tower B, Plot 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 or at [evoting@karvy.com](mailto:evoting@karvy.com) or phone no. 040 - 6716 2222 or call Karvy's toll free No. 1-800-34-54-001 for any further clarifications.
- You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- The remote e-voting period commences on Tuesday, 20th September 2016 (9.00 A.M. IST) and ends on Thursday, 22nd September 2016 (5.00 P.M. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date on Friday, 16th September 2016, may cast their votes electronically. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. The remote e-voting module shall be disabled for voting

thereafter. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.

- The voting rights of Members shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date i.e. 16th September 2016.
- In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting i.e. 16th September 2016, he/she may obtain the User ID and Password in the manner as mentioned below :
  - 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

- 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.
- Member may call Karvy's toll free number 1800-3454-001.
- Member may send an e-mail request to [evoting@karvy.com](mailto:evoting@karvy.com). However, Karvy shall endeavour to send User ID and Password to those new Members whose mail ids are available.



### Explanatory statement under Section 102 of The Companies Act, 2013

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

#### Item No. 5:

The Board of Directors of the Company, on the recommendation of the Audit Committee, has appointed Aruna Prasad & Co., Cost Accountants as the Cost Auditor to conduct the audit of the cost accounting records of the Company for the Financial Year ending 31st March 2017 at a remuneration of ₹ 90,000/- (Rupees Ninety Thousand only) plus reimbursement of travelling and out of pocket expenses.

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

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending 31st March 2017.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, in the resolution set out at Item No. 5 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval of the Members.

#### Item No. 6:

As per the provisions of Section 20 of the Companies Act, 2013, a member may request for service of any document through a particular mode, for which the member shall pay such fees as may be determined by the Company in its Annual General Meeting. Since the cost of providing documents may vary according to the mode of service, weight and its destination etc., therefore it is proposed that actual expense borne by the Company for such dispatch will be paid in advance by the Member to the Company.

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

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

By Order of the Board

**S K Mishra**

Company Secretary  
FCS 8555

Place: Hyderabad  
Date : 09.08.2016

### ANNEXURE TO THE NOTICE

#### Details of the Director seeking re-appointment at the Annual General Meeting

Particulars	Mr. P Venugopal Raju
Category	Non-Executive Director
Date of Birth	29/11/1959
Qualification	Chartered Accountant with PG qualification in Management from Massachusetts Institute of Technology, USA.
Brief resume and expertise in specific functional area	Over 25 years experience in industry- Real Estate and Building Construction and other business activities.
Relationship with other directors	Executive Chairman-Mr. M B Raju's daughter's husband.
Name(s) of the listed entities in which directorship held	Deccan Cements Limited
Chairmanship/Membership of committees of the board	Audit Committee - Member Corporate Social Responsibility Committee - Member
Shareholding in the Company	300 equity shares (0.001%)

## BOARD'S REPORT

Dear Shareholders,

The Directors of your company are glad to present the 36th Annual Report together with the Audited Financial Statements of the Company for the Financial Year ended 31st March 2016.

### Financial Results

The Financial Results for the year ended 31st March 2016 are summarized below:

	(₹ in Lakh)	
Particulars	2015-16	2014-15
Net Sales	57,906.66	43,777.68
Other Income	148.37	287.62
<b>Total</b>	<b>58,055.03</b>	44,065.30
Profit before Depreciation and Finance Charges	11,611.98	6,745.77
Less: Depreciation	2,033.04	1,948.33
Interest and Bank Charges	1,521.65	2,663.19
Profit before Tax and Prior period items	8,057.29	2,134.25
Less: Provision for Taxation	1,719.51	426.97
Deferred Taxation	987.32	(238.98)
Wealth Tax	-	15.49
Prior year tax adjustment	61.30	-
MAT Credit entitlement	732.91	(57.12)
Net Profit after Tax	4,556.25	1,987.89
Profit brought forward from previous year	17,835.03	16,459.11
Profit available for Appropriation	22,391.28	18,447.00
<b>Appropriations</b>		
Depreciation adjustment pursuant to Schedule II to the Companies Act, 2013	-	252.26
Dividend (Interim/Final) on equity shares	350.19	175.09
Tax paid on Dividend (Interim/Final)	70.02	35.01
Transfer to Reserve	-	149.61
Balance Retained	21,971.07	17,835.03

### Results of Operations

Your company continued to improve its operating results during the Financial Year 2015-16. The Net sales of the Company for the year under review stood at ₹ 57,906.66 Lakh as compared to previous year sales of ₹ 43,777.68 Lakh and the profit after tax of the Company for the current year was at ₹ 4,556.25 Lakh as compared to the previous year profit of ₹ 1,987.89 Lakh. The Financial Year 2015-16 had been among the best years for the Company.

### Dividend

During the year, the Board has declared an interim dividend of ₹ 5/- (50%) per fully paid-up equity shares at its meeting held on 16th March 2016. The Company paid the said interim dividend to the Shareholders who are on the Register of Members of the Company as on the Record date 24th March 2016. With a view to conserve resources for the future requirement and having declared an interim dividend, your Board has not recommended any further dividend for the Financial Year 2015-16.

The cash outflow for interim dividend declared for the year ended 31st March 2016 was ₹ 350.19 Lakh and ₹ 70.02 Lakh towards dividend distribution tax. In the previous year ended 31st March 2015 final dividend amount was ₹ 175.09 Lakh and dividend distribution tax was ₹ 35.01 Lakh.

Your directors have not proposed to transfer any sum to Reserves for the financial year 2015-16.

### Capital Structure

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

### 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 ("the Act") read with the Companies (Acceptance of Deposit) Rules, 2014.

**Management Discussion and Analysis Report**

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

**Corporate Governance**

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

**Transfer to Investor Education and Protection Fund**

During the year, the Company has transferred sum of ₹ 2,92,317/-, the unclaimed/unpaid dividend amount pertaining to the financial year 2007-08, to the Investor Education and Protection Fund (IEPF) in compliance with applicable provisions of the Companies Act. Further the unclaimed/unpaid amount pertaining to the Financial Year 2008-09 is due for transfer to IEPF on 24th October 2016. The year wise details of unclaimed dividend are uploaded to IEPF portal of the Ministry of Corporate Affairs (MCA) and also available in the website of the Company at [www.deccancements.com](http://www.deccancements.com). Shareholders are advised to check their unpaid/unclaimed dividend status and contact the Company for encashment of the same if, depicting unpaid.

The Company, on 9th June 2016, has sent individual communications to the Shareholders via post and email, giving details of dividends remaining unpaid or unclaimed against their Folio No./Client ID for the years 2008-09 to 2014-15 with request to claim the same at the earliest.

**Directors and Key Managerial Personnel**

Pursuant to Section 149 and 152 of the Companies Act, 2013 and the Rules thereunder read with Schedule IV of the Act, Mr. Umesh Shrivastava, Dr. S A Dave, Mr. J Narayanamurthy and Mr. K P Singh were appointed as independent directors at the Annual General Meeting of the Company held on

29th September 2014 for a tenure of 5 years. The terms and conditions of appointment of independent directors are as per Schedule IV of the Act. During the year, the Independent Directors of the company had no pecuniary relationship or transactions with the Company except sitting fee and commission paid to them. They have submitted declarations that each of them meets the criteria of independence as provided in Section 149(6) of the Act and there has been no change in their status as independent director during the year.

The Board at its meeting held on 11th August 2015 appointed Mr. R Gopalakrishnan (DIN: 00296413), as an Additional Director of the Company and he was appointed as a Non-Executive Director, liable to retire by rotation by the Members of the Company at their Annual General Meeting held 22nd September 2015.

Pursuant to Section 152 of the Companies Act, 2013 Mr. P Venugopal Raju, Non-Executive Director (DIN: 00016548) is liable to retire by rotation at the forthcoming Annual General Meeting and is eligible for re-appointment.

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 2015-16 under review there was no change in Key Managerial Personnel position of the Company, Ms. P Parvathi, Managing Director, Mr. RVA Narasimha Rao, Chief Financial Officer, and Mr. S K Mishra, Company Secretary 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 conducted by the Company are available on the Company's website at [www.deccancements.com](http://www.deccancements.com).

### **Statutory Auditor**

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

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

The Notes on 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**

Aruna Prasad & Co., Cost Accountants, Chennai, has been reappointed by the Board of Directors as Cost Auditor of the Company for the Financial Year 2016-17. The remuneration of the cost auditor is required to be ratified by the members in accordance with the provisions of Section 148(3) of the Companies Act, 2013 and Rule 14 of Companies (Audit and Auditors) Rules, 2014. Accordingly, the matter is being placed before the Members for ratification at the ensuing Annual General Meeting.

### **Secretarial Auditor**

Pursuant to provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of

Managerial Personnel) Rules, 2014, your Company engaged the services of Tumuluru & Co., Company Secretary in Practice, Hyderabad to conduct the Secretarial Audit of the Company for the financial year ended 31st March 2016. 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 2016 is annexed to this Report **(Annexure II)**.

### **Board Meetings**

During the year, Six (6) meetings of the Board 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 2016, 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 2016 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 2016 on a going concern basis;
- e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **Policy on Directors' appointment and remuneration and other details**

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

#### **Particulars of loans, guarantees or investments under Section 186**

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

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

Transactions entered by the Company with its related parties during the year were on an arm's length basis. The Company had not entered into any arrangement / transaction with related parties which could be considered material in nature and accordingly the disclosure of Related Party Transactions in Form AOC-2 is not applicable. However, Suitable disclosures as required under AS-18 have been made in Note 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](http://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 2016 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. The details of policy are disclosed in the company's website [www.deccancements.com](http://www.deccancements.com). The Risk Management Policy of the Company envisages identification of risk and procedures for assessment and mitigation thereof.

#### **Corporate Social Responsibility (CSR)**

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

A brief outline of the Corporate Social Responsibility policy of the Company and the Annual Report on CSR activities undertaken during the year 2015-16 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 are given in **Annexure V**.

During the financial year under review, none of the Company's employees are in receipt of remuneration more than the limit prescribed under Section 197(12) read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) 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 2016, the Company has not received any Complaint pertaining to Sexual Harassment.

### **Acknowledgement**

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

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

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

**For and on behalf of the Board**

**M B Raju**

Executive Chairman  
DIN: 00016652

Place : Hyderabad  
Date : 09.08.2016

**Annexure I**

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

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

*(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 March 31, 2016 (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 March 31, 2016 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- 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; *Not Applicable for the Audit Period*

- d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; Not Applicable for the Audit Period
- e. The Securities and Exchange Board of India (Issue and listing of Debt Securities) Regulations, 2008; Not Applicable for 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 for the Audit Period
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not Applicable for the Audit Period
- vi. Other applicable laws, including the following:
  - a. Factories Act, 1948
  - b. Payment of Gratuity Act, 1972
  - c. Employees Provident Fund and Miscellaneous provisions Act, 1952
  - d. Employees State Insurance Act, 1948
  - e. Maternity Benefit Act, 1961
  - f. Minimum Wages Act, 1948
  - g. Payment of Bonus Act, 1972
  - h. Payment of Wages Act 1936
  - i. Industrial Dispute Act, 1947
  - j. Environment (Protection) Act, 1986
  - k. Legal Metrology Act, 2009
  - l. Competition Act, 2002
  - m. Income Tax Act, 1961
  - n. Indian Stamp Act, 1899
  - o. Cement (Quality Control) Order, 2003
  - p. Cement Cess Rules, 1993
  - q. Industrial Establishment (standing orders) Act, 1946
  - r. The Water (Prevention and Control of Pollution) Act, 1974
  - s. The Air (Prevention and Control of Pollution) Act, 1981
  - t. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
  - u. The Electricity Act, 2003



- v. The Mines Act, 1952
- w. Mines and Minerals (Development & Regulation) Act, 1957
- x. 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, to the extent applicable under the Companies Act, 2013;
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange and Bombay Stock Exchange and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 made effective 1st December, 2015.

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

*We further report that -*

- (i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. 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) Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

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

*We further report that during the audit period:*

The Company has spent a sum of ₹ 51,98,526/- towards Corporate Social Responsibility during the Financial Year 2015-16 including the unspent amount of ₹ 19,78,626/- pertaining to the Financial Year 2014-15. 2% of the average net profits of the three preceding financial years was ₹ 32,10,592/-.

Place : Hyderabad  
Date : 09.08.2016

Tumuluru Krishna Murty  
Company Secretary in Practice  
FCS No. 142  
C. P. No. 1293  
**Tumuluru & Co.,**  
**Company Secretaries**

**Note:** This report is to be read with our letter of even date by the Secretarial Auditors, which is annexed as Enclosure A and forms an integral part of this report.



