



DCL:SECY:2017

14th August 2017

BSE Limited
Corporate Relationship Department
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400 001

National Stock Exchange of India Limited
Listing Department
Exchange Plaza, Plot No. C/1, G Block
Bandra-Kurla Complex, Bandra (East)
Mumbai - 400 051

scrip Code: 502137

Trading Symbol: DECCANCE

Dear Sir,

Subject: Submission of Annual Report 2016-17

Pursuant to regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 herewith submitting the Annual Report for the year 2016-17 as approved and adopted by the members of the Company in the Annual General Meeting held on 11th August 2017

Kindly take the same on record.

Thanking you,

Yours faithfully
for Deccan Cements Limited


S K Mishra
Company Secretary

37TH ANNUAL REPORT
2016-17



DECCAN CEMENTS LIMITED

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



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Corporate Information

Board of Directors

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

Senior Management

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

Bankers

State Bank of India
Andhra Bank
State Bank of Hyderabad
State Bank of Mysore
Corporation Bank
Kotak Mahindra Bank

Secretarial Auditors

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

Registrar and Share Transfer Agent

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

Statutory Auditors

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

Cost Auditors

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

Registered Office

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

NOTICE

Notice is hereby given that the **Thirty-seventh Annual General Meeting** of the Members of **Deccan Cements Limited** will be held on **Friday, 11th August 2017 at 11:00 A.M.** at Bhaskara Auditorium, Birla Museum, Adarsh Nagar, Hyderabad - 500 063 to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2017 and the Statement of Profit & Loss for the Year ended on that date together with the Reports of Directors' and Auditors' thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr. R Gopalakrishnan (DIN: 00296413) who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s. M. Anandam & Co., Chartered Accountants, Secunderabad, having Firm Registration No. 000125S issued by the Institute of Chartered Accountants of India, be and are hereby appointed as Statutory Auditors of the Company in place of retiring Auditors M/s. M. Bhaskara Rao & Co., to hold office from the conclusion of this Annual General Meeting up to the conclusion of the forty-second Annual General Meeting of the company to be held in the year 2022 (subject to ratification of their appointment at every Annual General Meeting) at such remuneration and out of pocket expenses as may be fixed by the Board of Directors of the Company."

SPECIAL BUSINESS:

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

To consider and if thought fit, to pass, with or

without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 as amended from time to time, the Company hereby ratifies the remuneration of ₹1,10,000/- (Rupees One Lakh Ten Thousand only) plus reimbursement of travelling and out of pocket expenses payable to Aruna Prasad & Co., Cost Accountants, Chennai who have been appointed by the Board of Directors as Cost Auditors of the Company, to conduct the audit of the cost accounting records of the Company for the Financial Year ending 31st March 2018.

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

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

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

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

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

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

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

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

7. Amendment of Memorandum of Association of the Company.

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

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

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

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

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

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

“RESOLVED THAT pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 as amended

from time to time, in addition to sitting fees paid/ payable for attending the meeting of Board of Directors and Committees thereof, a sum not exceeding 1% of the net profits of the company calculated in accordance with the provisions of Section 198 of the Act, subject to a ceiling of ₹10,00,000/- (Rupees Ten Lakhs only) per annum, be paid to and distributed amongst the Directors (other than the Managing Director and Executive Chairman) or some or any of them in such amounts or proportions and in such manner and in all respects as may be determined by the Board of Directors, as commission and such payments shall be made in respect of the profits of the company for each financial year, for a period of five years from 1st April 2017 till 31st March 2022.

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

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

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

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

1. Salary: ₹5,00,000/- (Rupees Five Lakh only) per month.
2. Commission: @ 2% of the net profits of the Company in each financial year computed in the manner laid down in Section 198 of the Companies Act, 2013
3. Perquisites and Allowances:
 - I. Housing:
 - a. The expenditure incurred by the Company on hiring accommodation for the Executive Chairman shall be subject to a ceiling of 70% of salary.
 - b. Where accommodation in Company owned house is provided, the Executive Chairman shall pay to the Company by way of rent 10% of salary.
 - c. Where the Company does not provide accommodation to the Executive Chairman, House Rent allowance may be paid by the Company in accordance with (a) above.
 - d. The expenditure incurred by the Company on gas, electricity, water and furnishing will be subject to a ceiling of 10% of salary of the Executive Chairman.
 - II. Medical Reimbursement:

Expenses incurred for self and his family subject to a ceiling of one month's salary per year or three months' salary in a period of three years.
 - III. Leave Travel Concession:

For self and family once in a year incurred in accordance with the Rules specified by the Company.
 - IV. Club Fees:

Fees of clubs subject to a maximum of two clubs, admission and life membership fees not being allowed

V. Personal Accident Insurance:

For an amount as per the rules of the Company.

VI. Other:

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

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

Provision of car for use on Company's business and telephone and internet at residence will not be considered as perquisites. All long distance personal calls shall be duly logged and paid for by the Executive Chairman. Earned / Privilege Leave will be on full pay and allowances as per rules of the Company. Leave accumulated but not availed at during his tenure may be allowed to be encashed as per the rules of the Company.

RESOLVED FURTHER THAT notwithstanding the above, in the absence of or inadequacy of profits in any financial year, Mr. M B Raju (DIN: 00016652) be paid the above remuneration as minimum remuneration in terms of proviso to Section II (A) of Part II of Schedule V of the Companies Act, 2013 as may be applicable to the Company from time to time.

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

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

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

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

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

1. Salary: ₹4,50,000/- (Rupees Four Lakh Fifty Thousand only) per month.
2. Commission: @ 2% of the net profits of the Company in each financial year computed in the manner laid down in Section 198 of the Companies Act, 2013.
3. Perquisites and Allowances:
 - i. Housing:
 - a. The expenditure incurred by the Company on hiring accommodation for the Managing Director shall be subject to a ceiling of 70% of salary.

- b. Where accommodation in Company owned house is provided, the Managing Director shall pay to the Company by way of rent 10% of salary.
 - c. Where the Company does not provide accommodation to the Managing Director House Rent allowance may be paid by the Company in accordance with (a) above.
 - d. The expenditure incurred by the Company on gas, electricity, water and furnishing will be subject to a ceiling of 10% of salary of the Managing Director.
- II. Medical Reimbursement:
Expenses incurred for self and family subject to a ceiling of one months' salary per year or three months' salary in a period of three years.
- III. Leave Travel Concession:
For self and family once in a year incurred in accordance with the Rules specified by the Company.
- IV. Club Fees:
Fees of clubs subject to a maximum of two clubs, admission and life membership fees not being allowed
- V. Personal Accident Insurance:
For an amount as per the rules of the Company
- VI. Other:
- a. Company's contribution towards Provident Fund: subject to a ceiling of 12% of salary, as per rules of the Company.
 - b. Company's contribution towards Pension / Superannuation Fund: as per rules of the Company; such contribution to the Provident Fund shall not exceed 27% of salary.

- c. Gratuity payable in accordance with an approved scheme and shall not exceed one half month's salary for each completed year of service.

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

Provision of car for use on Company's business and, telephone and internet at residence will not be considered as perquisites. All long distance personal calls shall be duly logged and paid for by the Managing Director. Earned/Privilege Leave will be on full pay and allowances as per rules of the Company. Leave accumulated but not availed at during her tenure may be allowed to be encashed as per the rules of the Company.

RESOLVED FURTHER THAT notwithstanding the above, in the absence of or inadequacy of profits in any financial year, Ms. P Parvathi (DIN: 00016597), be paid the above remuneration as minimum remuneration in terms of proviso to Section II (A) of Part II of Schedule V of the Companies Act, 2013 as may be applicable to the Company from time to time."

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

By Order of the Board

S K Mishra

Company Secretary
FCS 8555

Place : Hyderabad
Date : 19.05.2017

Notes

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

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

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

- 2) Corporate Members intending to send their authorized representatives are requested to send duly certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the Annual General Meeting (AGM).
- 3) An explanatory statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the AGM is annexed hereto.
- 4) In terms of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 brief resume of the Directors seeking appointment / reappointment at the AGM are given in the annexure to this Notice.
- 5) The Register of Members and Shares Transfer Books of the Company will be closed from Saturday, 5th August 2017 to Friday, 11th August 2017 (both days inclusive).
- 6) Members holding shares in electronic form are requested to intimate any change in their address and update their Bank Account particulars (viz. Account No., Name & Branch of the Bank and the MICR Code) to their DPs with whom they are maintaining demat account.
- 7) Members holding shares in physical form are requested to register their Bank Account particulars (viz. Account No., Name & Branch of the Bank and the MICR Code) or update of their bank details already registered with the Company / Karvy to enable the Company to remit the dividend electronically.
- 8) Members holding shares in physical form are requested to keep their addresses updated and write to Company's Registrar and Transfer Agent – Karvy Computershare Private Limited (Karvy) for updation of the address.
- 9) Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their DPs with whom they are maintaining demat accounts. Members holding shares in physical form can submit their PAN details to Karvy.
- 10) Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease in portfolio management. Members may contact the Company or Karvy for assistance in this regard.
- 11) To support the 'Green Initiative', Members who have not registered their email ids so far are requested to register their email ids for receiving all communication(s) including Annual Report, Notices etc from the Company in electronic form.

- 12) The Company has paid the Listing Fees for the Year 2017-18 to both the Stock Exchanges where equity shares of the Company are listed.
- 13) Relevant documents referred to in the notice are open for inspection at the Registered Office of the Company on all working days, during business hours up to the date of the Meeting.
- 14) Members seeking any information with regard to the financial statements are requested to write to the Company at least seven (7) days before the AGM so as to enable the management to keep the information ready at the AGM.
- 15) The Company has transferred the unpaid or unclaimed dividends declared up to financial years 2008-09 from time to time on due dates, to the Investor Education and Protection Fund (IEPF) established by the Central Government. As per the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 23rd September 2016 (date of last AGM) on the website of the Company www.deccancements.com.
- 16) **Remote e-voting:** In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended time to time and the provisions of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy Computershare Private Limited (Karvy) on all resolutions set forth in this Notice, from a place other than the venue of the Meeting (Remote e-voting).
- 17) **Voting at Annual General Meeting:** The facility for voting, through polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their voting right at the meeting.
- 18) A Member can opt for only single mode of voting i.e. either through Remote e-voting or voting at the AGM. If a Member cast votes by both modes then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.
- 19) The Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
- 20) The resolution(s) passed by Members through e-voting is / are deemed to have been passed as if they have passed at the AGM.
- 21) The Company has appointed Mr. Tumuluru Krishnamurthy, Practicing Company Secretary, (Membership No. FCS: 142 and CP: 1293) failing him Mr. B V Saravana Kumar, Practicing Company Secretary, (Membership No. ACS: 26944 and CP: 11727) as Scrutinizer, who will scrutinize the electronic voting process in a fair and transparent manner.
- 22) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make, not later than 48 hours of conclusion of the Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.
- 23) The Results shall be declared by the Chairman or by an authorised person of the Chairman and the resolutions will be deemed to have been passed on the date of AGM, subject to receipt of requisite number of votes in favour of the resolutions
- 24) The Results of the voting along with the Scrutinizer's Report shall be placed on the

Company's website www.deccancements.com and on the website of Karvy <https://evoting.karvy.com>. The same shall also be communicated to the Stock Exchanges.

25) PROCEDURE AND INSTRUCTIONS FOR e-VOTING

- (A) In case a Member receives an email from Karvy [for Members whose email ids are registered with the Company/Depository Participant(s)]:
 - i. Launch internet browser by typing the URL: <https://evoting.karvy.com>.
 - ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
 - iii. After entering these details appropriately, click on "LOGIN".
 - iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email id etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
 - v. You need to login again with the new credentials.
 - vi. On successful login, the system will prompt you to select the "EVENT" i.e., "Deccan Cements Limited".
 - vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/ AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/ AGAINST" taken together shall not exceed your total shareholding as mentioned 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 with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "**DECCAN CEMENTS LIMITED_37TH AGM.**"

(B) In case of Members receiving physical copy of Notice [for Members whose email ids are not registered with the Company/ Depository Participant(s)]:

- i. E-Voting Event Number (EVEN), User ID and Password is provided in the E-Voting Form.
- ii. Please follow all steps from Sl. No. (i) to (xii) above to cast your vote by electronic means.

26) OTHER INSTRUCTIONS

- a. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.karvy.com> (Karvy Website) or contact - Mr. Ramesh Desai of Karvy 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 or phone no. 040 - 6716 2222 or call Karvy's toll free No. 1800-3454-001 for any further clarifications.
- b. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- c. The remote e-voting period commences on Tuesday, 8th August 2017 (9.00 A.M. IST) and ends on Thursday, 10th August 2017 (5.00 P.M. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Friday, 4th August 2017, 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.

- d. The voting rights of Members shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date i.e. Friday, 4th August 2017.
- e. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting i.e. Friday, 4th August 2017, he/she may obtain the User ID and Password in the manner as mentioned below:

- i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number + Folio No. or DP ID Client ID to 9212993399.

Example for NSDL:	MYEPWD <SPACE> IN12345612345678
Example for CDSL	MYEPWD <SPACE> 1402345612345678
Example for Physical	MYEPWD <SPACE> XXXX1234567890

- ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID/Client ID, then on the 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.
- iii. Member may call Karvy's toll free number 1800-3454-001.
- iv. Member may send an e-mail request to evoting@karvy.com. However, Karvy shall endeavour to send User ID and Password to those new Members whose mail ids are available.

Explanatory statement under Section 102 of the Companies Act, 2013

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

Item No. 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 2018 at a remuneration of ₹1,10,000/- (Rupees One Lakh Ten Thousand only) plus reimbursement of travelling and out of pocket expenses.

As per the Section 148 of the Companies Act, 2013 and the Rules framed 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 2018.

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

The Equity Shares of your Company are listed and actively traded on the Stock Exchanges - BSE Limited and National Stock Exchange of India Limited. The market price of your Company's share has increased appreciably in the last few years. In order to improve the liquidity of the shares of the Company in the Stock Market and to encourage the involvement of small investors by making Equity Shares of the Company more affordable, the Board of Directors at its meeting held on 19th May 2017 considered and approved the

sub-division of existing 1 equity share of the Company of face value of ₹10/- each into 2 number of equity shares of ₹5/- (Rupees Five only) each, subject to the approval of the Members of the Company and any other statutory and regulatory approvals, as applicable. The Record Date for the aforesaid sub-division of Equity Shares will be fixed after approval of the Members is obtained.

