

DCL:SECY:2018

14th August 2018

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 for the Financial Year 2017-18

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 herewith submitting the Annual Report for the Financial Year 2017-18 which was approved and adopted by the members of the Company in the Annual General Meeting held on 10th August 2018

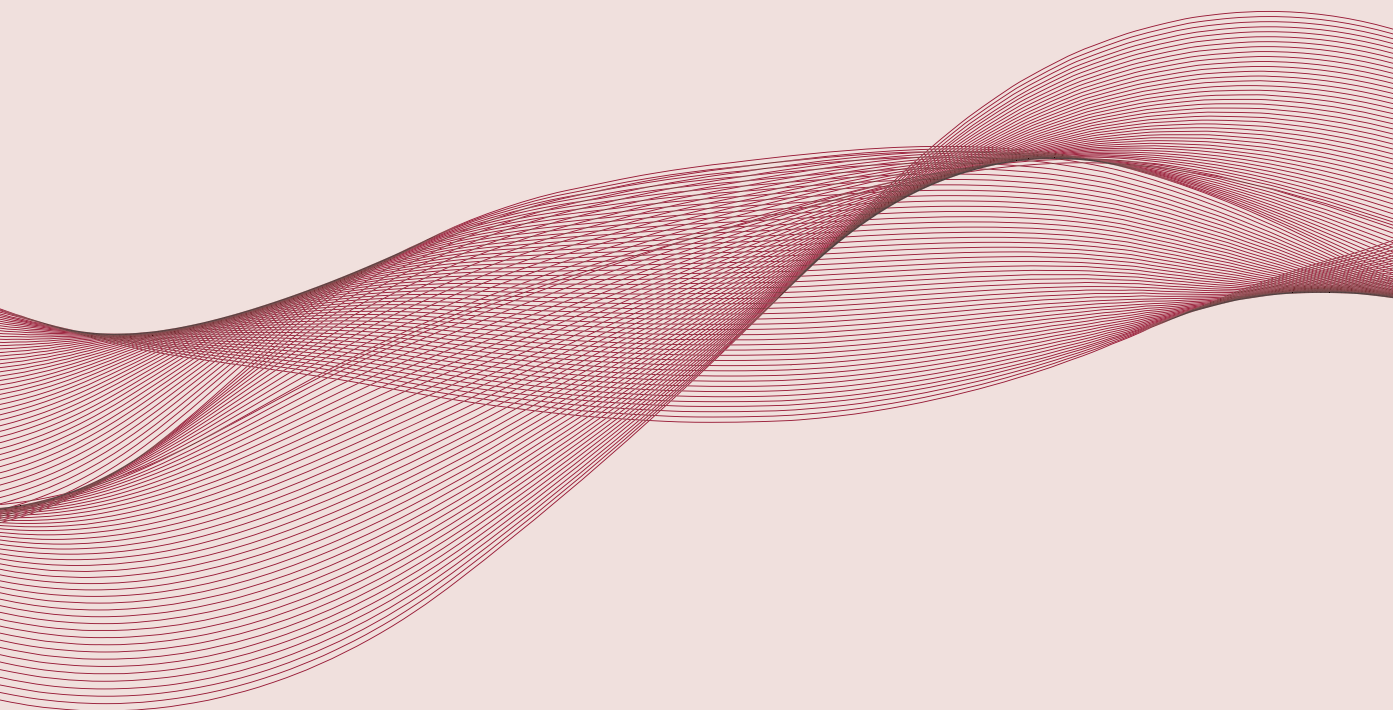
Kindly take the same on record.

Thanking you,

Yours faithfully
for Deccan Cements Limited


S K Mishra
Company Secretary

38th Annual Report
2017-18



DECCAN CEMENTS LIMITED



Contents

	Page Nos.
Notice	02
Board's Report	08
Management Discussion and Analysis Report	37
Report on Corporate Governance	39
CEO and CFO Certification	53
Independent Auditor's Report	54
Balance Sheet	61
Statement of Profit & Loss	62
Cash Flow Statement	63
Notes to the Financial Statements	66

Corporate Information

Board of Directors

Mr. M B Raju	Executive Chairman
Mr. Umesh Shrivastava	Independent Director
Dr. S A Dave	Independent Director
Mr. K P Singh	Independent Director
Mr. J Narayanamurty	Independent Director
Mr. R Gopalakrishnan	Non-Executive 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
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 No: 31 & 32
Financial District, Gachibowli
Hyderabad - 500 032
Email id: einward.ris@karvy.com

Statutory Auditors

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

Cost Auditors

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

Registered Office

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

NOTICE

Notice is hereby given that the **Thirty-eighth Annual General Meeting** of the Members of **Deccan Cements Limited** will be held on **Friday, 10th August 2018** at **10.30 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 2018 and the Statement of Profit & Loss for the Year ended on that date together with the Reports of Directors' and Auditors' thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr. M B Raju (DIN: 00016652) who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

4. **Ratification of Cost Auditor's remuneration for the Financial Year 2018-19.**

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 2019.

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

By Order of the Board

Place: Hyderabad
Date : 29.05.2018

S K Mishra
Company Secretary
FCS 8555

Notes

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

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

Members, Proxies and Authorised Representatives are requested to handover the attendance slip as enclosed, duly completed and signed, mentioning therein details of their DP ID and Client ID / Folio No. for admission to the Annual General Meeting Hall.
- 2) Corporate Members intending to send their authorized representatives are requested to send duly certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the Annual General Meeting (AGM).
- 3) An explanatory statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the AGM is annexed hereto.
- 4) In terms of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 brief resume of the 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, 4th August 2018 to Friday, 10th August 2018 (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) and Bank Account details. Members holding shares in electronic form are therefore requested to submit the PAN and Bank account details to their DPs with whom they are maintaining demat accounts. Members holding shares in physical form can submit their PAN and Bank Account 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 2018-19 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 2009-10 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 11th August 2017 (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 Computer share 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 hereinabove. 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 authorized 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 **"DECCANCEMENTS LIMITED_38TH 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 - 500032 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, 7th August 2018 (9.00 A.M. IST) and ends on Thursday, 9th August 2018 (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, 3rd August 2018, 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 modules 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 cutoff date i.e. Friday, 3rd August 2018.

- 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, 3rd August 2018, 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 homepage 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 endeavor 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. 4:

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 2019 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 there under, 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. 4 of the Notice for ratification of the remuneration payable to the Cost Auditor for the Financial Year ending 31st March 2019.

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. 4 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval of the Members.

By Order of the Board

S K Mishra

Company Secretary
FCS 8555

Place: Hyderabad
Date : 29.05.2018

ANNEXURE TO THE NOTICE

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

Particulars	Mr. M B Raju
Date of Birth	28.12.1939
Date of Appointment	31.07.1979
Qualification	B.E - Mechanical (Hons.) Andhra University
Brief resume and expertise in specific functional area	Founder of DCL; Honors' Graduate in Mechanical Engineering; Technocrat Entrepreneur and Eminent Industrialist with more than 4 decades of experience in the Cement Industry.
Directorships in other companies	- DCL Information Technologies Ltd. - KVK Raju International Leadership Academy
Chairmanship/Membership of committees of other companies	Nil
Shareholding in the Company	1160921 equity shares (8.29%)
Relationships between Directors Inter-se	Mr. M B Raju, Executive Chairman is the father of Ms. P Parvathi, Managing Director.

BOARD'S REPORT

Dear Shareholders,

The Directors of your company are glad to present the 38th Annual Report together with the Audited Financial Statements of the Company for the Financial Year ended 31st March 2018.

Financial Results

The Financial Results for the year ended 31st March 2018 are summarized below:

(₹ in Lakh)		
Particulars	2017-18	2016-17
Revenue from operations	59442.25	58672.64
Other Income (net)	395.42	241.60
Total Income	59837.67	58914.24
Less:		
Operating expenses	50918.15	48700.54
Depreciation and amortization expenses	2268.99	2172.38
Total expenses	53187.14	50872.92
Profit before Finance cost and Tax	6650.53	8041.32
Less: Finance cost	566.23	683.55
Current tax	1812.86	2315.10
Deferred tax	416.51	355.60
Net Profit after Tax	3854.93	4687.07
Other comprehensive income	(44.06)	(9.96)
Total comprehensive income for the year	3810.87	4677.11
Profit brought forward from previous year	26641.19	22469.86
Profit available for Appropriation	30452.06	27146.97

Results of Operations

The Company recorded satisfactory performance during the year under review. The profit after tax of the

Company for the current year was at ₹3854.93 Lakh as compared to the previous year profit of ₹4687.07 Lakh. During the year there is no change of business.

The Financial statements are required to be presented in accordance with the Ind-AS requirements from the financial year 2017-18 shows that there is an increase in revenues by just 1% though the volume growth is about 9.80%. As per Ind-AS requirements VAT / GST, rebates and discounts are reduced from the Gross revenue. For the sake of better understanding of the changes that took place given below the Gross and the Net Revenue details as disclosed in the financial statements:

(₹ in Lakh)		
Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Sale of products		
(a) Cement - Gross Revenue	83,361.13	73,168.06
VAT	2,652.99	8,764.24
GST	13,729.77	-
Rebates	8,199.25	6,241.66
Cement - Net Revenue	58,779.12	58,162.16
(b) Power (Net of charges for wheeling, banking)		
Wind	93.92	182.24
Hydel	337.40	190.99
Thermal	192.40	54.04
Power - Net revenue	623.72	427.27
Other operating revenues		
Scrap sales	39.41	83.21
Revenue (Net of Taxes and Rebates)	59,442.25	58,672.64

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

Dividend

In consonance with the Company's policy of rewarding its shareholders on a consistent basis, your directors are pleased to recommend a dividend of ₹3/- 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 2018 will be ₹420.23 Lakh and ₹85.55 Lakh towards tax on dividend. The cash outflow for dividend declared for the previous year ended 31st March 2017 was also at the same amount.

Your directors have not proposed to transfer any sum to Reserves for the financial year 2017-18.

Capital Structure

During the financial year under review, the Shareholders in the 37th Annual General Meeting held on 11th August 2017 approved the sub-division of each equity share of the Company having face value of ₹10/- each fully paid up into 2 equity shares of the face value of ₹5/- each fully paid up share capital of the company. There was no change in the amount of authorised and paid-up share capital of the Company but the number of shares changed i.e. the authorised share capital of the Company changed from 100,00,000 (One Crore) equity shares of ₹10/- each to 2,00,00,000 (Two Crore) equity shares of ₹5/- each and paid-up capital of the Company changed from 70,03,750 (Seventy Lakh Three Thousand Seven Hundred Fifty) equity shares of ₹10/- each to 1,40,07,500 (One Crore Forty Lakh Seven Thousand Five Hundred) equity shares of ₹5/- each w.e.f 12.09.2017 (record date).

Deposits

During the year under review, the Company has not invited / accepted any amount falling within the purview of provisions of Section 73 of the Companies Act 2013 read with the Companies (Acceptance of 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 Anandam & Co., Chartered Accountants confirming the compliance with the conditions of Corporate Governance as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is appended to this Report.

Transfer to Investor Education and Protection Fund (IEPF)

During the year, the Company has transferred sum of ₹2,79,747/-, the unclaimed/unpaid dividend amount pertaining to the Financial Year 2009-10, 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 2010-11 is due for transfer to IEPF on 17th September 2018. The year wise details of unpaid and unclaimed amounts lying with the Company as on 11th August 2017 (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.

Section 124(6) of the Companies Act, 2013 read with the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 mandates companies to transfer shares against which dividends remain unpaid / unclaimed for a continuous period of seven years to the IEPF. As per the Ministry of Corporate Affairs General Circular No. 12/2017 dated 16.10.2017, the Company has transferred 92770 equity shares belonging to 313 shareholders as on 31.10.2017 to Demat account of IEPF Authority held with NSDL. Further the unclaimed/unpaid shares pertaining to the Financial Year 2010-11 is due for transfer to IEPF on 17th September 2018.

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.

During the year Mr. P Venugopal Raju (DIN: 00016548), Non-Executive Director resigned from the Board w.e.f 4th January 2018. The Board places on record its deep sense of appreciation for the valuable services rendered by him to the Board and the Company during his tenure as Director.

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

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 2017-18 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

In terms of provisions of Section 139 of the Companies Act, 2013 M/s. M Anandam & Co., Chartered Accountants, Secunderabad were appointed as Statutory Auditors of the Company in the thirty seventh annual general meeting of the Company held on 11th August 2017 for a period of five years i.e. till the conclusion of the forty second annual general meeting to be held in the year 2022, subject to ratification of their appointment at every annual general meeting.

First proviso to Section 139(1) of the Companies Act, 2013 which requires yearly ratification of appointment of Statutory Auditors by the Shareholders in each Annual General Meeting has been omitted w.e.f. 7th May 2018. Accordingly the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting.

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

Cost Auditor

Aruna Prasad & Co., Cost Accountants, Chennai, has been reappointed by the Board of Directors as Cost Auditor of the Company for the Financial Year 2018-19. 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 & Company, Company Secretaries, Hyderabad to conduct the Secretarial Audit of the Company for the financial year ended 31st March 2018. The Secretarial Audit Report in Form MR-3 is annexed to this Report (**Annexure I**).

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

Extract of Annual Return

An extract of Annual Return in Form MGT-9 as on 31st March 2018 is annexed to this Report (**Annexure II**).

Board Meetings

During the year, Four (4) 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 2018, 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 2018 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 2018 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 Ind AS-24 have been made in Note No. 30 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 2018 are given in **Annexure III**.

Internal Control Systems and its Adequacy

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

Risk Management

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

Risk Management Policy envisages identification of risk and procedures for assessment and mitigation thereof.

Corporate Social Responsibility (CSR)

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

A brief outline of the CSR policy of the Company and the Annual Report on CSR activities undertaken during the year 2017-18 in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed to this Report (**Annexure IV**).