## Enclosure - 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. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place : Hyderabad  
Date : 09.08.2016

Tumuluru Krishna Murty  
Company Secretary in Practice  
FCS No. 142  
C. P. No. 1293  
**Tumuluru & Co.,**  
**Company Secretaries**

**Annexure II****Form No. MGT - 9****EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH 2016**

[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 – 500082, Telangana
(vi)	Whether listed company (Yes / No)	Yes
(vii)	Name, Address and contact details of Registrar and Transfer Agent, if any;	Karvy Computershare Private Limited Karvy 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@karvy.com, Website: www.karvycomputershare.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	<ul style="list-style-type: none"> <li>Manufacturing of Cement in form of Clinker</li> <li>Manufacturing of Portland Cement, Slag cement and similar</li> </ul>	23941 23942	0 98.86%
2	<ul style="list-style-type: none"> <li>Generation of Electricity</li> </ul>	35101 / 35102 / 35106	1.14%

**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 01.04.2015]			No. of Shares held at the end of the year [As on 31.03.2016]			% Change during the year		
	Demat	Physical	Total	% of Total Shares	Demat	Physical		Total	% of Total Shares
A. Promoters									
(1) Indian									
a) Individual / HUF	741631	0	741631	10.59	741631	0	741631	10.59	-
b) Central Govt.	0	0	0	0	0	0	0	0	-
c) State Govt.(s)	0	0	0	0	0	0	0	0	-
d) Bodies Corp.	3169393	0	3169393	45.25	3169393	0	3169393	45.25	-
e) Banks / FI	0	0	0	0	0	0	0	0	-
f) Any other	23350	900	24250	0.35	23450	800	24250	0.35	-
Sub-total (A) (1)	3934374	900	3935274	56.19	3934474	800	3935274	56.19	-
(2) Foreign									
a) NRI(s) Individual(s)	0	0	0	0	0	0	0	0	-
b) Other - Individual	0	0	0	0	0	0	0	0	-
c) Bodies Corp.	0	0	0	0	0	0	0	0	-
d) Banks/FI's	0	0	0	0	0	0	0	0	-
e) Any other	0	0	0	0	0	0	0	0	-
Sub-total A (2)	0	0	0	0	0	0	0	0	-
Total Shareholding of Promoter (A) = A(1) + A(2)	3934374	900	3935274	56.19	3934474	800	3935274	56.19	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	351161	2500	353661	5.05	367297	2500	369797	5.28	0.23
b) Banks / FI	0	494	494	0.01	3691	494	4185	0.06	0.05
c) Central Govt.	0	0	0	0	0	0	0	0	-
d) State Govt.(s)	0	0	0	0	0	0	0	0	-



e) Venture Capital Funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-
f) Insurance Companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-
g) FIIs	1600	350	1950	0.03	1600	350	1950	0.03	1600	350	1950	0.03	1600	350	1950	-
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-
i) Others (specify)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-
Sub-total (B)(1):-	352761	3344	356105	5.08	372588	3344	375932	5.37	375932	3344	375932	5.37	375932	3344	375932	0.29
2. Non-Institutions																
(a) Bodies Corp.																
(i) Indian	902336	5760	908096	12.97	683531	5760	689291	9.84	689291	5760	689291	9.84	689291	5760	689291	-3.13
(ii) Overseas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-
(b) Individuals																
(i) Individual shareholders holding nominal share capital upto ₹ 1 Lakh	650687	260121	910808	13.00	919408	239331	1158739	16.54	1158739	239331	1158739	16.54	1158739	239331	1158739	3.54
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	173680	11250	184930	2.64	147215	0	147215	2.10	147215	0	147215	2.10	147215	0	147215	-0.54
(c) Others (specify)																
- Non Resident Indians	702482	0	702482	10.03	691813	0	691813	9.88	691813	0	691813	9.88	691813	0	691813	-0.15
- Clearing Members	6055	0	6055	0.09	4906	0	4906	0.07	4906	0	4906	0.07	4906	0	4906	-0.02
- Trust	0	0	0	0	500	0	500	0.01	500	0	500	0.01	500	0	500	0.01
Sub-total B(2)	2435240	277131	2712371	38.73	2447373	245091	2692464	38.45	2692464	245091	2692464	38.45	2692464	245091	2692464	-0.28
Total Public Shareholding (B) = B(1) + B(2)	2788001	280475	3068476	43.81	2819961	248435	3068396	43.82	3068396	248435	3068396	43.82	3068396	248435	3068396	0.01
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0.00	0	0	0	0.00	0	0	0	-
Grand Total (A+B+C)	6722375	281375	7003750	100	6754435	249235	7003670	100.00	7003670	249235	7003670	100.00	7003670	249235	7003670	-



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

Sl No	Shareholder's Name	Shareholding at the beginning of the year As on 01.04.2015			Share holding at the end of the year As on 31.03.2016			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Melville Finvest Ltd	2301856	32.87	0.00	2301856	32.87	0.00	0.00
2	Satyasai Investments & Leasing Ltd	523737	7.48	0.00	523737	7.48	0.00	0.00
3	Manthana Bangar Raju	423343	6.04	0.00	423343	6.04	0.00	0.00
4	DCL Securities Ltd	256000	3.66	0.00	256000	3.66	0.00	0.00
5	Manthana Bangararaju HUF	154235	2.20	0.00	154235	2.20	0.00	0.00
6	DCL Exim Limited	87800	1.25	0.00	87800	1.25	0.00	0.00
7	Bangar Raju Manthana	80000	1.14	0.00	80000	1.14	0.00	0.00
8	Lakshmi Manthana	48750	0.70	0.00	48750	0.70	0.00	0.00
9	Parvathi Penmetcha	19003	0.27	0.00	19003	0.27	0.00	0.00
10	Lakshmi Manthana	16300	0.23	0.00	16300	0.23	0.00	0.00
11	Anirudh Raju Penmetcha (PAC)	11400	0.16	0.00	11400	0.16	0.00	0.00
12	Aishwarya Penmetcha (PAC)	10750	0.15	0.00	10750	0.15	0.00	0.00
13	P Varun Raju Kumar (PAC)	1000	0.01	0.00	1000	0.01	0.00	0.00
14	Penumatcha Venkata Ramachandra Raju (PAC)	800	0.01	0.00	800	0.01	0.00	0.00
15	Venugopal Raju Penmetcha (PAC)	300	0.00	0.00	300	0.00	0.00	0.00
	Total	3935274	56.19	0.00	3935274	56.19	0.00	0.00

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

Particulars	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
At the beginning of the year 01.04.2015	3935274	56.19		
Changes during the year	No Change			
At the end of the year 31.03.2016			3935274	56.19

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

1. IL and FS Trust Company Limited				Cumulative shareholding during the year	
				No. of Shares	% of total shares of the company
At the beginning of the year 01.04.2015				714807	10.21
Date	Increase (+)	Decrease (-)	Reason		
17/04/2015	0	-11219	Sale	703588	10.05
24/04/2015	0	-1312	Sale	702276	10.03
01/05/2015	0	-8128	Sale	694148	9.91
08/05/2015	0	-500	Sale	693648	9.90
15/05/2015	0	-8293	Sale	685355	9.79
05/06/2015	0	-105	Sale	685250	9.78
12/06/2015	0	-7057	Sale	678193	9.68
19/06/2015	0	-2862	Sale	675331	9.64
26/06/2015	0	-6245	Sale	669086	9.55
10/07/2015	0	-6369	Sale	662717	9.46
24/07/2015	0	-4992	Sale	657725	9.39
31/07/2015	0	-1300	Sale	656425	9.37
07/08/2015	0	-28452	Sale	627973	8.97
14/08/2015	0	-22797	Sale	605176	8.64
21/08/2015	0	-7986	Sale	597190	8.53
28/08/2015	0	-1985	Sale	595205	8.50
11/09/2015	0	-933	Sale	594272	8.49
18/09/2015	0	-1450	Sale	592822	8.46
06/11/2015	0	-9906	Sale	582916	8.32
13/11/2015	0	-25498	Sale	557418	7.96
20/11/2015	0	-12038	Sale	545380	7.79

27/11/2015	0	-40687	Sale	504693	7.21
04/12/2015	0	-23638	Sale	481055	6.87
11/12/2015	0	-10395	Sale	470660	6.72
18/12/2015	0	-6736	Sale	463924	6.62
08/01/2016	0	-10503	Sale	453421	6.47
15/01/2016	0	-2061	Sale	451360	6.44
19/02/2016	8741	0	Purchase	460101	6.57
26/02/2016	4766	0	Purchase	464867	6.64
04/03/2016	4974	0	Purchase	469841	6.71
At the end of the year 31.03.2016				469841	6.71

2. UTI-MID Cap Fund	Cumulative shareholding during the year	
	No. of Shares	% of total shares of the company
At the beginning of the year 01.04.2015	349861	4.99
	No Change	
At the beginning of the year 31.03.2016	349861	4.99

3. Keswani Harish	Cumulative shareholding during the year	
	No. of Shares	% of total shares of the company
At the beginning of the year 01.04.2015	349550	4.99
	No Change	
At the beginning of the year 31.03.2016	349550	4.99

4. Ricky Ishwardas Kirpalani				Cumulative shareholding during the year	
				No. of Shares	% of total shares of the company
At the beginning of the year 01.04.2015				339981	4.85
Date	Increase (+)	Decrease (-)	Reason		
26/02/2016	0	-550	Sale	339431	4.85
04/03/2016	0	-273	Sale	339158	4.84
11/03/2016	0	-701	Sale	338457	4.83
18/03/2016	0	-1044	Sale	337413	4.82
25/03/2016	0	-3693	Sale	333720	4.76
31/03/2016	0	-3822	Sale	329898	4.71
At the end of the year 31.03.2016				329898	4.71



5. Bhagwandas Jaju				Cumulative shareholding during the year	
				No. of Shares	% of total shares of the company
At the beginning of the year 01.04.2015				36800	0.53
Date	Increase (+)	Decrease (-)	Reason		
04/12/2015		-384	Sale	36416	0.52
11/12/2015	384		Purchase	36800	0.53
At the end of the year 31.03.2016				36800	0.53

6. Pratibhuti Viniyog Limited - Investment A/c				Cumulative shareholding during the year	
				No. of Shares	% of total shares of the company
At the beginning of the year 01.04.2015				35300	0.50
Date	Increase (+)	Decrease (-)	Reason		
10/04/2015	0	-300	Sale	35000	0.50
18/09/2015	160	0	Purchase	35160	0.50
25/09/2015	0	-160	Sale	35000	0.50
20/11/2015	472	0	Purchase	35472	0.51
27/11/2015	0	-72	Sale	35400	0.51
11/12/2015	0	-100	Sale	35300	0.50
18/12/2015	0	-200	Sale	35100	0.50
08/01/2016	300	0	Purchase	35400	0.51
22/01/2016	0	-250	Sale	35150	0.50
26/02/2016	0	-50	Sale	35100	0.50
31/03/2016	0	-100	Sale	35000	0.50
At the end of the year 31.03.2016				35000	0.50

7. Kiran Chulani				Cumulative shareholding during the year	
				No. of Shares	% of total shares of the company
At the beginning of the year 01.04.2015				33670	0.48
Date	Increase (+)	Decrease (-)	Reason		
24/07/2015	0	-1999	Sale	31671	0.45
31/07/2015	0	-3171	Sale	28500	0.41
07/08/2015	0	-13500	Sale	15000	0.21
14/08/2015	0	-7000	Sale	8000	0.11

21/08/2015	0	-1000	Sale	7000	0.10
30/10/2015	0	-1000	Sale	6000	0.09
06/11/2015	0	-358	Sale	5642	0.08
13/11/2015	0	-4142	Sale	1500	0.02
20/11/2015	0	-500	Sale	1000	0.01
27/11/2015	0	-1000	Sale	0	0.00
At the end of the year 31.03.2016				0	0.00

8. Sandeep Singh				Cumulative shareholding during the year	
				No. of Shares	% of total shares of the company
At the beginning of the year 01.04.2015				0	0
Date	Increase (+)	Decrease (-)	Reason		
07/08/2015	9926	0	Purchase	9926	0.14
14/08/2015	98	0	Purchase	10024	0.14
21/08/2015	2000	0	Purchase	12024	0.17
28/08/2015	476	0	Purchase	12500	0.18
16/10/2015	3000	0	Purchase	15500	0.22
13/11/2015	2500	0	Purchase	18000	0.26
22/01/2016	2000	0	Purchase	20000	0.29
12/02/2016	1370	0	Purchase	21370	0.31
19/02/2016	1945	0	Purchase	23315	0.33
26/02/2016	280	0	Purchase	23595	0.34
At the end of the year 31.03.2016				23595	0.34

9. Preeta Nath				Cumulative shareholding during the year	
				No. of Shares	% of total shares of the company
At the beginning of the year 01.04.2015				11265	0.16
Date	Increase (+)	Decrease (-)	Reason		
04/12/2015	11250	0	Demat	22515	0.32
At the end of the year 31.03.2016				22515	0.32

10. Pankaj Amritlal Thosani				Cumulative shareholding during the year	
				No. of Shares	% of total shares of the company
At the beginning of the year 01.04.2015				20000	0.29
Date	Increase (+)	Decrease (-)	Reason		
14/08/2015	0	-5425	Sale	14575	0.21
09/10/2015	0	-575	Sale	14000	0.20
16/10/2015	0	-3006	Sale	10994	0.16
30/10/2015	0	-294	Sale	10700	0.15
06/11/2015	0	-700	Sale	10000	0.14
13/11/2015	0	-9392	Sale	608	0.01
20/11/2015	0	-608	Sale	0	0.00
At the end of the year 31.03.2016				0	0.00

11. Panav Advisors LLP				Cumulative shareholding during the year	
				No. of Shares	% of total shares of the company
At the beginning of the year 01.04.2015				19116	0.27
Date	Increase (+)	Decrease (-)	Reason		
05/06/2015	0	-4377	Sale	14739	0.21
At the end of the year 31.03.2016				14739	0.21

12. Comfort Securities Ltd.				Cumulative shareholding during the year	
				No. of Shares	% of total shares of the company
At the beginning of the year 01.04.2015				9000	0.13
Date	Increase (+)	Decrease (-)	Reason		
05/06/2015	0	-9000	Sale	0	0.00
12/06/2015	19000	0	Purchase	19000	0.27
14/08/2015	400	0	Purchase	19400	0.28
25/09/2015	19400	0	Purchase	38800	0.55
25/09/2015	0	-19400	Sale	19400	0.28
16/10/2015	0	-400	Sale	19000	0.27
At the end of the year 31.03.2016				19000	0.27

13. Edelweiss Trusteeship Company Ltd a/c Edelweiss Mu.				Cumulative shareholding during the year	
				No. of Shares	% of total shares of the company
At the beginning of the year 01.04.2015				0	0.00
Date	Increase (+)	Decrease (-)	Reason		
25/12/2015	5700	0	Purchase	5700	0.08
15/01/2016	4436	0	Purchase	10136	0.14
29/01/2016	3975	0	Purchase	14111	0.20
05/02/2016	2025	0	Purchase	16136	0.23
At the end of the year 31.03.2016				16136	0.23

14. Amritlal Kalidas Thosani				Cumulative shareholding during the year	
				No. of Shares	% of total shares of the company
At the beginning of the year 01.04.2015				14727	0.21
Date	Increase (+)	Decrease (-)	Reason		
17/04/2015	0	-9727	Sale	5000	0.07
24/04/2015	0	-529	Sale	4471	0.06
31/07/2015	0	-471	Sale	4000	0.06
07/08/2015	0	-4000	Sale	0	0.00
At the end of the year 31.03.2016				0	0.00

**v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	Name	Designation	Shareholding at the beginning of the year 1st April 2015		Shareholding at the end of the year 31st March 2016	
			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Mr. M B Raju	Executive Chairman	503343	7.19	503343	7.19
2	Dr. S A Dave	Independent Director	0	0	0	0
3	Mr. Umesh Shrivastava	Independent Director	3580	0.05	3580	0.05
4	Mr. J Narayanamurty	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	Mr. P Venugopal Raju	Non-Executive Director	300	0.00	300	0.00
8	Ms. P Parvathi	Managing Director	19003	0.27	19003	0.27
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

Note: No change in shareholding during the year.