At present, the authorised Share Capital of the Company is ₹10,00,00,000/- (Rupees Ten Crore only) divided into 100,00,000 (One Crore) Equity Shares of ₹10/- each and the paid-up share capital of the Company is ₹7,00,37,500/- (Rupees Seven Crore Thirty Seven Thousand Five Hundred only) divided into 70,03,750 (Seventy Lakh Three Thousand Seven Hundred and Fifty) Equity Shares of ₹10/- each fully paid-up. There will be no change in the amount of authorised and paid-up share capital, but the number of shares will change to 2,00,00,000 (Two Crore) equity shares in the authorised share capital and 1,40,07,500 (One Crore Forty Lakhs Seven Thousand Five Hundred) equity shares in the paid-up share capital of the Company.

The sub-division as aforesaid would require consequential amendments to the existing Clause V of the Memorandum of Association of the Company as set out in Item No. 7 of the Notice to reflect the change in face value of each Equity Share from ₹10/- each to ₹5/- each.

Pursuant to the provision of the Section 13 of the Companies Act, 2013, any alteration in the Memorandum of Association of the Company shall be effected only after the approval of the members of the Company.

None of the Directors, Key Managerial Personnel of the Company and their relatives are in any way concerned or interested in the Resolutions set out at Item Nos. 6 and 7 of the Notice except to the extent of their shareholding, if any, in the Company.

The Board recommends the Ordinary Resolutions set out at Item Nos. 6 and 7 of the Notice for approval of Members.

Item No. 8:

Pursuant to the provisions of Section 197 of the Companies Act, 2013 the members by means of a special resolution at the thirty-fourth annual general meeting of the Company had approved for payment of commission to non-whole time directors of the company at a rate not exceeding 1% of the net profits of the Company subject to a limit of ₹5,00,000/- (Rupees Five Lakhs only) per annum for a period of five years till 31st March 2017.

Further it is proposed to renew the payment of commission to non-whole time directors at the rate not exceeding 1% of the net profits of the Company subject to limit of ₹10,00,000/- (Rupees Ten Lakhs only) per annum for another period of five years commencing from 1st April 2017 till 31st March 2022, in addition to sitting fee payable for attending the meeting of the Board and its Committees. Accordingly, approval of the members is requested for the payment of commission to all the non-whole time directors of the Company in compliance with Sections 197, 198 and other applicable provisions of the Companies Act, 2013.

All the Non-Whole Time Directors of the Company are interested in the above resolution to the extent of commission payable to them in accordance with the proposed resolution. Mr. M B Raju, Executive Chairman shall be deemed to be concerned or interested in the resolution as a relative to Mr. P Venugopal Raju.

None of the Key Managerial Personnel of the Company and their relatives are concerned or interested in the resolution.

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

Item No. 9:

The Members of the Company at the Annual General Meeting held on 7th August 2012 approved the re-appointment and remuneration of Mr. M B Raju, as Executive Chairman for a period of five years. The tenure of Mr. M B Raju as Executive Chairman of the Company ended on 31st March 2017.

As per the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on 10th February 2017 re-appointed Mr. M B Raju, as

Executive Chairman of the Company for a period of five years from 1st April 2017 to 31st March 2022. The details of Mr. M B Raju, as required to be given pursuant to the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and Secretarial Standards, are annexed to this Notice. For brevity, the particulars of the proposed remuneration, perquisites, and benefits payable to Mr. M B Raju are not being set out in the explanatory statement, and the members are requested to refer the same as set out in the body of the resolution.

Mr. M B Raju shall be deemed to be concerned or interested in the resolution to the extent of remuneration payable to him under the resolution and Ms. P Parvathi, Managing Director and Mr. P Venugopal Raju, Director are interested in the resolution as relatives to Mr. M B Raju.

None of the other Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested in the resolution.

The Board recommends the Special Resolution set out at Item No. 9 of the Notice for approval of the shareholders.

Item No. 10:

The Members of the Company at the Annual General Meeting held on 7th August 2012 approved the re-appointment and remuneration of Ms. P Parvathi as Managing Director for a period of five years. The tenure of Ms. P Parvathi as Managing Director of the Company ended on 31st March 2017.

As per the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on 10th February 2017 re-appointed Ms. P Parvathi as Managing Director of the Company for a period of five years from 1st April 2017 to 31st March 2022.

The details of Ms. P Parvathi, as required to be given pursuant to the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and Secretarial Standards, are annexed to this Notice. For brevity, the particulars of the proposed remuneration, perquisites, and benefits payable to Ms. P Parvathi are not being set out in the explanatory statement and the members are requested to refer the same as set out in the body of the resolution.

Ms. P Parvathi shall be deemed to be concerned or interested in the resolution to the extent of remuneration payable to her under the resolution and Mr. M B Raju, Executive Chairman is interested in the resolution as a relative to Ms. P Parvathi.

The Board recommends the Special Resolution set out at Item No. 10 of the Notice for approval of the Members.

By Order of the Board

None of the other Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested in the resolution.

Place: Hyderabad
Date : 19.05.2017

S K Mishra
Company Secretary
FCS 8555

ANNEXURE TO THE NOTICE

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

Particulars	Mr. R Gopalakrishnan
Date of Birth	26.01.1955
Date of Appointment	11.08.2015
Qualification	Fellow Member of the Institute of Company Secretaries of India (ICSI)
Brief resume and expertise in specific functional area	37 years of experience in corporate sector in areas of General Management, Financial, Legal and Secretarial compliance.
Directorships in other companies	VRVS Fiscal Services Pvt. Ltd.
Chairmanship/Membership of committees of other companies	Nil
Shareholding in the company	Nil

For Mr. M B Raju and Ms. P Parvathi, the details are provided here under.

Information as per Part II Section II of Schedule V of the Companies Act, 2013 for Item No. 9 & 10

I. General Information

- (1) Nature of Industry:
The Company is engaged in the Manufacturing and selling of Cements.
- (2) Date of Commencement of Commercial Production:
7th November 1979
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:
Not Applicable
- (4) Financial Performance based on given indicators: (₹in Lakh)

Particulars	2016-17	2015-16	2014-15
Sales and other income	55986.27	58055.03	44065.30
Profit before depreciation, interest.	10142.76	11611.98	6745.77
Depreciation and amortization	2147.37	2033.04	1948.33
Interest and Finance Charges	670.34	1521.65	2663.19
Profit / (loss) before exceptional items and tax	7325.05	8057.29	2134.25
Net profit after tax	4659.70	4556.25	1987.89
Dividend on Equity in %	60%	50%	25%

(5) Foreign investments or collaborations, if any:

There is no direct foreign investment in the company except to the extent of shares held by Foreign Institutional Investors (FII) acquired through secondary market. There is no foreign collaboration in the Company.

II. Information about the appointees:

Particulars	Mr. M B Raju	Ms. P Parvathi
Date of Birth	28/12/1939	26/08/1965
Date of Appointment	31/07/1979	29/06/1993
Qualification	B.E.-Mechanical (Hons.) Andhra University	M. Com – Osmania University
Directorships in other companies	- DCL Information Technologies Ltd. - K V K Raju International Leadership Academy	- DCL Information Technologies Ltd. - Melville Finvest Ltd. - Satyasai Investments and Leasing Ltd - DCL Exim Pvt. Ltd.
Chairmanship/ Membership of committees of other companies	Nil	Nil
Background	Founder of DCL. Honors' Graduate in Mechanical Engineering. Technocrat Entrepreneur and eminent Industrialist, with more than 4 decades of experience in the Cement Industry.	Post Graduate in Commerce, with nearly 3 decades of experience in business and commerce, most part of which has been in the Cement Industry.
Past Remuneration	₹268.02 Lakh for the Financial Year 2015-16.	₹255.99 Lakh for the Financial Year 2015-16.
Recognition or Awards	- Recipient of the 'Best Entrepreneur for the Year' award presented by the Hyderabad Management Association for the year 1991. - Award for 'Best effort on Environmental improvement in Industries located in the State' received from the Federation of Andhra Pradesh Chamber of Commerce for the year 1996-97.	-
Job Profile and suitability	He is responsible for overall day to day management of the company under the supervision and control of the Board of Directors of the Company.	She is responsible for overall day to day management of the company under the supervision and control of the Board of Directors of the Company.
Remuneration Proposed	The remuneration proposed is detailed in the resolution.	The remuneration proposed is detailed in the resolution.

Particulars	Mr. M B Raju	Ms. P Parvathi
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	The proposed remuneration is at par with the prevailing remuneration in the industry of similar size for similarly placed persons.	The proposed remuneration is at par with the prevailing remuneration in the industry of similar size for similarly placed persons.
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel	He is one of the Promoters and Shareholder of the Company. He is father of Ms. P Parvathi, Managing Director and father in law of Mr. P Venugopal Raju, Non-Executive Director. He has no pecuniary relationship with other directors or managerial personnel of the Company.	She is part of the Promoter Group Shareholder of the Company. She is daughter of Mr. M B Raju, Executive Chairman of the Company. She has no pecuniary relationship with other directors or managerial personnel of the Company.

III. Other Information:

(1) Reasons of loss or inadequate profits:

The Company is a profit making one and does not envisage any loss or inadequate profits. However prior approval from the shareholders is sought in case any loss or inadequacy of profits arises because of factors such as general economic conditions, future demand of Cement, excessive installed capacity and aggressive competition from other players.

(2) Steps taken or proposed to be taken for improvement:

The Company is looking forward to take steps including creation of new market, reduced fuel consumption, establish more dealer and direct user networks, which are in the best interest of the company. Though, the prices of raw materials and other inputs are influenced by external factors, the Company is making all possible efforts to improve the margins.

(3) Expected increase in productivity and profits in measurable terms:

The Company is very conscious about improvement in productivity and undertakes constant measures to improve it. However, it is extremely difficult in the present scenario of the economy to predict profits in measurable terms.

IV. Disclosures:

The remuneration package of all the managerial persons is given in the respective resolutions. Other information are provided under the Report of Corporate Governance.

BOARD'S REPORT

Dear Shareholders,

The Directors of your company are glad to present the 37th Annual Report together with the Audited Financial Statements of the Company for the Financial Year ended 31st March 2017.

Financial Results

The Financial Results for the year ended 31st March 2017 are summarized below:

	(₹ in Lakh)	
Particulars	2016-17	2015-16
Net Sales	55,783.17	57,906.66
Other Income	203.10	148.37
Total	55,986.27	58,055.03
Profit before Depreciation and Finance Charges	10,142.76	11,611.98
Less:		
Depreciation	2,147.37	2,033.04
Interest and Bank Charges	670.34	1,521.65
Profit before Tax and Prior period items	7,325.05	8,057.29
Less:		
Provision for Taxation	2,223.17	1,719.51
Deferred Taxation	327.79	987.32
Prior year tax adjustment	91.93	61.30
MAT Credit entitlement	22.46	732.91
Net Profit after Tax	4,659.70	4,556.25
Profit brought forward from previous year	21,971.07	17,835.03
Profit available for Appropriation	2,6630.77	22,391.28
Appropriations		
Dividend (Final / Interim) on equity shares	420.23	350.19
Dividend Distribution Tax	85.55	70.02
Balance Retained	26,124.99	21,971.07

Results of Operations

The Company recorded very good performance during the year under review. The Net sales of the Company for the current year stood at ₹55,783.17 Lakh as compared to previous year sales of ₹57,906.66 Lakh and the profit after tax of the Company for the current year was at ₹4,659.70 Lakh as compared to the previous year profit of ₹4,556.25 Lakh. The financial performance of your company has been improving over the last few years. During the year there is no change of business.

Dividend

In consonance with the Company's policy of rewarding its shareholders on a consistent basis, your directors are pleased to recommend a dividend of ₹6/- per equity share i.e. @ 60% dividend on the Equity Share Capital of the Company, for the approval of the Members in the ensuing annual general meeting. The cash outflow for dividend, if declared as above, for the year ended 31st March 2017 will be ₹420.23 Lakh and ₹85.55 Lakh towards dividend distribution tax. The cash outflow for interim dividend declared for the previous year ended 31st March 2016 was ₹350.19 Lakh and ₹70.02 Lakh towards dividend distribution tax.

Your directors have not proposed to transfer any sum to reserves for the financial year 2016-17.

Capital Structure

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

The Board of Directors of your Company, at its meeting held on 19th May 2017, has approved the sub-division of each Equity Shares of the Company having face value of ₹10/- each fully paid-up into two Equity Shares of face value of ₹5/- each fully paid-up. The sub-division of shares is subject to approval of the shareholders in the ensuing Annual General Meeting. Consequently, the existing Clause V of the Memorandum of Association of the Company will be amended to reflect the change in face value of each equity share. Your Directors recommend the Resolutions included in the Notice of this AGM for your approval.

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is appended to this Report.

Transfer to Investor Education and Protection Fund (IEPF)

During the year, the Company has transferred sum of ₹2,77,641/-, the unclaimed/unpaid dividend amount pertaining to the Financial Year 2008-09, to the Investor Education and Protection Fund (IEPF) in compliance with applicable provisions of the Companies Act, 2013. Further the unclaimed/unpaid amount pertaining to the Financial Year 2009-10 is due for transfer to IEPF on 18th September 2017. The year wise details of unpaid and unclaimed amounts lying with the Company as on 23rd September 2016 (date of last Annual General Meeting) are uploaded to IEPF portal of the Ministry of Corporate Affairs (MCA) www.iepf.gov.in and also available in the Company's website <http://www.deccancements.com/shareholders-information.php>. Shareholders are advised to check their unpaid/unclaimed dividend status and contact the Company for encashment of the same if, depicting unpaid.