Board Evaluation

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

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

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

Particulars of Employees

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

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

Prevention of Sexual Harassment Policy

The Company has formulated a policy on Prevention of Sexual Harassment at workplace for women in the line with the requirements of the 'The Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013 and the Rules made thereunder. During the financial year ended 31st March 2018, 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

Date : 29.05.2018

Executive Chairman

DIN: 00016652

Annexure I

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

(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, 2018 (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, 2018 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. We further report that having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test- check basis, the Company has complied with the following laws applicable specifically to the Company:
- a. Cement (Quality Control) Order, 2003
 - b. Cement Cess Rules, 1993
 - c. The Electricity Act, 2003
 - d. The Mines Act, 1952
 - e. Mines and Minerals (Development & Regulation) Act, 1957
 - f. The Forest Conservation Act, 1980

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

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

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

We further report that -

- (i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

- (ii) Adequate notice is given to all directors to schedule the Board Meetings agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (iii) Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

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

We further report that during the audit period:

The Company has spent a sum of ₹1,16,54,292/- towards Corporate Social Responsibility during the Financial Year 2017-18, while 2% of the average net profits of the three preceding financial years was ₹1,16,50,182/-

**For Tumuluru & Company
Company Secretaries**

Place : Hyderabad
Date : 29.05.2018

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 by the Secretarial Auditors, which is annexed as Enclosure A and forms an integral part of this report.

Enclosure - A

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

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

1. Maintenance of secretarial 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

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

Place: Hyderabad
Date: 29.05.2018

Annexure II**Form No. MGT - 9****EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH 2018**

[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	98.88%
2	• Generation of Electricity	35101 / 35102 / 35106	1.05%

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 01.04.2017			^No. of Shares held at the end of the year as on 31.03.2018			% 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	1483262	0	1483262	10.59	0
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt.(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	3169393	0	3169393	45.25	6338786	0	6338786	45.25	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	24273	0	24273	0.35	48546	0	48546	0.35	0
Sub-total (A) (1)	3935297	0	3935297	56.19	7870594	0	7870594	56.19	0
(2) Foreign									
a) NRI(s) Individual (s)	0	0	0	0	0	0	0	0	0
b) Other - Individual	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/FI's	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
Sub-total A (2)	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A) = A(1) + A(2)	3935297	0	3935297	56.19	7870594	0	7870594	56.19	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	788706	2500	791206	11.30	1936708	2800	1939508	13.85	2.55
b) Banks / FI	2316	494	2810	0.04	28	988	1016	0.01	-0.03
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	39040	350	39390	0.56	249627	700	250327	1.79	1.22

[illegible]^aPost sub-division of shares

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

Sl No.	Shareholder's Name	Shareholding at the beginning of the year as on 01.04.2017			^Share holding at the end of the year as on 31.03.2018			% 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	4603712	32.87	0.00	0.00
2.	Satyasai Investments & Leasing Ltd	523737	7.48	0.00	1047474	7.48	0.00	0.00
3.	Bangar Raju Manthana	503343	7.19	0.00	1160921	8.29	0.00	1.10
4.	DCL Securities Ltd	256000	3.66	0.00	512000	3.66	0.00	0.00
5.	Manthana Bangararaju HUF	154235	2.20	0.00	0	0	0.00	-2.20
6.	DCL Exim Limited	87800	1.25	0.00	175600	1.25	0.00	0.00
7.	Lakshmi Manthana	65050	0.93	0.00	284335	2.03	0.00	1.10
8.	Parvathi Penmetcha	19003	0.27	0.00	38006	0.27	0.00	0.00
9.	Anirudh Raju Penmetcha (PAC)	11423	0.16	0.00	22846	0.16	0.00	0.00
10.	Aishwarya Penmetcha (PAC)	10750	0.15	0.00	21500	0.15	0.00	0.00
11.	P Varun Raju Kumar (PAC)	1000	0.01	0.00	2000	0.01	0.00	0.00
12.	Penumatcha Venkata Ramachandra Raju (PAC)	800	0.01	0.00	1600	0.01	0.00	0.00
13.	Venugopal Raju Penmetcha (PAC)	300	0	0.00	600	0	0.00	0.00
	Total	3935297	56.19	0.00	7870594	56.19	0.00	0.00
	^Post sub-division of shares.							

(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 01.04.2017 (post split of shares)	7870594	56.19		
Changes during the year	0	0.00		
At the end of the year 31.03.2018			7870594	56.19

Name: Bangar Raju Manthena				Cumulative shareholding during the year	
				No. of Shares	% of total shares of the company
At the beginning of the year 01.04.2017 (post split of shares)				1006686	7.19
Date	Increase (+)	Decrease (-)	Reason		
12/03/2018	154235		*Inter-se Transfer	154235	1.10
At the end of the year 31.03.2018				1160921	8.29

Name: Lakshmi Manthena				Cumulative shareholding during the year	
				No. of Shares	% of total shares of the company
At the beginning of the year 01.04.2017 (post split of shares)				130100	0.93
Date	Increase (+)	Decrease (-)	Reason		
12/03/2018	154235		*Inter-se Transfer	154235	1.10
At the end of the year 31.03.2018				284335	2.03

Name: Manthena Bangarraju HUF				Cumulative shareholding during the year	
				No. of Shares	% of total shares of the company
At the beginning of the year 01.04.2017 (post split of shares)				308470	2.20
Date	Increase (+)	Decrease (-)	Reason		
12/03/2018		308470	*Inter-se Transfer	308470	2.20
At the end of the year 31.03.2018				0	0.00

*Inter-se Transfer of shares amongst the promoter and promoter group shareholders involving transfer of entire shareholding of Manthena Bangar Raju HUF (3,08,470 shares) to Bangar Raju Manthena (1,54,235 shares) and to Lakshmi Manthena (1,54,235 shares). No change in aggregate shareholding of promoter and promoter group.

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

1. UTI-MID Cap Fund				Cumulative shareholding during the year	
				No. of Shares (post split)	% of total shares of the company
At the beginning of the year 01.04.2017				369269	5.27
Date	Increase (+)	Decrease (-)	Reason		
15/09/2017	369269		Share Split	738538	5.27
22/12/2017	671655		Purchase	1410193	10.07
22/12/2017		738538	Purchase	671655	4.79
At the end of the year 31.03.2018				671655	4.79

2. Keswani Harish				Cumulative shareholding during the year	
				No. of Shares	% of total shares of the company
At the beginning of the year 01.04.2017				311990	4.45
Date	Increase (+)	Decrease (-)	Reason		
07/04/2017		-315	Sale	311675	4.45
15/09/2017	311675		Share Split	623350	4.45
16/02/2018		-22365	Sale	600985	4.29
At the end of the year 31.03.2018				600985	4.29

3. 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 01.04.2017				277963	3.97
Date	Increase (+)	Decrease (-)	Reason		
07/04/2017		-188	Sale	277775	3.97
19/05/2017		-3050	Sale	274725	3.92
26/05/2017		-10009	Sale	264716	3.78
02/06/2017	100		Purchase	264816	3.78
09/06/2017	1200		Purchase	266016	3.80
16/06/2017	2940		Purchase	268956	3.84
23/06/2017	4923		Purchase	273879	3.91

30/06/2017	5224		Purchase	279103	3.99
07/07/2017		-628	Sale	278475	3.98
14/07/2017	6933		Purchase	285408	4.08
21/07/2017	2675		Purchase	288083	4.11
28/07/2017	4400		Purchase	292483	4.18
04/08/2017	4541		Purchase	297024	4.24
11/08/2017	3678		Purchase	300702	4.29
18/08/2017	4042		Purchase	304744	4.35
25/08/2017	3926		Purchase	308670	4.41
01/09/2017	7355		Purchase	316025	4.51
15/09/2017	243935		Purchase & share split	559960	4.00
22/09/2017	2176		Purchase	562136	4.01
29/09/2017		-15000	Sale	547136	3.91
06/10/2017	1422		Purchase	548558	3.92
27/10/2017	7204		Purchase	555762	3.97
31/10/2017	3196		Purchase	558958	3.99
03/11/2017	1245		Purchase	560203	4.00
10/11/2017	754		Purchase	560957	4.00
17/11/2017	21658		Purchase	582615	4.16
24/11/2017	10123		Purchase	592738	4.23
01/12/2017		-577	Sale	592161	4.23
08/12/2017	990		Purchase	593151	4.23
15/12/2017	11267		Purchase	604418	4.31
22/12/2017	7663		Purchase	612081	4.37
29/12/2017	4111		Purchase	616192	4.40
05/01/2018		-10000	Sale	606192	4.33
12/01/2018	770		Purchase	606962	4.33
19/01/2018	4632		Purchase	611594	4.37
26/01/2018	772		Purchase	612366	4.37
02/02/2018	746		Purchase	613112	4.38
16/02/2018		-49000	Sale	564112	4.03
23/02/2018	1445		Purchase	565557	4.04
02/03/2018	984		Purchase	566541	4.04
09/03/2018	1154		Purchase	567695	4.05
16/03/2018	4240		Purchase	571935	4.08
23/03/2018	6905		Purchase	578840	4.13
At the end of the year 31.03.2018				578840	4.13

4. Ricky Ishwardas Kirpalani				Cumulative shareholding during the year	
				No. of Shares	% of total shares of the company
At the beginning of the year 01.04.2017				273090	3.90
Date	Increase (+)	Decrease (-)	Reason		
07/04/2017		-11470	Sale	261620	3.74
28/04/2017	214209		Purchase	475829	6.79
28/04/2017		-250000	Sale	225829	3.22
26/05/2017		-2363	Sale	223466	3.19
02/06/2017		-12291	Sale	211175	3.02
09/06/2017		-3939	Sale	207236	2.96
23/06/2017		-422	Sale	206814	2.95
07/07/2017		-263	Sale	206551	2.95
14/07/2017		-2257	Sale	204294	2.92
21/07/2017		-6796	Sale	197498	2.82
15/09/2017	197498		Share split	394996	2.82
At the end of the year 31.03.2018				394996	2.82

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 01.04.2017				228183	3.26
Date	Increase (+)	Decrease (-)	Reason		
16/06/2017		-2000	Sale	226183	3.23
23/06/2017		-5924	Sale	220259	3.14
15/09/2017	220259		Share split	440518	3.14
22/12/2017	45000		Purchase	485518	3.47
12/01/2018	46980		Purchase	532498	3.80
19/01/2018	80000		Purchase	612498	4.37
26/01/2018	3300		Purchase	615798	4.40
23/03/2018		-1551	Sale	614247	4.39
At the end of the year 31.03.2018				614247	4.39

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 01.04.2017				142554	2.04
Date	Increase (+)	Decrease (-)	Reason		
05/05/2017	1000		Purchase	143554	2.05
30/06/2017	1257		Purchase	144811	2.07
01/09/2017	1313		Purchase	146124	2.09
15/09/2017	146124		Share split	292248	2.09
29/09/2017	118		Purchase	292366	2.09
06/10/2017	1119		Purchase	293485	2.10
13/10/2017	315		Purchase	293800	2.10
20/10/2017	125		Purchase	293925	2.10
27/10/2017	4836		Purchase	298761	2.13
31/10/2017	617		Purchase	299378	2.14
24/11/2017	14300		Purchase	313678	2.24
01/12/2017	28000		Purchase	341678	2.44
15/12/2017	1200		Purchase	342878	2.45
22/12/2017		-25467	Sale	317411	2.27
29/12/2017		-39430	Sale	277981	1.98
05/01/2018	39430		Purchase	317411	2.27
12/01/2018	1800		Purchase	319211	2.28
19/01/2018		-84007	Sale	235204	1.68
16/03/2018	20000		Purchase	255204	1.82
At the end of the year 31.03.2018				255204	1.82

7. Investor Education And Protection Fund Authority (IEPF)				Cumulative shareholding during the year	
				No. of Shares	% of total shares of the company
At the beginning of the year 01.04.2017				0	0.00
Date	Increase (+)	Decrease (-)	Reason		
30/11/2017	92770		Statutory transfer	92770	0.66
At the end of the year 31.03.2018				92770	0.66

8. UTI A/C India Fund Unit Scheme 1986				Cumulative shareholding during the year	
				No. of Shares	% of total shares of the company
At the beginning of the year 01.04.2017				0	0.00
Date	Increase (+)	Decrease (-)	Reason		
22/12/2017	66883		Purchase	66883	0.48
29/12/2017	3050		Purchase	69933	0.50
At the end of the year 31.03.2018				69933	0.50

9. 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 01.04.2017				47400	0.68
Date	Increase (+)	Decrease (-)	Reason		
15/09/2017	98020		Purchase & Share split	145420	1.04
22/09/2017	1565		Purchase	146985	1.05
29/09/2017	26162		Purchase	173147	1.24
06/10/2017	41		Purchase	173188	1.24
13/10/2017	5476		Purchase	178664	1.28
20/10/2017	4757		Purchase	183421	1.31
27/10/2017	11648		Purchase	195069	1.39
12/01/2018	36000		Purchase	231069	1.65
19/01/2018	25000		Purchase	256069	1.83
23/02/2018	67000		Purchase	323069	2.31
At the end of the year 31.03.2018				323069	2.31

10. 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 01.04.2017				35374	0.51
Date	Increase (+)	Decrease (-)	Reason		
07/04/2017	3317		Purchase	38691	0.55
14/04/2017	1437		Purchase	40128	0.57
21/04/2017	1871		Purchase	41999	0.60
28/04/2017	2952		Purchase	44951	0.64
12/05/2017	476		Purchase	45427	0.65
19/05/2017	7232		Purchase	52659	0.75