**V. Indebtedness:**

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

(₹ in Lakh)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year 01.04.2015				
(i) Principal Amount	13,291.21	-	NIL	13,291.21
(ii) Interest due but not paid	-	-	NIL	-
(iii) Interest accrued but not due	104.90	-	NIL	104.90
Total (i + ii + iii)	13,396.11	-	NIL	13,396.11
Change in Indebtedness during the financial year				
Addition	433.62	931.00	NIL	1364.62
Reduction	10996.89	456.00	NIL	11452.89
Net Change	-10563.27	475.00	NIL	-10088.27
Indebtedness at the end of the financial year 31.03.2016				
(i) Principal Amount	2,811.92	475.00	NIL	3,286.92
(ii) Interest due but not paid	-	-	NIL	-
(iii) Interest accrued but not due	20.92	-	NIL	20.92
Total (i + ii + iii)	2,832.84	475.00	NIL	3,307.84

**VI. Remuneration of Directors and Key Managerial Personnel:****A. Remuneration to Managing Director, Whole Time Director and/or Manager:**

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager		Total Amount
		Mr. M B Raju - Executive Chairman	Ms. P Parvathi - Managing Director	
1	Gross Salary-			
	(a) Salary as per provisions contained in the section 17(1) of the Income Tax Act, 1961	4,800,000	7,140,000	11,940,000
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	4,860,000	1,317,876	6,177,876
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL
4	Commission			
	- As % of Profit	17,141,608	17,141,608	34,283,216
	- Other, specify	-	-	-
5	Others, Please specify	-	-	-
	Total (A)	26,801,608	25,599,484	52,401,092
	Ceiling as per the Act	42,854,020	42,854,020	85,708,039

## B. Remuneration to other Director:

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Mr. P V G Raju	Mr. R Gopalakrishnan	Dr. S A Dave	Mr. U Shrivastava	Mr. J Narayanamurthy	Mr. K P Singh	
1.	Independent Directors							
	Fee for attending board committee meetings	N.A	N.A	117,000	97,000	128,000	118,000	460,000
	Commission	N.A	N.A	83,333	83,333	83,333	83,333	333,332
	Others, please specify	N.A	N.A	N.A	N.A	N.A	N.A	N.A
	Total (1)	N.A	N.A	200,333	180,333	211,333	201,333	793,332
2.	Other Non-Executive Directors							
	Fee for attending board meetings	92,000	80,000	N.A	N.A	N.A	N.A	172,000
	Commission	83,333	83,333	N.A	N.A	N.A	N.A	166,666
	Others	N.A	N.A	N.A	N.A	N.A	N.A	N.A
	Total (2)	175,333	163,333	N.A	N.A	N.A	N.A	338,666
	Total (B) = (1+2)	175,333	163,333	200,333	180,333	211,333	201,333	1,131,998
	Overall ceiling as per the Act	₹ 85,70,804/-						

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

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager		Total Amount
		Mr. RVA Narasimha Rao Chief Financial Officer (CFO)	Mr. S K Mishra Company Secretary	
1	Gross Salary-			
	(a) Salary as per provisions contained in the section 17(1) of the Income Tax Act, 1961	2,530,440	1,248,650	3,779,090
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL
4	Commission			
	- As % of Profit	NIL	NIL	NIL
	- Other, specify	NIL	NIL	NIL
5	Others, Please specify	NIL	NIL	NIL
	Total (A)	2,530,440	1,248,650	3,779,090

## VII. Penalties/Punishment/Compounding offences:

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



## Annexure III

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

## A. Conservation of Energy

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

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

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

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

## Disclosure of Particulars with Respect to Conservation of Energy

I) Power and Fuel Consumption	Current Year 2015-16	Previous Year 2014-15
<b>1. Electricity</b>		
<b>(a) Purchased</b>		
Unit: (KWH - Lakh)	96.92	202.25
Total Amount (₹ in Lakh)	980.40	1805.32
Average rate per unit (₹)	10.11	8.92
<b>(b) Own Generation</b>		
<b>(i) Through diesel generator</b>		
Units Generated (KWH - Lakh)	0.004	0.67
Total Amount (₹ in Lakh)	1.09	15.24
Rate per unit (₹)	273.03	22.88
Units per Liter of Diesel Oil (₹)	0.25	2.90
<b>(ii) Thermal Generation (CPP)</b>		
Units Generated (KWH - Lakh)	1073.57	761.80
Total Amount (₹ in Lakh)	5057.29	4379.97
Rate per unit (₹)	4.71	5.74
<b>2. Coal (C &amp; D Grade): Used as fuel in kiln</b>		
Quantity (Million K Cal)	823804	673227
Total Cost (₹ in Lakh)	9705.33	8372.07
Average Rate (₹/Million K Cal)	1178.11	1243.57
<b>II) Power and Fuel consumption per unit of production</b>		
Electricity (KWH/Tonne of Cement)	84	85
Coal %	15.46	16.27

**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 Lakh)

Particulars	Current Year 2015-16	Previous Year 2014-15
Used	8.61	30.26
Earned	NIL	NIL

## Annexure IV

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

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

In compliance with the requirements of Section 135 of the Companies Act, 2013 your company has constituted a Corporate Social Responsibility ("CSR") Committee. 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/CSRPoly.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 benefitted the community at large. These projects are in accordance with Schedule VII of the Companies Act, 2013.

## 2. The composition of the CSR Committee:

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

3. Average net profit of the company for the last three financial years : ₹ 1605.30 Lakh

4. Prescribed CSR expenditure : ₹ 32.11 Lakh

5. Details of CSR spent during the financial year:

a) Amount to be spent for the Financial Year 2015-16 : ₹ 32.11 Lakh

Amount unspent carried forward from the previous year : ₹ 19.79 Lakh

Total Amount to be spent for the Financial Year 2015-16 : ₹ 51.90 Lakh

b) Amount unspent, if any : NIL

c) Manner in which the amount spent during the financial year 2015-16 is detailed below:

(₹ in Lakh)

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 children - free education in DCL High School	Promoting Education	Children from surrounding villages of our cement plant area. Local Areas Dist. Nalgonda, Telangana	25.90	25.90	25.90	Direct
2	Installation of Mineral Water Treatment Plant	Making availability of safe drinking water	Local Areas Dist. Nalgonda, Telangana	11.10	11.10	11.10	Direct

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
3	Construction of toilets for girl students in schools	Preventive Health care and Sanitation	Districts of Telangana and Andhra Pradesh	2.50	2.50	2.50	Direct
4	Promoting Education for children from remote backward areas	Promoting education especially for children	Districts of Telangana and Andhra Pradesh	1.60	1.60	1.60	Janahitha – Ekal Vidyalaya
5	Promoting Education	Promoting education	Hyderabad	10.00	10.00	10.00	Institute of Public Enterprises
6	Providing construction material and cement for construction of houses road and other public utilities	Rural Development projects	Local Areas Dist. Nalgonda, Telangana	0.80	0.89	0.89	Direct
<b>Total</b>				<b>51.90</b>	<b>51.99</b>	<b>51.99</b>	<b>-</b>

6. In case the company has failed to spend the prescribed 2% of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board's report: Not Applicable

7. Responsibility Statement:

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

Place : Hyderabad  
Date : 09.08.2016

**P Parvathi**  
Managing Director  
DIN:00016597

**K P Singh**  
Chairman, CSR Committee  
DIN: 02951522

**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
Mr. M B Raju	Executive Chairman	99.58
Mr. U Shrivastava	Independent Director	0.31
Dr. S A Dave	Independent Director	0.31
Mr. J Narayanamurty	Independent Director	0.31
Mr. K P Singh	Independent Director	0.31
Mr. R Gopalakrishnan	Non-Executive Director	0.31
Mr. P Venugopal Raju	Non-Executive Director	0.31
Ms. P Parvathi	Managing Director	95.11

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

Name of Directors / KMP	Designation	% increase in Remuneration
Mr. M B Raju	Executive Chairman	118.4
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
Mr. P Venugopal Raju	Non-Executive Director	N.A
Ms. P Parvathi	Managing Director	108.6
Mr. RVA Narasimha Rao	Chief Financial Officer	11.64
Mr. S K Mishra	Company Secretary	6.32

- Note:
- The above increase in remuneration to the Executive Directors is on account of the increased Commission on Profits.
  - 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: 6%
- iv) There were 330 permanent employees as on 31st March 2016.

- 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 2015-16 was 15.29% and the average increase in the remuneration of KMPs was 100.75 %.

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

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

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

- viii) Details of Top 10 Employees:

Sl. No.	Name	Designation	Remuneration (Annual) in ₹	Qualification & Experience	Date of Commencement of Employment	Age	Last Employment Details
1	R V A Narasimha Rao	Vice President (Finance)	25,30,440	M Com, CA & 32 Years	19-08-2013	57	CFO - Maa Mahamaya Industries Ltd
2	S Venkateswarlu	Vice President (Works)	27,54,055	B.Sc, MBA & 35 Years	02-04-2012	55	Plant Head - Athi River Mining Ltd.
3	M Krishnam Raju	Vice President (Marketing)	20,12,480	M Com, PGDPM & 33 Years	01-02-1993	56	Sales Officer - Andhra Cements Ltd
4	U Raghavendra Varma	General Manager (E&I)	17,42,582	B Tech (EEE) & 30 Years	17-03-2012	53	Dy. GM (Works) - NCL Industries Ltd.
5	A V S Seshu	Dy General Manager (Purchase)	12,48,650	BE (Mech Eng) & 24 Years	07-05-2012	48	Sr. Manager (Materials) - Vijai Electricals Ltd
6	S K Mishra	Dy General Manager (Legal) & Company Secretary	12,48,650	B Com (Hons), LLB, FCS & 14 Years	26-07-2012	38	Company Secretary- KSK Mahanadi Power Compay Ltd
7	C Ramesh Reddy	Dy General Manager (Marketing)	12,35,190	Bcom, MBA, LLB & 23 Years	10-10-2008	45	Dy Manager (Sales) - Ultra Tech Cement Ltd.
8	V Shyam Prakash	Dy General Manager (Marketing)	12,32,320	B Tech, MBA & 23 Years	05-11-2008	47	Manager (Marketing) - Zuari Cement Ltd.
9	B Jaganmohana Rao	Chief Manager (CPP)	12,55,704	BOE & 23 Years	28-02-2011	45	Manager (Power) - Janki Corp Ltd.
10	V Rajendra Prasad	Asst General Manager (P&QC)	11,66,603	B Sc & 33 Years	11-07-2013	57	Sr Manager - My Homes Ltd.

- Note: ● All the above employees are under regular employment contract.  
● None of the above employees holds any shares in the Company.  
● None of the above employees is relative of any director of the company.



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## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Financial Year 2015-16 has witnessed improvement in demand and stable prices for cement. The waves of change at the helm of the Union Government, with focus on development, resulted in showing growth during the year. The challenges posed by the year 2014-15 have mostly been sorted out during the year 2015-16 and the Cement Industry has also taken a cue from those trends and the signs of improvement have been visible through most part of the year. The Company during the year has seen improved performance – both in Turnover and Profit Before Tax in spite of increase in cost of several inputs. The Company's performance for the year ended 31st March 2016 and the Management's views on the future outlook are detailed below:

### Industry Structure and Developments

The year under review has seen glimpses of stability subsequent to the elections in the previous year. The specific initiatives by Government of India such as "Swatch Bharat", "Make in India Program", "Smart Cities "Atal Mission for Rejuvenation and Urban Transformation (AMRUT)", "Sagarmala" apart from National Highways and the initiatives from the Government of Telangana such as "Mission Bhageeratha", "2 BHK Houses for the Poor", "Mission Kakatiya" and "Harithahaaram", "Amaravathi" Capital City by Andhra Pradesh State Government would result in a spur in demand for Cement.

The Cement Industry, by virtue of its position, being one of the basic essential commodities for the infrastructure development plays a pivotal role in the scheme of the things of the Governments. The Industry is bound to see upsides in demand helped by the emphasis being given by the Governments on Housing Programmes, Infrastructure activities including development of roads and several irrigation schemes.

The fact that the Indian Per Capita Cement Consumption is much less than the World Average should help increase the demand for Cement with the rise in employment / savings levels as well as the

purchasing power among the general public across all sections.

The year that passed by has seen a growth in demand and it is expected that the growth would be sustained during the current year. The year 2015-16 saw reduction in Fiscal Deficit, reduction in interest rates pursuant to Central Bank's Credit Policy and the trend is expected to continue during the current year. Reduction in interest rates has certainly helped growth in housing finances, which would help for the growth in demand for Cement.

All these positive trends being witnessed would help the company to further improve its performance.

### Opportunities and Threats

Once the initiatives which are under various stages of implementation are completed, the infrastructure / building material industries would pick up momentum. The rate of acceleration of growth would largely hinge on the pace of implementation of various infrastructure projects such as New Airports, Sea Ports, Urban and Rural Roads, Highways, Dedicated Industrial / Freight Corridors, Irrigation Projects, Smart Cities and Satellite Townships. The implementation of all these schemes would spur the growth and it also translates into increased demand for various types of housing, including affordable housing, all of which contribute to increase in the demand for cement. With its strong dealer network, which penetrates into the rural areas as well, your company would get benefitted with the overall increase in the demand scenario. The Company's pioneering experience in successfully introducing and marketing various grades of cement - OPC, PPC, PSC, SRC, Railway Sleeper Cement and ASTM Type II & V Cements etc., would come handy in capturing the market wherever and whenever required.

In cement industry increase in input material costs has always been a major area of concern. Further additional levy on coal and limestone, in the form of contribution to District Mineral Foundation and

National Mineral Exploration Trust, which have been implemented during the year 2015-16 will have its full impact on the operations of the industry at its intended level during the current year.

### **Outlook**

There is an increasing tendency among Indians to prefer to live in urban areas and the shift from Rural to Urban living has been taking place at an accelerated pace and the Central and State Governments' concepts of developing Smart Cities, Satellite Townships and Housing for Poor added to this pace. Such a shift invariably requires that the housing sector in Urban Areas should take a huge leap to accommodate such increasing urban populace. Increased population in urban areas should be supported with roads, colleges, hospitals, shopping complexes etc., and all such infrastructure facilities would require to consume more building materials particularly Cement. Viewed in the context of such urbanisation, the increase in demand for Cement should be significant.

The excess capacity created by the cement industry during the last few years coupled with lower than expected demand had its impact on cement production and sales realisation. The capacity-consumption mismatch is expected to come down over next few years, improving the capacity utilisation of the industry. The Company would continue to focus on cost control measures and strategic decisions on production and distribution to protect and improve its profitability.

### **Risks and Concerns**

The company is in a position to handle the risks normally associated with its business and does not perceive any serious risks or concerns other than the normal business risks faced by the cement industry in general which include:

- Lack of improvement / lower demand growth leading to Lower Capacity utilization;
- Lower realizations which may impact the margins;

- Periodical increases in cost of inputs leading to impact on margins;
- Uncertainty in Coal supplies and increase in the prices;
- Uncertainties associated with supply of Fuel and Power and the risks associated with increase in the prices;
- Failure or deficiency in the Monsoon which may lead to reduction / loss of revenue from Hydel Unit as well as reduction in demand for Cement as a cascading effect;
- Increase in transportation cost for both input materials and finished goods;
- Adverse Changes in Government Policies impact the costs, demand and supply.
- Labour / manpower risk;
- Credit risks in the form of money at stake for the supplies made on credit; and
- Finance and interest rate risks.