Further Sections 124(6) of the Companies Act, 2013 read with the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 mandate companies to transfer shares against which dividends remain unpaid / unclaimed for a continuous

period of seven years to the IEPF. The Company sent communications 'Mandatory transfer of Deccan Cements Limited shares to IEPF dated 30th November 2016' to all shareholders whose shares are due to be transferred to the IEPF and published requisite advertisement in the newspaper in this regard. Details of shares due for transfer to IEPF are also available on the website of the Company.

Directors and Key Managerial Personnel

Mr. Umesh Shrivastava, Dr. S A Dave, Mr. J Narayanamurthy and Mr. K P Singh continue as independent directors on the Board of the Company. The terms and conditions of appointment of independent directors are as per Schedule IV of the Act. They have submitted declarations that each of them meets the criteria of independence as provided in Section 149(6) of the Act and there has been no change in their status as independent director during the year.

Pursuant to Section 152 of the Companies Act, 2013 Mr. R Gopalakrishnan, Non-Executive Director is liable to retire by rotation at the forthcoming Annual General Meeting and being eligible has offered himself for reappointment. The Board recommends his reappointment.

The Board of Directors of the Company had, on the recommendation of the Nomination and Remuneration Committee, at its meeting held on 10th February 2017, re-appointed Mr. M B Raju as Executive Chairman and Ms. P Parvathi as Managing Director of the Company for a period of 5 (five) years commencing from 1st April 2017 to 31st March 2022, subject to approval of shareholders. Necessary resolutions seeking approval of the members for the re-appointment of Mr. M B Raju as Executive Chairman and Ms. P Parvathi as Managing Director together with the remuneration payable to them have been incorporated in the Notice of the Annual General Meeting of the Company along with brief details about them.

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 2016-17 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 are available on the Company's website at www.deccancements.com.

Statutory Auditor

M/s. M Bhaskara Rao & Co., Chartered Accountants, were appointed Statutory Auditors of the Company at the thirty-fourth Annual General Meeting of the Company held on 29th September 2014 to hold office from the conclusion of that Annual General Meeting till the conclusion of the thirty-seventh Annual General Meeting to be held in the year 2017. Pursuant to the provisions of Section 139 of the Companies Act, 2013 dealing with compulsory rotation of auditors, M/s. M Bhaskara Rao & Co. would vacate office as the Statutory Auditors of the Company at the conclusion of the ensuing Annual General Meeting.

Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 and on the recommendation of the Audit Committee, it is proposed to appoint M/s. Anandam and Co., Chartered Accountants, Secunderabad (Firm Registration No. 000125S) as the Statutory Auditors of the Company to hold office from the conclusion of the 37th Annual General Meeting until the conclusion of the 42nd Annual General Meeting of the Company. Necessary resolution for the appointment of M/s. Anandam and Co., Chartered Accountants, Secunderabad as the Statutory Auditors is included in the Notice of the Annual General Meeting.

The report given by the outgoing Auditors, M/s. M Bhaskara Rao & Co., Chartered Accountants on the financial statements of the Company for the

year ended 31st March 2017 forms part of this Annual Report and there is no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

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 2017-18. The remuneration of the cost auditor is required to be ratified by the members in accordance with the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014. Accordingly, the matter is being placed before the Members for ratification at the ensuing Annual General Meeting.

Secretarial Auditor

Pursuant to 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 2017. 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 No. MGT-9 as on 31st March 2017 is annexed to this Report (**Annexure II**).

Board Meetings

During the year, Five (5) 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 2017, 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 2017 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 2017 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)

The Company had not entered into any arrangement/ transaction with related parties which is material in

nature and accordingly the disclosure of Related Party Transactions in Form AOC-2 is not applicable. Transactions entered by the Company with its related parties were on an arm's length basis and suitable disclosures as required under AS-18 have been made in Note No. 32 to the Financial Statements.

In compliance of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has formulated a Related Party Transactions Policy and the same is available on the Company's website www.deccancements.com.

Energy Conservation, Technology Absorption and Foreign Exchange

Information required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 forming part of the Directors' Report for the year ended 31st March 2017 are given in **Annexure III**.

Internal Control Systems and its Adequacy

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

Risk Management

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

Corporate Social Responsibility (CSR)

Pursuant to Section 135 of Companies Act, 2013, your Company has constituted a Corporate Social Responsibility Committee. The composition of the 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.

A brief outline of the Corporate Social Responsibility policy of the Company and the Annual Report on CSR activities undertaken during the year 2016-17 in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed to this Report (**Annexure IV**).

Board Evaluation

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

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

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

Particulars of Employees

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

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

Prevention of Sexual Harassment

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 2017, the Company has not received any Complaint pertaining to Sexual Harassment.

Acknowledgement

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

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

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

For and on behalf of the Board

M B Raju

Place : Hyderabad

Executive Chairman

Date : 19.05.2017

DIN: 00016652

Annexure I

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

*(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, 2017 (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, 2017 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) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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. There were no changes in the composition of the Board of Directors during the period under review.
- (ii) Adequate notice is given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (iii) Majority decision is carried through while the dissenting members' views, 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 ₹79,57,049/- towards Corporate Social Responsibility during the Financial Year 2016-17, while 2% of the average net profits of the three preceding financial years was ₹79,41,607/-.

**For Tumuluru & Company
Company Secretaries**

Place : Hyderabad
Date : 19.05.2017

Name : B V Saravana Kumar
Partner
ACS No. : 26944
C. P. No. : 11727

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

Enclosure - A

To
The Members,
Deccan Cements Limited
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 records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. 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.

**For Tumuluru & Company
Company Secretaries**

Place : Hyderabad
Date : 19.05.2017

Name : B V Saravana Kumar
Partner
ACS No. : 26944
C. P. No. : 11727

Annexure II**Form No. MGT - 9****EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH 2017**

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

I Registration and Other Details:

(i)	CIN	L26942TG1979PLC002500
(ii)	Registration Date	31.07.1979
(iii)	Name of the Company	Deccan Cements Limited
(iv)	Category / Sub-Category of the Company	Public Company - Limited by Shares
(v)	Address of the registered office and contact details	6-3-666/B, 'Deccan Chambers', Somajiguda, Hyderabad – 500 082, Telangana
(vi)	Whether listed company (Yes / No)	Yes
(vii)	Name, Address and contact details of Registrar and Transfer Agent, if any;	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	• Manufacturing of Cement in form of Clinker	23941	0
	• Manufacturing of Portland Cement, Slag Cement and similar	23942	99.42%
2	• Generation of Electricity	35101 / 35102 / 35106	0.58%

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 01.04.2016			No. of Shares held at the end of the year as on 31.03.2017			% 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	23450	800	24250	0.35	24273	0	24273	0.35	-
Sub-total (A) (1)	3934474	800	3935274	56.19	3935297	0	3935297	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)	3934474	800	3935274	56.19	3935297	0	3935297	56.19	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	367297	2500	369797	5.28	788706	2500	791206	11.30	6.02
b) Banks / FI	3691	494	4185	0.06	2316	494	2810	0.04	-0.02
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	-
f) Insurance Companies	0	0	0	0	0	0	0	0	0	0	0	0	0	-
g) FIs	1600	350	1950	0.03	39040	350	39390	0.56	0.53					
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	-					
i) Others (specify)	0	0	0	0	0	0	0	0	-					
Sub-total (B)(1)	372588	3344	375932	5.37	830062	3344	833406	11.90	6.53					
2. Non-Institutions														
(a) Bodies Corp.														
(i) Indian	681187	5760	686947	9.81	431279	5610	436889	6.24	-3.57					
(ii) Overseas	0	0	0	0	0	0	0	0	-					
(b) Individuals														
(i) Individual shareholders holding nominal share capital upto ₹1 Lakh	919795	239331	1159126	16.55	894574	226771	1121345	16.01	-0.54					
(ii) Individual shareholders holding nominal share capital in excess of ₹1 Lakh	147215	0	147215	2.10	68145	0	68145	0.97	-1.13					
(c) Others (specify)														
- Non Resident Indians	691813	0	691813	9.88	590534	0	590534	8.43	-1.45					
- NRI Non Repatriation	0	0	0	0	10379	0	10379	0.15	0.15					
- Clearing Members	6863	0	6863	0.10	7675	0	7675	0.11	0.01					
- Trust	500	0	500	0.00	0	0	0	0.00	-					
- NBFCs Registered with RBI	80	0	80	0.00	80	0	80	0.00	-					
Sub-total B(2)	2447453	245091	2692544	38.44	2002666	232381	2235047	31.91	-6.53					
Total Public Shareholding (B) = B(1) + B(2)	2820041	248435	3068476	43.81	2832728	235725	3068453	43.81	0.00					
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	-					
Grand Total (A+B+C)	6754515	249235	7003750	100	6768025	235725	7003750	100.00	-					

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

Sl No.	Shareholder's Name	Shareholding at the beginning of the year as on 01.04.2016			Share holding at the end of the year as on 31.03.2017			% 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 Bangar Raju HUF	154235	2.2	0.00	154235	2.2	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	0.7	0.00	48750	0.7	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	11423	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	3935297	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 01.04.2016	3935274	56.19		
Changes during the year (Purchase)	23	0.00	3935297	56.19
At the end of the year 31.03.2017			3935297	56.19

Name: Anirudh Raju Penmetcha (PAC)				Cumulative shareholding during the year	
				No. of Shares	% of total shares of the company
At the beginning of the year 01.04.2016				11400	0.16
Date	Increase (+)	Decrease (-)	Reason		
10/03/2017	23	0	Purchase	11423	0.16
At the end of the year 31.03.2017				11423	0.16

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 01.04.2016				469841	6.71
Date	Increase (+)	Decrease (-)	Reason		
15/04/2016	0	-1712	Sale	468129	6.68
13/05/2016	0	-20880	Sale	447249	6.39
20/05/2016	0	-22871	Sale	424378	6.06
27/05/2016	0	-1208	Sale	423170	6.04
10/06/2016	0	-22020	Sale	401150	5.73
17/06/2016	0	-36557	Sale	364593	5.21
24/06/2016	0	-38547	Sale	326046	4.66
30/06/2016	0	-50394	Sale	275652	3.94
08/07/2016	0	-18256	Sale	257396	3.68
12/08/2016	1339	0	Purchase	258735	3.69
19/08/2016	1091	0	Purchase	259826	3.71
26/08/2016	0	-2000	Sale	257826	3.68
07/10/2016	0	-555	Sale	257271	3.67

14/10/2016	0	-14597	Sale	242674	3.46
21/10/2016	0	-26471	Sale	216203	3.09
28/10/2016	0	-1767	Sale	214436	3.06
04/11/2016	0	-24371	Sale	190065	2.71
11/11/2016	0	-4871	Sale	185194	2.64
18/11/2016	26095	0	Purchase	211289	3.02
25/11/2016	2484	0	Purchase	213773	3.05
02/12/2016	1060	0	Purchase	214833	3.07
09/12/2016	8945	0	Purchase	223778	3.20
16/12/2016	15406	0	Purchase	239184	3.42
23/12/2016	9322	0	Purchase	248506	3.55
30/12/2016	4368	0	Purchase	252874	3.61
06/01/2017	12086	0	Purchase	264960	3.78
13/01/2017	2949	0	Purchase	267909	3.83
27/01/2017	0	-56	Sale	267853	3.82
10/03/2017	259	0	Purchase	268112	3.83
17/03/2017	9402	0	Purchase	277514	3.96
24/03/2017	466	0	Purchase	277980	3.97
31/03/2017	0	-17	Sale	277963	3.97
At the end of the year 31.03.2017				277963	3.97

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 01.04.2016				349861	4.99
Date	Increase (+)	Decrease (-)	Reason		
10/06/2016	17203	0	Purchase	367064	5.24
17/06/2016	2205	0	Purchase	369269	5.27
At the end of the year 31.03.2017				369269	5.27

3. Keswani Haresh				Cumulative shareholding during the year	
				No. of Shares	% of total shares of the company
At the beginning of the year 01.04.2016				349550	4.99
Date	Increase (+)	Decrease (-)	Reason		
30/06/2016	0	-1000	Sale	348550	4.98
18/11/2016	500	0	Purchase	349050	4.98
25/11/2016	0	-500	Sale	348550	4.98
20/01/2017	0	-1230	Sale	347320	4.96

27/01/2017	0	-6690	Sale	340630	4.86
03/02/2017	0	-26735	Sale	313895	4.48
10/02/2017	0	-1905	Sale	311990	4.45
At the end of the year 31.03.2017				311990	4.45

4. Ricky Ishwardas Kirpalani				Cumulative shareholding during the year	
				No. of Shares	% of total shares of the company
At the beginning of the year 01.04.2016				329898	4.71
Date	Increase (+)	Decrease (-)	Reason		
08/04/2016	0	-2081	Sale	327817	4.68
15/04/2016	0	-16741	Sale	311076	4.44
08/07/2016	0	-6317	Sale	304759	4.35
15/07/2016	0	-5175	Sale	299584	4.28
22/07/2016	0	-1350	Sale	298234	4.26
29/07/2016	0	-310	Sale	297924	4.25
17/02/2017	0	-4772	Sale	293152	4.19
24/02/2017	0	-455	Sale	292697	4.18
03/03/2017	0	-1318	Sale	291379	4.16
24/03/2017	0	-3021	Sale	288358	4.12
31/03/2017	0	-15268	Sale	273090	3.90
At the end of the year 31.03.2017				273090	3.90

5. HSBC Infrastructure Equity Fund				Cumulative shareholding during the year	
				No. of Shares	% of total shares of the company
At the beginning of the year 01.04.2016				0	0.00
Date	Increase (+)	Decrease (-)	Reason		
24/06/2016	91452	0	Purchase	91452	1.31
30/06/2016	21000	0	Purchase	112452	1.61
08/07/2016	34645	0	Purchase	147097	2.10
15/07/2016	12000	0	Purchase	159097	2.27
22/07/2016	13000	0	Purchase	172097	2.46
05/08/2016	2440	0	Purchase	174537	2.49
19/08/2016	843	0	Purchase	175380	2.50
23/09/2016	5366	0	Purchase	180746	2.58
30/09/2016	10019	0	Purchase	190765	2.72
07/10/2016	8687	0	Purchase	199452	2.85
21/10/2016	3000	0	Purchase	202452	2.89
28/10/2016	4000	0	Purchase	206452	2.95