26/05/2017	6036		Purchase	58695	0.84
02/06/2017	5672		Purchase	64367	0.92
07/07/2017	1773		Purchase	66140	0.94
14/07/2017	628		Purchase	66768	0.95
21/07/2017	740		Purchase	67508	0.96
28/07/2017	5515		Purchase	73023	1.04
25/08/2017	5977		Purchase	79000	1.13
15/09/2017	79000		Purchase & Share split	158000	1.13
29/09/2017	5393		Purchase	163393	1.17
06/10/2017	2682		Purchase	166075	1.19
13/10/2017	3490		Purchase	169565	1.21
10/11/2017	320		Purchase	169885	1.21
17/11/2017	7337		Purchase	177222	1.27
24/11/2017	2439		Purchase	179661	1.28
01/12/2017	2970		Purchase	182631	1.30
08/12/2017	2471		Purchase	185102	1.32
15/12/2017	1453		Purchase	186555	1.33
26/01/2018	1900		Purchase	188455	1.35
02/02/2018	2944		Purchase	191399	1.37
09/02/2018	5635		Purchase	197034	1.41
16/02/2018	3199		Purchase	200233	1.43
23/02/2018	8013		Purchase	208246	1.49
At the end of the year 31.03.2018				208246	1.49

11.Pratibhuti Viniyog Limited-Investment A/c				Cumulative shareholding during the year	
				No. of Shares	% of total shares of the company
At the beginning of the year 01.04.2017				25000	0.36
Date	Increase (+)	Decrease (-)	Reason		
15/09/2017	25000		Share split	50000	0.36
At the end of the year 31.03.2018				50000	0.36

12.Preeta Nath				Cumulative shareholding during the year	
				No. of Shares	% of total shares of the company
At the beginning of the year 01.04.2017				22515	0.32
Date	Increase (+)	Decrease (-)	Reason		
15/09/2017	22515		Share split	45030	0.32
At the end of the year 31.03.2018				45030	0.32

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	Designation	Shareholding at the beginning of the year 1st April 2017		Shareholding at the end of the year 31st March 2018	
			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	1160921	8.29
2	Dr. S A Dave	Independent Director	0	0	0	0
3	Mr. Umesh Shrivastava	Independent Director	3580	0.05	7160	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	600	0
8	Ms. P Parvathi	Managing Director	19003	0.27	38006	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

[^]Post sub-division of shares.

*Resigned w.e.f.04.01.2018

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 01.04.2017				
(i) Principal Amount	952.66	1,125.00	-	2,077.66
(ii) Interest due but not paid	0	0	-	0
(iii) Interest accrued but not due	10.86	0	-	10.86
Total (i + ii + iii)	963.52	1,125.00	-	2,088.52
Change in Indebtedness during the financial year				
Addition	0	350.00	-	350.00
Reduction	760.47	0	-	760.47
Net Change	-760.47	350.00	-	-410.47
Indebtedness at the end of the financial year 31.03.2018				
(i) Principal Amount	203.04	1,475.00	-	1,678.04
(ii) Interest due but not paid	0	0	-	0
(iii) Interest accrued but not due	0	0	-	0
Total (i + ii + iii)	203.04	1,475.00	-	1,678.04

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-	6,000,000	9,180,000	15,180,000
	(a) Salary as per provisions contained in the section 17(1) of the Income Tax Act, 1961			
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	5,106,880	1,663,971	6,770,851
	(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	12,954,924	12,954,924	25,909,848
	-Other, specify	-	-	-
5	Others, Please specify	-	-	-
Total (A)		24,061,804	23,798,895	47,860,699
Ceiling as per the Act		32,387,310	32,387,310	64,774,620

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	70,000	92,500	102,500	72,500	337,500
	Commission	N.A	N.A	166,667	166,667	166,667	166,667	666,668
	Others, please specify	N.A	N.A	N.A	N.A	N.A	N.A	N.A
	Total (1)	0	0	236,667	259,167	269,167	239,167	1,004,168
2.	Other Non-Executive Directors							
	Fee for attending board meetings	70,000	80,000	N.A	N.A	N.A	N.A	150,000
	Commission	166,667	166,667	N.A	N.A	N.A	N.A	333,334
	Others	N.A	N.A	N.A	N.A	N.A	N.A	N.A
	Total (2)	236,667	246,667	0	0	0	0	483,334
	Total (B) = (1+2)	236,667	246,667	236,667	259,167	269,167	239,167	1,487,502
Overall ceiling as per the Act								6,477,462

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	3,604,560	1,727,067	5,331,627
	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		3,604,560	1,727,067	5,331,627

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 2017-18	Previous Year 2016-17
1. Electricity		
(a) Purchased		
Unit: (KWH - Lakh)	122.75	112.79
Total Amount (₹ in Lakh)	1090.43	1018.26
Average rate per unit (₹)	9.67	9.02
(b) Own Generation		
(i) Through diesel generator		
Units Generated (KWH - Lakh)	0.010	0.003
Total Amount (₹ in Lakh)	2.153	0.99
Rate per unit (₹)	210.46	306.06
Units per Liter of Diesel Oil (₹)	0.48	0.24
(ii) Thermal Generation (CPP)		
Units Generated (KWH - Lakh)	1189.55	1079.92
Total Amount (₹ in Lakh)	5061.08	4258.67
Rate per unit (₹)	4.25	3.94
2. Coal (C & D Grade): Used as fuel in kiln		
Quantity (Million K Cal)	925234	877416
Total Cost (₹ in Lakh)	11396.21	9545.64
Average Rate (₹ / Million K Cal)	1231.71	1087.93
II) Power and Fuel consumption per unit of production		
Electricity (KWH / Tonne of Cement)	80	79
Coal %	17.16	14.25

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 2017-18	Previous Year 2016-17
Used	17.18	4.03
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, 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. R Gopalakrishnan*	Non-Executive Director	Member
Mr. P Venugopal Raju**	Non-Executive Director	Member
Ms. P Parvathi	Managing Director	Member

*Inducted as a member w.e.f. 09.02.2018

**Ceased to be a member w.e.f. 04.01.2018

3. Average net profit of the company for the last three financial years : ₹5825.09 Lakh
4. Prescribed CSR expenditure : ₹116.50 Lakh
5. Details of CSR spent during the financial year:
- a) Amount to be spent for the Financial Year 2017-18; : ₹116.50 Lakh
- b) Amount unspent, if any : NIL
- c) Manner in which the amount spent during the financial year 2017-18 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 and for remote backward areas – Item No.(ii) of the Schedule VII	Promoting Education	DCL High School	41.86	41.86	41.86	Direct
			Schools of surrounding villages of our cement plant area	1.26	1.26	1.26	Direct
			Posters & Stickers on Child Labour at Miryalguda	0.10	0.10	0.10	Direct
			Districts of Telangana and Andhra Pradesh	1.43	1.43	1.43	Janahita

2	Promoting Health Care – Item No. (i) of the Schedule VII	Promoting Health Care including preventive health care and sanitation	Ortho & Cardic Camp at surrounding villages	1.00	0.99	0.99	Direct
			Medical Camp - Gynec, Opthamalogy & General at surrounding villages	1.30	1.34	1.34	Direct
			Ambulance Vehicle Hyderabad	15.00	15.00	15.00	L V Prasad Eye Hospital
			Construction of Toilets in two Government Schools at Sircilla	12.00	12.00	12.00	Dist. Collector Sircilla
3	Facilities for Senior Citizens – Item No. (iii) of the Schedule VII	Facilities for Senior Citizen	Wheel Chair Ramp at Guntur Railway Station	0.50	0.48	0.48	Direct
4	Promote Rural Sports – Item No. (vii) of the Schedule VII	Promoting Rural Sports	Prizes Sponsor to Sports Meet - G.W.S.at Kalmet Thanda	0.30	0.33	0.33	Direct
5	Rural Development Projects – Item No. (x) of the Schedule VII	Rural Development projects	Providing construction material and cement for construction of houses, road and other public utilities at Janpahad Village; Palakaveedu Mandal.	36.75	36.75	36.75	Direct
			Development activities at Suryapet District	5.00	5.00	5.00	Dist. Collector Suryapet
Total				116.50	116.54	116.54	

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 : 29.05.2018

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	73.35
Mr. U Shrivastava	Independent Director	0.79
Dr. S A Dave	Independent Director	0.72
Mr. J Narayanamurty	Independent Director	0.82
Mr. K P Singh	Independent Director	0.73
Mr. R Gopalakrishnan	Non-Executive Director	0.75
Ms. P Parvathi	Managing Director	72.55

- ii) The percentage 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	-5.27
Mr. U Shrivastava	Independent Director	N.A.
Dr. S A Dave	Independent Director	N.A.
Mr. J Narayanamurty	Independent Director	N.A.
Mr. K P Singh	Independent Director	N.A.
Mr. R Gopalakrishnan	Non-Executive Director	N.A.
Ms. P Parvathi	Managing Director	-1.10
Mr. RVA Narasimha Rao	Chief Financial Officer	26.01
Mr. S K Mishra	Company Secretary	19.50

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

- iii) The percentage increase in the median remuneration of Employees for the financial year: 18.15%.
- iv) There were 313 permanent employees as on 31st March 2018.
- v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration:
- The average increase in the remuneration of employees excluding KMPs during FY 2017-18 was 10.61 % and the average increase in the remuneration of KMPs was -1.08 %.
- vi) The key parameters for any variable component of remuneration availed by the directors:
- Each of the Executive Directors of the company are entitled for a commission @ 2% of the net profit of the Company. All the Non-executive Directors collectively are entitled for commission @1% of the net profit of the company subject to a maximum of Rs. 10 Lakh per annum.

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

viii) Details of Top 10 Employees:

Sl. No.	Name	Designation	Remuneration (Annual) in ₹.	Qualification & Experience	Date of Commencement of Employment	Age	Last Employment Details
1	S Venkateswarlu	Sr. Vice President (Works)	41,53,374	B. Sc, MBA & 36 Years	02-04-2012	57	Plant Head - Athi River Mining Ltd.
2	R V A Narasimha Rao	Sr. Vice President (Finance)	36,04,560	M Com, CA & 33 Years	19-08-2013	59	CFO - Maa Mahamaya Industries Ltd.
3	M Krishnam Raju	Sr. Vice President (Marketing)	28,79,987	M Com, PGDPM & 34 Years	01-02-1993	58	Sales Officer - Andhra Cements Ltd.
4	U Raghavendra Varma	General Manager (E&I)	22,23,379	B Tech (EEE) & 31 Years	17-03-2012	55	Dy. GM (Works) - NCL Industries Ltd.
5	C Ramesh Reddy	General Manager (Marketing)	16,85,077	B com, MBA, LLB & 24 Years	10-10-2008	47	Dy. Manager (Sales) - Ultra Tech Cement Ltd.
6	A V S Seshu	General Manager (Purchase)	17,31,500	BE (Mech Eng) & 25 Years	07-05-2012	50	Sr. Manager (Materials) - Vijai Electricals Ltd
7	S K Mishra	General Manager (Legal) & Company Secretary	17,27,067	B Com (Hons), LLB, FCS & 15 Years	26-07-2012	40	Company Secretary - KSK Mahanadi Power Company Ltd
8	V Shyam Prakash	Dy. General Manager (Marketing)	16,34,687	B Tech, MBA & 24 Years	05-11-2008	49	Manager (Marketing) - Zuari Cement Ltd.
9	S Nagamalleswara Rao	Asst. General Manager (P&A)	12,96,260	LLB, MA & 29 Years	17-07-2015	53	Sr. Manager (HR) - Anjani Portland Cement Ltd.
10	P Srinivasa Rao	Chief Manager (Mechanical)	13,58,396	B Tech (Mech Engg) & 23 Years	06-01-2011	50	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 2017-18 has witnessed improved demand for the product and this year can be termed as the 3rd consecutive year (closely followed by 2015-16 & 2016-17) with stable performance.

The Demand in several parts of the Company's markets has seen an uptick. However, the improved scenario has not resulted in better prices. The PBT has been relatively low compared to the two previous years.

The Management's view on the Performance of the company for the year 2017-18 and on the future outlook for the company are summarised below:

Industry Structure and Developments

It is gratifying to note that the year under review has seen the improved demand. However, the price levels did not improve because of higher installed capacities.

The emphasis on Infrastructure projects - both by the Central Government and various State Governments - is expected to give further boost to the momentum achieved in the consumption of cement country wide. Various other initiatives and projects of the Governments have started showing results in the form of improved off take of cement and are expected to give further fillip in the years to come.

Opportunities and Threats

The population increase leads to demand creation for more houses, Sea Ports, Airports and other such infrastructure facilities. The development efforts of the Governments also generate demand for cement.

While the situation offers an optimistic view, it is not so without its challenges. The overall demand position for Coal, main source of energy for the Industry, is on the upswing across the Globe and it is more so in India where more and more dependence is there on imports of Coal in addition to the domestic sources. International Crude Price trends have become unfavourable in the recent past. Any increase in the prices of Petroleum products would have an adverse impact on production costs. The additional levies such as DMF I NMET contributions have had a major impact on the cost structure of the cement industry.

Outlook

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

The increase in disposable incomes of the people in view of the expected growth in the economy should also help. The capacity overhang is expected to be overcome in the next few years, though regional capacity-demand mismatch would continue to have its influence on the prices.

The efforts of the company on cost-optimisation would provide relief in terms of reduction in costs and with a better management of the available resources; the outlook is expected to be stable.

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

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 listed below:

- Lack of adequate improvement / lower demand growth leading to Lower Capacity utilization;
- Lower realizations which may impact the margins;
- Periodical increases in cost of inputs leading to impact on margins;
- Uncertainty in Coal supplies and increase in its prices;
- Increase in transportation cost, owing to international crude prices, for both input materials and finished goods;
- Adverse Changes in Government Policies impact the costs, demand and supply.