### **Internal Control Systems and their Adequacy**

The emphasis given by your company on Corporate Governance and the pro-activeness in keeping / following the best of the practices in Corporate Governance always keeps the Company engaged in ensuring that there is an appropriate, adequate and sound internal control system for the business processes, with regard to efficiency in operations, financial reporting and controls, compliance with applicable laws and regulations etc.

All operating parameters are monitored to ensure that all business processes proceed in the desired way to obtain optimal and best results possible.

The Internal Control System has a process designed to take care of various controls and audit requirements, which ensures that all the assets are protected against loss from unauthorized use and all the transactions are recorded and reported correctly.

An external independent agency of Chartered

Accountants has been appointed as internal auditors to independently audit the Company's accounts and operations and also to review the effectiveness and adequacy of the Internal Control systems. Regular internal audit reviews are carried out to ensure the robustness of the systems. The internal auditors submit their reports to the Audit Committee of the Board of Directors which reviews the same and ensures that 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.

### Financial and Operational Performance

In spite of several odds as explained, it is gratifying to note and it can be treated as a reflection of the strengths of your Company that has generated revenues during the year 2015-16 at a record level. The Company's gross revenue stood for the year at ₹ 75524.20 Lakhs as against ₹ 57207.46 Lakhs during the previous year. The Company has sold a Quantity of 1317156 MT of Cement during the year 2015-16 as against a quantity of 1078730 MT during the previous year.

The Profit Before Tax (PBT) for the year stood at ₹ 8057.29 Lakhs as compared to ₹ 2134.25 Lakhs for the previous year. The Profit After Tax for the year stood at ₹ 4556.25 Lakhs compared to that of ₹ 1987.89 Lakhs for the previous year. The finance cost has come down to ₹ 1521.65 Lakhs during the year as compared to ₹ 2663.19 Lakhs for the previous year. This creditable performance is a record for the Company as far as the gross turnover, PBT for the year are concerned.

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

The Company would continue to emphasis on improved performance and remain focused on delivering better results and greater benefits to its stakeholders.

### Human Resources & Industrial Relations

The Company is having a firm belief that the people are its assets and continues its focussed attention on nurturing and developing its human resources through continuous training, motivation, engagement initiatives and provides a holistic environment where employees get opportunities to harness their knowledge, skills to realize their potential and derive required level of work satisfaction. The Company demonstrates that human resources are very important and valuable asset in its pursuit of the business objectives. Company's Health and Safety Policy aims at providing a healthy and safe work environment to all employees.

The relationship with employees continues to be cordial and harmonious and always provides a positive and conducive environment to improve efficiency in all areas and encourages performance oriented culture through judicious and impartial employee performance assessment. Emphasis on competency improvement through skill and capability development, training programs and rationalisation of work methods to improve employee productivity and morale thereby pave a way for smooth succession and planning. As on 31st March 2016, the Company has 330 employees who are engaged in the units and at various offices.

### Cautionary Statement

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

## REPORT ON CORPORATE GOVERNANCE

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 2016, the Board comprises of eight directors of whom two are executive including one woman director, two are 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 committee positions held by them in other companies.

#### Board Meetings

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

The Board of Directors of your company met 6 (Six) times during the year 2015-16 held on 30th May 2015; 11th August 2015; 22nd September 2015; 6th November 2015; 9th February 2016 and 16th March 2016 to transact various businesses. The gap between two meetings did not exceed one hundred and twenty days. The 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 2015-16		Whether attended last AGM held on 22.09.2015	No. of Director-ships*	No. of Committees Position held#	
		Held	Attended			Member	Chairman
Mr. M B Raju	Executive Chairman	6	6	Yes	2	-	-
Mr. Umesh Shrivastava	Independent Director	6	5	Yes	2	3	-
Dr. S A Dave	Independent Director	6	6	Yes	7	7	5
Mr. J Narayanamurty	Independent Director	6	6	Yes	2	2	1
Mr. K P Singh	Independent Director	6	6	Yes	1	1	-
Mr. P Venugopal Raju	Non-Executive Director	6	5	Yes	4	1	-
Mr. R Gopalakrishnan§	Non-Executive Director	6	4	Yes	2	-	-
Ms. P Parvathi	Managing Director	6	5	Yes	4	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.

§ Appointed w. e. f. 11th August 2015.

**Disclosure of Relationship between directors inter-se:**

Mr. M B Raju, Executive Chairman is the father of Ms. P Parvathi, Managing Director and father-in-law of Mr. P Venugopal Raju, Non-Executive 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	3580
Dr. S A Dave	0
Mr. J Narayanamurty	0
Mr. K P Singh	0
Mr. P Venugopal Raju	300
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/Familiarisation-Programme.pdf>

### **Committees of the Board**

In order to carry out the responsibilities & decision making more smoothly and in prudent manner the Board has formed 4 committees. 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 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 Board of Directors at its meeting held on 9th February 2016 amended the terms of reference of the Audit Committee to make the same 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 of the Audit Committee 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 2015-16, the Audit Committee met 4 (Four) times on 30th May 2015; 11th August 2015; 6th November 2015 and 9th February 2016. 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
Mr. P Venugopal Raju	Member	Non-Executive Director	4	3

The necessary quorum was present for all the meetings.

Meetings of Audit Committee are 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 Board of Directors at its meeting held on 9th February 2016 amended the terms of reference of Nomination and Remuneration Committee to make the same 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. The terms of reference of the Nomination and Remuneration Committee are broadly as follows:

- formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board 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;
- 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

During the year 2015-16, the Nomination and Remuneration Committee met 2 (two) times on 30th May 2015 and 11th August 2015. The following table displays the constitution and attendance of the members in the meetings of the Nomination and Remuneration Committee:

Name of the Director	Designation	Category	Numbers of Meetings	
			Held	Attended
Mr. Umesh Shrivastava	Chairman	Independent Director	2	2
Mr. J Narayanamurty	Member	Independent Director	2	2
Mr. K P Singh	Member	Independent Director	2	2
Dr. S A Dave	Member	Independent Director	2	2

##### 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 participations 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 for sum not exceeding 1% per annum of the net profits of the company calculated accordance with the provisions of Section 198 of the Act, subject to a ceiling of ₹ 5,00,000/- per annum.

The Board, w. e. f. 11th August 2015, has revised the sitting fees payable to the Non-Executive Directors for attending each Board and Committee Meeting to ₹ 20,000/- and ₹ 2,500/- respectively.

Details of Sitting Fees paid & Commission payable to the Non-Executive Directors for the Year 2015-16:

<b>Name of the Directors</b>	<b>Sitting Fees (in ₹)</b>	<b>Commission (in ₹)</b>
Mr. Umesh Shrivastava	97,000/-	83,333/-
Dr. S A Dave	1,17,000/-	83,333/-
Mr. J Narayanamurty	1,28,000/-	83,333/-
Mr. K P Singh	1,18,000/-	83,333/-
Mr. P Venugopal Raju	92,000/-	83,333/-
Mr. R Gopalakrishnan	80,000/-	83,333/-

During the year, none of the Non-Executive Directors of the Company had any pecuniary relationship or transactions with the Company except sitting fee and commission paid to them.

The Remuneration structure of the executive directors comprises of basic salary, commission on profits, perquisites and allowances, contribution to provident fund etc. 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 paid to the Executive Directors during the Financial Year 2015-16:

(₹ in Lakhs)

<b>Name of the Directors</b>	<b>Salary</b>	<b>Perquisites &amp; Other Benefits</b>	<b>Commission</b>	<b>Total</b>
Mr. M B Raju	48.00	48.60	171.42	268.02
Ms. P Parvathi	71.40	13.17	171.42	255.99

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

During the year 2015-16 the Stakeholders' Relationship and Share Transfer Committee met 4 (Four) times on 30th May 2015, 11th August 2015, 6th November 2015 and 9th February 2016. 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 Narayanamurthy	Member	Independent Director	4	4
Ms. P Parvathi	Member	Managing Director	4	3

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

### Details of complaints/Grievance received and resolved during the year 2015-16:

Nature	Received and Resolved	Pending
Non-receipt Dividend Warrants	11	NIL
Non-receipt of Share after Transfer / Transmission	1	NIL

## 7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

### Composition, Meetings and Attendance of the Committee

During the year 2015-16, the Committee met once on 30th May 2015. The following table displays the constitution and attendance of the members in the meetings of the Committee:

Name of the Director	Designation	Category	Number of Meeting	
			Held	Attended
Mr. K P Singh	Chairman	Independent Director	1	1
Mr. P Venugopal Raju	Member	Non-Executive Director	1	1
Ms. P Parvathi	Member	Managing Director	1	1

## 8. SEPARATE MEETING OF INDEPENDENT DIRECTORS

In compliance of provisions of the Regulation 25 of the Listing Regulations, during the year 2015-16, the Independent Directors of the Company met on 9th February 2016 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	<b>2014-15</b>
AGM No.	35th
Date	22nd September 2015
Time	10:00 AM
Special Resolutions	<ul style="list-style-type: none"><li>• Approval for replacing the existing Article of Association by adoption of new set of Articles of Association of the Company.</li><li>• Change of location to maintain Register of Members, Index of Members and other related books.</li></ul>

Financial Year	<b>2013-14</b>
AGM No.	34th
Date	29th September 2014
Time	10:00 AM
Special Resolutions	<ul style="list-style-type: none"><li>• Borrowing power of the Board U/s 180(1)(c) of the Companies Act, 2013.</li><li>• Creation of Charge on the Assets of the Company U/s 180(1)(a) of the Companies Act, 2013.</li><li>• Payment of Commission on profits to Non-Whole Time Directors of the Company.</li><li>• Modification in appointment and remuneration of the Executive Chairman.</li><li>• Modification in payment of remuneration to the Managing Director.</li></ul>

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

**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 2015-16.
- There was no requirement of passing any resolution through postal ballot during preceding three years.
- No special resolution is proposed to be passed through postal ballot.

**10. MEANS OF COMMUNICATION**

- Quarterly financial results of the Company are forwarded to the Stock Exchanges and published in Financial Express and Andhra Prabha / Nava Telangana newspapers in line provisions of the Listing Regulations.
- The Financial Results and other the official news of the Company are displayed on the Company's website [www.deccancements.com](http://www.deccancements.com).
- The Company has not made any presentations to any Institutional Investors / Analysts during the last financial year.

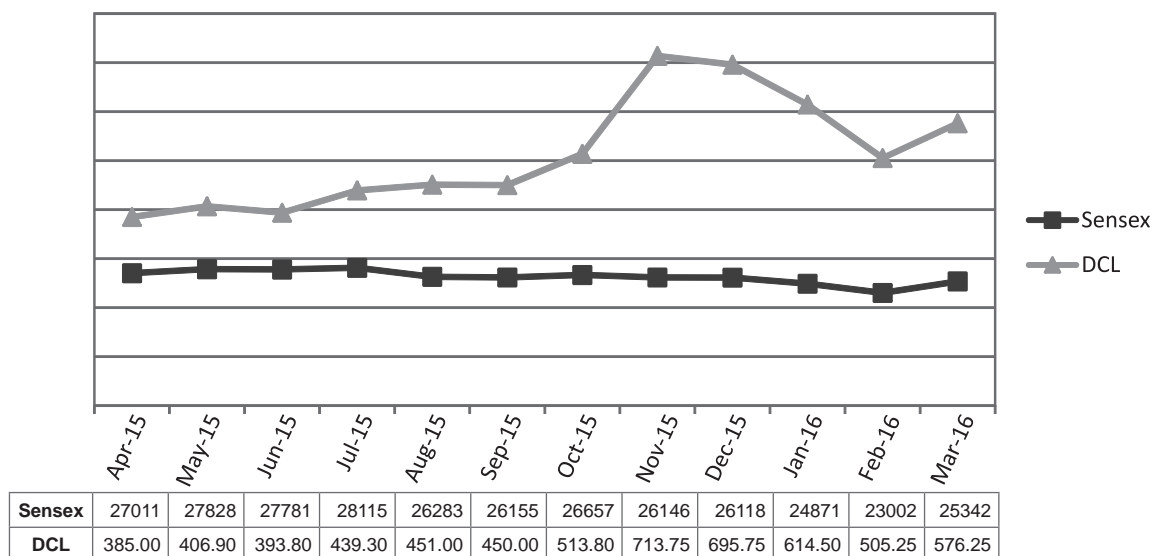
## 11. GENERAL SHAREHOLDER INFORMATION

- a) Annual General Meeting : 36th Annual General Meeting  
Date : 23rd September 2016  
Time : 10:00 AM  
Venue : Bhaskara Auditorium, Birla Museum, Adarsh Nagar, Hyderabad – 500 063
- b) Financial Year : 1st April to 31st March
- c) Listing with Stock Exchanges : BSE Limited  
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001  
National Stock Exchange of India Limited  
Exchange Plaza, Plot No. C/1, G Block, Bandra - Kurla Complex, Bandra (East), Mumbai - 400 051  
Listing Fee paid to both stock Exchanges for Financial Year 2016-17.
- d) Stock Code : BSE - 502137  
NSE - DECCANCE
- e) Market Price Data during each month in last financial year 2015-16:

Month and Year	High (₹)		Low (₹)	
	BSE	NSE	BSE	NSE
April 2015	440.00	450.00	320.00	310.05
May 2015	418.00	417.90	360.00	353.95
June 2015	443.00	443.00	367.50	370.00
July 2015	445.00	444.95	391.00	375.00
August 2015	534.00	535.00	405.00	403.50
September 2015	530.00	480.00	423.10	423.10
October 2015	535.00	538.00	435.00	440.00
November 2015	723.00	724.00	491.50	491.05
December 2015	746.00	747.00	657.50	655.45
January 2016	768.75	772.00	565.25	559.00
February 2016	639.75	645.00	502.75	501.00
March 2016	622.75	623.05	510.50	511.00



f) Performance in comparison to BSE Sensex:



- g) Registrars and Share Transfer Agent : Karvy Computershare Private Limited  
 Karvy 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@karvy.com,  
 Website: www.karvycomputershare.com

h) Share Transfer System:

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

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

i) Distribution of Shareholding as on 31st March 2016:

<b>Category (Amount in ₹)</b>	<b>Number of Shareholders</b>	<b>% to total no. of shareholders</b>	<b>Number of Shares</b>	<b>% to paid up share capital</b>
01 - 5,000	5067	90.84	5,39,458	7.70
5,001 - 10,000	263	4.71	2,08,152	2.97
10,001 - 20,000	124	2.22	1,89,597	2.71
20,001 - 30,000	31	0.56	75,582	1.08
30,001 - 40,000	26	0.47	91,158	1.30
40,001 - 50,000	14	0.25	65,863	0.94
50,001 - 100,000	23	0.41	1,69,526	2.42
100,001 and above	30	0.54	56,64,414	80.88
	<b>5578</b>	<b>100.00</b>	<b>7003750</b>	<b>100.00</b>

j) 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 2016 total of 67,54,515 (96.44%) number of shares were dematerialized with the following Depositories (ISIN No. INE583C01013):

- National Securities Depository Limited - 49,00,962 shares (69.98%)
- Central Depository Services Limited - 18,53,553 shares (26.47%)

k) 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.

l) 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 go for hedging.

m) Location of Company's Plants:

Cement Plant	Bhavanipuram, Mahankaligudem, Nalgonda Dist, Telangana State - 508 218
Thermal Power Plant	Bhavanipuram, Mahankaligudem, Nalgonda 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

n) 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	Karvy Computershare Private Limited Karvy 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@karvy.com website: www.karvycomputershare.com

## 12. OTHER DISCLOSURES

- a. The Company has formulated and adopted a policy for determining the material related party transactions and the details of such policy are available on the Company's website [www.deccancements.com](http://www.deccancements.com). 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 2015-16. Web link for Related Party Transactions policy: <http://www.deccancements.com/pdf/RPTPolicy.pdf>
- b. During the last three years there were no strictures or penalties imposed by either the SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets.
- c. The Company has formulated and adopted 'Vigil Mechanism/Whistle Blower Policy' and the same is placed on the company's website [www.deccancements.com](http://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 non-mandatory requirements
- the Company's financial statements for the year 2015-16 are unqualified.
  - the positions of the Chairman of the Board and the Managing Director of the Company are held by separate individuals.
- e. There is no subsidiary to the Company.
- f. Management Discussion and Analysis Report:
- Management Discussion and Analysis Report on the Business of the Company forms part of this Annual Report.

g. Shareholders:

Appointment / re-appointment of Directors: the brief resume of the Director(s) retiring by rotation, seeking re-appointment, including nature of their experience in specific functional areas, names of companies in which they hold directorship and membership of committees of the Board is appended to the Notice calling the 36th Annual General Meeting.

h. CEO/CFO Certification:

The CEO and CFO certification on the Financial statements for Year 2015-16 is provided elsewhere in this Annual Report.