25/11/2016	13231	0	Purchase	219683	3.14
02/12/2016	1500	0	Purchase	221183	3.16
06/01/2017	2000	0	Purchase	223183	3.19
31/03/2017	5000	0	Purchase	228183	3.26
At the end of the year 31.03.2017				228183	3.26

6. IDFC Classic Equity Fund				Cumulative shareholding during the year	
				No. of Shares	% of total shares of the company
At the beginning of the year 01.04.2016				0	0.00
Date	Increase (+)	Decrease (-)	Reason		
27/05/2016	49791	0	Purchase	49791	0.71
30/06/2016	7500	0	Purchase	57291	0.82
02/12/2016	5000	0	Purchase	62291	0.89
30/12/2016	500	0	Purchase	62791	0.90
06/01/2017	2386	0	Purchase	65177	0.93
13/01/2017	4229	0	Purchase	69406	0.99
20/01/2017	4381	0	Purchase	73787	1.05
27/01/2017	1498	0	Purchase	75285	1.07
03/02/2017	7987	0	Purchase	83272	1.19
10/02/2017	27034	0	Purchase	110306	1.57
17/02/2017	7947	0	Purchase	118253	1.69
24/02/2017	1401	0	Purchase	119654	1.71
17/03/2017	25900	0	Purchase	145554	2.08
24/03/2017	0	-1137	Sale	144417	2.06
31/03/2017	0	-1863	Sale	142554	2.04
At the end of the year 31.03.2017				142554	2.04

7. L&T Mutual Fund Trustee Limited - L&T Emerging Business Fund				Cumulative shareholding during the year	
				No. of Shares	% of total shares of the company
At the beginning of the year 01.04.2016				0	0.00
Date	Increase (+)	Decrease (-)	Reason		
21/10/2016	3586	0	Purchase	3586	0.05
28/10/2016	4020	0	Purchase	7606	0.11
04/11/2016	8394	0	Purchase	16000	0.23
11/11/2016	6500	0	Purchase	22500	0.32
02/12/2016	5000	0	Purchase	27500	0.39

30/12/2016	2500	0	Purchase	30000	0.43
03/02/2017	7400	0	Purchase	37400	0.53
03/03/2017	10000	0	Purchase	47400	0.68
At the end of the year 31.03.2017				47400	0.68

8. Bhagwandas Jaju				Cumulative shareholding during the year	
				No. of Shares	% of total shares of the company
At the beginning of the year 01.04.2016				36800	0.53
Date	Increase (+)	Decrease (-)	Reason		
24/06/2016	0	-22800	Sale	14000	0.20
08/07/2016	0	-18	Sale	13982	0.20
15/07/2016	18	0	Purchase	14000	0.20
At the end of the year 31.03.2017				14000	0.20

9. Fidelity Investment Trust Fidelity Emerging Market Fund				Cumulative shareholding during the year	
				No. of Shares	% of total shares of the company
At the beginning of the year 01.04.2016				0	0.00
Date	Increase (+)	Decrease (-)	Reason		
28/10/2016	3927	0	Purchase	3927	0.06
04/11/2016	17453	0	Purchase	21380	0.31
17/02/2017	1821	0	Purchase	23201	0.33
24/02/2017	2150	0	Purchase	25351	0.36
17/03/2017	2304	0	Purchase	27655	0.39
24/03/2017	4719	0	Purchase	32374	0.46
31/03/2017	3000	0	Purchase	35374	0.51
At the end of the year 31.03.2017				35374	0.51

10. Pratibuti 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 01.04.2016				35000	0.50
Date	Increase (+)	Decrease (-)	Reason		
27/05/2016	0	-5000	Sale	30000	0.43
03/06/2016	0	-5000	Sale	25000	0.36
At the end of the year 31.03.2017				25000	0.36

11. Sandeep Singh				Cumulative shareholding during the year	
				No. of Shares	% of total shares of the company
At the beginning of the year 01.04.2016				23595	0.34
Date	Increase (+)	Decrease (-)	Reason		
30/09/2016	0	-4542	Sale	19053	0.27
18/11/2016	0	-19053	Sale	0	0.00
At the end of the year 31.03.2017				0	0.00

12. Preeta Nath				Cumulative shareholding during the year	
				No. of Shares	% of total shares of the company
At the beginning of the year 01.04.2016				22515	0.32
				No Change	
At the end of the year 31.03.2017				22515	0.32

13. Comfort Securities Limited				Cumulative shareholding during the year	
				No. of Shares	% of total shares of the company
At the beginning of the year 01.04.2016				19000	0.27
Date	Increase (+)	Decrease (-)	Reason		
27/05/2016	30	0	Purchase	19030	0.27
24/06/2016	0	-30	Sale	19000	0.27
06/01/2017	0	-2000	Sale	17000	0.24
17/03/2017	0	-1000	Sale	16000	0.23
31/03/2017	9000	0	Purchase	25000	0.36
31/03/2017	0	-9500	Sale	15500	0.22
At the end of the year 31.03.2017				15500	0.22

14. Edelweiss Trusteeship Company Ltd. A/c Edelweiss Mutual Fund				Cumulative shareholding during the year	
				No. of Shares	% of total shares of the company
At the beginning of the year 01.04.2016				16136	0.23
Date	Increase (+)	Decrease (-)	Reason		
29/07/2016	0	-7100	Sale	9036	0.13
02/12/2016	0	-9036	Sale	0	0.00
At the end of the year 31.03.2017				0	0.00

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	Designation	Shareholding at the beginning of the year 1st April 2016		Shareholding at the end of the year 31st March 2017	
			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

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 01.04.2016				
(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
Change in Indebtedness during the financial year				
Addition	0	650.00	NIL	650.00
Reduction	1,869.30	0.00	NIL	1,869.30
Net Change	1,869.30	650.00	NIL	-1,219.30
Indebtedness at the end of the financial year 31.03.2017				
(i) Principal Amount	952.66	1,125.00	NIL	2,077.66
(ii) Interest due but not paid	-	-	NIL	-
(iii) Interest accrued but not due	10.86	-	NIL	10.86
Total (i + ii + iii)	963.52	1,125.00	NIL	2,088.52

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	4,940,000	1,263,209	6,203,209
	(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	15,661,004	15,661,004	31,322,008
	- Other, specify	-	-	-
5	Others, Please specify	-	-	-
	Total (A)	25,401,004	24,064,213	49,465,217
	Ceiling as per the Act	39,149,698	39,149,698	78,299,396

B. Remuneration to other Directors: (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	92,500	115,000	105,000	75,000	387,500
	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)	0	0	175,833	198,333	188,333	158,333	720,832
2.	Other Non-Executive Directors							
	Fee for attending board meetings	112,500	80,000	N.A	N.A	N.A	N.A	192,500
	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)	195,833	163,333	0	0	0	0	359,166
	Total (B) = (1+2)	195,833	163,333	175,833	198,333	188,333	158,333	1,079,998
	Overall ceiling as per the Act							7,829,940

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

Sl. No.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount
		Mr. 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	2,860,632	1,445,234	4,305,866
	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	2,860,632	1,445,234	4,305,866

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 2016-17	Previous Year 2015-16
1. Electricity		
(a) Purchased		
Unit: (KWH - Lakh)	112.79	96.92
Total Amount (₹in Lakh)	1018.26	980.40
Average rate per unit (₹)	9.02	10.11
(b) Own Generation		
(i) Through diesel generator		
Units Generated (KWH - Lakh)	0.003	0.004
Total Amount (₹in Lakh)	0.99	1.09
Rate per unit (₹)	306.06	273.03
Units per Liter of Diesel Oil (₹)	0.24	0.25
(ii) Thermal Generation (CPP)		
Units Generated (KWH - Lakh)	1079.92	1073.57
Total Amount (₹in Lakh)	4258.67	5057.29
Rate per unit (₹)	3.94	4.71
2. Coal (C & D Grade): Used as fuel in kiln		
Quantity (Million K Cal)	877416	823804
Total Cost (₹in Lakh)	9545.64	9705.33
Average Rate (₹/ Million K Cal)	1087.93	1178.11
II) Power and Fuel consumption per unit of production		
Electricity (KWH / Tonne of Cement)	79	84
Coal %	15.61	17.29

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 2016-17	Previous Year 2015-16
Used	4.03	8.61
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 : ₹3970.80 Lakh

4. Prescribed CSR expenditure : ₹79.42 Lakh

5. Details of CSR spent during the financial year:

- Amount to be spent for the Financial Year 2016-17 : ₹79.42 Lakh
- Amount unspent, if any : NIL
- Manner in which the amount spent during the financial year 2016-17 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	Promoting Education	DCL High School	33.00	33.05	33.05	Direct
			Schools of surrounding villages of our cement plant area	2.50	2.56	2.56	Direct
	Promoting Education for children from remote backward areas		Districts of Telangana and Andhra Pradesh	1.43	1.43	1.43	Janahitha – Ekal Vidyalaya

Sl. No.	CSR Project or Activity identified	Sector in which the projects is covered	Projects or programmes (1) Local areas (2) State and district where projects or programs was undertaken	Amount Outlay (Budget)	Amount spent on the Projects or programs	Cumulative expenditure upto the reporting period.	Amount spent: Direct or through implementing agency
2	Installation of Mineral Water Treatment Plant and Water Tank Repair Works near Dargah	Making availability of safe drinking water	Maharashtra, Odisha , Telangana & Andhra Pradesh Kalmet Thanda; Janpahad Village	12.00	11.97	11.97	Direct
3	Construction of Toilets	Preventive Health care and Sanitation	Surrounding villages of Cement plant	0.20	0.20	0.20	Direct
4	Furniture & First Aid Centre	Promoting Health Care	Sunypahad Village	0.25	0.25	0.25	Direct
5	Medicines & Expenses for GYNAEC and for DIABETIC Camp	Promoting Preventive Health Care	Villages near Cement plant	3.00	2.98	2.98	Direct
6	Providing construction material and cement for construction of houses, road and other public utilities	Rural Development projects	Ravipahad, Sunypahad, Mahankaligudem - Village	27.00	26.98	26.98	Direct
7	Cricket Tournament Sponsoring Prizes	Promoting Rural Sports	Kalmet Thanda village	0.04	0.15	0.15	Direct
Total				79.42	79.57	79.57	

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 : 19.05.2017

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	91.50
Mr. U Shrivastava	Independent Director	0.30
Dr. S A Dave	Independent Director	0.30
Mr. J Narayanamurty	Independent Director	0.30
Mr. K P Singh	Independent Director	0.30
Mr. R Gopalakrishnan	Non-Executive Director	0.30
Mr. P Venugopal Raju	Non-Executive Director	0.30
Ms. P Parvathi	Managing Director	86.68

- 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	-5.23
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	-6.00
Mr. RVA Narasimha Rao	Chief Financial Officer	13.05
Mr. S K Mishra	Company Secretary	15.74

Note: • The above decrease in remuneration to the Executive Directors is on account of the decreased 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.

- ii) The percentage increase in the median remuneration of Employees for the financial year: 3.15%
- iii) There were 316 permanent employees as on 31st March 2017.
- iv) 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 2016-17 was 6.31% and the average increase in the remuneration of KMPs was -4.29%.

- v) 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.

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

- vii) Details of Top 10 Employees:

Sl. No.	Name	Designation	Remuneration (Annual) in ₹	Qualification & Experience	Date of Commencement of Employment	Age	Last Employment Details
1	S Venkateswarlu	Sr. Vice President (Works)	32,68,393	B. Sc, MBA & 36 Years	02-04-2012	56	Plant Head - Athi River Mining Ltd.
2	R V A Narasimha Rao	Sr. Vice President (Finance)	28,60,632	M. Com, CA & 33 Years	19-08-2013	58	CFO - Maa Mahamaya Industries Ltd.
3	M Krishnam Raju	Sr. Vice President (Marketing)	23,87,505	M. Com, PGDPM & 34 Years	01-02-1993	57	Sales Officer - Andhra Cements Ltd.
4	U Raghavendra Varma	General Manager (E&I)	19,65,042	B. Tech (EEE) & 31 Years	17-03-2012	54	Dy. GM (Works) - NCL Industries Ltd.
5	C Ramesh Reddy	General Manager (Marketing)	14,52,789	B. com, MBA, LLB & 24 Years	10-10-2008	46	Dy. Manager (Sales) - Ultra Tech Cement Ltd.
6	A V S Seshu	Dy. General Manager (Purchase)	14,77,221	BE (Mech Eng) & 25 Years	07-05-2012	49	Sr. Manager (Materials) - Vijai Electricals Ltd.
7	S K Mishra	Dy. General Manager (Legal) & Company Secretary	14,45,234	B. Com (Hons), LLB, FCS & 5 Years	26-07-2012	39	Company Secretary - KSK Mahanadi Power Company Ltd.
8	V Shyam Prakash	Dy. General Manager (Marketing)	13,31,154	B. Tech, MBA & 24 Years	05-11-2008	48	Manager (Marketing) - Zuari Cement Ltd.
9	S Nagamalleswara Rao	Asst. General Manager (P&A)	11,47,079	LLB, MA & 29 Years	17-07-2015	52	Sr. Manager (HR) - Anjani Portland Cement Ltd.
10	P Srinivasa Rao	Chief Manager (Mechanical)	12,10,094	B. Tech (Mech Engg) & 23 Years	06-01-2011	49	Dy. Manager (Mechanical) - India Cements 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.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The year 2016-17 followed the year 2015-16 inasmuch as the marginally improved demand for Cement has continued for most part of the year. The prices have been at reasonable levels, though there are frequent changes, which are common in the Industry. The year 2016-17 has seen lesser turbulences on the demand and price front compared to the earlier years.

Performance of the company for the year 2016-17 and the Management's views on the future outlook for the Company are summarised below:

Industry Structure and Developments

It gives satisfaction that the demand recovery attained during the year 2015-16 has been maintained with a degree of certainty and further consolidation appears to be in the offing as per the indications available from different sources.

The growth drivers for the Industry include the Government's emphasis on improved infrastructure, low cost housing such as 'Pradhan Mantri Awas Yojana - Housing for All'. The general growth / improvement in the industrial scenario would automatically translate into a higher demand for housing which consequently pushes the demand for Cement.