Internal Control Systems and their Adequacy

The 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, ensuring transparency. 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 all operations / activities are monitored regularly to ensure desired results.

Financial and Operational Performance

The Company's operational performance was satisfactory during the year. The Company has sold 14.68 Lakh MTs of cement during the year 2017-18 as against 13.37 Lakh MTs during the year 2016-17 which is about 9.80% increase. Though there has been an increase in the Volume of sales, the increased volume has not directly resulted in increase in revenues. Details of the Company's Performance on the basis of sale of products are given in the Note No. 19 to the Financial Statements forming part of this Annual Report.

The total gross sales revenue for the year 2017-18 stands at Rs. 83361 Lakh for Cement as against Rs. 73168 Lakh for the year 2016-17, an increase

of about 14%. However, on net realisation basis (after removing the Taxes & Rebates) the increase in realisation is nominal at about 1%. As a result of the drop in realisation, the Profit Before Tax (PBT) for the year 2017-18 stood at Rs. 6084 Lakh as compared to Rs. 7358 Lakh for the previous year. The Profit After Tax for the year stood at Rs. 3855 Lakh compared to Rs. 4687 Lakh for the previous year (a decrease by about 18%). The finance cost has come down to Rs. 566 Lakh during the year as compared to Rs. 684 Lakh for the previous year (a reduction of about 17%).

The Company is expected to show steady performance and remain focused on delivering better results and decent returns to its stakeholders.

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 2018, the Company has 313 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 2018, the Board comprises of seven directors of whom two are executive including one woman director, one non-executive and four are independent directors. The composition of the Board is in conformity with the Regulations 17 of the Listing Regulations read with Section 149 of the Companies Act, 2013.

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

Board Meetings

Meetings of the Board of Directors 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 4 (four) times during the year 2017-18 at meetings held on 19th May 2017; 10th August 2017; 10th November 2017 and 9th February 2018 to transact various businesses. The gap between two meetings did not exceed one hundred and twenty days. Necessary quorum was present for all the meetings.

Composition, Attendance, Board and Committee Position:

Name of the Directors	Category	No. of Board Meetings during the Year 2017-18		Whether attended last AGM held on 11.08.2017	No. of Director-ships*	No. of Committees Position held#	
		Held	Attended			Member	Chairman
Mr. M B Raju	Executive Chairman	4	4	Yes	2	-	-
Mr. Umesh Shrivastava	Independent Director	4	4	Yes	2	3	-
Dr. S A Dave	Independent Director	4	3	No	2	2	1
Mr. J Narayanamurty	Independent Director	4	4	Yes	2	3	1
Mr. K P Singh	Independent Director	4	3	No	1	1	-
Mr. P Venugopal Raju@	Non-Executive Director	3	3	Yes	3	-	-
Mr. R Gopalakrishnan	Non-Executive Director	4	4	Yes	1	-	-
Ms. P Parvathi	Managing Director	4	4	Yes	4	1	-

@resigned w.e.f. 4th January 2018

* 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 (resigned w.e.f. 04.01.2018). 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	7160
Dr. S A Dave	0
Mr. J Narayanamurty	0
Mr. K P Singh	0
Mr. R Gopalakrishnan	0

Familiarisation programme

The details of the familiarisation programme of the Independent Directors are available on the website of the Company <http://www.deccancements.com/pdf/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 2017-18, the Audit Committee met 4 (Four) times on 19th May 2017; 10th August 2017; 10th November 2017 and 9th February 2018. Composition of the committee and details of attendance at the meetings are given below:

Name of the Directors	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	3	3

*ceased to be a member w.e.f 04.01.2018

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 2017-18, the Nomination and Remuneration Committee met 1 (one) time on 19th May 2017. The following table displays the constitution and attendance of the members in the meeting of the Nomination and Remuneration Committee:

Name of the Directors	Designation	Category	Numbers of Meetings	
			Held	Attended
Mr. Umesh Shrivastava	Chairman	Independent Director	1	1
Mr. J Narayanamurty	Member	Independent Director	1	1
Mr. K P Singh	Member	Independent Director	1	1
Dr. S A Dave	Member	Independent Director	1	1

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 ₹10,00,000/- 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 2017-18:

Name of the Directors	Sitting Fees (in ₹)	Commission (in ₹)
Mr. Umesh Shrivastava	92,500/-	1,66,667/-
Dr. S A Dave	70,000/-	1,66,667/-
Mr. J Narayanamurty	1,02,500/-	1,66,667/-
Mr. K P Singh	72,500/-	1,66,667/-
Mr. P Venugopal Raju	70,000/-	1,66,667/-
Mr. R Gopalakrishnan	80,000/-	1,66,667/-

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 2017-18:

Name of the Directors	Salary	Perquisites & Other Benefits	Commission	Total
Mr. M B Raju	6,000,000	5,106,880	12,954,924	24,061,804
Ms. P Parvathi	9,180,000	1,663,971	12,954,924	23,798,895

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 2017-18 the Stakeholders' Relationship and Share Transfer Committee met 4 (Four) times on 19th May 2017, 10th August 2017, 10th November 2017 and 9th February 2018. The following table displays the constitution and attendance of the members in the meetings of the Committee:

Name of the Directors	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 2017-18:

Nature	Received and Resolved	Pending
Non-receipt Dividend Warrants	25	NIL
Non-receipt of Securities	14	NIL
SEBI/BSE/NSE Complaints	2	NIL

7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Composition, Meetings and Attendance of the Committee

During the year 2017-18, the Committee met once on 19th May 2017. The following table displays the constitution and attendance of the members in the meeting of the Committee:

Name of the Directors	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
Mr. R Gopalakrishnan*	Member	Non-Executive Director	0	0
Ms. P Parvathi	Member	Managing Director	1	1

*Consequent to resignation of Mr. P Venugopal Raju as a director from the Board of the Company w.e.f. 04.01.2018, he ceased to be a member of the Corporate Social Responsibility Committee. The Board of Directors of the Company at their meeting held on 9th February 2018 had reconstituted the Corporate Social Responsibility Committee inducting Mr. R Gopalakrishnan as a member of the Committee in place of Mr. P Venugopal Raju.

8. SEPARATE MEETING OF INDEPENDENT DIRECTORS

In compliance of provisions of the Regulation 25 of the Listing Regulations, during the year 2017-18, the Independent Directors of the Company met on 9th February 2018 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	2016-17
AGM No.	37 th
Date	11 th August 2017
Time	11:00 AM
Special Resolutions	• Payment of commission to Non-Executive Directors of the Company. • Reappointment of Mr. M B Raju as Executive Chairman (DIN: 00016652) for a period of five years. • Reappointment of Ms. P Parvathi, designated as Managing Director (DIN: 00016597) for a period of five years.

Financial Year	2015-16
AGM No.	36 th
Date	23 rd September 2016
Time	10:00 AM
Special Resolutions	NIL

Financial Year	2014-15
AGM No.	35 th
Date	22 nd 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 Member and other related books.

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 2017-18.
- 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, 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 : 38th Annual General Meeting
 Date : 10th August 2018
 Time : 10.30 AM
 Venue : Bhaskara Auditorium, Birla Museum, Adarsh Nagar, Hyderabad – 500 063
- b) Financial Year : 1st April to 31st March
- c) Date of Book Closure : 4th August 2018 to 10th August 2018
- d) Dividend Payment : Credit /dispatch of dividend warrants in between 20th and 24th August 2018
- 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 – 400051

Listing Fee paid to both stock Exchanges for
 Financial Year 2018-19.

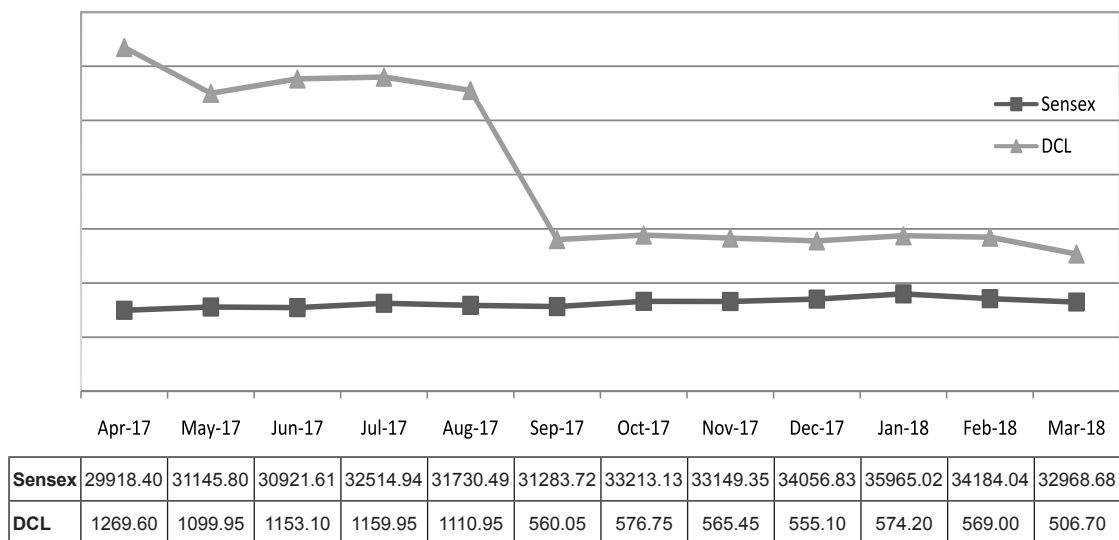
- f) Stock Code : BSE – 502137
 NSE – DECCANCE

- g) Market Price Data during each month in last financial year 2017-18:

Month and Year	High (₹)		Low (₹)	
	BSE	NSE	BSE	NSE
April 2017	1279.90	1274.00	1092.70	1116.25
May 2017	1274.95	1276.80	1097.95	1090.10
June 2017	1209.95	1213.00	1062.50	1061.50
July 2017	1195.75	1202.00	1112.00	1071.00
August 2017	1175.00	1166.00	1050.00	1006.00
September 2017*	628.90	629.80	550.15	553.50
October 2017	593.00	585.00	545.00	554.25
November 2017	599.90	598.00	540.35	539.60
December 2017	579.80	587.95	533.05	543.00
January 2018	660.00	660.00	550.00	547.00
February 2018	614.00	615.00	500.00	502.60
March 2018	580.00	578.00	505.00	497.60

* Post Splitting from ₹10/- to ₹5/-.

h) Performance in comparison to BSE Sensex:



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 power 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 2018:

Category (Amount in ₹)	Number of Shareholders	% to total no. of shareholders	Number of Shares	% to paid up share capital
01 - 5,000	6461	94.18	957070	6.83
5,001 - 10,000	201	2.93	316970	2.26
10,001 - 20,000	101	1.47	305334	2.18
20,001 - 30,000	24	0.35	121356	0.87
30,001 - 40,000	11	0.16	76851	0.55
40,001 - 50,000	7	0.10	67250	0.48
50,001 - 100,000	22	0.32	316496	2.26
100,001 and above	33	0.48	11846173	84.57
	6860	100.00	14007500	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 2018 total of 13672051 (97.59%) number of shares were dematerialized with the following Depositories (ISIN No. INE583C01013):

- National Securities Depository Limited – 10,207,209 shares (72.86%)
- Central Depository Services Limited – 3,464,842 shares (24.73%)

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, Janpahad (Post), Palakaveedu (Mandal); Suryapet Dist, Telangana State - 508 218
Thermal Power Plant	Bhavanipuram, Janpahad (Post), Palakaveedu (Mandal); Suryapet Dist, Telangana State - 508 218
Hydel Power Plant	GBC - 1, Head Regulator, Nekarikallu Adda Road; Narsaraopet Guntur Dist, Andhra Pradesh - 522 601
Wind Farms	Polepalli Village, Ramagiri Mandal, Ananthapur Dist., Andhra Pradesh - 515 101

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 www.deccancements.com. The details of related party transactions are disclosed in Note No. 30 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 2017-18 Web link for Related Party Transactions policy: <http://www.deccancements.com/pdf/RPTPolicy.pdf>
- b. During the last three years there were no strictures or penalties imposed 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 2017-18 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 38th Annual General Meeting.

h. CEO/CFO Certification:

The CEO and CFO certification on the Financial Statements for Year 2017-18 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 2017-18.

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 2017-18.

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 2018 as envisaged under Schedule V (D) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

P. Parvathi

Managing Director

DIN : 00016597

Place : Hyderabad

Date : 29.05.2018

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Deccan Cements Limited

We have examined the compliance of conditions of Corporate Governance by Deccan Cements Limited ('the Company') for the year ended 31st March, 2018 as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15 (2) of the Listing Regulations.