**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 2015-16.

**14. THE 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 2015-16.

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## **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 2016 as envisaged under Schedule V (D) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Place : Hyderabad  
Date : 09.08.2016

**P. Parvathi**  
Managing Director

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## INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of  
**Deccan Cements Limited**

1. We have examined the compliance of conditions of Corporate Governance by **DECCAN CEMENTS LIMITED** ("the Company"), for the year ended on March 31, 2016, as stipulated in:
  - Clause 49 (excluding clause 49(VII)(E)) of the Listing Agreements of the Company with stock exchange(s) for the year from April 01, 2015 to November 30, 2015.
  - Clause 49(VII)(E) of the Listing Agreements of the Company with the stock exchange(s) for the period from April 01, 2015 to September 01, 2015.
  - Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) for the period from September 02, 2015 to March 31, 2016 and
  - Regulations 17 to 27 (excluding regulation 23(4)) and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the period from December 01, 2015 to March 31, 2016.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and Regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2016.
5. We 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. Bhaskara Rao & Co.**  
Chartered Accountants  
(Regd.No.000459S)

Hyderabad,  
09.08.2016

**V K Muralidhar**  
Partner  
M.No. 201570

## CEO AND CFO CERTIFICATION

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

- A. We have reviewed the Financial Statements and the Cash Flow Statement for the Financial Year ended 31st March 2016 and that to the best of our knowledge and belief, we state that:
- (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.
- B. We further state there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and that there are no deficiencies in the design or operation of internal controls which we are aware.
- D. We have indicated to the Auditors and the Audit Committee:
- (1) that there are no significant changes in internal control over financial reporting during the year;
  - (2) that there are no significant changes in accounting policies during the year and hence no disclosure is required to be made in the notes to the Financial Statements; and
  - (3) that there are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the Management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Hyderabad  
Date : 20.05.2016

**R V A Narasimha Rao**  
Chief Financial Officer

**P Parvathi**  
Managing Director  
DIN: 00016597

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## Independent Auditors' Report

To  
The Members of  
**Deccan Cements Limited**

### Report on the Financial Statements

We have audited the accompanying financial statements of **Deccan Cements Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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



**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e. On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, 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 B'; and
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) 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 all pending litigations on its financial position in its financial statements - Refer note 29 to the financial statements;
    - ii. the company does not have any long term contracts including derivative contracts for which there are any material foreseeable losses.
    - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

for **M. Bhaskara Rao & Co.,**  
Chartered Accountants  
Firm Registration No. 000459 S

**V K Muralidhar**  
Partner

Membership No. 201570

Hyderabad  
May 20, 2016

## **Annexure A to the Independent Auditors' Report**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of **Deccan Cements Limited**)

**(i) In respect of its Fixed Assets:**

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
  - (b) According to the information and explanations given to us, the fixed assets have been physically verified during the year by the Management in accordance with a programme of verification, which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals having regard to the size of the Company and the nature of their assets, The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
  - (c) According to the information and explanations given to us, the title deeds of the immovable properties are held in the name of the company.
- (ii) The inventory (excluding stocks with third parties) has been physically verified by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on physical verification of inventory as compared to book records were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account.
- (iii) According to the information and explanations given to us, the company has not granted any loans secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 and accordingly paragraph 3(iii) of the Order is not applicable, at present.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) In our opinion and according to the information and explanations given to us the Company has complied with the provisions of Section 73 and Section 74 of the Act and the rules framed there under and applicable directives issued by Reserve Bank of India with regard to deposits accepted.
- (vi) On the basis of records produced to us, we are of the opinion that prima facie the Cost Records and Accounts prescribed by the Central Government under Section 148(1) of the Act have been maintained. However, we are not required to and have not carried out any detailed examination of such Records and Accounts.
- (vii) According to the information and explanations given to us and according to the books and records as produced and examined by us in accordance with the generally accepted auditing practices in India, in respect of statutory dues:
- (a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employee state insurance, income tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and any other statutory dues applicable to it with the appropriate authorities during the year. There were no undisputed amounts payable in respect of provident fund, employee state

insurance, income tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and any other statutory dues which were in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.

- (b) According to information and explanations given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise or value added tax that have not been deposited on account of any dispute, except :

<b>Name of the Statute</b>	<b>Nature of Dues</b>	<b>Assessment year to which the amount relates</b>	<b>₹ In Lakhs</b>	<b>Forum where dispute is pending</b>
Income Tax Act 1961	Disallowance of debenture issue expenses and bad debts	1997-98	6.46	Income Tax appellate Tribunal, Hyderabad
Andhra Pradesh General Sales Tax Act / VAT Act	Sales Tax on packing material	1993-94	11.52	High Court of Andhra Pradesh
	Sales tax demand for the deemed excess production based on energy audit	1999-00 & 2000-01	85.68	High Court of Andhra Pradesh
	Sales Tax Demand for interest		137.24	Deputy Commissioner (Appeals) Hyderabad
	Sales Tax Demand – recovery of excess paid interest	2002-03 to 2004 - 05	51.61	High Court of Andhra Pradesh
Central Excise	Dispute on Cenvat availed on MS Angles, MS Plates, MS Sheets, HR Coils	March 2008 to April 2009	412.64	CESTAT, Bangalore

- (viii) According to the information and explanations given to us, the company has not defaulted in repayment of dues to the financial institutions, banks or the government during the year.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) During the course of our examination of the books and other records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year, nor have we been informed of such case by the management.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, managerial remuneration has been paid or provided during the year in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act.
- (xii) According to the information and explanations given to us and based on our examination of the records, 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 sections 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) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- (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 non-cash transactions with directors or persons connected with him during the year.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

for **M. Bhaskara Rao & Co.,**  
Chartered Accountants  
Firm Registration No. 000459 S

**V K Muralidhar**  
Partner

Membership No. 201570

Hyderabad  
May 20, 2016

## **Annexure B to the Independent Auditors' report**

### **Report on the Internal Financial Controls 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 March 31, 2016 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 Companies Act, 2013.

#### **Auditors' 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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, 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 31 March 2016, 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. Bhaskara Rao & Co.,**  
Chartered Accountants  
Firm Registration No. 000459 S

**V K Muralidhar**  
Partner  
Membership No. 201570

Hyderabad  
May 20, 2016

## Balance Sheet as at 31st March 2016

(₹ in Lakh)

Particulars	Note No	As at 31st March 2016	As at 31st March 2015
<b>I EQUITY AND LIABILITIES</b>			
1. Shareholders' Fund			
(a) Share Capital	3	700.38	700.38
(b) Reserves and Surplus	4	27912.85	23801.81
<b>Sub Total (A)</b>		<b>28613.23</b>	<b>24502.19</b>
2. Non - Current Liabilities			
(a) Long Term Borrowings	5	4501.37	11631.16
(b) Deferred Tax Liabilities (Net)	6	5789.45	4802.13
(c) Other Long Term Liabilities	7	2661.98	3031.79
(d) Long Term Provisions	8	338.26	237.40
<b>Sub Total (B)</b>		<b>13291.06</b>	<b>19702.48</b>
3. Current Liabilities			
(a) Short - Term Borrowings	9	3352.17	4279.76
(b) Trade Payables (Refer Note No. 34)		2038.28	1461.93
(c) Other Current Liabilities	10	1889.28	4715.69
(d) Short - Term Provisions	11	81.31	322.68
<b>Sub Total (C)</b>		<b>7361.04</b>	<b>10780.06</b>
<b>TOTAL (A+B+C)</b>		<b>49265.33</b>	<b>54984.73</b>
<b>II. ASSETS</b>			
1. Non - Current Assets			
(a) Fixed Assets	12		
i. Tangible Assets		32518.32	33792.70
ii. Intangible Assets		1705.17	1808.58
iii. Capital Work in - Progress		3404.12	3296.02
(b) Non - Current Investments	13	8.69	8.69
(c) Long - Term Advances	14	1155.90	1050.82
<b>Sub Total (D)</b>		<b>38792.20</b>	<b>39956.81</b>
2. Current Assets			
(a) Inventories	15	5379.45	6834.81
(b) Trade Receivables	16	815.42	2975.16
(c) Cash and Bank balances	17	3498.53	2625.53
(d) Short - Term Advances	18	640.35	1261.95
(e) Other Current Assets	19	139.38	1330.47
<b>Sub Total (E)</b>		<b>10473.13</b>	<b>15027.92</b>
<b>TOTAL (D+E)</b>		<b>49265.33</b>	<b>54984.73</b>
Corporate Information; Significant Accounting Policies & Notes	1 to 42		

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

For and on behalf of the Board

**V K Muralidhar**  
Partner  
Membership No : 201570

**M B Raju**  
Executive Chairman  
DIN: 00016652

**P Parvathi**  
Managing Director  
DIN: 00016597

Place : Hyderabad  
Date : 20.05.2016

**R V A Narasimha Rao**  
Chief Financial Officer

**S K Mishra**  
Company Secretary  
FCS 8555



## Statement of Profit and Loss for the year ended 31st March 2016

(₹ in Lakh)

Particulars	Note No	As at 31st March 2016	As at 31st March 2015
<b>I. Revenue from Operations</b>	20	<b>66943.78</b>	50588.65
Less: Excise Duty		<b>9037.12</b>	6810.97
		<b>57906.66</b>	43777.68
<b>II. Other Income</b>	21	<b>148.37</b>	287.62
<b>III. Total Revenue (I + II)</b>		<b>58055.03</b>	44065.30
<b>IV. Expenses:</b>			
Cost of Raw material consumed	22	<b>4571.23</b>	3177.92
Power and Fuel	23	<b>14793.19</b>	13464.14
Changes in inventories of finished goods, work-in-process and Stock-in-Trade	24	<b>379.90</b>	324.76
Employee benefits expense	25	<b>2184.93</b>	1687.66
Finance Cost	26	<b>1521.65</b>	2663.19
Depreciation and amortization expense		<b>2033.04</b>	1948.33
Selling and Distribution Expenses	27	<b>20931.90</b>	15594.23
Other expenses	28	<b>3581.90</b>	3070.82
<b>Total Expenses</b>		<b>49997.74</b>	41931.05
<b>V Profit before Tax (III-IV)</b>		<b>8057.29</b>	2134.25
<b>VI Tax Expense:</b>			
(1) Current Tax		<b>1719.51</b>	426.97
(2) Deferred Tax		<b>987.32</b>	(238.98)
(3) Wealth Tax		-	15.49
(4) Prior year tax adjustments		<b>61.30</b>	-
(5) MAT Credit (Entitlements) / Utilised		<b>732.91</b>	(57.12)
<b>VII Profit for the year</b>		<b>4556.25</b>	1987.89
<b>VIII Earning per Equity Share</b>			
(1) Basic		<b>65.05</b>	28.38
(2) Diluted		<b>65.05</b>	28.38
Corporate Information; Significant Accounting Policies & Notes	1 to 42		

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

**For and on behalf of the Board**

**V K Muralidhar**  
Partner  
Membership No : 201570

**M B Raju**  
Executive Chairman  
DIN: 00016652

**P Parvathi**  
Managing Director  
DIN: 00016597

Place : Hyderabad  
Date : 20.05.2016

**R V A Narasimha Rao**  
Chief Financial Officer

**S K Mishra**  
Company Secretary  
FCS 8555

## Cash Flow Statement for the Year Ended 31st March 2016

(₹ in Lakh)

Particulars	Year Ended 31st March 2016	Year Ended 31st March 2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit \ (Loss) Before Tax	8057.29	2134.25
<b>Adjustments for :</b>		
Depreciation and amortisation expenses	2058.04	1948.33
Interest and Finance charges	1521.65	2663.19
Dividends Received	(0.20)	(0.21)
Interest Income	(91.64)	(80.23)
Profit on Sale of Fixed Assets	(21.82)	(18.96)
<b>Operating Profit Before Working Capital Changes</b>	<b>11523.32</b>	<b>6646.37</b>
<b>Changes in Working Capital</b>		
(Increase) / Decrease in Inventories	1455.36	253.96
(Increase) / Decrease in Trade Receivables	2159.74	(264.60)
(Increase) / Decrease in Short Term Advances	621.60	(280.07)
(Increase) / Decrease in Long Term Advances	(49.85)	222.41
Increase / (Decrease) in Other Long Term Liabilities	(369.81)	(1105.43)
Increase / (Decrease) in Cash Credit utilisation	(927.59)	936.25
(Increase) / Decrease in Other Current Assets	438.74	336.71
Increase /(Decrease) in Short term provisions	(5.80)	6.18
Increase /(Decrease) in Trade Payables	576.35	215.96
Increase /(Decrease) in Other Current Liabilities	332.71	219.30
Increase /(Decrease) in Long Term Provisions	100.86	(15.68)
Cash Generated from Operations	15855.63	7171.36
Direct Taxes Paid	(1834.96)	(508.38)
Cash Flow before Prior period Items	14020.67	6662.98
Net Cash Flow from Operating Activity	14020.67	6662.98
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Inflow / (Outflow)		
Dividends received	0.20	0.21
Interest received	84.52	108.11
Purchase of Fixed Assets	(709.61)	(529.50)
(Increase) / Decrease in Capital Work in Progress	(108.10)	218.88
Sale of Fixed Assets	51.18	29.61
Net Cash Flow from Investing Activities	(681.81)	(172.69)
carried forward	13338.86	6490.29