Other Government initiatives, such as Smart Cities, National Highways on the part of the Central Government; and 'Mission Bhagiratha' water project from the Government of Telangana and construction of Amaravathi - capital city by Government of Andhra Pradesh, have started showing results and these are expected to give further fillip in the years to come. It augurs well for the Industry if all the proposals which are in various stages of implementation translate into reality and the industry can witness further increase in the volumes and hopefully the price front.

Opportunities and Threats

The Industrial environment of the country offers several opportunities for further improvement in the performance of the company. Given the size

of population in the country, there are reasonable opportunities for the demand to pick up further. The need for creation of more and more houses specifically in the affordable segment, Sea Ports, Airports and other such infrastructure facilities to improve the standard of living of the vast population has a large potential for the Industry. All the development efforts of the Governments are aimed at the welfare and well being of the masses and hence the need for and demand of Cement is expected to go up.

Though opportunities are there, it cannot be presumed that it is going to be an easy journey. There are number of challenges which have to be tackled carefully in order to ensure a smooth journey. The increase in the prices of coal, petroleum products and other input materials poses a threat to the industry. Normally all the increases in the costs of inputs are expected to be passed on to the buyers, but in the case of an oversupply situation, the supplier is compelled to absorb some of the increases in costs. This has already happened in the year 2016-17 and the industry's ability to increase the prices of the product to pass on the increased input costs has been tested in the year and the industry is only partly successful. The fact that most of the important ingredients / raw materials are under Government controlled mechanism, it makes life difficult for the Industry to resist the increases in input costs.

The Mines and Minerals (Development and Regulation) Act, 2015 though brought positive impact in terms of extended lease period etc; it has also brought additional levies in form of District Mineral Foundation, National Mineral Exploration Trust. The additional levies have a major impact on the cost structure of the cement industry and it has been difficult to increase the prices of cement to take care of such additional costs. Any attempts to increase prices of cement, caused by the levies and other increase in the inputs costs, triggers pressure from consumers including Governments.

The Company's private railway siding which has become commercially operational during the year,

facilitates better handling of material like coal as well as dispatch of cement, widening the market opportunities and also resulting in economies in handling.

Outlook

As already indicated, the outlook for the future is expected to be good. The demand for cement would invariably go up in the times to come in view of several factors including the Government sponsored spending and the increase in disposable incomes of the people in view of the expected growth in the economy. The capacity overhang is expected to be over in future. However regional capacity-demand mismatch would continue to exert pressure on prices.

The company's focus on cost-optimisation would bring in savings and with better management of the available resources, the outlook is expected to be encouraging.

Monsoon for the coming year is expected to be normal and would further add strength to the demand and prices of cement in view of its cascading effect.

Risks and Concerns

The Risks and Concerns which are applicable to all Industries and specifically to Cement Industry can be said to be prevalent in the case of your company as well. Few of the Major risks are given below:

- Periodical increases in cost of inputs leading to impact on margins;
- Uncertainty in Coal supplies and 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 an economic effect;
- Changes in Government Policies impact the costs, demand and supply.

Power situation all over the country has become adequate as a result prices of merchant power have crashed bringing down the profits from sale of power from renewable sources such as wind and hydel.

Internal Control Systems and their Adequacy

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

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

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

Financial and Operational Performance

The Company has sold 13.37 Lakh MTs of cement during the year 2016-17 as against 13.17 Lakh MTs during the year 2015-16 which is about 1.50% increase. Details of the Company's performance on the basis of sale of products are given in the Note No. 20 to the Financial Statements forming part of this Annual Report. Though there has been an increase in volume terms, the gross revenues have seen a dip in view of lower price realisations during the year 2016-17 compared to the previous year. The total gross sales revenue for the year 2016-17 stands at ₹73595 Lakhs, as against ₹75524 Lakhs for the year 2015-16, a fall of 2.55%.

As a result of the drop in realisation, the Profit Before Tax (PBT) for the year stood at ₹7325 Lakhs as compared to ₹8057 Lakhs for the previous year (a drop by about 9%). The Profit After Tax for the year stood at ₹4660 Lakhs compared to that of ₹4556 Lakhs for the previous year (an increase by 2.28%). The finance cost has come down to ₹670 Lakhs during the year as compared to ₹1522 Lakhs for the previous year, a phenomenal reduction of about 56%.

Human Resources & Industrial Relations

The Company believes that the people are its assets and continues its focused attention on nurturing and developing its human resources through continuous training, motivation and engagement initiatives. The relationship with employees continues to be cordial and harmonious and always provides a positive and conducive environment to improve efficiency. Emphasis on competency improvement through skill and capability development, training programs and rationalisation of work methods have improved

employee productivity and morale. The Company's Health and Safety Policy aims at providing a healthy and safe work environment to all employees. As on 31st March 2017, the Company has 316 employees who are engaged in its units and offices.

Cautionary Statement

Statements in the "Management Discussion & Analysis Report" which seek to describe the Company's objective, projections, estimates, expectations or predictions may be considered to be "forward looking statements" within the meaning of applicable securities laws or regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include demand-supply conditions, increase in installed capacities, prices of input materials, cyclical demand, pricing in the Company's markets, changes in Government regulations, tax regimes etc., besides other factors such as 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 2017, 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 5 (five) times during the year 2016-17 at meetings held on 20th May 2016; 9th August 2016; 23rd September 2016; 8th November 2016 and 10th February 2017 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 2016-17		Whether attended last AGM held on 23.09.2016	No. of Director-ships*	No. of Committees Position held [#]	
		Held	Attended			Member	Chairman
Mr. M B Raju	Executive Chairman	5	5	Yes	2	-	-
Mr. Umesh Shrivastava	Independent Director	5	5	Yes	2	3	-
Dr. S A Dave	Independent Director	5	4	Yes	5	6	4
Mr. J Narayanamurty	Independent Director	5	4	No	2	3	1
Mr. K P Singh	Independent Director	5	3	No	1	1	-
Mr. P Venugopal Raju	Non-Executive Director	5	5	Yes	3	1	-
Mr. R Gopalakrishnan	Non-Executive Director	5	4	Yes	1	-	-
Ms. P Parvathi	Managing Director	5	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.

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

Terms of Reference

The terms of reference of the Audit Committee are in line with the provisions of the Regulation 18 of the Listing Regulations read with Part C of Schedule II of the said Regulations, 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 2016-17, the Audit Committee met 4 (Four) times on 20th May 2016; 9th August 2016; 8th November 2016 and 10th February 2017. 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	3
Mr. P Venugopal Raju	Member	Non-Executive Director	4	4

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

- formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- formulation of criteria for evaluation of performance of independent directors and the board of directors;
- devising a policy on diversity of board of directors;
- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;
- whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- 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 2016-17, the Nomination and Remuneration Committee met 2 (two) times on 20th May 2016 and 10th February 2017. 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 in accordance with the provisions of Section 198 of the Act, subject to a ceiling of ₹5,00,000/- per annum.

The Non-Executive Directors, for each of the Board and Committee Meeting attended are paid sittings fees at ₹20,000/- and ₹2,500/- respectively.

Details of Sitting Fees paid & Commission payable to the Non-Executive Directors for the Year 2016-17:

Name of the Directors	Sitting Fees (in ₹)	Commission (in ₹)
Mr. Umesh Shrivastava	1,15,000/-	83,333/-
Dr. S A Dave	92,500/-	83,333/-
Mr. J Narayanamurty	1,05,000/-	83,333/-
Mr. K P Singh	75,000/-	83,333/-
Mr. P Venugopal Raju	1,12,500/-	83,333/-
Mr. R Gopalakrishnan	80,000/-	83,333/-

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 of the Executive Directors during the Financial Year 2016-17:

(₹ in Lakh)

Name of the Directors	Salary	Perquisites & Other Benefits	Commission	Total
Mr. M B Raju	48.00	49.40	156.61	254.01
Ms. P Parvathi	71.40	12.63	156.61	240.64

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 2016-17 the Stakeholders' Relationship and Share Transfer Committee met 4 (Four) times on 20th May 2016, 9th August 2016, 8th November 2016 and 10th February 2017. 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	3
Mr. J Narayanamurty	Member	Independent Director	4	4
Ms. P Parvathi	Member	Managing Director	4	4

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

Details of complaints/grievances received and resolved during the year 2016-17:

Nature	Received and Resolved	Pending
Non-receipt Dividend Warrants	39	NIL
Non-receipt of Annual Report	6	NIL
Non-receipt of Securities	2	NIL
SEBI/BSE/NSE Complaints	2	NIL

7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Composition, Meetings and Attendance of the Committee

During the year 2016-17, the Committee met once on 20th May 2016. 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 2016-17, the Independent Directors of the Company met on 10th February 2017 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	2015-16
AGM No.	36th
Date	23rd September 2016
Time	10:00 AM
Special Resolutions	NIL

Financial Year	2014-15
AGM No.	35th
Date	22nd September 2015
Time	10:00 AM
Special Resolutions	- Approval for replacing the existing Article of Association by adoption of new set of Articles of Association of the Company. - Change of location to maintain Register of Members, Index of Members and other related books.

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

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 2016-17.
- 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 Business Standard, Eenadu / Andhra Prabha newspapers in line with the provisions of the Listing Regulations.
- The Financial Results and other official news of the Company are displayed on the Company's website www.deccancements.com.
- The Company has not made any presentations to any Institutional Investors / Analysts during the last financial year.

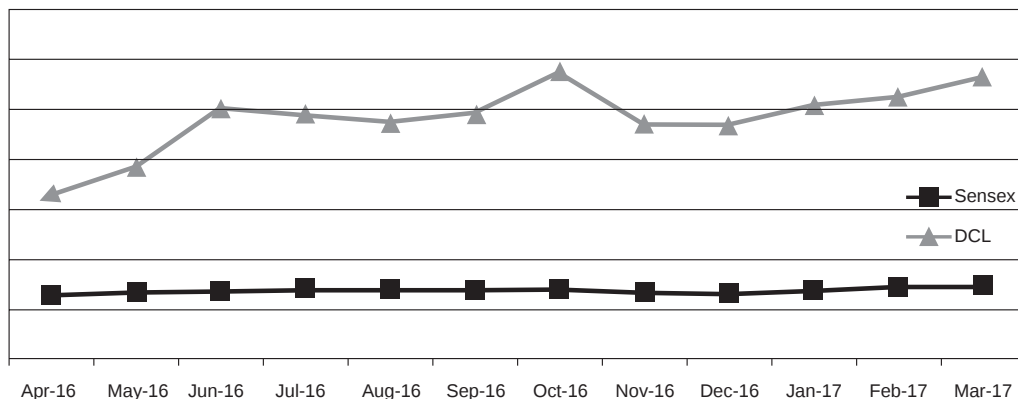
11. GENERAL SHAREHOLDER INFORMATION

- a) Annual General Meeting : 37th Annual General Meeting
 Date : 11th August 2017
 Time : 11:00 AM
 Venue : Bhaskara Auditorium, Birla Museum, Adarsh Nagar, Hyderabad – 500 063
- b) Financial Year : 1st April to 31st March
- c) Date of Book Closure : 5th August 2017 to 11th August 2017
- d) Dividend Payment : Credit /dispatch of dividend warrants between 21st August 2017 to 31st August 2017
- e) Listing with Stock Exchanges : BSE Limited
 Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001
 National Stock Exchange of India Limited
 Exchange Plaza, Plot No. C/1, G Block, Bandra - Kurla Complex, Bandra (East), Mumbai – 400 051
 Listing Fee paid to both stock Exchanges for the Financial Year 2017-18.
- f) Stock Code : BSE – 502137
 NSE – DECCANCE

g) Market Price Data during each month in last financial year 2016-17:

Month and Year	High (₹)		Low (₹)	
	BSE	NSE	BSE	NSE
April 2016	725.25	724.00	566.00	565.20
May 2016	814.00	813.40	655.25	653.10
June 2016	1029.65	1028.85	758.10	757.00
July 2016	1109.00	1108.45	925.50	925.00
August 2016	1023.50	1024.00	864.50	861.60
September 2016	1015.00	1015.00	910.10	910.00
October 2016	1,187.95	1,188.00	980.00	980.90
November 2016	1,220.00	1,222.00	770.00	767.10
December 2016	985.00	984.95	861.50	872.35
January 2017	1,074.95	1,074.00	939.15	936.95
February 2017	1,125.00	1,129.90	1,003.15	1,003.00
March 2017	1,170.00	1,164.00	989.00	987.00

h) Performance in comparison to BSE Sensex:



Sensex	25607	26668	26999	28052	28452	27866	27930	26653	26626	27656	28743	29620
DCL	656.50	758.35	1006.20	986.55	946.50	981.95	1157.50	944.25	932.90	1020.65	1051.15	1132.90

- i) 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

j) Share Transfer System:

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

k) Distribution of Shareholding as on 31st March 2017:

Category (Amount in ₹)	Number of Shareholders	% to total no. of shareholders	Number of Shares	% to paid up share capital
01 - 5,000	6042	92.75	530490	7.57
5,001 - 10,000	235	3.61	186527	2.66
10,001 - 20,000	120	1.84	182677	2.61
20,001 - 30,000	33	0.51	83809	1.20
30,001 - 40,000	17	0.26	60044	0.86
40,001 - 50,000	10	0.15	48625	0.69
50,001 - 100,000	27	0.41	201598	2.88
100,001 and above	30	0.46	5709980	81.53
	6514	100.00	7003750	100.00

l) Dematerialization of Shares and Liquidity:

The Company has arrangements with National Securities Depositories Ltd (NSDL) and Central Depository Services India Ltd (CDSL) to establish electronic connectivity of its shares for script-less trading. As on 31st March 2017 total of 67,68,025 (96.63%) number of shares were dematerialized with the following Depositories (ISIN : INE583C01013):

- National Securities Depository Limited – 5,047,927 shares (72.07%)
- Central Depository Services Limited – 17,20,098 shares (24.56%)

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

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

n) Commodity Price Risk or Foreign exchange risk and hedging activities:

- Commodity Price Risk: The major commodities which the Company uses in the production process are Coal, Laterite, Iron Ore, Gypsum. Any increase in prices of all these items will have an impact adversely on cost of production and if the market cannot compensate for such price hike, profitability may be affected.
- Foreign Exchange Risk: The Company does not have any forex exposure whether it is for term loans or working capital loans etc. Only forex risk is with reference to remittances to be made for imports of spares and components which is not material for the Company to opt for hedging.

o) 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

p) 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 <http://www.deccancements.com/pdf/RPTPolicy.pdf>. 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 2016-17.
- b. During the last three years there were no strictures or penalties imposed either by the SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets.
- c. The Company has formulated and adopted 'Vigil Mechanism/Whistle Blower Policy' and the same is placed on the company's website www.deccancements.com. Further it is hereby affirmed that no personnel has been denied access to the Audit Committee.
- d. The Company has complied with the mandatory requirements of the Listing Regulations and the following non-mandatory requirements:
 - the Company's financial statements for the year 2016-17 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 37th Annual General Meeting.

h. CEO/CFO Certification:

The CEO and CFO certification on the financial statements for year 2016-17 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 2016-17.