The compliance of conditions of Corporate Governance is the responsibility of management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

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

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

Place: Hyderabad
Date : 29.05.2018

M.V.Ranganath
Partner
Membership No.028031

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 2018 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 : 29.05.2018

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 Indian Accounting Standards (Ind AS) Financial Statements

We have audited the accompanying Ind AS financial statements of **Deccan Cements Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement, Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS 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 and presentation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS 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 Ind AS 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 31st March, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matter

The comparative financial information of the Company for the year ended 31st March, 2017 and the transition date opening balance sheet as at 1st April, 2016 included in these Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended 31st March, 2017 and 31st March, 2016 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by the predecessor auditor who expressed an unmodified opinion vide reports dated 19th May, 2017 and 20th May, 2016 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition date to Ind AS have been audited by us. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. 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 purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with relevant rules issued thereunder.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the board of directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as director in terms of section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements - Refer Note 28
 - ii) The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii) There has been no delay in transferring amounts, which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure B", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

For M. Anandam & Co.,
Chartered Accountants
(Firm's Registration No. 000125S)

M.V.Ranganath
Partner
Membership No.028031

Place : Hyderabad
Date : 29.05.2018

Annexure - A to the Independent Auditors' Report

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

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

We have audited the internal financial controls over financial reporting of **Deccan Cements Limited** ("the Company") as of 31st March 2018 in conjunction with our audit of the Ind AS 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") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For M. Anandam & Co.
Chartered Accountants
(Firm's Registration No. 000125S)

Place : Hyderabad
Date : 29.05.2018

M.V. Ranganath
Partner
Membership No.028031

Annexure - B to the Independent Auditors' Report

(Referred to in paragraph 2 under "Report on Other Legal and Regulatory Requirements" section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, the fixed assets have been physically verified by the management in a periodical manner, which in our opinion is reasonable, having regard to the size of the Company and the nature of its business. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventories have been physically verified during the year by the management. The discrepancies noticed on verification between the physical stocks and book records were not material.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3 (iii) (a) to (c) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has made investments which is in compliance with section 186 of the Act. The Company has not granted loans, not provided guarantees and securities.
- (v) According to the information and explanations given to us, the Company has not accepted deposits within the meaning of Sections 73 to 76 of the Act and the rules framed thereunder.
- (vi) We have broadly reviewed the cost records maintained by the Company as prescribed under sub-section (1) of section 148 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, value added tax, goods and service tax, wealth tax, service tax, customs duty, excise duty, cess and any other statutory dues as applicable with the appropriate authorities and there were no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and records of the Company examined by us, the particulars of income tax, sales tax, value added tax, goods and service tax, wealth tax, service tax, customs duty, excise duty or cess as at 31st March, 2018 which have not been deposited on account of any dispute pending are as under:

Name of the statute	Nature of the dues	Amount (₹. in lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income-Tax Act, 1961	Income tax	6.46	1997-98	Income tax Appellate Tribunal
Andhra Pradesh General Sales Tax Act/ VAT Act	Sales tax / VAT	11.52	1993-94	Hon'ble High Court of Judicature at Hyderabad for the State of Telangana and for the State of Andhra Pradesh.
		85.68	1999-00 & 2000-01	
		51.61	2002-03 to 2004-05	
		137.24	2006-07	Deputy Commissioner (Appeals), Hyderabad
AP Electricity Duty Amendment Act, 2003	Electricity Duty	316.23	2003-04 to 2008-09	Hon'ble High Court of Judicature at Hyderabad for the State of Telangana and for the State of Andhra Pradesh.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which the loans were obtained.
- (x) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations give to us the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable Indian accounting standards.

- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence reporting under clause (xiv) of the Order is not applicable.
- (xv) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him and hence provisions of section 192 of the Act are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For M. Anandam & Co.
Chartered Accountants
(Firm's Registration No. 000125S)

Place : Hyderabad
Date : 29.05.2018

M.V. Ranganath
Partner
Membership No.028031

Balance Sheet as at 31st March 2018

All amounts in ₹ lakhs, unless otherwise stated

Particulars	Note	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
I. ASSETS				
Non-current assets				
(a) Property, plant and equipment	3.1	34634.03	35932.44	32318.60
(b) Capital work-in-progress		442.98	9.36	3404.12
(c) Investment properties	3.2	202.67	205.26	207.85
(d) Intangible assets	3.3	1464.78	1563.48	1705.17
(e) Financial assets				
(i) Investments	4.1	6.37	5.45	5.50
(ii) Others	4.2	191.34	150.72	116.36
(f) Other non-current assets	5	940.45	1695.16	899.44
Current Assets				
(a) Inventories	6	5891.52	5749.52	5379.45
(b) Financial assets				
(i) Trade receivables	7.1	1340.51	1069.05	803.50
(ii) Cash and cash equivalents	7.2	7576.95	5280.53	3348.88
(iii) Other bank balances	7.3	43.83	29.61	33.29
(iv) Loans	7.4	19.08	26.91	19.63
(v) Other financial assets	7.5	319.41	152.52	67.15
(c) Current tax assets (net)	8	284.02	76.86	104.97
(d) Other current assets	9	2601.33	1509.04	465.27
TOTAL ASSETS		55959.27	53455.91	48879.18
II. EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	10	700.38	700.38	700.38
(b) Other equity	11	35835.94	32530.85	27853.74
Liabilities				
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	12.1	2836.93	2618.19	4501.37
(ii) Other financial liabilities	12.2	3002.96	2939.90	2392.86
(b) Provisions	13	334.55	372.13	338.26
(c) Deferred tax liabilities (net)	14	6510.08	6117.24	5766.99
(d) Other non-current liabilities	15	-	27.12	52.12
Current Liabilities				
(a) Financial liabilities				
(i) Borrowings	16.1	670.89	3652.61	3352.17
(ii) Trade payables	16.2	256.05	311.14	512.53
(iii) Other financial liabilities	16.3	430.12	993.69	379.52
(b) Other current liabilities	17	5264.34	3148.71	3010.55
(c) Provisions	18	117.03	43.95	18.69
TOTAL EQUITY AND LIABILITIES		55959.27	53455.91	48879.18
Summary of significant accounting policies	2			

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

As per our report of even date

for **M. Anandam & Co.,**

Chartered Accountants

Firm Registration Number: 000125S

For and on behalf of the Board

M.V. Ranganath

Partner

Membership Number: 028031

M B Raju

Executive Chairman

DIN: 00016652

P Parvathi

Managing Director

DIN: 00016597

Place : Hyderabad

Date : 29.05.2018

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 2018

All amounts in ₹ lakhs, unless otherwise stated

Particulars	Note	Year ended 31 March 2018	Year ended 31 March 2017
I. Revenue from operations	19	59442.25	58672.64
II. Other income	20	395.42	241.60
III. Total revenue (I + II)		59837.67	58914.24
IV. Expenses			
Cost of materials consumed	21	5222.83	4861.95
Excise duty		2417.33	9047.92
Changes in inventories of finished goods and work in progress	22	687.73	(334.56)
Employee benefits expense	23	2418.13	2242.92
Finance costs	24	566.23	683.55
Depreciation and amortization expense	25	2268.99	2172.38
Other expenses	26	40172.13	32882.31
Total expenses		53753.37	51556.47
V. Profit before tax (III - IV)		6084.30	7357.77
VI. Tax expense:			
(1) Current tax (including earlier years)		1812.86	2315.10
(2) Deferred tax		416.51	355.60
VII. Profit for the year (V-VI)		3854.93	4687.07
VIII. Other comprehensive income			
Items that will not be reclassified to statement of profit and loss			
a) Remeasurement of defined employee benefit plans		(67.73)	(15.31)
b) Income tax relating to item (a) above		23.67	5.35
Other comprehensive income (net of tax)		(44.06)	(9.96)
IX. Total comprehensive income for the year		3810.87	4677.11
X. Earning per equity share (Face value of ₹5/- each)			
(1) Basic	31	27.52	33.46
(2) Diluted		27.52	33.46
Summary of significant accounting policies	2		

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

As per our report of even date

for **M. Anandam & Co.,**

Chartered Accountants

Firm Registration Number: 000125S

For and on behalf of the Board

M.V. Ranganath

Partner

Membership Number: 028031

M B Raju

Executive Chairman

DIN: 00016652

P Parvathi

Managing Director

DIN: 00016597

Place : Hyderabad

Date : 29.05.2018

R V A Narasimha Rao

Chief Financial Officer

S K Mishra

Company Secretary

FCS 8555

Cash flow statement for the year ended 31st March 2018

All amounts in ₹ lakhs, unless otherwise stated

Particulars	31 March 2018	31 March 2017
Cash flow from operating activities		
Profit before tax	6084.30	7357.77
Adjustments for:		
Depreciation and amortisation expense	2268.99	2172.38
Gain on disposal of property, plant and equipment (net)	(5.68)	-
Interest income on financial assets carried at amortized cost	(143.27)	(96.71)
Interest income on deposits	(177.87)	(78.91)
Rental income	(10.40)	(10.52)
Dividend income	(0.33)	(0.28)
Loss on disposal of property, plant and equipment	50.48	-
Provision for doubtful debts	(13.98)	2.06
Bad debts written off	-	7.63
Finance costs	566.23	683.55
Gain on fair valuation of investment	(0.92)	-
Remeasurement of defined employee benefit plans	(67.73)	(15.31)
Operating profit before working capital changes	8549.82	10021.66
Change in operating assets and liabilities		
(Increase) in trade receivables	(257.48)	(275.24)
(Increase)/decrease in financial assets other than trade receivables	(213.90)	(123.33)
(Increase)/decrease in other assets	(1189.97)	(2920.33)
(Increase)/decrease in inventories	(142.00)	(370.07)
Increase in trade payables	(55.09)	(201.39)
Increase/(decrease) in other financial liabilities	171.90	531.23
Increase/(decrease) in provisions	34.07	59.13
Increase/(decrease) in other liabilities	2350.91	1606.74
Cash generated from operations	698.44	(1693.26)
Income taxes paid	(1950.00)	(2190.00)
Net cash inflow (outflow) from operating activities	7298.26	6138.40
Cash flows from investing activities		
Purchase of property, plant and equipment	(890.29)	(2771.21)
Sale of property, plant and equipment	27.65	-
Interest income on deposits	177.87	78.91
Dividend income	0.33	0.28
Rental income	10.40	10.52
Net cash inflow (outflow) from investing activities	(674.04)	(2681.50)

Contd...

Cash flow statement for the year ended 31st March 2018

All amounts in ₹ lakhs, unless otherwise stated

Cash flow from financing activities		
Proceeds from non-current borrowings	334.63	727.17
Repayment of non-current borrowings	(104.09)	(2513.65)
Proceeds/ (repayment) from current borrowings	(3611.89)	954.84
Dividend paid (including corporate dividend tax)	(505.78)	-
Finance cost	(440.67)	(693.61)
Net cash inflow (outflow) from financing activities	(4327.80)	(1525.25)
Net increase/(decrease) in cash and cash equivalents	2296.42	1931.65
Cash and cash equivalents at the beginning of the financial year	5280.53	3348.88
Cash and cash equivalents at the end of the year	7576.95	5280.53

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

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

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

For and on behalf of the Board

M.V. Ranganath
Partner
Membership Number: 028031

M B Raju
Executive Chairman
DIN: 00016652

P Parvathi
Managing Director
DIN: 00016597

Place : Hyderabad
Date : 29.05.2018

R V A Narasimha Rao
Chief Financial Officer

S K Mishra
Company Secretary
FCS 8555

Statement of changes in equity for the year ended 31 March 2018

a. Equity share capital

All amounts in ₹ lakhs, unless otherwise stated

Particulars	Note	Amount
As at 01 April 2016	10	700.38
Changes in equity share capital		-
As at 31 March 2017		700.38
Adjustment for sub-division of shares during the year ₹10/- face value into shares of ₹5/- face value		-
As at 31 March 2018		700.38

b. Other equity

Particulars	Note	Reserves and surplus			Total
		Securities premium reserve	General reserve	Retained earnings	
Balance as at 1 April 2016	11	1250.14	4639.52	21964.08	27853.74
Profit for the year		-	-	4687.07	4687.07
Other comprehensive income / (loss) (net of tax)		-	-	(9.96)	(9.96)
Balance as at 31 March 2017		1250.14	4639.52	26641.19	32530.85
Dividends (including corporate dividend tax)		-	-	(505.78)	(505.78)
Profit for the year		-	-	3854.93	3854.93
Other comprehensive income / (loss) (net of tax)		-	-	(44.06)	(44.06)
Balance as at 31 March 2018		1250.14	4639.52	29946.28	35835.94
Summary of significant accounting policies	2				

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

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

For and on behalf of the Board

M.V. Ranganath
Partner
Membership Number: 028031

M B Raju
Executive Chairman
DIN: 00016652

P Parvathi
Managing Director
DIN: 00016597

Place : Hyderabad
Date : 29.05.2018

R V A Narasimha Rao
Chief Financial Officer

S K Mishra
Company Secretary
FCS 8555

Notes forming part of the financial statements for the year ended March 31, 2018

1 Company Information:

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

2 Significant Accounting Policies:

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

a) Statement of Compliance:

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

The financial statements for the year ended March 31, 2018 are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2016. Accordingly, the Company has prepared an Opening Ind AS Balance Sheet as at April 1, 2016 and comparative figures for the year ended March 31, 2017 also in compliance with Ind AS. An explanation of how the transition to Ind AS has effected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 35.

The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles, which are duly approved and authorised for issue by the Board of Directors of the Company .

b) Basis of preparation:

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

c) Use of estimates and critical accounting judgements:

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

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

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

d) Revenue Recognition:

i) Sale of Products

Cement: Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and when the significant risks and rewards of ownership of the goods have been transferred to the buyer, usually on delivery / dispatch of the goods. It is measured at the value of the consideration received or receivable, net of returns, discounts, volume rebates. Till 30th June 2017, Revenue is inclusive of excise duty and excluding taxes collected from parties such as outgoing sales taxes or value added taxes. With effect from 1st July, 2017 revenue is excluding goods and service tax.

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

ii) Other income

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

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

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

e) Borrowing Costs:

Borrowings costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for the intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization. Other borrowings costs are expensed in the period in which they are incurred.

f) Employee Benefits:

(i) Short-term obligations

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

(ii) Other long-term employee benefit obligations

The liabilities for earned leave is not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligations. Remeasurements as a result of the experience adjustments and changes in actuarial assumptions are recognized in profit or loss. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Gratuity obligations

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

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

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

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

(iv) Defined contribution plans

The Company pays provident fund contributions to publicly administered funds as per local regulations and superannuation fund to LIC of India. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due.

(v) Bonus plans

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

g) Income Taxes:

Tax expense for the year comprises current and deferred tax.

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

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

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

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

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

h) Property, plant and equipment (PPE):

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of property, plant and equipment comprises of purchase price, applicable duties and taxes, any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets, upto the date the asset is ready for its intended use.