## Cash Flow Statement for the Year Ended 31st March 2016 (Contd...)

(₹ in Lakh)

Particulars	Year Ended 31st March 2016	Year Ended 31st March 2015
brought forward	13338.86	6490.29
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Inflow / (Outflow)		
Dividend Paid (Including Dividend Tax)	(630.31)	(98.33)
Increase / (Decrease) in Capital Reserve	(25.00)	43.64
Proceeds from Long Term Borrowings	(200.64)	(121.21)
Long Term Borrowings paid	(10004.28)	(5324.89)
Interest Paid	(1605.63)	(2690.65)
Net Cash Flow from Financing Activities	(12465.86)	(8191.44)
<b>D. NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	873.00	(1701.15)
Cash and Cash Equivalents as at the commencement of the year	2625.53	4326.68
Cash and Cash Equivalents as at the close of the year	3498.53	2625.53
(includes Funds not available for use - Margin Money ₹ 116.36 Lakhs Unclaimed Dividend ₹ 33.29 Lakhs)		

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

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

**For and on behalf of the Board**

**V K Muralidhar**  
Partner  
Membership No : 201570

**M B Raju**  
Executive Chairman  
DIN: 00016652

**P Parvathi**  
Managing Director  
DIN: 00016597

Place : Hyderabad  
Date : 20.05.2016

**R V A Narasimha Rao**  
Chief Financial Officer

**S K Mishra**  
Company Secretary  
FCS 8555

## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March 2016

### 1. Corporate Information

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

### 2. Significant Accounting Policies

#### a) Basis of Preparation

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

#### b) Use of Estimates

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

#### c) Fixed Assets

##### Tangible Fixed Assets

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

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

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

##### Depreciation on Tangible Fixed Assets

Depreciation on Tangible Fixed Assets is provided on Straight Line Method as per the useful life prescribed in Schedule II to the Act.

### **Intangible Assets**

Intangible assets acquired separately are measured on initial recognition cost and are amortized on Straight Line Method based on the estimated useful economic life.

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

Cost of compensatory land (intangibles) 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.

### **Impairment of Assets**

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

#### **d) Revenue Recognition**

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

#### **e) Inventory Valuation**

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

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

#### **f) Investments**

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

#### **g) Internal Consumption**

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

**h) Transfer price for Inter divisional transfer / consumption**

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

**i) Employee Benefits**

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

**Defined Contribution Plan**

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

**Defined Benefit Plan**

**Gratuity**

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

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

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

**Compensated Absences**

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

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

**j) Borrowing Costs**

Borrowing costs include interest, amortization of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilized for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalization of such asset are included in the cost of the assets. Capitalization of borrowing

costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

**k) Taxation**

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

**l) Contingencies**

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

**m) Earnings Per Share**

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



### Note No 3 : Share Capital

(₹ in Lakh)

Particulars	As at 31st March 2016	As at 31st March 2015
<b>Authorised</b>		
1,00,00,000 Equity Shares of ₹ 10/- each	1,000.00	1,000.00
<b>Issued, Subscribed and Fully Paid</b>		
70,03,750 Equity Shares of ₹ 10/- each	700.38	700.38
<b>a. Reconciliation of Number of Shares Outstanding</b>		
At the beginning of the Year	7,003,750	7,003,750
At the end of the Year	7,003,750	7,003,750

#### b. Terms / Rights attached

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

During the year ended 31st March 2016, the company, pursuant to the approval by the Board of Directors in their meeting held on 16th March 2016, has paid an interim dividend of ₹ 5/- per share to the equity shareholders as on 24th March 2016 being the record date. The dividend paid is excluding tax on distributed profits.

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

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

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

Name	As at 31st March 2016		As at 31st March 2015	
	Number of Shares held	% of holding	Number of Shares held	% of holding
i) Melville Finvest Limited	2,301,856	32.87%	2,301,856	32.87%
ii) Satyasai Investments and Leasing Limited	523,737	7.48%	523,737	7.48%
iii) Mr. M.B. Raju	503,343	7.19%	503,343	7.19%
iv) IL & FS Trust Company Limited	469,841	6.71%	714,807	10.21%

## Notes to the Financial Statements

### Note No 4 : Reserves & Surplus

(₹ in Lakh)

Particulars	As at 31st March 2016	As at 31st March 2015
<b>(a) Capital Reserve</b>		
Opening Balance	117.36	96.60
Add: Addition during the year	-	43.64
Less : Transfer to Depreciation and amortization expense	(25.00)	(22.88)
Closing Balance	92.36	117.36
<b>(b) Power Subsidy</b>		
Opening Balance	99.28	99.28
Closing Balance	99.28	99.28
<b>(c) Securities Premium Account</b>		
Opening Balance	1,250.14	1,250.14
Closing Balance	1,250.14	1,250.14
<b>(d) General Reserve</b>		
Opening Balance	4,500.00	4,350.39
Add: Transfer from Surplus in Statement of Profit and Loss	-	149.61
Closing Balance	4,500.00	4,500.00
<b>(e) Surplus in Statement of Profit and Loss</b>		
Opening Balance	17,835.03	16,459.11
Add: Profit for the Current Year	4,556.25	1,987.89
Less: Depreciation adjustment pursuant to Schedule II to the Companies Act, 2013.	-	(252.26)
Transfer to Reserves	-	(149.61)
Interim dividend paid	350.19	-
Corporate Dividend Tax paid on Interim Dividend	70.02	-
Proposed Dividend	-	(175.09)
Corporate Dividend Tax on Proposed Dividend	-	(35.01)
Closing Balance	21,971.07	17,835.03
<b>TOTAL (a+b+c+d+e)</b>	<b>27,912.85</b>	<b>23,801.81</b>

## Note No 5: Long Term Borrowings

(₹ in Lakh)

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	Non-Current	Current	Non-Current	Current
<b>A. SECURED BORROWINGS</b>				
<b>(a) Term Loans from Banks (Secured) - Refer Note 5 (C)</b>				
State Bank of India	1,408.00	-	-	-
FCNR (B) Loan with SBI	-	-	3,113.47	1,271.00
Andhra Bank	1,000.00	-	2,584.00	618.71
State Bank of Hyderabad	-	-	1,768.60	422.60
State Bank of Mysore	-	-	1,062.14	232.87
Indian Bank	-	-	1,775.12	420.25
<b>(b) Equipment &amp; Vehicle Loans</b> (Secured by respective Equipments and Vehicles)				
(i) Equipment Loans				
From Banks	168.45	43.27		
From Others	58.13	30.74		
(ii) Vehicle Loans				
From Banks	7.38	3.04	3.96	1.14
From Others	74.72	18.19	14.18	3.17
<b>B. UNSECURED BORROWINGS</b>				
<b>(a) Deferred Payment Liabilities</b> Refer Note 5 (D)	1,309.69	-	1,309.69	200.64
<b>(b) Unsecured loans</b>				
From Related parties	275.00	-	-	-
Intercompany Loans (Note No. 32 regarding details of related parties)	200.00	-	-	-
	4,501.37	95.24	11,631.16	3,170.38
<b>The above loans includes</b>				
Secured	2,716.68	95.24	10,321.47	2,969.74
Unsecured	1,784.69	-	1,309.69	200.64
Amount disclosed under the head "Other Current Liabilities" Note No. 10		(95.24)		(3,170.38)
	4,501.37	-	11,631.16	-

**(C) Term Loans from Banks**

**(i) Security**

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

**(ii) Repayment Schedule (for the balance term loan as at 31st March 2016)**

Year	₹ in Lakh
2017 - 18	2,408.00

**(iii)** Equipment and Vehicle loans are secured by the respective equipment and vehicles purchased out of the proceeds of the said loan.

**(D) Deferred Payment Liabilities :(Unsecured )**

The company in earlier years availed Sales tax deferral loan aggregating to ₹ 1631.54 lakhs (balance outstanding as at 31.03.16 was ₹ 1309.69 lakhs) under a scheme of the State Government, for its enhanced capacity implemented in 2000-01. Balance loan, is repayable upto the financial year 2024-25 as per VAT assessment orders completed.

**Note No 6: Deferred Tax Liabilities**

(₹ in Lakh)

Particulars	As at 31st March 2016	As at 31st March 2015
<b>a) Liability</b>		
On Account of Depreciation	5,912.98	4,904.42
<b>b) Asset</b>		
On Account of Employee Benefits	(123.53)	(102.29)
Deferred Tax Liability (Net)	5,789.45	4,802.13

#### **Note No 7: Other Long Term Liabilities**

(₹ in Lakh)

<b>Particulars</b>	<b>As at 31st March 2016</b>	<b>As at 31st March 2015</b>
Security Deposits from Stockists & Others (Unsecured)	<b>2573.12</b>	3031.79
Interest payable on Equipment Loans	<b>88.86</b>	-
<b>TOTAL</b>	<b>2661.98</b>	3031.79

#### **Note No 8 : Long Term Provisions**

(₹ in Lakh)

<b>Particulars</b>	<b>As at 31st March 2016</b>	<b>As at 31st March 2015</b>
<b>Provision for Employee benefits</b>		
Gratuity	<b>276.93</b>	209.73
Leave Encashment	<b>61.33</b>	27.67
<b>TOTAL</b>	<b>338.26</b>	237.40

#### **Note No 9 : Short Term Borrowings**

(₹ in Lakh)

<b>Particulars</b>	<b>As at 31st March 2016</b>	<b>As at 31st March 2015</b>
<b>Secured</b>		
<b>Cash Credit from Banks</b>		
State Bank of India	<b>1,461.54</b>	2,755.54
Andhra Bank	<b>935.40</b>	1,276.16
State Bank of Mysore	<b>182.96</b>	198.82
State Bank of Hyderabad	<b>272.27</b>	49.24
W.C. Demand Loan with SBI	<b>500.00</b>	-
<b>TOTAL</b>	<b>3,352.17</b>	4,279.76

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

**Note No 10 : Other Current Liabilities**

(₹ in Lakh)

Particulars	As at 31st March 2016	As at 31st March 2015
(a) Current Maturities of Long Term Debt	95.24	3,170.38
(b) Interest accrued but not due		
On Term Loans	20.92	104.90
(c) Unpaid Dividends	33.29	18.35
(d) Other Payables		
Creditors for Capital Goods	49.82	126.13
Statutory Remittances	503.05	455.80
Other recoveries Payable	11.60	14.50
Advances from customers	1,175.36	825.63
	1,739.83	1,422.06
<b>TOTAL</b>	<b>1,889.28</b>	<b>4,715.69</b>

**Note No 11 : Short Term Provisions**

(₹ in Lakh)

Particulars	As at 31st March 2016	As at 31st March 2015
<b>Others</b>		
Provision for Taxation (Net of Advance Tax)	62.62	88.09
Proposed Dividend	-	175.09
Corporate Dividend Tax	-	35.01
	62.62	298.19
Gratuity Provision	14.65	12.65
Leave Encashment Provision	4.04	11.84
<b>TOTAL</b>	<b>81.31</b>	<b>322.68</b>



**Note No 12 : Fixed Assets**

(₹ in Lakhs)

Particulars	GROSS BLOCK - AT COST				DEPRECIATION			NET BLOCK	
	As at 31st March 2015	Additions During the Year	Deductions / Adjustments during the Year	As at 31st March 2016	Upto 31st March 2015	For the Year	Deductions / Adjustments during the Year	Upto 31st March 2016	As at 31st March 2016
<b>A. TANGIBLE ASSETS</b>									
Freehold Land	1849.48	-	-	1849.48	-	-	-	-	1849.48
Buildings	7730.50	92.26	-	7822.76	1920.04	238.90	-	2158.94	5663.82
Plant & Machinery	44269.69	444.75	127.17	44587.27*	18285.91	1660.37	99.02	19847.26	24740.01
Other Equipment	14.19	-	-	14.19	12.71	-	-	12.71	1.48
Furniture & Fixtures	88.90	8.50	-	97.40	62.91	2.64	-	65.55	31.85
Vehicles	151.47	115.55	9.68	257.34	89.95	14.52	8.47	96.00	161.34
Office Equipment	151.38	17.40	-	168.78	91.39	7.05	-	98.44	70.34
<b>Sub Total (A)</b>	<b>54255.61</b>	<b>678.46</b>	<b>136.85</b>	<b>54797.22</b>	<b>20462.91</b>	<b>1923.48</b>	<b>107.49</b>	<b>22278.90</b>	<b>32518.32</b>
<b>B. INTANGIBLE ASSETS</b>									
Land - Mining	28.87	-	-	28.87	28.87	-	-	28.87	-
Compensatory Land for Afforestation (ML - 1 & 2)	36.80	-	-	36.80	36.80	-	-	36.80	-
Compensatory Land for Afforestation ( ML - 3 )	1601.40	-	-	1601.40	53.38	53.38	-	106.76	1494.64
Computer software	16.75	31.15	-	47.90	16.75	0.66	-	17.41	30.49
Power Evacuation Project	124.28	-	-	124.28	16.26	31.07	-	47.33	76.95
132 KV Switch Yard	197.79	-	-	197.79	45.25	49.45	-	94.70	103.09
<b>Sub Total (B)</b>	<b>2005.89</b>	<b>31.15</b>	<b>-</b>	<b>2037.04</b>	<b>197.31</b>	<b>134.56</b>	<b>-</b>	<b>331.87</b>	<b>1705.17</b>
<b>C. CAPITAL WORK IN PROGRESS</b>									
Works in Progress - Civil & Others	3296.02	108.10	-	3404.12	-	-	-	-	3404.12
<b>Sub Total (C)</b>	<b>3296.02</b>	<b>108.10</b>	<b>-</b>	<b>3404.12</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3404.12</b>
<b>TOTAL ( A +B+C)</b>	<b>59557.52</b>	<b>817.71</b>	<b>136.85</b>	<b>60238.38</b>	<b>20660.22</b>	<b>2058.04</b>	<b>107.49</b>	<b>22610.77</b>	<b>37627.61</b>
Total of Previous Year	59365.04	310.62	141.03	59534.63	18544.27	1948.33	144.73	20637.33	38897.30

\* Includes cost of 33 KV line at Wind farm, Hydrel Power Plant, Cement Div and Slag Division aggregating to ₹ 128.04 lakhs ownership of which vest with respective TRANSCO's.