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

The Company has complied with all the applicable provisions of the Listing Regulations on Corporate Governance for the Financial Year 2016-17.

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 2017 as envisaged under Schedule V (D) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Place : Hyderabad

Date : 19.05.2017

P. Parvathi

Managing Director

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, 2017, as stipulated in Regulations 17 to 27, Clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").
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 Regulation 17 to 27, Clauses (b) to (i) of regulation 46(2) and paragraph C, D and E of Schedule V of the Listing Regulations, as applicable.
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
Firm Registration No. 000459S

Place : Hyderabad
Date : 19.05.2017

V K Muralidhar
Partner
Membership No. 201570

CEO AND CFO CERTIFICATION

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

- A. We have reviewed the Financial Statements and the Cash Flow Statement for the Financial Year ended 31st March 2017 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 : 19.05.2017

R V A Narasimha Rao

Chief Financial Officer

P Parvathi

Managing Director

DIN: 00016597

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, 2017, 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 there under.

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, 2017, 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, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, 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.
 - iv. the Company has provided requisite disclosures in financial statements as to the holdings as well as dealings in Specified Bank Notes during the period from 08th November 2016 to 30th December 2016 and these are in accordance with the books of account maintained by the Company. Refer Note 40 to the financial statements.

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

V K Muralidhar
Partner

Membership No. 201570

Place : Hyderabad
Date : 19.05.2017

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) have 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 are 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 explanation given to us the Company has complied with the provisions of Section 73 and Section 74 of the Act and the rules framed there under and applicable directives issued by Reserve Bank of India with regard to deposits accepted.
- (vi) On the basis of records produced to us, we are of the opinion that prima facie the Cost Records and Accounts prescribed by the Central Government under Section 148(1) of the Act have been maintained. However, we are not required to and have not carried out any detailed examination of such Records and Accounts.
- (vii) 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 regular in depositing undisputed statutory dues including provident fund, employees' 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, employees' 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, 2017 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of income tax, sales tax, duty of custom, duty of excise or value added tax which have not been deposited as on March 31, 2017 on account of disputes except :

Name of the Statute	Nature of Dues	Assessment year to which the amount relates	₹ in Lakh	Forum where dispute is pending
Income Tax Act 1961	Disallowance of debenture issue expenses and bad debts.	1997-98	6.46	Income Tax appellate Tribunal, Hyderabad.
Andhra Pradesh General Sales Tax Act/ VAT Act.	Sales Tax on packing material	1993-94	11.52	High Court of Andhra Pradesh
	Sales tax demand for the deemed excess production based on energy audit	1999-00 & 2000-01	85.68	High Court of Andhra Pradesh
	Sales Tax Demand for interest		137.24	Deputy Commissioner (Appeals) Hyderabad
	Sales Tax Demand – recovery of excess paid interest.	2002-03 to 2004 - 05	51.61	High Court of Andhra Pradesh
	Demand on water consumed for generation of power	1997-2008	723.29	High Court of Andhra Pradesh
AP Electricity Duty Amendment Act, 2003	Dispute on duty on electricity generated and consumed	2003-04 to 2008-09	316.23	High Court of Andhra Pradesh
	Demand towards District Mineral Foundation Contribution	12 th January 2015 to 09 th February 2016	391.50	Stay given by Honorable High Court of Andhra Pradesh and Telangana

- (viii) According to the information and explanations given to us, the company has not defaulted in repayment of dues to the financial institutions or the banks 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 give 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 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.
- (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. 000459S

Place : Hyderabad
Date : 19.05.2017

V K Muralidhar
Partner
Membership No. 201570

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, 2017 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 2017, 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. 000459S

Place : Hyderabad
Date : 19.05.2017

V K Muralidhar
Partner
Membership No. 201570

Balance Sheet as at 31st March 2017

(₹ in Lakh)

Particulars	Note No	As at 31st March 2017	As at 31st March 2016
I EQUITY AND LIABILITIES			
1. Shareholders' Fund			
(a) Share Capital	3	700.38	700.38
(b) Reserves and Surplus	4	32041.77	27912.85
Sub Total (A)		32742.15	28613.23
2 Non - Current Liabilities			
(a) Long Term Borrowings	5	2637.72	4501.37
(b) Deferred Tax Liabilities (Net)	6	6117.24	5789.45
(c) Other Long Term Liabilities	7	4660.88	2661.98
(d) Long Term Provisions	8	372.13	338.26
Sub Total (B)		13787.97	13291.06
3. Current Liabilities			
(a) Short - Term Borrowings	9	3652.61	3352.17
(b) Trade Payables (Refer Note No. 34)		1742.89	2038.28
(c) Other Current Liabilities	10	2921.80	1889.28
(d) Short - Term Provisions	11	550.48	81.31
Sub Total (C)		8867.78	7361.04
TOTAL (A+B+C)		55397.90	49265.33
II ASSETS			
1. Non - Current Assets			
(a) Fixed Assets	12		
i Tangible Assets		36129.57	32518.32
ii Intangible Assets		1563.48	1705.17
iii Capital Work in - Progress		9.36	3404.12
(b) Non - Current Investments	13	8.69	8.69
(c) Long - Term Advances	14	3317.15	1155.90
Sub Total (D)		41028.25	38792.20
2. Current Assets			
(a) Inventories	15	5749.52	5379.45
(b) Trade Receivables	16	1083.03	815.42
(c) Cash and Bank balances	17	5460.86	3498.53
(d) Short - Term Advances	18	1884.09	640.35
(e) Other Current Assets	19	192.15	139.38
Sub Total (E)		14369.65	10473.13
TOTAL (D+E)		55397.90	49265.33
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 : 19.05.2017

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 2017 (₹ in Lakh)

Particulars	Note No	As at 31st March 2017	As at 31st March 2016
I. Revenue from Operations	20	64831.09	66943.78
Less: Excise Duty		9047.92	9037.12
		55783.17	57906.66
II. Other Income	21	203.10	148.37
III. Total Revenue (I + II)		55986.27	58055.03
IV. Expenses			
Cost of Raw material consumed	22	4861.95	4571.23
Power and Fuel	23	14268.58	14793.19
Changes in inventories of finished goods, work-in-process and Stock-in-Trade	24	(334.56)	379.90
Employee benefits expense	25	2263.23	2184.93
Finance Cost	26	670.34	1521.65
Depreciation and amortization expense		2147.37	2033.04
Selling and Distribution Expenses	27	21141.36	20931.90
Other expenses	28	3642.95	3581.90
Total Expenses		48661.22	49997.74
V Profit before Tax (III-IV)		7325.05	8057.29
VI Tax Expense			
(1) Current Tax		2223.17	1719.51
(2) Deferred Tax		327.79	987.32
(3) Prior year tax adjustments		91.93	61.30
(4) MAT Credit (Entitlements) / Utilised		22.46	732.91
VII Profit for the year		4659.70	4556.25
VIII Earnings per Equity Share			
(1) Basic		66.53	65.05
(2) Diluted		66.53	65.05
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 : 19.05.2017

R V A Narasimha Rao
Chief Financial Officer

S K Mishra
Company Secretary
FCS 8555

Cash Flow Statement for the Year Ended 31st March 2017

(₹ in Lakh)

Particulars	Year Ended 31st March 2017	Year Ended 31st March 2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit(Loss) Before Tax	7325.05	8057.29
Adjustments for :		
Depreciation and amortisation expenses	2172.37	2058.04
Interest and Finance charges	670.34	1521.65
Dividends Received	(0.28)	(0.20)
Interest Income	(78.91)	(91.64)
Profit on Sale of Fixed Assets	-	(21.82)
Operating Profit Before Working Capital Changes	10088.57	11523.32
Changes in Working Capital		
(Increase) / Decrease in Inventories	(370.07)	1455.36
(Increase) / Decrease in Trade Receivables	(267.61)	2159.74
(Increase) / Decrease in Short Term Advances	(1243.74)	621.60
(Increase) / Decrease in Long Term Advances	(2251.23)	(49.85)
Increase / (Decrease) in Other Long Term Liabilities	1998.90	(369.81)
Increase / (Decrease) in Cash Credit utilisation	300.44	(927.59)
(Increase) / Decrease in Other Current Assets	(95.89)	438.74
Increase / (Decrease) in Short term provisions	25.26	(5.80)
Increase / (Decrease) in Trade Payables	(295.39)	576.35
Increase / (Decrease) in Other Current Liabilities	388.18	332.71
Increase / (Decrease) in Long Term Provisions	33.87	100.86
Cash Generated from Operations	8311.29	15855.63
Direct Taxes Paid	(2286.96)	(1834.96)
Cash Flow before Prior period Items	6024.33	14020.67
Net Cash Flow from Operating Activity	6024.33	14020.67
B. CASH FLOW FROM INVESTING ACTIVITIES		
Inflow / (Outflow)		
Dividends received	0.28	0.20
Interest received	99.57	84.52
Purchase of Fixed Assets	(5641.96)	(709.61)
(Increase) / Decrease in Capital Work in Progress	3394.76	(108.10)
Sale of Fixed Assets	0.00	51.18
Net Cash Flow from Investing Activities	(2147.35)	(681.81)
carried forward	3876.98	13338.86

Contd...

Cash Flow Statement for the Year Ended 31st March 2017

(₹ in Lakh)

Particulars	Year Ended 31st March 2017	Year Ended 31st March 2016
brought forward	3876.98	13338.86
C. CASH FLOW FROM FINANCING ACTIVITIES		
Inflow / (Outflow)		
Dividend Paid (Including Dividend Tax)	-	(630.31)
Increase / (Decrease) in Capital Reserve	(25.00)	(25.00)
Proceeds from Long Term Borrowings	-	(200.64)
Long Term Borrowings paid	(1209.25)	(10004.28)
Interest Paid	(680.40)	(1605.63)
Net Cash Flow from Financing Activities	1914.65	(12465.86)
D. NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	1962.33	873.00
Cash and Cash Equivalents as at the commencement of the year	3498.53	2625.53
Cash and Cash Equivalents as at the close of the year	5460.86	3498.53
(includes Funds not available for use - Margin Money ₹169.88 Lakhs Unclaimed Dividend ₹21.14 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 : 19.05.2017

R V A Narasimha Rao
Chief Financial Officer

S K Mishra
Company Secretary
FCS 8555

Notes to the Financial Statements for the Year Ended 31st March 2017

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 cost 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 2017	As at 31st March 2016
Authorised		
1,00,00,000 Equity Shares of ₹10/- each	1,000.00	1,000.00
Issued, Subscribed and Fully Paid		
70,03,750 Equity Shares of ₹10/- each	700.38	700.38
a. Reconciliation of Number of Shares Outstanding		
At the beginning of the Year	7,003,750	7,003,750
At the end of the year	7,003,750	7,003,750

b. Terms / Rights attached

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

For the financial year 2016-17, the Board of Directors has recommended a dividend of ₹6/- (60%) per Equity Share subject to approval of the shareholders.

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.