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

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

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

i) Expenditure during construction period:

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

j) Depreciation:

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

k) Intangible assets and amortization:

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

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

Cost of compensatory land (intangibles) paid / transferred to Government in lieu of forest land diverted for mining and free hold land for mining is amortized over the tenure of the mining lease. Cost of ERP Software is amortized over a period of four years.

l) Investment Properties:

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

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no further economic benefits are expected from disposal. Any gain or loss arising on derecognition of the property is included in profit or loss in the period in which the property is derecognised.

m) Impairment of assets:

Intangible assets and property, plant and equipment: Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash

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

n) Inventories:

Raw Materials, Fuel, Stores & Spares and Packing Materials

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

Materials in Transit:

Valuation of Inventories of Materials in Transit is done at Cost

Work-in-Progress (WIP) and Finished Goods

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

o) Provisions, Contingent Liabilities and Contingent Assets :

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

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

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

p) Financial instruments:

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

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

Financial assets

(i) Financial assets carried at amortised cost

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

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

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

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

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

- (iv)** The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in statement of profit or loss.

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity Instruments

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

Financial Liabilities

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

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

Derecognition of financial instruments

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

Fair value of financial instruments

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

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

q) Earnings Per Share :

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

r) Cash and cash equivalents:

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

s) Transactions in Foreign Currencies:

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

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

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

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

t) Segment Reporting - Identification of Segments:

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

u) Government Grants:

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

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

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit and loss on a straight line basis over the expected lives of the related assets and presented within other income. The benefit of a government loan at below current market rate of interest is treated as a government grant.

v) Leases

The Company determines whether an arrangement contains a lease by assessing whether the fulfillment of a transaction is dependent on the use of a specific asset and whether the transaction conveys the right to use that asset to the Company in return for payment. Where this occurs, the arrangement is deemed to include a lease and is accounted for either as finance or operating lease.

The Company as lessee

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

The Company as lessor

Operating lease – Rental income from operating leases is recognised in the statement of profit and loss on a straight line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying value of the leased asset and recognised on a straight line basis over the lease term.

w) Dividend Distribution

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

x) Rounding off amounts

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

y) Standards issued but not yet effective

The standards issued, but not yet effective up to the date of issuance of the Company's financial statements are disclosed below.

Ind AS 115, Revenue from Contract with Customers:

On March 28, 2018, Ministry of Corporate Affairs has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that revenue should be recognised when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The Company will adopt the standard on April 1, 2018 and the effect on adoption of Ind AS 115 is expected to be insignificant.

Ind AS 21, Foreign currency transactions and advance consideration:

On March 28, 2018, MCA has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. This amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

Notes forming part of financial statements for the year ended 31 March 2018

3.1 (a) Property, plant and equipment All amounts in ₹ lakhs, unless otherwise stated

Particulars	Gross carrying amount			Accumulated depreciation			Net carrying amount
	As at 1 April 2017	Additions	Deletions	As at 31 March 2018	As at 1 April 2017	For the Year	As at 31 March 2018
Land	1796.59	1.50	-	1798.09	-	-	1798.09
Buildings	5558.11	-	-	5558.11	237.13	237.29	474.42
Plant and equipment	27314.47	766.78	67.15	28074.10	1684.18	1639.85	3320.34
Furniture and fixtures	35.85	12.70	-	48.55	6.61	6.46	13.07
Vehicles	161.34	59.53	20.11	200.76	29.90	18.60	37.38
Office equipment	79.25	38.02	-	117.27	40.46	11.45	51.91
Railway sidings	3014.93	-	-	3014.93	29.82	190.84	220.66
TOTAL	37960.54	878.53	87.26	38751.81	2028.10	2104.49	4117.78

3.1 (b) Property, plant and equipment

Particulars	Gross carrying amount			Accumulated depreciation			Net carrying amount
	Deemed cost as at 1 April 2016	Additions	Deletions	As at 31 March 2017	As at 1 April 2016	For the Year	As at 31 March 2017
Land	1796.59	-	-	1796.59	-	-	1796.59
Buildings	5516.99	41.12	-	5558.11	-	237.13	237.13
Plant and equipment	24741.49	2572.98	-	27314.47	-	1684.18	1684.18
Furniture and fixtures	31.85	4.00	-	35.85	-	6.61	6.61
Vehicles	161.34	-	-	161.34	-	29.90	29.90
Office equipment	70.34	8.91	-	79.25	-	40.46	40.46
Railway sidings	-	3014.93	-	3014.93	-	29.82	29.82
TOTAL	32318.60	5641.94	-	37960.54	-	2028.10	2028.10

3.1 (c) Property, plant and equipment - Details of gross block and accumulated depreciation as per IGAAP as at April 1, 2016 is as follows:

Particulars	Gross carrying amount	Accumulated depreciation	Ind AS adjustments	Net Carrying Amount
Land	1849.48	-	(52.89)	1796.59
Buildings	7822.76	2158.94	(146.83)	5516.99
Plant and equipment	44601.46	19859.97	-	24741.49
Furniture and fixtures	97.40	65.55	-	31.85
Vehicles	257.34	96.00	-	161.34
Office equipment	168.78	98.44	-	70.34
TOTAL	54797.22	22278.90	(199.72)	32318.60

3.2 (a) Investment properties

All amounts in ₹ lakhs, unless otherwise stated

Particulars	Gross carrying amount			Accumulated depreciation				Net carrying amount
	As at 1 April 2017	Additions	Deletions	As at 31 March 2018	As at 1 April 2017	For the Year	On disposals	
Land	61.02	-	-	61.02	-	-	-	61.02
Buildings	146.83	-	-	146.83	2.59	2.59	-	141.65
TOTAL	207.85	-	-	207.85	2.59	2.59	-	202.67

Fair Value of Investment property as on 31.03.2018 - Rs. 101.60 Lakhs (2017- Rs. 101.60 Lakhs, 2016 – Rs. 101.60 Lakhs)

3.2 (b) Investment properties

Particulars	Gross carrying amount			Accumulated depreciation			Net carrying amount	
	Deemed cost as at 1 April 2016	Additions	Deletions	As at 31 March 2017	As at 1 April 2016	For the Year	On disposals	As at 31 March 2017
Land	61.02	-	-	61.02	-	-	-	61.02
Buildings	146.83	-	-	146.83	-	2.59	-	144.24
TOTAL	207.85	-	-	207.85	-	2.59	-	205.26

3.2 (c) Investment properties - Details of gross block and accumulated depreciation as per IGAAP as at April 1, 2016 is as follows:

Particulars	Gross Block	Accumulated depreciation	Ind AS Adjustments	Net block considered as deemed cost
Land	8.12	-	52.90	61.02
Buildings	-	-	146.83	146.83
TOTAL	8.12	-	199.73	207.85

3.3 (a) Intangible assets

All amounts in ₹ lakhs, unless otherwise stated

Particulars	Gross carrying amount			Accumulated amortisation			Net carrying amount
	As at 1 April 2017	Additions	Deletions	As at 31 March 2018	As at 1 April 2017	For the Year	As at 31 March 2018
Compensatory land & afforestation expenses	1494.64	63.21	-	1557.85	53.38	54.60	107.98
Computer software	30.49	-	-	30.49	7.79	7.79	15.58
Power evacuation project*	180.04	-	-	180.04	80.52	99.52	180.04
TOTAL	1705.17	63.21	-	1768.38	141.69	161.91	303.60

*The company has reviewed the amortisation period during the year and charged off the opening amount as on 01.04.2017.

3.3 (b) Intangible assets

Particulars	Gross carrying amount			Accumulated amortisation			Net carrying amount
	Deemed cost as at 1 April 2016	Additions	Deletions	As at 31 March 2017	As at 1 April 2016	For the Year	As at 31 March 2017
Compensatory land & afforestation expenses	1494.64	-	-	1494.64	-	53.38	53.38
Computer software	30.49	-	-	30.49	-	7.79	7.79
Power evacuation project	180.04	-	-	180.04	-	80.52	80.52
TOTAL	1705.17	-	-	1705.17	-	141.69	141.69

3.3 (c) Intangible assets - Details of gross block and accumulated depreciation as per IGAAP as at April 1, 2016 is as follows:

Particulars	Gross block	Accumulated amortisation	Net block considered as deemed cost
Compensatory land & afforestation expenses	1601.40	106.76	1494.64
Computer software	47.90	17.41	30.49
Power evacuation project	322.07	142.03	180.04
TOTAL	1971.37	266.20	1705.17

Notes to the Financial Statements

Notes forming part of financial statements for the year ended 31 March 2018

All amounts in ₹ lakhs, unless otherwise stated

4.1. Investments

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Investments in equity instruments (quoted - fully paid up)			
Fair value through profit and loss (FVTPL)			
Tata Consultancy Services Limited	6.27	5.35	5.40
220 (2017 - 220, 2016 - 220) Equity Shares of ₹1/- each			
Investments in equity instruments (unquoted - fully paid up)			
At amortised cost			
DCFEMAC Co-operative Stores Limited	0.10	0.10	0.10
236 (2017 - 236, 2016 - 236) Equity Shares of ₹100/- each			
TOTAL	6.37	5.45	5.50
Aggregate market value of quoted investments	6.27	5.35	5.40
Aggregate amount of unquoted investments	0.10	0.10	0.10
Aggregate amount of impairment in value of investments	-	-	-

4.2. Other financial assets (non-current)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Unsecured, considered good			
Margin money deposits with banks against bank guarantees	191.34	150.72	116.36
TOTAL	191.34	150.72	116.36

5. Other non-current assets

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Unsecured, considered good			
Capital advances	34.11	554.08	44.41
Advances other than capital advances			
i) Deposits with government/government companies	882.60	1116.28	832.10
ii) Deposits with others	23.74	24.80	22.93
TOTAL	940.45	1695.16	899.44

All amounts in ₹ lakhs, unless otherwise stated

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

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
a) Raw materials	204.86	289.65	158.46
b) Work-in-progress	864.38	1278.90	882.52
c) Finished goods	407.80	681.01	742.83
d) Stores and spares	2860.75	2498.54	2325.16
e) Packing materials	173.40	152.77	144.50
f) Coal	1380.33	848.65	1125.98
TOTAL	5891.52	5749.52	5379.45

7.1. Trade receivables

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Secured, considered good	1136.49	871.93	474.46
Unsecured, considered good	204.02	197.12	329.04
Unsecured, considered doubtful	-	13.98	11.92
	1340.51	1083.03	815.42
Less: Allowance for doubtful debts	-	13.98	11.92
TOTAL	1340.51	1069.05	803.50

7.2. Cash and cash equivalents

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
a) Balances with banks			
in current accounts	2450.08	3829.08	2700.37
in deposit accounts*	5119.58	1443.69	633.00
b) Cash on hand	7.29	7.76	15.51
TOTAL	7576.95	5280.53	3348.88

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

Notes to the Financial Statements

All amounts in ₹ lakhs, unless otherwise stated

7.3. Other bank balances

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
a) Earmarked balances with banks			
Unpaid dividend account	24.56	21.14	33.29
b) Balances with banks			
Margin money deposits	19.27	8.47	-
TOTAL	43.83	29.61	33.29

7.4. Loans (current)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Unsecured, considered good			
Employee advances	19.08	26.91	19.63
TOTAL	19.08	26.91	19.63

7.5. Other financial assets (current)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Interest accrued on deposits and others	44.66	16.43	37.09
Govt. tax incentive receivable	19.65	19.65	19.65
Unbilled revenue - banked energy	255.10	116.44	10.41
TOTAL	319.41	152.52	67.15

8. Current tax assets (net)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Advance payment of tax (net of provision)	284.02	76.86	104.97
TOTAL	284.02	76.86	104.97

9. Other current assets

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Prepaid expenses	118.63	39.63	117.49
Supplier advances	1879.70	1111.57	311.89
Advances to transporters	400.10	12.34	4.07
Earnest money deposit	192.27	326.15	31.15
Other advances	10.63	19.35	0.67
TOTAL	2601.33	1509.04	465.27

All amounts in ₹ lakhs, unless otherwise stated

10. Equity share capital

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
AUTHORIZED			
2,00,00,000 equity shares of ₹5/- each (2017 - 1,00,00,000, 2016 - 1,00,00,000 equity shares of ₹10/- each)	1000.00	1000.00	1000.00
TOTAL	1000.00	1000.00	1000.00
ISSUED, SUBSCRIBED & PAID-UP CAPITAL			
1,40,07,500 equity shares of ₹5/- each (2017 - 70,03,750, 2016 - 70,03,750 equity shares of ₹10/- each)	700.38	700.38	700.38
TOTAL	700.38	700.38	700.38

(A) Movement in equity share capital:

Particulars	Number of shares	Amount
Balance at April 1, 2016	7003750	700.38
Movement during the year	-	-
Balance at March 31, 2017	7003750	700.38
Adjustment for sub-division of shares during the year ₹10/- face value into shares of ₹5/- face value	7003750	-
Balance at March 31, 2018	14007500	700.38

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

Name of the shareholders	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	No. of Shares*	% holding	No. of Shares	% holding	No. of Shares	% holding
Melville Finvest Ltd.	4,603,712	32.87	2,301,856	32.87	2,301,856	32.87
Satyasai Investments and Leasing Ltd.	1,047,474	7.48	523,737	7.48	523,737	7.48
Mr. M.B. Raju	1,160,921	8.29	503,343	7.19	503,343	7.19
IL & FS Trust Company Ltd.	578,840	4.13	277,963	3.97	469,841	6.71
UTI Mutual Fund / UTI - MID Cap Fund	671,655	4.79	369,269	5.27	349,861	4.99

* During the current year, the shareholders of the company have approved sub-division of equity shares of the Company from one(1) equity share of face value of ₹10/- each fully paid up to two (2) equity shares of face value of ₹5/- each fully paid up.