## Notes to the Financial Statements

### Note No 13 : Non Current Investments

(₹ in Lakh)

Particulars	As at 31st March 2016	As at 31st March 2015
<b>Long term (at cost)</b>		
<b>(a) Investment in Equity Instruments - Quoted</b>		
Tata Consultancy Services Ltd. (220 Equity Shares of ₹ 1/- each fully paid)	0.47	0.47
<b>(b) DCFEMAC Co-operative Stores Limited (Unquoted -Fully paid)</b> (236 Equity Shares of ₹100/- each)	0.10	0.10
<b>(c) Investment in Property</b>		
Investment in Land	8.12	8.12
<b>Total (a) + (b) + (c)</b>	8.69	8.69
Less : Provision for diminution in the value of Investments	-	-
<b>TOTAL</b>	8.69	8.69
Aggregate market value of Quoted investments	5.54	5.62

### Note No 14 : Long Term Advances

(₹ in Lakh)

Particulars	As at 31st March 2016	As at 31st March 2015
<b>(a) Capital Advances</b>		
(Unsecured, Considered good)		
Advances for Capital Goods	44.41	53.34
<b>(b) Security Deposits</b>		
(Unsecured, Considered good)		
(i) Deposits with Govt & Others	855.04	885.12
(ii) Advance Income Tax (Net of Tax Provision)	167.59	112.36
(iii) Others	88.86	-
<b>TOTAL</b>	1,155.90	1,050.82

### Note No 15 : Inventories

(₹ in Lakh)

Particulars	As at 31st March 2016	As at 31st March 2015
(a) Raw Materials	158.46	399.11
(b) Work-in-process	882.52	1,089.23
(c) Finished goods	742.83	916.02
(d) Stores and spares	2,325.16	2,246.03
(e) Packing Material	144.50	193.87
(f) Coal	1,125.98	1,990.55
<b>TOTAL</b>	5,379.45	6,834.81

#### Note No 16 : Trade Receivables

(₹ in Lakh)

Particulars	As at 31st March 2016	As at 31st March 2015
<b>Unsecured, Considered good</b>		
(i) Outstanding for a period exceeding Six months	92.13	143.70
(ii) Other debts	723.29	2,831.46
<b>TOTAL</b>	<b>815.42</b>	<b>2,975.16</b>

#### Note No 17 : Cash and Bank Balances

(₹ in Lakh)

Particulars	As at 31st March 2016	As at 31st March 2015
(a) Cash on Hand	15.51	13.73
(b) Balances with Banks in Current / Collection accounts	2700.37	1,926.61
(c) Earmarked balances with Banks (Unpaid Dividend a/c)	33.29	18.34
(d) Margin Money Deposits	116.36	83.85
(e) Term Deposits with remaining maturity of more than 3 months but less than 12 months	633.00	583.00
<b>TOTAL</b>	<b>3,498.53</b>	<b>2,625.53</b>

#### Note No 18 : Short term Advances

(₹ in Lakh)

Particulars	As at 31st March 2016	As at 31st March 2015
<b>Unsecured, Considered good</b>		
(a) Advances for purchase of		
- Raw Materials and Coal	177.87	812.78
- Stores and Spares	134.02	112.99
(b) Advances to Employees	19.63	19.23
(c) Other Advances	308.83	316.95
<b>TOTAL</b>	<b>640.35</b>	<b>1,261.95</b>

#### Note No 19 : Other Current Assets

(₹ in Lakh)

Particulars	As at 31st March 2016	As at 31st March 2015
(a) Pre Paid Expenses	49.77	154.34
(b) MAT Credit Entitlements	22.46	781.55
(c) Interest Accrued	37.09	29.97
(d) Govt. Incentive Receivable	19.65	79.02
(e) Unbilled Revenue - Banked Energy	10.41	285.59
<b>TOTAL</b>	<b>139.38</b>	<b>1,330.47</b>

## Notes to the Financial Statements

### Note No 20 : Revenue from Operations

(₹ in Lakh)

Particulars	Year Ended 31st March 2016		Year Ended 31st March 2015	
<b>Sale of Products</b>				
(a) Cement Sales (breakup given below)	74,663.16		56,188.54	
(b) Clinker Sales	-		29.20	
	74,663.16		56,217.74	
(c) Income from Power Generation (Net of Charges for Wheeling, Banking)				
Wind	83.35		144.41	
Hydel	330.50		421.14	
Thermal	447.19		424.17	
	861.04		989.72	
<b>Total Revenue (Including VAT &amp; Excise)</b>	75,524.20		57,207.46	
Less: VAT	8,580.42		6,618.81	
<b>TOTAL</b>	66,943.78		50,588.65	
	<b>Quantity</b>	<b>Amount</b>	<b>Quantity</b>	<b>Amount</b>
	<b>M.T.</b>	<b>₹ in Lakh</b>	<b>M.T.</b>	<b>₹ in Lakh</b>
<b>Turnover</b>				
<b>(a) Cement Sales (Break up)</b>				
Sale of Cement	1,316,908	74,660.06	1,078,647	56,187.32
Internal Consumption of Cement	235	3.10	72	1.22
Lab samples of Cement	13	-	11	-
	1,317,156	74,663.16	1,078,730	56,188.54
<b>(b) Clinker Sales</b>	-	-	1,038	29.20

### Note No 21 : Other Income

(₹ in Lakh)

Particulars	Year Ended 31st March 2016	Year Ended 31st March 2015
(a) Interest Income	91.64	80.23
(b) Dividend Income	0.20	0.21
(c) Profit on Sale of Fixed Assets	21.82	18.96
(d) Scrap Sales	11.11	83.10
(e) Credit Balances Written back	0.55	12.80
(f) Miscellaneous Income	12.83	74.55
(g) Rental Income	10.22	9.46
(h) Foreign Exchange Gain	-	8.31
<b>TOTAL</b>	<b>148.37</b>	<b>287.62</b>

**Note No 22 : Cost of Raw Material Consumed**

(₹ in Lakh)

Particulars	Year Ended 31st March 2016	Year Ended 31st March 2015
(a) Limestone	1,580.76	1,183.44
(b) Iron Ore	1,009.93	701.69
(c) Gypsum	1,242.24	828.74
(d) Fly Ash	435.90	328.46
(e) Laterite	291.67	95.03
(f) Internal Transport of Materials	10.73	40.56
<b>TOTAL</b>	<b>4,571.23</b>	<b>3,177.92</b>

**Note No 23 : Power and Fuel**

(₹ in Lakh)

Particulars	Year Ended 31st March 2016	Year Ended 31st March 2015
<b>Power and Fuel</b>		
(i) Power	1,014.57	1,811.50
(ii) Coal	13,778.62	11,652.64
<b>TOTAL</b>	<b>14,793.19</b>	<b>13,464.14</b>

**Note No 24 : Changes in inventories of finished goods, work-in-process and stock-in-trade**

(₹ in Lakh)

Particulars	Year Ended 31st March 2016	Year Ended 31st March 2015
<b>(a) Work-in-Process</b>		
Opening Stock	1,089.23	1,533.24
Closing Stock	882.52	1,089.23
	<b>206.71</b>	<b>444.01</b>
<b>(b) Finished Goods</b>		
Opening Stock	916.02	796.77
Closing Stock	742.83	916.02
	<b>173.19</b>	<b>(119.25)</b>
<b>TOTAL</b>	<b>379.90</b>	<b>324.76</b>

## Notes to the Financial Statements

### Note No 25 : Employee benefits expense

(₹ In Lakh)

Particulars	Year Ended 31st March 2016	Year Ended 31st March 2015
(a) Salaries, Wages and bonus	1,803.15	1,350.91
(b) Contribution to Provident and other funds	178.59	150.85
(c) Workmen and Staff welfare Expenses	203.19	185.90
<b>TOTAL</b>	<b>2,184.93</b>	<b>1,687.66</b>

### Note No 26 : Finance Cost

(₹ in Lakh)

Particulars	Year Ended 31st March 2016	Year Ended 31st March 2015
<b>(a) Interest</b>		
(i) Term Loans	994.39	1,857.31
(ii) Working Capital Loans	197.13	269.78
(iii) Others	165.52	192.81
<b>(b) Other Financial Charges</b>	<b>109.98</b>	<b>261.91</b>
<b>(c) Bank Charges</b>	<b>54.63</b>	<b>81.38</b>
<b>TOTAL</b>	<b>1,521.65</b>	<b>2,663.19</b>

### Note No 27 : Selling and Distribution Expenses

(₹ in Lakh)

Particulars	Year Ended 31st March 2016	Year Ended 31st March 2015
<b>Selling and Distribution Expenses</b>		
Consumption of Packing Materials	2,027.12	1942.50
Freight Charges		
By road	9,944.99	6847.85
By rail	2,435.52	2169.27
Testing and Marking fees	44.40	15.86
Commission on Sales	558.98	408.11
Other Selling Expenses	1,947.11	1148.65
Rebates, discounts and price differences	3,943.08	3044.50
Bad debts written off	30.70	17.49
<b>TOTAL</b>	<b>20,931.90</b>	<b>15594.23</b>

**Note No 28: Other Expenses**

(₹ in Lakh)

<b>Particulars</b>	<b>Year Ended 31st March 2016</b>	<b>Year Ended 31st March 2015</b>
<b>(a) Consumption of Stores and Spares</b>	<b>1,779.58</b>	<b>1,477.40</b>
<b>(b) Repairs and Maintenance</b>		
Buildings	<b>45.89</b>	33.77
Plant and Machinery	<b>482.91</b>	433.88
Others	<b>530.50</b>	438.21
	<b>1,059.30</b>	905.86
<b>(c) Administration Expenses</b>		
Travelling and Conveyance	<b>130.60</b>	131.97
Directors' Travelling and Conveyance	<b>12.09</b>	7.57
Directors' sitting fees	<b>6.32</b>	1.18
Printing and Stationery	<b>17.72</b>	15.28
Communication Expenses	<b>31.82</b>	28.71
Legal and Professional charges	<b>65.11</b>	60.00
Insurance	<b>56.26</b>	29.09
Auditors' Remuneration	<b>12.40</b>	12.75
Staff Recruitment and Training	<b>1.71</b>	2.52
Rent	<b>64.46</b>	90.29
Rates and Taxes	<b>39.67</b>	49.18
Donations	<b>2.00</b>	-
Security Service Charges	<b>118.40</b>	116.02
Sundry Expenses	<b>104.22</b>	76.66
Corporate Social Responsibility	<b>51.99</b>	34.10
Business Promotion Expenses	<b>28.25</b>	32.24
	<b>743.02</b>	687.56
<b>TOTAL</b>	<b>3,581.90</b>	<b>3,070.82</b>

## Notes to the Financial Statements

29. Contingent Liabilities and Commitments (not provided for)		(₹ in Lakh)
(A) Contingent Liabilities	Current Year	Previous Year
(a) Claims against the Company not acknowledged as Debt		
(i) Counter Guarantees to banks	760.60	656.62
(ii) Claims for difference in prices for the year 1994-95 filed by Metropolitan Transport Project, Chennai, matter pending with High Court of Chennai.	6.83	6.83
(b) Other Money for which the company is contingently liable		
(i) Income Tax		
For the Asst Year 1997-98 towards disallowances of debenture issue expenses and bad debts. Matter pending in appeal before the Income Tax Appellate Tribunal.	6.46	6.46
(ii) Sales Tax:		
a) Regarding sales tax on packing materials in respect of Asst Year 1993-94 for which the company filed writ petition in the High Court of Andhra Pradesh and obtained stay on payment of 50% of the disputed demand	11.52	11.52
b) Sales Tax Demand for the deemed excess production based on the Energy Audit for the years 1999-2000 & 2000-01.	85.68	85.68
c) Sales Tax Demand for interest of ₹ 1,37,24,338/- on alleged excess utilization of Sales tax incentive. Stay was granted by Additional Commissioner (CT) (Legal) subject to 50% payment of disputed amount.	137.24	137.24
d) Sales Tax Demand for ₹ 51,60,765/- recovery of excess paid interest for the Assessment years 2002 -03 to 2004 -05. Appeal was filed by the company before the High Court of A.P.	51.61	51.61
(iii) The A.P. Government has issued a G.O. Ms. No 391 levying Water Rates on the quantum of water used in the generation of power and demanded payment of ₹ 723.29 Lakhs for the period 1997 to February 2008. Appeal is pending in the High Court of Andhra Pradesh.	723.29	723.29
(iv) Duty on Electricity generated and consumed was levied by the AP Govt. at 25 paise per unit for the years 2003-04 to 2008-09. The High court of A. P. has stayed the operation of AP Electricity Duty Amendment Act, 2003 but asked to submit monthly returns of generation of power.	316.23	316.23
(v) Seigniorage Fee on Sand, Metal & Gravel used for expansion project.	23.59	23.59
(vi) Central Excise	412.64	412.64
Disallowance of Cenvat credit availed on MS Angles, MS Plates, MS Sheets; HR Coils. Pre deposited ₹ 1 Crore as per the order of appellate authority – CESTAT, Bangalore.		
(vii) M/S Singareni Collieries Company Limited, with whom the company has entered into Fuel Supply Agreements, has raised a demand of ₹ 391.50 Lakhs towards District Mineral Foundation Contribution at 30% of the Royalty charged for the supply of coal from 12th Jan 2015 to 9th Feb 2016. The demand has been challenged by the company in the High Court of Andhra Pradesh and Telangana. The Honorable High Court stayed the demand.	391.50	-
(B) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for: (net of advances)	793.63	Nil

### 30. Employee Benefits

#### (i) Defined Benefit Plan

- Liability for retiring gratuity as on 31st March 2016 is ₹ 291.58 Lakhs (31.03.2015: ₹ 222.38 Lakhs) of which ₹ 53.55 Lakhs (31.03.2015 ₹ 66.87 Lakhs) is funded with the Life Insurance Corporation of India and the balance of ₹ 238.03 Lakhs (31.03.2015: ₹ 155.51 Lakhs) is included in provision for Gratuity.
- Liability for cost of compensated absences as on 31st March 2016 of ₹ 65.37 Lakhs (31.03.2015: ₹ 39.51 Lakhs) is unfunded and has been actuarially determined and provided for in the books.
- The details of the Company's post - retirement benefit plans for its employees including whole time directors are given below which are certified by the actuary.