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 shareholders holding more than 5% shares in the Company

Name	As at 31st March 2017		As at 31st March 2016	
	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	277,963	3.97%	469,841	6.71%
v) UTI-MID Cap Fund	369,269	5.27%	349,861	4.99%

Note No 4 : Reserves & Surplus

(₹ in Lakh)

Particulars	As at 31st March 2017	As at 31st March 2016
(a) Capital Reserve		
Opening Balance		
Capital Subsidy - Gross*	140.24	140.24
Amortised upto Previous year	47.88 92.36	22.88 117.36
Less : Transfer to Depreciation and amortization expenses	25.00	25.00
Closing Balance	67.36	92.36
*Include ₹100 Lakhs received towards Central Subsidy Assistance for 132KV Switch Yard.		
(b) Power Subsidy		
Opening Balance	99.28	99.28
Closing Balance	99.28	99.28
(c) Securities Premium Account		
Opening Balance	1,250.14	1,250.14
Closing Balance	1,250.14	1,250.14
(d) General Reserve		
Opening Balance	4,500.00	4,500.00
Closing Balance	4,500.00	4,500.00
(e) Surplus in Statement of Profit and Loss		
Opening Balance	21,971.07	17,835.03
Add: Profit for the Current Year	4,659.70	4,556.25
Less:		
Interim dividend paid	-	350.19
Corporate Dividend Tax paid on Interim Dividend	-	70.02
Proposed Dividends	420.23	-
Corporate Dividend Tax on Proposed Dividend	85.55	-
Closing Balance	26,124.99	21,971.07
TOTAL (a+b+c+d+e)	32,041.77	27,912.85

Notes to the Financial Statements

Note No 5: Long Term Borrowings

(₹ in Lakh)

Particulars	As at 31st March 2017		As at 31st March 2016	
	Non Current	Current	Non Current	Current
A. SECURED BORROWINGS				
(a) Term Loans from Banks - Refer Note 5 (C)				
State Bank of India	-	344.00	1,408.00	-
Andhra Bank	-	300.00	1,000.00	-
(b) Equipment & Vehicle Loans				
(Secured by respective Equipments and Vehicles)				
(i) Equipment Loans				
From Banks	120.05	48.40	168.45	43.27
From Others	24.35	33.78	58.13	30.74
(ii) Vehicle Loans				
From Banks	3.99	3.39	7.38	3.04
From Others	54.64	20.07	74.72	18.19
B. UNSECURED BORROWINGS				
(a) Deferred Payment Liabilities - Refer Note 5 (D)	1,309.69	-	1,309.69	-
(b) Unsecured loans				
From Related parties - Directors	750.00	-	275.00	-
From Related parties - Corporates	375.00	-	200.00	-
(Note No 32 regarding details of related parties)				
	2,637.72	749.64	4,501.37	95.24
The above loans includes				
Secured	203.03	749.64	2,716.68	95.24
Unsecured	2,434.69	-	1,784.69	-
Amount disclosed under the head "Other current liabilities" Note No 10		(749.64)		(95.24)
	2,637.72	-	4,501.37	-

(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 2017)

Year	₹ in Lakh
2017 - 18	644.00
	644.00

(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 31.03.17 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 2017	As at 31st March 2016
a) Liability		
On Account of Depreciation	6,261.24	5,912.98
b) Asset		
On Account of Employee Benefits	(144.00)	(123.53)
Deferred Tax Liability (Net)	6,117.24	5,789.45

Notes to the Financial Statements

Note No 7 : Other Long Term Liabilities

(₹ in Lakh)

Particulars	As at 31st March 2017	As at 31st March 2016
Security Deposits from Stockists & Others (Unsecured)	4,610.07	2573.12
Interest payable on Equipment Loans	50.81	88.86
TOTAL	4,660.88	2661.98

Note No 8 : Long Term Provisions

(₹ in Lakh)

Particulars	As at 31st March 2017	As at 31st March 2016
Provision for Employee benefits		
Gratuity	303.75	276.93
Leave Encashment	68.38	61.33
TOTAL	372.13	338.26

Note No 9 : Short Term Borrowings

(₹ in Lakh)

Particulars	As at 31st March 2017	As at 31st March 2016
Secured		
Cash Credit from Banks		
State Bank of India	2,459.34	1,961.54
Andhra Bank	620.11	935.40
State Bank of Mysore	255.44	182.96
State Bank of Hyderabad	140.51	272.27
Corporation Bank	24.63	-
Kotak Mahindra Bank	152.58	-
TOTAL	3,652.61	3,352.17

(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 2017	As at 31st March 2016
(a) Current Maturities of Long Term Debt	749.64	95.24
(b) Interest accrued but not due		
On Term Loans	10.86	20.92
(c) Unpaid Dividends	21.14	33.29
(d) Other Payables		
Creditors for Capital Goods	35.46	49.82
Statutory Remittances	688.98	503.05
Other recoveries Payable	3.72	11.60
Advances from customers	1,412.00	1,175.36
	2,140.16	1,739.83
TOTAL	2,921.80	1,889.28

Note No 11 : Short Term Provisions

(₹ in Lakh)

Particulars	As at 31st March 2017	As at 31st March 2016
Others		
Provision for Taxation (Net of Advance Tax)	0.75	62.62
Proposed Dividend	420.23	-
Corporate Dividend Tax	85.55	-
	506.53	62.62
Gratuity Provision	24.65	14.65
Leave Encashment Provision	19.30	4.04
TOTAL	550.48	81.31

Note No 12 : Fixed Assets

(₹ in Lakh)

Particulars	GROSS BLOCK - AT COST			DEPRECIATION			NET BLOCK		
	As at 31st March 2016	Additions During the Year	Deductions / Adjustments during the Year	As at 31st March 2017	Upto 31st March 2016	For the Year	Deductions / Adjustments during the Year	Upto 31st March 2017	As at 31st March 2017
A. TANGIBLE ASSETS									
Freehold Land	1849.48	-	-	1849.48	-	-	-	-	1849.48
Buildings	7822.76	41.12	-	7863.88	2158.94	239.72	-	2398.66	5465.22
Plant & Machinery	44587.27	2572.98	-	47160.25*	19847.26	1683.41	-	21530.67	25629.58
Other Equipment	14.19	-	-	14.19	12.71	0.77	-	13.48	0.71
Furniture & Fixtures	97.40	4.00	-	101.40	65.55	6.61	-	72.16	29.24
Vehicles	257.34	-	-	257.34	96.00	29.90	-	125.90	131.44
Office Equipment	168.78	8.91	-	177.69	98.44	40.46	-	138.90	38.79
Railway Siding	-	3014.93	-	3014.93	-	29.82	-	29.82	2985.11
Sub Total (A)	54797.22	5641.94	-	60439.16	22278.90	2030.69	-	24309.59	36129.57
B. INTANGIBLE ASSETS									
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	106.76	53.38	-	160.14	1441.26
Computer software	47.90	-	-	47.90	17.41	7.79	-	25.20	22.70
Power Evacuation Project	124.28	-	-	124.28	47.33	31.07	-	78.40	45.88
132 KV Switch Yard	197.79	-	-	197.79	94.70	49.45	-	144.15	53.64
Sub Total (B)	2037.04	-	-	2037.04	331.87	141.69	-	473.56	1563.48
C. CAPITAL WORK IN PROGRESS									
Works in Progress - Civil & Others	3404.12	(3,394.76)	-	9.36	-	-	-	-	9.36
Sub Total (C)	3404.12	(3,394.76)	-	9.36	-	-	-	-	-
TOTAL (A+B+C)	60238.38	2247.18	-	62485.56	22610.77	2172.38	-	24783.15	37702.41
Total of Previous Year	59557.52	817.71	136.85	60238.38	20660.22	2058.04	107.49	22610.77	37627.61
* Includes cost of 33 KV line at Wind farm, Hydel Power Plant, Cement Div. and Slag Division aggregating to ₹128.04 lakhs ownership of which vest with respective TRANSCO'S.									
Sub Total of Previous Year	59557.52	817.71	136.85	60238.38	20660.22	2058.04	107.49	22610.77	37627.61
Total of Previous Year	59557.52	817.71	136.85	60238.38	20660.22	2058.04	107.49	22610.77	37627.61
Sub Total of Previous Year	59557.52	817.71	136.85	60238.38	20660.22	2058.04	107.49	22610.77	37627.61
Total of Previous Year	59557.52	817.71	136.85	60238.38	20660.22	2058.04	107.49	22610.77	37627.61

Note No 13 : Non Current Investments

(₹ in Lakh)

Particulars	As at 31st March 2017	As at 31st March 2016
Long term (at cost)		
(a) Investment in Equity Instruments - Quoted		
Tata Consultancy Services Ltd. (220 Equity Shares of ₹1/- each fully paid)	0.47	0.47
(b) DCFEMAC Co-operative Stores Limited (Unquoted - Fully paid)	0.10	0.10
(236 Equity Shares of ₹100/- each)		
(c) Investment in Property		
Investment in Land	8.12	8.12
Total (a) + (b) + (c)	8.69	8.69
Less : Provision for diminution in the value of Investments	-	-
TOTAL	8.69	8.69
Aggregate market value of Quoted investments	5.35	5.54

Note No 14 : Long Term Advances

(₹ in Lakh)

Particulars	As at 31st March 2017	As at 31st March 2016
(a) Capital Advances		
(Unsecured, Considered good)		
Advances for Capital Goods	554.08	44.41
(b) Security / Trade Deposits		
(Unsecured, Considered good)		
(i) Deposits with Govt. & Others	2,634.65	855.04
(ii) Advance Income Tax (Net of Tax Provision)	77.61	167.59
(iii) Others	50.81	88.86
TOTAL	3,317.15	1,155.90

Note No 15 : Inventories

(₹ in Lakh)

Particulars	As at 31st March 2017	As at 31st March 2016
(a) Raw Materials	289.65	158.46
(b) Work-in-process	1,278.90	882.52
(c) Finished goods	681.01	742.83
(d) Stores and spares	2,498.54	2,325.16
(e) Packing Material	152.77	144.50
(f) Coal	848.65	1,125.98
TOTAL	5,749.52	5,379.45

Notes to the Financial Statements

Note No 16 : Trade Receivables

(₹ in Lakh)

Particulars	As at 31st March 2017	As at 31st March 2016
Unsecured, Considered good		
(i) Outstanding for a period exceeding Six months	39.63	92.13
(ii) Other debts	1,043.40	723.29
TOTAL	1,083.03	815.42

Note No 17 : Cash and Bank Balances

(₹ in Lakh)

Particulars	As at 31st March 2017	As at 31st March 2016
(a) Cash on Hand	7.76	15.51
(b) Balances with Banks in Current / Collection accounts	3,829.08	2700.37
(c) Earmarked balances with Banks (Unpaid Dividend a/c)	21.14	33.29
(d) Margin Money Deposits	169.88	116.36
(e) Term Deposits with remaining maturity of more than 3 months but less than 12 months	1,433.00	633.00
TOTAL	5,460.86	3,498.53

Note No 18 : Short term Advances

(₹ in Lakh)

Particulars	As at 31st March 2017	As at 31st March 2016
Unsecured, Considered good		
(a) Advances for purchase of		
- Raw Materials and Coal	756.78	177.87
- Stores and Spares	354.79	134.02
(b) Advances to Employees	26.91	19.63
(c) Other Advances	745.61	308.83
TOTAL	1,884.09	640.35

Note No 19 : Other Current Assets

(₹ in Lakh)

Particulars	As at 31st March 2017	As at 31st March 2016
(a) Pre Paid Expenses	39.63	49.77
(b) MAT Credit Entitlements	-	22.46
(c) Interest Accrued	16.43	37.09
(d) Govt. Incentive Receivable	19.65	19.65
(e) Unbilled Revenue - Banked Energy	116.44	10.41
TOTAL	192.15	139.38

Note No 20 : Revenue from Operations

(₹ in Lakh)

Particulars	Year Ended 31st March 2017		Year Ended 31st March 2016	
Sale of Products				
(a) Cement Sales (breakup given below)		73,168.06		74,663.16
(b) Income from Power Generation (Net of Charges for Wheeling, Banking)				
Wind	182.24		83.35	
Hydel	190.99		330.50	
Thermal	54.04		447.19	
		427.27		861.04
Total Revenue (Including VAT & Excise)		73,595.33		75,524.20
Less: VAT		8,764.24		8,580.42
TOTAL		64,831.09		66,943.78
	Quantity M.T.	Amount ₹ in Lakh	Quantity M.T.	Amount ₹ in Lakh
Turnover				
Cement Sales (Break up)				
Sale of Cement	1336697	73,166.31	1316908	74,660.06
Internal Consumption of Cement	88	1.75	235	3.10
Lab samples of Cement	17	-	13	-
	1336802	73,168.06	1317156	74,663.16

Note No 21 : Other Income

(₹ in Lakh)

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
(a) Interest Income	78.91	91.64
(b) Dividend Income	0.28	0.20
(c) Profit on Sale of Fixed Assets	-	21.82
(d) Scrap Sales	83.21	11.11
(e) Credit Balances Written back	0.80	0.55
(f) Miscellaneous Income	17.48	12.83
(g) Bad Debts Recovered	11.90	-
(h) Rental Income	10.52	10.22
TOTAL	203.10	148.37

Notes to the Financial Statements

Note No 22 : Cost of Raw Material Consumed

(₹ in Lakh)

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
(a) Limestone	2,113.78	1,580.76
(b) Iron Ore	949.77	1,009.93
(c) Gypsum	1,034.87	1,242.24
(d) Fly Ash	413.78	435.90
(e) Laterite	349.75	291.67
(f) Internal Transport of Materials	-	10.73
TOTAL	4,861.95	4,571.23

Note No 23 : Power and Fuel

(₹ in Lakh)

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
Power and Fuel		
(i) Power	1,075.11	1,014.57
(ii) Coal	13,193.47	13,778.62
TOTAL	14,268.58	14,793.19

Note No 24 : Changes in inventories of finished goods Work-in-process and stock-in-trade

(₹ in Lakh)

Particulars	Year Ended 31st March 2017	Year Ended 31st March 2016
(a) Work-in-Process		
Opening Stock	882.52	1,089.23
Closing Stock	1,278.90	882.52
	(396.38)	206.71
(b) Finished Goods		
Opening Stock	742.83	916.02
Closing Stock	681.01	742.83
	61.82	173.19
TOTAL	(334.56)	379.90

Note No 25 : Employee benefits expense

(₹ in Lakh)

Particulars	Year Ended 31st March 2017	Year Ended 31st March 2016
(a) Salaries, Wages and bonus	1,882.41	1,803.15
(b) Contribution to Provident and other funds	155.83	178.59
(c) Workmen and Staff welfare Expenses	224.99	203.19
TOTAL	2,263.23	2,184.93

Note No 26 : Finance Cost

(₹ in Lakh)

Particulars	Year Ended 31st March 2017	Year Ended 31st March 2016
(a) Interest		
(i) Term Loans	163.42	994.39
(ii) Working Capital Loans	176.36	197.13
(iii) Others	231.80	165.52
(b) Other Financial Charges	-	109.98
(c) Bank Charges	98.76	54.63
TOTAL	670.34	1,521.65

Note No 27 : Selling and Distribution Expenses

(₹ in Lakh)

Particulars	Year Ended 31st March 2017	Year Ended 31st March 2016
Selling and Distribution Expenses		
Consumption of Packing Materials	2,037.57	2,027.12
Freight Charges		
By road	9,037.89	9,944.99
By rail	1,858.72	2,435.52
Testing and Marking fees	27.74	44.40
Commission on Sales	453.28	558.98
Other Selling Expenses	1,476.87	1,947.11
Rebates, discounts and price differences	6,241.66	3,943.08
Bad debts written off	7.63	30.70
TOTAL	21,141.36	20,931.90

Notes to the Financial Statements

Note No 28: Other Expenses

(₹ in Lakh)