Notes to the Financial Statements

All amounts in ₹ lakhs, unless otherwise stated

(C) Terms/Rights attached to equity shares

The company has only one class of equity shares having a face value of ₹5/- each (P.Y. ₹10/- each). Each holder of equity share is entitled to one vote per share. The company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the equity shareholders will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

11. Other equity

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Reserves and surplus			
Securities premium reserve	1250.14	1250.14	1250.14
General reserve	4639.52	4639.52	4639.52
Retained earnings	29946.28	26641.19	21964.08
TOTAL	35835.94	32530.85	27853.74

(i) Securities premium reserve

Particulars	As at 31 March 2018	As at 31 March 2017
Opening balance	1250.14	1250.14
Movement during the year	-	-
Closing balance	1250.14	1250.14

(ii) General reserve

Particulars	As at 31 March 2018	As at 31 March 2017
Opening balance	4639.52	4639.52
Movement during the year	-	-
Closing balance	4639.52	4639.52

(iii) Retained earnings

Particulars	As at 31 March 2018	As at 31 March 2017
Opening balance	26641.19	21964.08
Profit for the year	3854.93	4687.07
Dividends	(420.23)	-
Corporate dividend tax	(85.55)	-
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of defined employee benefit plans (net of tax)	(44.06)	(9.96)
Closing balance	29946.28	26641.19

All amounts in ₹ lakhs, unless otherwise stated

Nature and purpose of other reserves

(i) Securities premium reserve

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

(ii) General reserve

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

12.1. Borrowings

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Non- current			
a) Secured loans			
Term loans, equipment and vehicle loans			
From banks	66.44	124.04	2583.83
From others	32.50	78.99	132.85
b) Unsecured loans			
From directors	750.00	750.00	275.00
Inter corporate deposits from related parties	725.00	375.00	200.00
Deferred payment liabilities			
Deferred payment liabilities- sales tax deferment loan	918.52	848.99	771.81
Deferred revenue grant - sales tax deferment loan	344.47	441.17	537.88
TOTAL	2836.93	2618.19	4501.37

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, Andhra Bank and Indian Bank except the current assets specifically charged to working capital lenders in respect of which second charge is created.

Equipment and vehicle loans are secured by respective equipment and vehicles purchased out of the proceeds of the said loan.

Notes to the Financial Statements

All amounts in ₹ lakhs, unless otherwise stated

ii) Repayment Schedule with terms of interest:

Name of the bank/financial institution	Rate of interest	2018-19	2019-20	2020-21
HDFC Bank	11.50%	24.35	-	-
Kotak Mahindra Bank	10.65%	4.36	2.36	-
ICICI Bank	10.75%	2.18	0.53	-
ICICI Bank	11.02%	1.29	-	-
ICICI Bank	11.25%	27.07	30.28	2.68
ICICI Bank	11.25%	27.07	30.28	2.68
BMW Financial Services	9.71%	17.79	19.59	10.56

Unsecured loans:

The Company has availed unsecured loans from the directors and the enterprises in which the key management personnel are interested.

Deferred payment liabilities:

The Company in earlier years availed sales tax deferral loan aggregating to ₹1631.54 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.

12.2. Other financial liabilities (non-current)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Security deposits from stockists and dealers	2118.29	2939.90	2392.86
Deferred income - stockists and dealers	884.67	-	-
TOTAL	3002.96	2939.90	2392.86

13. Provisions (non-current)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Employee benefits			
Gratuity	256.95	309.10	276.93
Leave encashment	76.17	63.03	61.33
Others			
Mine closure	1.43	-	-
TOTAL	334.55	372.13	338.26

All amounts in ₹ lakhs, unless otherwise stated

14. Deferred tax liabilities (net)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
(i) Deferred tax liabilities on timing difference due to: Depreciation	6672.51	6261.24	5912.98
(ii) Deferred tax assets on account of: Employee benefits	162.43	144.00	145.99
Deferred tax liabilities (net)	6510.08	6117.24	5766.99

Movement in deferred tax liabilities (net)

Particulars	WDV of assets	Expenses allowable on payment basis	Total
As at 01 April, 2016	5912.98	145.99	5766.99
(Charged)/ Credited to statement of profit and loss	348.26	(1.99)	350.25
As at 31 March, 2017	6261.24	144.00	6117.24
(Charged)/ Credited to statement of profit and loss	411.27	18.43	392.84
As at 31 March, 2018	6672.51	162.43	6510.08

15. Other non-current liabilities

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Capital subsidy - deferred	-	27.12	52.12
TOTAL	-	27.12	52.12

16.1. Borrowings

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Current			
Secured loans			
Working capital loans from banks	670.89	3652.61	3352.17
TOTAL	670.89	3652.61	3352.17

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

Notes to the Financial Statements

All amounts in ₹ lakhs, unless otherwise stated

16.1 (a) Net Debt Reconciliation

Particulars	As at 31 March 2018	As at 31 March 2017
Opening balance of borrowings	7020.44	7948.78
Add:- Proceeds from non-current borrowings	350.00	650.00
Less:- Repayment of non-current borrowings	(104.09)	(2513.65)
Proceeds/ (repayment) from current borrowings	(3627.26)	954.84
Fair value adjustment	(27.17)	(19.53)
Closing balance of borrowings	3611.92	7020.44

16.2. Trade payables

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Dues to micro enterprises and small enterprises (Refer Note below)	-	-	-
Dues to creditors other than micro enterprises and small enterprises	256.05	311.14	512.53
TOTAL	256.05	311.14	512.53

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

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year	-	-	-
(iv) The amount of interest due and payable for the year	-	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-	-

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

All amounts in ₹ lakhs, unless otherwise stated

16.3. Other financial liabilities (current)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Current maturities of long term debts			
From banks	57.60	695.79	46.31
From others	46.50	53.85	48.93
Current maturities of deferred payment liabilities			
Sales tax deferment loan	15.37	-	-
Interest accrued but not due on term loans	-	10.86	20.92
Unpaid dividend	24.56	21.14	33.29
Sundry deposits from transporters and suppliers	285.53	176.59	180.25
Capital creditors	0.56	35.46	49.82
TOTAL	430.12	993.69	379.52

17. Other current liabilities

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Advances from customers	1647.28	1412.00	1175.36
Statutory liabilities	691.53	301.22	297.83
Expenses payable	2919.34	1431.77	1525.76
Other recoveries payable	6.19	3.72	11.60
TOTAL	5264.34	3148.71	3010.55

18. Provisions (current)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Employee benefits			
Gratuity	89.91	24.65	14.65
Leave encashment	27.12	19.30	4.04
TOTAL	117.03	43.95	18.69

Notes to the Financial Statements

All amounts in ₹ lakhs, unless otherwise stated

(i) Leave obligations

The leave obligation covers the company's liability for earned leave which is unfunded.

(ii) Defined contribution plans

The company has defined contribution plans namely provident fund and super annuation fund. Contributions are made to provident fund at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the Government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards defined contributions plan is as follows:

Particulars	31 March 2018	31 March 2017
Company's contribution to provident fund	102.14	91.16
Company's contribution to super annuation fund	9.86	7.93

(iii) Post-employment obligations

Gratuity

The company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The company operates post retirement gratuity plan with LIC of India. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation of leave encashment is recognised in the same manner as gratuity.

The following table sets out the amounts recognised in the financial statements in respect of gratuity plan

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Change in defined benefit obligations:		
Obligation at the beginning of the year	328.41	291.58
Current service costs	24.54	19.65
Interest costs	23.84	22.46
Remeasurement (gains)/losses	68.38	16.26
Benefits paid	(21.08)	(21.54)
Obligation at the end of the year	424.09	328.41
Change in plan assets:		
Fair value of plan assets at the beginning of the year	45.30	53.55
Interest income	4.69	3.21
Remeasurement (gains)/losses	0.65	0.95
Employer's contributions	47.67	9.13
Benefits paid	(21.08)	(21.54)
Fair value of plan assets at the end of the year	77.23	45.30

All amounts in ₹ lakhs, unless otherwise stated

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Expenses recognised in the statement of profit and loss consists of:		
Employee benefits expense:		
Current service costs	24.54	19.65
Net interest expenses	19.15	19.26
	43.69	38.91
Other comprehensive income:		
(Gain)/loss on plan assets	(0.65)	(0.95)
Actuarial (gain)/loss arising from changes in financial assumptions	(9.87)	10.74
Actuarial (gain)/loss arising from changes in experience adjustments	78.25	5.52
	67.73	15.31
Expenses recognised in the statement of profit and loss	43.69	38.91

Amounts recognised in the balance sheet consists of

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Fair value of plan assets at the end of the year	77.23	45.30	53.55
Present value of obligation at the end of the year	424.09	328.41	291.58
Recognises as			
Retirement benefit liability - Non-current	256.95	258.46	223.37
Retirement benefit liability - Current	89.91	24.65	14.65

Fair value of plan assets --- 100% with LIC of India

Expected contributions to post- employment benefit plans of gratuity for the year ending 31 March 2019 are ₹346.86 Lakhs.

iv) Significant estimates and sensitivity Analysis

The sensitivity of the defined benefit obligation to changes in key assumptions is:

Particulars	Key assumptions		Defined benefit obligation					
			Increase in assumption by			Decrease in assumption by		
	31 March 2018	31 March 2017	Rate	31 March 2018	31 March 2017	Rate	31 March 2018	31 March 2017
Discount rate	8.00%	7.50%	1%	405.77	307.50	1%	444.34	351.80
Salary growth rate	4.00%	4.00%	1%	446.88	352.29	1%	403.19	306.77
Attrition rate	3.00%	3.00%	1%	428.36	333.62	1%	419.39	322.63

The above sensitivity analysis is based on a change in each assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

v) Risk exposure

Through its defined benefit plans, the company is exposed to a number of risks, the most significant of which are detailed below:

Interest rate risk:

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Salary inflation risk:

Higher than expected increases in salary will increase the defined benefit obligation.

Demographic risk:

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

All amounts in ₹ lakhs, unless otherwise stated

19. Revenue from operations

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Sale of products		
(a) Cement	58779.12	58162.16
(b) Power*		
(Net of charges for wheeling, banking)		
Wind	93.92	182.24
Hydel	337.40	190.99
Thermal	192.40	54.04
Other operating revenues		
Scrap sales	39.41	83.21
TOTAL	59442.25	58672.64

*Includes unbilled revenue

20. Other income

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Interest income on deposits	177.87	78.91
Dividend income	0.33	0.28
Net gain on disposal of property, plant and equipment	5.68	-
Miscellaneous income	29.84	30.18
Rental income	10.40	10.52
Amortisation of revenue grant and deferred income	143.27	96.71
Amortisation of capital subsidy	27.11	25.00
Net gains (losses) on fair value changes of investment	0.92	-
TOTAL	395.42	241.60

21. Cost of materials consumed

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Raw materials consumed:		
Lime stone	2230.14	2113.78
Iron ore	881.50	949.77
Gypsum	1429.67	1034.87
Fly ash	431.70	413.78
Laterite	249.82	349.75
TOTAL	5222.83	4861.95

Notes to the Financial Statements

All amounts in ₹ lakhs, unless otherwise stated

22. Changes in inventories of finished goods and work-in-progress

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Opening inventory		
Finished goods	681.01	882.52
Work-in-progress	1278.90	742.83
(A)	1959.91	1625.35
Closing inventory		
Finished goods	407.80	681.01
Work-in-progress	864.38	1278.90
(B)	1272.18	1959.91
TOTAL (A-B)	687.73	(334.56)

23. Employee benefits expense

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Salaries, wages and bonus	1976.55	1867.86
Contribution to provident and other funds	208.38	162.19
Staff welfare expenses	233.20	212.87
TOTAL	2418.13	2242.92

24. Finance cost

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Interest on borrowings	495.31	648.76
Other borrowing cost	69.49	34.79
Interest cost on mine closure	1.43	-
TOTAL	566.23	683.55

25. Depreciation and amortization expense

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Depreciation of property, plant and equipment	2104.49	2028.10
Depreciation of investment property	2.59	2.59
Amortisation of intangible assets	161.91	141.69
TOTAL	2268.99	2172.38

All amounts in ₹ lakhs, unless otherwise stated

26. Other expenses

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Consumption of stores and spares	1807.97	1634.88
Consumption of packing material	2252.04	2037.57
Power and fuel	16950.14	14268.58
Repairs and maintenance		
Buildings	39.77	37.19
Plant and machinery	649.57	543.78
Others	560.74	557.99
Freight charges	15780.32	10896.61
Travelling and conveyance	128.30	137.52
Directors' sitting fee	4.88	5.80
Commission to non-wholetime directors	10.00	5.00
Printing and stationery	16.10	16.25
Communication expenses	20.07	24.73
Legal and professional charges	54.68	58.13
Bank charges	17.36	63.97
Insurance	61.09	71.12
Auditors remuneration (refer note 26 (a))	11.25	12.65
Staff recruitment and training	4.38	1.50
Rent	65.95	63.02
Rates and taxes	59.04	20.21
Donations	0.25	1.35
Security service charges	107.61	131.20
Corporate social responsibility expenses (refer note 26 (b))	116.54	79.57
Sales promotion and other selling expenses	1306.07	1980.82
Loss on sale of property, plant and equipment (net)	50.48	-
Miscellaneous expenses	111.51	223.13
Provision for diminution in the value of investment	-	0.05
Provision for doubtful debts	(13.98)	2.06
Bad debts written off	-	7.63
TOTAL	40172.13	32882.31

Notes to the Financial Statements

All amounts in ₹ lakhs, unless otherwise stated

26 a. Payment to auditor

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
(a) Statutory auditors'		
Audit fee	6.00	6.00
Certification work	0.35	0.20
Tax audit fee	-	1.75
Limited review fee	3.00	2.25
Taxation matters	1.00	1.55
(b) To others		
Cost audit fee	0.90	0.90
TOTAL	11.25	12.65