(₹ in Lakh)

Particulars	Gratuity		Compensated Absences	
	2015 - 16	2014 - 15	2015 - 16	2014 - 15
<b>Net Assets / (Liability) recognized in the Balance Sheet</b>				
Present Value of Obligation	222.38	168.24	-	-
Fair Value of Plan Assets Liability/(Assets)	69.20	54.14	-	-
Unrecognized past service cost	Nil	Nil	-	-
Liability/(Assets) recognised in the Balance Sheet	291.58	222.38	39.51	39.51
<b>Component of Employer's Expense</b>				
Current Service Cost	19.50	13.27	-	-
Interest Cost	20.34	15.39	-	-
Expected Return on Plan Assets	(5.34)	(6.24)	-	-
Net Actuarial Gain/(Loss) recognised	57.80	44.23	-	-
Past Service Cost	-	-	-	-
Expenses Recognised in the Statement of Profit and loss	(92.30)	(66.65)	-	-
<b>Movement in the Net Liability recognized in the Balance Sheet</b>				
Opening Net Liability	222.38	168.24	39.51	103.14
Expenses recognized in the Statement of Profit and Loss	92.30	66.65	-	-
Employer contribution	(23.10)	(12.51)	-	-
Payment made to employee on retirement	-	-	-	-
Closing Net Liability	291.58	222.38	65.37	39.51



Particulars	(₹ in Lakh)			
	Gratuity		Compensated Absences	
	2015 - 16	2014 - 15	2015 - 16	2014 - 15
<b>Actuarial Assumptions</b>				
Discount Rate (per annum)	8 %	9.15 %	8 %	9.15 %
Mortality	IALM (2006-08)	LIC (2006-08)	IALM (2006-08)	LIC (2006-08)
Expected Rate of return on Plan Asset (per annum)	8 %	9 %	-	-
Salary Escalation rate (per annum)	4 %	6%	4%	6%
Valuation Method	Projected Unit Cost Method	Projected Unit cost Method	Projected Unit cost Method	Projected Unit cost Method

**(ii) Defined contribution plans**

The Company made Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognized ₹ 85.22 Lakhs (31.03.2015: ₹ 82.78 Lakhs) for Provident Fund contributions and ₹ 7.81 Lakhs (31.03.2015: ₹ 8.07 Lakhs) for Superannuation Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

**31. Segment Reporting**

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

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

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

## 32. Accounting Standard 18 – Related Party Disclosure

### (i) Names of related parties and description of relationships

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

## (ii) Transactions during the year with related parties

Sl. No	Na ture of Transactions	Key Management Personnel		Relatives of Key Management Personnel		Directors		Enterprises in which KMP or relatives having significant influence	
		2015-16	2014 - 15	2015-16	2014 - 15	2015-16	2014 - 15	2015-16	2014 - 15
(i)	Rent Paid	-	-	33.60	33.60	-	-	-	-
(ii)	Unsecured Loans / deposits Received	725.00	-	-	-	-	-	206.00	-
	Paid	450.00	700.00	-	35.00	-	-	6.00	205.00
(iii)	Remuneration including Commission	561.80	305.60	-	-	5.00	5.00	-	-
(iv)	Interest on Unsecured Loans	46.66	-	-	-	-	-	24.08	-
(v)	Interest on FD	-	-	-	3.90	-	-	-	6.96

## (iii) Balance outstanding as on Balance Sheet date

Nature of Transactions	Key Management Personnel		Relatives of Key Management Personnel		Directors		Enterprises in which KMP or relatives having significant influence	
	2015-16	2014 - 15	2015-16	2014 - 15	2015-16	2014 - 15	2015-16	2014 - 15
<b>Credit Balance</b>								
Mr. M B Raju	-	-	-	-	-	-	-	-
Ms. P Parvathi	275.00	-	-	-	-	-	-	-
Mr. Umesh Shrivastava	-	-	-	-	0.83	1.00	-	-
Mr. P Venugopal Raju	-	-	-	-	0.83	1.00	-	-
Mr. K P Singh	-	-	-	-	0.83	1.00	-	-
Mr. J Narayanamurthy	-	-	-	-	0.83	1.00	-	-
Dr. S A Dave	-	-	-	-	0.83	1.00	-	-
Mr. R Gopalakrishnan	-	-	-	-	0.83	-	-	-
Satyasai Investments and Leasing Ltd.	-	-	-	-	-	-	200.00	-
<b>Total</b>	<b>275.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5.00</b>	<b>5.00</b>	<b>200.00</b>	<b>-</b>

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

Particulars	2015-16	2014 - 15
<b>(a) Key Management Personnel</b>		
(i) Deposits Refunded		
Mr. M B Raju	-	450.00
Ms. P Parvathi	-	250.00
(ii) Unsecured Loans		
Received		
Mr. M B Raju	450.00	-
Ms. P Parvathi	275.00	-
Paid		
Mr. M B Raju	450.00	-
(iii) Remuneration including commission		
Mr. M B Raju	255.99	136.43
Ms. P Parvathi	268.02	134.76
<b>(b) Relatives of Key Management Personnel</b>		
(i) Rent Paid		
Ms. M Lakshmi	33.60	33.60
(ii) Deposits Refunded		
Ms. P Aishwarya	-	25.00
Mr. P Anirudh Raju	-	10.00
<b>(c) Directors Commission</b>		
Mr. Umesh Shrivastava	0.83	1.00
Mr. P Venugopal Raju	0.83	1.00
Mr. K P Singh	0.83	1.00
Mr. J Narayanamurthy	0.83	1.00
Dr. S A Dave	0.83	1.00
Mr. R Gopalakrishnan	0.83	-
<b>(d) Enterprises in which KMP or relatives having significant influence</b>		
(i) Deposits		
Paid		
DCL Exim Private Limited		(5.00)
Satyasai Investments and Leasing Ltd.		(200.00)
(ii) Unsecured Loans		
Received		
Satyasai Investments and Leasing Ltd.	200.00	-

**33. Earnings Per Share**

Particulars	31st March 2016	31st March 2015
Net Profit after tax available for equity shareholders (₹ in Lakhs)	4556.25	1987.89
Weighted Average number of equity shares for Basic EPS (Nos.)	70,03,750	70,03,750
Weighted Average number of equity shares for Diluted EPS (Nos.)	70,03,750	70,03,750
Face value per share (₹)	10	10
Basic & Diluted Earnings per share* (₹)	65.05	28.38

\*The Company has no dilutive instruments during the year ended 31st March 2016. Hence, the Diluted Earnings per share equals to Basic Earnings per share.

## Notes to the Financial Statements

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

**35. Auditor's Remuneration**

(₹ in Lakh)

Particulars	31st March 2016	31st March 2015
Audit Fee	6.00	4.00
Certification Work	0.40	0.75
Corporate Governance	-	0.10
Tax Audit fee	1.75	0.75
Reimbursement of expenses	1.25	1.25
Limited Review Fee	2.25	0.90
Taxation matters	0.75	5.00
<b>Total</b>	<b>12.40</b>	<b>12.75</b>

**36. Value of Imports calculated on CIF basis**

(₹ in Lakh)

Particulars	Year ended 31st March 2016	Year ended 31st March 2015
Raw materials	-	-
Components and spare parts	8.81	1.28
Capital goods	-	-

37. **Expenditure in Foreign Currency : ₹ 51.72 Lakhs** (Previous Year - ₹ 147.51 Lakhs)

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

(₹ in Lakh)

Particulars	% of total Consumption	31st March 2016 Value	% of total Consumption	31st March 2015 Value
<b>Raw Materials</b>				
Imported	-	-	-	-
Indigenous	100.00	4,571.23	100.00	3,177.92
<b>Stores, Spare Parts and Packing Materials</b>				
Imported	0.23	8.61	0.88	30.26
Indigenous	99.77	3,798.09	99.12	3,389.64

### 39. Derivative Instruments

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

Particulars	As at 31st March 2016		As at 31st March 2015	
	US \$	₹ in Lakh	US \$	₹ in Lakh
Forward contracts outstanding in USD	Nil	Nil	67,42,406.88	4,384.47

### 40. Corporate Social Responsibility (₹ in Lakh)

Sl. No.	Particulars	Balance to be spent as at the beginning of the year	Current year contribution	Amount spent during the year	Balance to be spent as at the end of the year
i	Construction / acquisition of any asset			NIL	
ii	On purposes other than (i) above	19.79 (Nil)	32.11 (53.89)	51.99 (34.10)	Nil (19.79)

Numbers in bracket represent previous year figures.

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

### Signatures to Notes to Financial Statements

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

**For and on behalf of the Board**

**V K Muralidhar**  
Partner  
Membership No : 201570

**M B Raju**  
Executive Chairman  
DIN: 00016652

**P Parvathi**  
Managing Director  
DIN: 00016597

Place : Hyderabad  
Date : 20.05.2016

**R V A Narasimha Rao**  
Chief Financial Officer

**S K Mishra**  
Company Secretary  
FCS 8555



## DECCAN CEMENTS LIMITED

CIN: L26942TG1979PLC002500

**Registered Office:** 'Deccan Chambers', 6-3-666/B

Somajiguda, Hyderabad - 500 082. Tel: 040-23310168, Fax: 040-23318366

E-mail: info@deccancements.com, Website: www.deccancements.com

### ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall

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

I/We hereby record my/our presence at the **36th Annual General Meeting** of the Company to be held on **Friday, 23rd September 2016 at 10:00 A.M. at "Bhaskara Auditorium", Birla Museum, Adarsh Nagar, Hyderabad - 500 063.**

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

\* Applicable for Investors holding shares in electronic form.

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



## DECCAN CEMENTS LIMITED

CIN: L26942TG1979PLC002500

**Registered Office:** 'Deccan Chambers', 6-3-666/B

Somajiguda, Hyderabad - 500 082. Tel: 040-23310168, Fax: 040-23318366

E-mail: info@deccancements.com, Website: www.deccancements.com

### Proxy Form

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

Name of the Shareholder(s) (IN BLOCK LETTERS): \_\_\_\_\_

Registered Address: \_\_\_\_\_

\_\_\_\_\_ PIN Code: \_\_\_\_\_

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

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

A Name (IN BLOCK LETTERS): \_\_\_\_\_

Address : \_\_\_\_\_

E-mail Id : \_\_\_\_\_ Signature: \_\_\_\_\_

or failing him/her

B Name (IN BLOCK LETTERS): \_\_\_\_\_

Address : \_\_\_\_\_

E-mail Id : \_\_\_\_\_ Signature: \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 36th Annual General Meeting of the Company to be held on Friday, 23rd September 2016 at 10:00 A.M. at "Bhaskara Auditorium", Birla Museum, Adarsh Nagar, Hyderabad - 500 063 and at any adjournment thereof in respect of such Resolutions as are indicated on the back of this Proxy Form:

Item Nos.	Resolutions	Vote (Please mention no. of shares)		
Ordinary Resolution		For	Against	Abstain
1.	Adoption of Audited Balance Sheet as at 31st March 2016 and Statement of Profit & Loss for the Year ended on that date together with the Reports of the Directors' and Auditors' thereon.			
2.	Confirmation of payment of interim dividend as final dividend for the Financial Year 2015-16.			
3.	Appointment of a Director in place of Mr. P Venugopal Raju (DIN: 00016548) who retires by rotation and being eligible offers himself for re-appointment.			
4.	Ratification of appointment of M/s. M Bhaskara Rao & Co, Chartered Accountants as the Statutory Auditors of Company and fixation of their remuneration.			
5.	Ratification of remuneration to the Cost Auditors for the Financial Year 2016-17.			
6.	Approval to deliver document through a particular mode as may be sought by any member of the Company .			

Place :

Date :

Affix  
Revenue  
Stamp

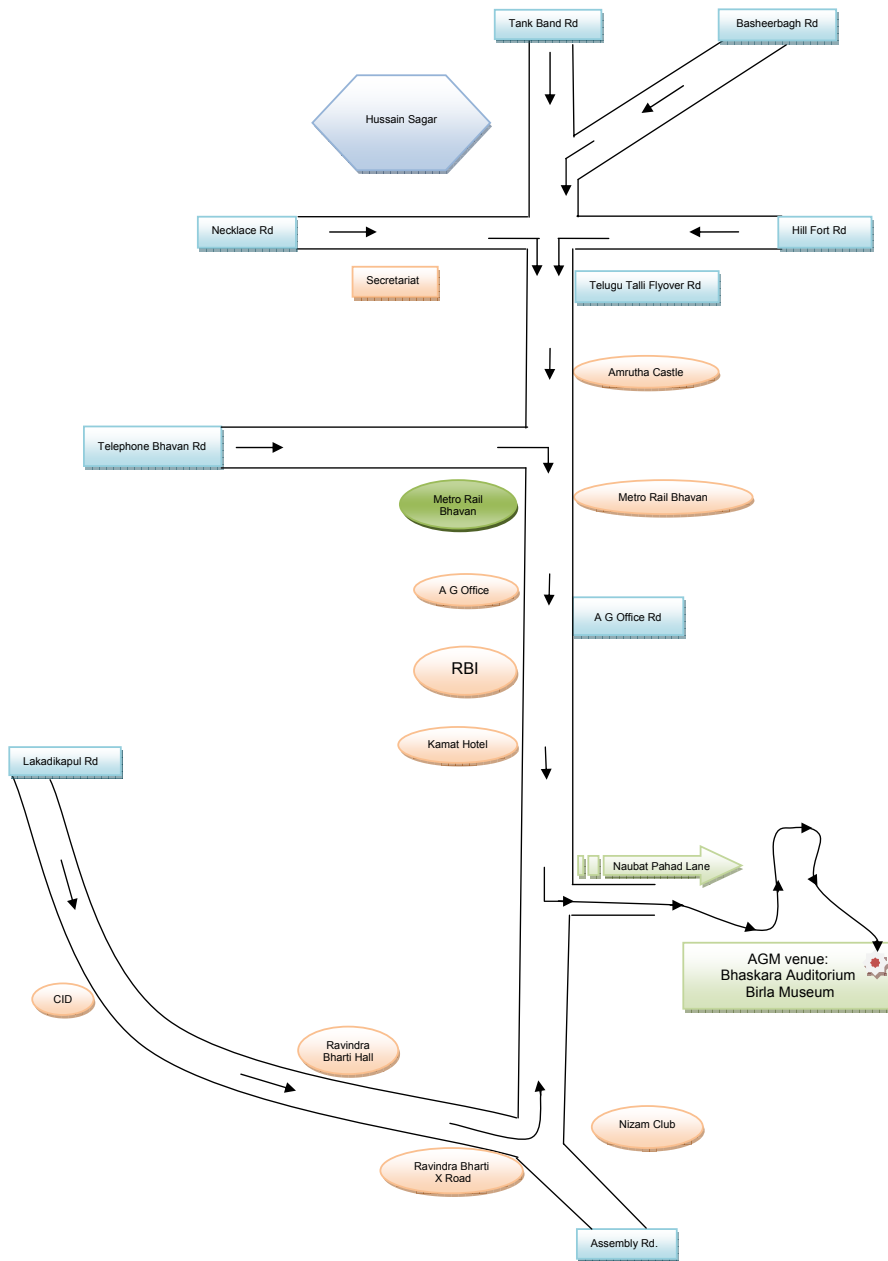
Signature of Shareholder.....

Signature of Proxy holder .....

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



## Route Map to AGM Venue



[illegible]



◀ Cultural Program at DCL High School

Plantation by our Director ▶



◀ National Safety Award 2016

Haritha Haram Plantation ▶