Particulars	Year Ended 31st March 2017	Year Ended 31st March 2016
(a) Consumption of Stores and Spares	1,634.88	1,779.58
(b) Repairs and Maintenance		
Buildings	37.19	45.89
Plant and Machinery	543.78	482.91
Others	557.99	530.50
	1,138.96	1,059.30
(c) Administration Expenses		
Travelling and Conveyance	129.48	130.60
Directors' Travelling and Conveyance	8.04	12.09
Directors' sitting fees	5.80	6.32
Printing and Stationery	16.25	17.72
Communication Expenses	24.73	31.82
Legal and Professional charges	59.03	65.11
Insurance	71.12	56.26
Auditors' Remuneration	11.75	12.40
Staff Recruitment and Training	1.50	1.71
Rent	63.02	64.46
Rates and Taxes	20.21	39.67
Donations	1.35	2.00
Security Service Charges	131.20	118.40
Sundry Expenses	195.39	104.22
Corporate Social Responsibility	79.57	51.99
Business Promotion Expenses	50.67	28.25
	869.11	743.02
TOTAL	3,642.95	3,581.90

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	618.14	760.60
(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.	Nil	23.59
(vi) Central Excise:	Nil	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 12 th Jan 2015 to 9 th 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	391.50
(B) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for: (net of advances)	3.13	793.63

30. Employee Benefits:

(i) Defined Benefit Plan

- a) Liability for retiring gratuity as on 31st March 2017 is ₹328.40 Lakhs (31.03.2016: ₹291.58 Lakhs) of which ₹45.29 Lakhs (31.03.2016: ₹53.55 Lakhs) is funded with the Life Insurance Corporation of India and the balance of ₹283.11 Lakhs (31.03.2016: ₹238.03 Lakhs) is included in provision for Gratuity.
- b) Liability for cost of compensated absences as on 31st March 2017 of ₹87.68 Lakhs (31.03.2016: ₹65.37 Lakhs) is unfunded and has been actuarially determined and provided for in the books.
- c) 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	
	2016 - 17	2015 - 16	2016 - 17	2015 - 16
Net Assets / (Liability) recognized in the Balance Sheet				
Present Value of Obligation	291.58	222.38	-	-
Fair Value of Plan Assets Liability / (Assets)	36.82	69.20	-	-
Unrecognized past service cost	Nil	Nil	-	-
Liability / (Assets) recognised in the Balance Sheet	328.40	291.58	65.37	39.51
Component of Employer's Expense				
Current Service Cost	19.65	19.50	-	-
Interest Cost	22.46	20.34	-	-
Expected Return on Plan Assets	(3.42)	(5.34)	-	-
Net Actuarial Gain / (Loss) recognised	15.52	57.80	-	-
Past Service Cost	-	-	-	-
Expenses Recognised in the Statement of Profit and loss	(54.21)	(92.30)	-	-
Movement in the Net Liability recognized in the Balance Sheet				
Opening Net Liability	291.58	222.38	65.37	39.51
Expenses recognized in the Statement of Profit and Loss	54.21	92.30	-	-
Employer contribution	(17.39)	(23.10)	-	-
Payment made to employee on retirement	-	-	-	-
Closing Net Liability	328.40	291.58	87.68	65.37

(₹ in Lakh)

Particulars	Gratuity		Compensated Absences	
	2016 - 17	2015 - 16	2016 - 17	2015 - 16
Actuarial Assumptions				
Discount Rate (Per annum)	7.5 %	8 %	7 %	8 %
Mortality	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)
Expected Rate of return on Plan Asset (Per annum)	8%	8 %	-	-
Salary Escalation rate (Per Annum)	4%	4%	4%	4.00 %
Valuation Method	Projected Unit Cost Method	Projected Unit cost Method	Projected Unit cost Method	Projected Unit cost Method

(ii) Defined contribution plans

The Company made Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognized ₹91.16 Lakhs (31.03.2016: ₹85.22 Lakhs) for Provident Fund contributions, ₹7.94 Lakhs (31.03.2016: ₹7.81 Lakhs) for Superannuation Fund contributions and ₹5.29 Lakhs (31.03.2016: ₹Nil) for National pension Scheme (NPS) 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) Melvillie Finvest Limited d) DCL Information Technologies Limited
(v)	Enterprises in which directors have significant influence.	a) Holtec Consulting Private Limited.

(ii) Transactions during the year with related parties

Sl. No	Nature of Transactions	Key Management Personnel		Relatives of Key Management Personnel		Directors		Enterprises in which KMP or relatives having significant influence		Enterprises in which Directors having significant influence	
		2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
(i)	Unsecured Loans										
	Received	475.00	725.00	-	-	-	-	175.00	206.00	-	-
	Repaid	-	450.00	-	-	-	-	-	6.00	-	-
(ii)	Rent Paid	-	-	33.60	33.60	-	-	-	-	-	-
(iii)	Remuneration including Commission	537.71	561.80	-	-	10.80	11.32	-	-	-	-
(iv)	Interest on Unsecured Loans	69.78	46.66	-	-	-	-	42.14	24.08	-	-
(v)	Consultancy Service	-	-	-	-	-	-	-	-	8.72	-

(iii) Balance outstanding as on Balance Sheet date

Name of the Related Party	Key Management Personnel		Relatives of Key Management Personnel		Directors		Enterprises in which KMP or relatives having significant influence		Enterprises in which Directors having significant influence	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Credit Balance										
Mr. M B Raju	356.61	171.42	-	-	-	-	-	-	-	-
Ms. P Parvathi	706.61	446.41	-	-	-	-	-	-	-	-
Ms. P Aishwarya	-	-	-	-	-	-	-	-	-	-
Mr. P Anirudh Raju	-	-	-	-	0.83	0.83	-	-	-	-
Mr. Umesh Shrivastava	-	-	-	-	0.83	0.83	-	-	-	-
Mr. P Venugopal Raju	-	-	-	-	0.83	0.83	-	-	-	-
Mr. K P Singh	-	-	-	-	0.83	0.83	-	-	-	-
Mr. J Narayanamurthy	-	-	-	-	0.83	0.83	-	-	-	-
Dr. S A Dave	-	-	-	-	0.83	0.83	-	-	-	-
Mr. R Gopalakrishnan	-	-	-	-	0.83	0.83	-	-	-	-
Mr. R V A Narasimha Rao	-	-	-	-	-	-	-	-	-	-
Mr. S K Mishra	-	-	-	-	-	-	-	-	-	-
M/s. Melville Finvest Ltd.	-	-	-	-	-	-	100.00	-	-	-
M/s. Satyasai Investments and Leasing Ltd.	-	-	-	-	-	-	275.00	200.00	-	-
M/s. Holtec Consulting Private Limited	-	-	-	-	-	-	-	-	-	-
Total	1,063.22	617.83	-	-	5.00	5.00	375.00	200.00	-	-

(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	2016-17	2015-16
(a) Key Management Personal		
(i) Unsecured Loans Received		
Mr. M B Raju	200.00	450.00
Ms. P Parvathi	275.00	275.00
Paid		
Mr. M B Raju	-	450.00
(ii) Interest on Unsecured Loans Received		
Mr. M B Raju	22.34	14.09
Ms. P Parvathi	47.44	32.57
(iii) Remuneration including commission		
Mr. M B Raju	254.01	268.02
Ms. P Parvathi	240.64	255.99
(b) Relatives of Key Management Personnel		
(i) Rent Paid		
Ms. M Lakshmi	33.60	33.60
(c) Directors Commission and Sitting Fees		
Mr. Umesh Shrivastava	1.98	1.80
Mr. P Venugopal Raju	1.96	1.75
Mr. K P Singh	1.58	2.01
Mr. J Narayanamurthy	1.88	2.11
Dr. S A Dave	1.76	2.00
Mr. R Gopalakrishnan	1.63	1.63
(d) Enterprises in which KMP or relatives having significant influence		
(i) Unsecured Loans Received		
M/s. Melville Finvest Limited	100.00	-
M/s. Satyasai Investments and Leasing Ltd.	75.00	200.00
(ii) Interest on Unsecured Loans Received		
M/s. Melville Finvest Limited	11.17	-
M/s. Satyasai Investments and Leasing Ltd.	30.97	24.08
(e) Enterprises in which directors having significant influence.		
M/s. Holtec Consulting Private Limited.	8.72	-

33. Earnings Per Share Basic & Diluted

Particulars	31 st March 2017	31 st March 2016
Net Profit after tax available for equity shareholders (₹ in Lakhs)	4,659.70	4,556.25
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 (₹)	66.53	65.05

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	31 st March 2017	31 st March 2016
Audit Fee	6.00	6.00
Certification Work	0.20	0.40
Tax Audit fee	1.75	1.75
Reimbursement of expenses	-	1.25
Limited Review Fee	2.25	2.25
Taxation matters	1.55	0.75
TOTAL	11.75	12.40

36. Value of Imports calculated on CIF basis

(₹ in Lakh)

Particulars	Year ended 31 st March 2017	Year ended 31 st March 2016
Raw materials	-	-
Components and spare parts	4.03	8.81
Capital goods	-	-

37. **Expenditure in Foreign Currency : ₹2.74 Lakhs** (Previous Year – ₹51.72 Lakhs)

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

(₹ in Lakh)

Particulars	% of total Consumption	31 st March 2017 Value	% of total Consumption	31 st March 2016 Value
Raw Materials				
Imported	-	-	-	-
Indigenous	100	4,861.95	100.00	4,571.23
Stores, Spare Parts and Packing Materials				
Imported	0.11	4.03	0.23	8.61
Indigenous	99.89	3,668.42	99.77	3,798.09

Notes to the Financial Statements

39. 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 (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
ii	On purposes other than (i) above	NIL (19.79)	79.42 (32.11)	79.57 (51.99)	NIL (NIL)

Numbers in bracket represent previous year figures.

40. Details of 'Specified Bank Notes' (SBN) held and transacted during the period 08.11.2016 to 31.12.2016.

Particulars	SBNs ₹	Other denomination Notes ₹	Total ₹
Closing cash in hand as on 08.11.2016	2,73,500	5,41,672	8,15,172
(+) Permitted Receipts	-	26,17,473	26,17,473
(-) Permitted Payments	28,500	20,14,883	20,43,383
(-) Amount Deposited in the Bank	2,45,000	-	2,45,000
Closing Cash in hand as on 31.12.2016	-	11,44,262	11,44,262

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 : 19.05.2017

R V A Narasimha Rao
Chief Financial Officer

S K Mishra
Company Secretary
FCS 8555

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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 **37th Annual General Meeting** of the Company to be held on **Friday, 11th August 2017 at 11:00 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: _____

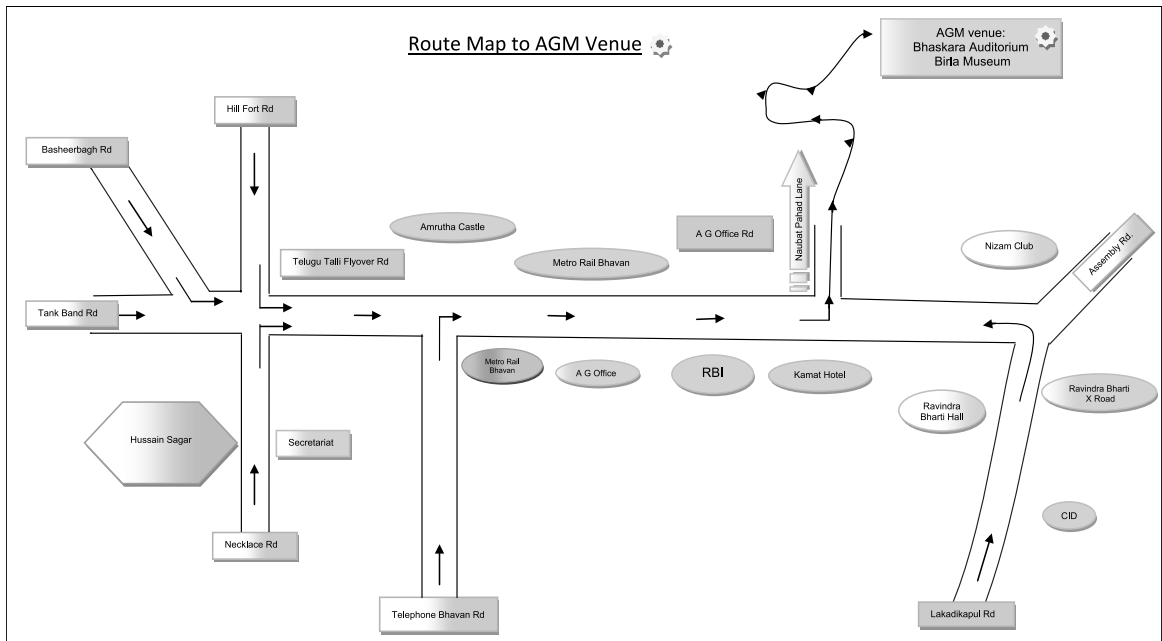
or failing him/her

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 37th Annual General Meeting of the Company, to be held on Friday, 11th August 2017 at 11:00 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 Business		For	Against	Abstain
1.	Adoption of Audited Balance Sheet as at 31st March 2017 and Statement of Profit & Loss for the Year ended on that date together with the Reports of the Director's and Auditor's thereon.			
2.	Declaration of dividend on equity shares			
3.	Appointment of a Director in place of Mr. R Gopalakrishnan (DIN: 00296413) who retires by rotation and being eligible offers himself for re-appointment.			
4.	Appointment of M/s. Anandam & Co., Chartered Accountants, Secunderabad, as the Statutory Auditors of the Company in place of retiring Auditors M/s. M. Bhaskara Rao & Co.			
Special Business				
5	Ratification of Cost Auditor's remuneration for the Financial Year 2017-18.			
6	Sub-division of Equity Shares of the Company of face value of ₹10/- each into 2 equity shares of ₹5/- each.			
7	Amendment of Memorandum of Association of the Company			
8	Payment of commission to Non-Executive Directors of the Company.			
9	Reappointment of Mr. M B Raju (DIN: 00016652) as Executive Chairman for a period of five years.			
10	Reappointment of Ms. P Parvathi (DIN: 00016597) as Managing Director for a period of five years.			

Place :

Date :

Affix
Revenue
Stamp

Signature of Shareholder: _____

Signature of Proxy holder(s): _____

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.

Company's New Railway Siding



Cement Loading



Coal Unloading



Wagon Tippler