26 b. Corporate social responsibility expenses

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Amount required to be spent as per section 135 of the Act	116.50	79.42
Amount spent during the year on :		
1. Construction/ acquisition of any assets	-	-
2. On purposes other than (1) above	116.54	79.57

27. Reconciliation of tax expenses and the accounting profit multiplied by tax rate

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Profit before income tax expense	6084.30	7357.77
Tax at the Indian tax rate of 34.608% (2016-17: 34.608%)	2105.65	2546.38
Effect of non-deductible expense	900.87	885.74
Effect of allowances for tax purpose	(1193.66)	(1117.02)
Effect of deferred tax	416.51	355.60
Tax expense	2229.37	2670.70

All amounts in ₹ lakhs, unless otherwise stated

28. Contingent liabilities

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
(a) Claims against the company not acknowledged as debt :			
(i) Counter guarantees to banks	211.35	92.09	-
(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	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	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	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	85.68
c) Sales tax demand for interest of ₹1,37,24,338/- on alleged excess utilisation of sales tax incentive. Stay was granted by Additional Commissioner (CT) (Legal) subject to 50% payment of disputed amount.	137.24	137.24	137.24
d) Sales tax demand for ₹51,60,765/- recovery on excess paid interest for the assessment years 2002-03 to 2004-05. Appeal is pending before the Hon'ble High Court of Judicature at Hyderabad for the State of Telangana and for the State of Andhra Pradesh.	51.61	51.61	51.61
(iii) The A.P. Government has issued a G.O. Ms.No 39 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 before the Hon'ble High Court of Judicature at Hyderabad for the State of Telangana and for the State of Andhra Pradesh.	723.29	723.29	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 Hon'ble High Court of Judicature at Hyderabad for the State of Telangana and for the State of Andhra Pradesh has stayed the operation of AP Electricity Duty Amendment Act, 2003 but asked to submit monthly returns of generation of power.	316.23	316.23	316.23
(v) Seigniorage Fee on sand, Metal & Gravel used for expansion project.	-	-	23.59
(vi) Central Excise: Disallowance of cenvat credit availed on MS Angles, MS Plates, MS Sheets, HR Coils. Pre deposited ₹1 Crore as per the order of appellate authority - CESTAT, Bangalore.	-	-	412.64
(vii) M/s Singareni Collieries Company Limited, with whom the company has entered into Fuel Supply Agreements, has raised a demand of ₹391.50 Lakhs towards District Mineral foundation contribution at 30% of the royalty charged for the supply of coal from 12th Jan 2015 to 9th Feb 2016. The demand has been challenged by the company in the High Court of Andhra Pradesh and Telangana. The Hon'ble High Court of Judicature at Hyderabad for the State of Telangana and for the State of Andhra Pradesh stayed the demand.	-	391.50	391.50
(viii) Wheeling charges at ₹0.45 charged by APCPDCL for the year 2004-05 and 2005-06 towards wheeling of energy generated in the company's hydel & wind units for which writ petition filed in The Hon'ble High Court of Judicature at Hyderabad for the State of Telangana and for the State of Andhra Pradesh, stay obtained. APCPDCL has filed an appeal challenging the Hon'ble High Court order before the Hon'ble Supreme Court of India.	221.54	221.54	221.54
(ix) Government of Andhra Pradesh issued G.O. Ms. No. 35 dated 06.02.2010 enhancing the rate of transit permit fee from ₹500/- per 100 permits to ₹10/- per ton/cmt for limestone, levied under Rule 5 of Andhra Pradesh forest Produce Rules, 1970. The company has filed a writ petition and obtained interim stay from the Hon'ble High Court of Judicature at Hyderabad for the State of Telangana and for the State of Andhra Pradesh and is paying one-third of revised fee till final order.	859.35	742.88	630.76
(x) Difference in the voltage surcharge charged by AP Transco for the period Jan 99 to Mar 00 for which the company filed a writ petition and division bench of Hon'ble High Court of Judicature at Hyderabad for the State of Telangana and for the State of Andhra Pradesh has set aside the order of single judge and remanded the matter for fresh adjudication. Total demand of ₹109.94 lakhs has been paid under protest.	-	-	-

29. Commitments

All amounts in ₹ lakhs, unless otherwise stated

Capital commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

Particulars	31 March 2018	31 March 2017	1 April 2016
Property, plant and equipment	156.90	3.13	793.63
TOTAL	156.90	3.13	793.63

30. Related party transactions

Names of related parties and nature of relationships

Names of the related parties	Nature of relationship
i) Key Management Personnel (KMP):	
Mr. M.B.Raju	Executive Chairman
Ms. P.Parvathi	Managing Director
Mr. RVA Narasimha Rao	Chief Financial Officer
Mr. S.K.Mishra	Company Secretary
ii) Non-whole-time Directors	
Mr. Umesh Shrivastava	Director
Dr. S.A.Dave	Director
Mr. K.P.Singh	Director
Mr. J.Narayanamurthy	Director
Mr. R.Gopalakrishnan	Director
Mr. P.Venugopal Raju (Resigned w.e.f 04.01.2018)	Director
iii) Relatives of key managerial personnel:	
Ms. M.Lakshmi	Spouse of Mr. M.B.Raju
Mr. P.Anirudh Raju	Son of Ms.P.Parvathi
iv) Enterprises in which key managerial personnel and/or their relatives have control:	
a) Satyasai Investments and Leasing Limited	
b) Melville Finvest Limited	
v) Enterprises in which directors have significant influence:	
Holtec Consulting Private Limited	

Details of transactions during the year where related party relationship existed:

Names of the related parties	Nature of Transactions	Year ended 31 March 2018	Year ended 31 March 2017
Mr. M.B.Raju	Remuneration*	240.62	254.01
Ms. P.Parvathi	Remuneration*	237.99	240.64
Mr. RVA Narasimha Rao	Remuneration*	36.05	28.61
Mr. S.K.Mishra	Remuneration*	17.27	14.45

Notes to the Financial Statements

All amounts in ₹ lakhs, unless otherwise stated

Mr. Umesh Shrivastava	Commission and sitting fees	2.59	1.98
Dr. S.A.Dave	Commission and sitting fees	2.37	1.76
Mr. K.P.Singh	Commission and sitting fees	2.39	1.58
Mr. J.Narayanamurty	Commission and sitting fees	2.69	1.88
Mr. R.Gopalakrishnan	Commission and sitting fees	2.47	1.63
Mr. P.Venugopal Raju (Resigned w.e.f 04.01.2018)	Commission and sitting fees	2.37	1.96
Mr. P.Anirudh Raju	Salary	3.02	-
Mr. M.B.Raju	Loan received	-	200.00
	Interest on unsecured loan	19.85	22.34
Ms. P.Parvathi	Loan received	-	275.00
	Interest on unsecured loan	54.58	47.44
Melville Finvest Limited	Loan received	150.00	100.00
	Interest on unsecured loan	18.61	11.17
Satyasai Investments and Leasing Ltd.	Loan received	200.00	75.00
	Interest on unsecured loan	34.84	30.97
Ms. M Lakshmi	Rent paid	36.00	33.60
Holtec Consulting Private Limited	Consultancy service	-	8.72

* Post employment benefits are actuarially determined on overall basis and hence not separately provided.

Details of outstanding balances as at the year end where related party relationship existed:

Names of the related parties	Nature of Balance	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Credit Balances				
Mr. M.B.Raju	Commission	129.54	156.61	171.42
Ms. P.Parvathi	Commission	129.54	156.61	446.41
Mr.Umesh Shrivastava	Commission	1.67	0.83	0.83
Dr.S.A.Dave	Commission	1.67	0.83	0.83
Mr.K.P.Singh	Commission	1.67	0.83	0.83
Mr.J Narayanamurty	Commission	1.67	0.83	0.83
Mr.R.Gopalakrishnan	Commission	1.67	0.83	0.83
Mr.P Venugopal Raju (Resigned w.e.f 04.01.2018)	Commission	1.67	0.83	0.83
Mr. M.B.Raju	Unsecured loan	200.00	200.00	-
Ms. P.Parvathi	Unsecured loan	550.00	550.00	-
Melville Finvest Limited	Unsecured loan	250.00	100.00	-
Satyasai Investments and Leasing Ltd.	Unsecured loan	475.00	275.00	200.00

All amounts in ₹ lakhs, unless otherwise stated

31. Earnings per share (EPS)

Particulars	31 March 2018	31 March 2017
Profit after tax	3854.93	4687.07
Weighted average number of equity shares in calculating basic and diluted EPS*	14007500.00	14007500.00
Face value per share	5.00	5.00
Basic and diluted earnings per share (EPS)	27.52	33.46

* Adjusted for sub-division of face value of shares from ₹10/- each to ₹5/- each in the financial year 2017-18. Basic EPS and diluted EPS for the previous year has been recasted in accordance with the increase in the number of outstanding shares on account of sub-division of shares as stated above.

32. Financial instruments and risk management

Fair values

1. The carrying amounts of trade payables, other financial liabilities(current), borrowings (current), trade receivables, cash and cash equivalents, other bank balances and loans are considered to be the same as fair value due to their short term nature.
2. Borrowings(non-current) consists of loans from banks and government authorities, other financial liabilities(non-current) consists of security deposits from stockists.

The fair value of financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximation of fair values:

(i) Categories of financial instruments

Particulars	Level	31 March 2018		31 March 2017		1 April 2016	
		Carrying amount	Fair value*	Carrying amount	Fair value*	Carrying amount	Fair value*
Financial assets							
Measured at amortised cost:							
Non-current							
Investments	3	0.10	0.10	0.10	0.10	0.10	0.10
Other financial assets	3	191.34	191.34	150.72	150.72	116.36	116.36
Current							
Trade receivables	3	1340.51	1340.51	1069.05	1069.05	803.50	803.50
Cash and cash equivalents	3	7576.95	7576.95	5280.53	5280.53	3348.88	3348.88
Other bank balances	3	43.83	43.83	29.61	29.61	33.29	33.29
Loans	3	19.08	19.08	26.91	26.91	19.63	19.63
Other financial assets	3	319.41	319.41	152.52	152.52	67.15	67.15
Measured at fair value through profit and loss							
Non-current							
Investments	1	6.27	6.27	5.35	5.35	5.40	5.40
TOTAL		9497.49	9497.49	6714.79	6714.79	4394.31	4394.31

Notes to the Financial Statements

All amounts in ₹ lakhs, unless otherwise stated

Financial liabilities							
Measured at amortised cost							
Non-current							
Borrowings	3	2836.93	2492.46	2618.19	2177.02	4501.37	3963.49
Other financial liabilities	3	3002.96	2118.29	2939.90	2939.90	2392.86	2392.86
Current							
Borrowings	3	670.89	670.89	3652.61	3652.61	3352.17	3352.17
Trade payables	3	256.05	256.05	311.14	311.14	512.53	512.53
Other financial liabilities	3	430.12	430.12	993.69	993.69	379.52	379.52
TOTAL		7196.95	5967.81	10515.53	10074.36	11138.45	10600.57

*Fair value of instruments is classified in various fair value hierarchies based on the following three levels:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques, which maximise the use of observable market data and rely as little as possible on entity specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs are not based on observable market data, the instruments are included in Level 3.

Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realized or paid in sale transactions as of respective dates. As such, the fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

The Company is exposed to market risk (fluctuation in foreign currency exchange rates, price and interest rate), liquidity risk and credit risk, which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

The fair value of trade receivables and other current financial assets and liabilities are considered to be equal to the carrying amounts of these items due to their short term nature. Where such items are non-current in nature, the same has been classified as Level 3 and fair value determined using discounted cash flow basis. Similarly, unquoted Equity instruments where most recent information to measure fair value is insufficient, cost has been considered as the best estimate of fair value.

There has been no change in the valuation methodology for Level 3 inputs during the year. There were no transfers between Level 1 and Level 2 during the year.

(A) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk, interest rate risk and price risk. Financial instruments affected by market risk include loans and borrowings, trade receivables and trade payables involving foreign currency exposure. The sensitivity analyses in the following sections relate to the position as at March 31, 2018 and March 31, 2017.

All amounts in ₹ lakhs, unless otherwise stated

The analysis exclude the impact of movements in market variables on the carrying values of financial assets and liabilities .

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2018 and 31 March 2017.

(i) Foreign currency exchange rate risk

Since the company is not dealing with foreign currency transactions, there is no foreign currency exchange rate risk.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. As the Company has certain debt obligations with floating interest rates, exposure to the risk of changes in market interest rates are dependent of changes in market interest rates. Management monitors the movement in interest rate and, wherever possible, reacts to material movements in such rates by restructuring its financing arrangement.

As the Company has no significant interest bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase/(decrease) in profit before tax		Increase/(decrease) in other components of equity	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Change in interest rate				
increase by 100 basis points	(10.35)	(13.50)	(6.77)	(8.83)
decrease by 100 basis points	10.35	13.50	6.77	8.83

The assumed increase/decrease in interest rate for sensitivity analysis is based on the currently observable market environment.

(B) Credit Risk

Credit risk is the risk arising from credit exposure to customers, cash and cash equivalents held with banks and current and non-current held-to financial assets of the Company include trade receivables, employee advances, security deposits held with government authorities and bank deposits which represents Company's maximum exposure to the credit risk.

With respect to credit exposure from customers, the Company has a procedure in place aiming to minimise collection losses. Credit Control team assesses the credit quality of the customers, their financial position, past experience in payments and other relevant factors. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including default risk associate with the industry and country in which customers operate. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. With respect to other financial assets viz., loans & advances, deposits with government and banks, the credit risk is insignificant since the loans & advances are given to employees only and deposits are held with government bodies and reputable banks. The credit quality of the financial assets is satisfactory, taking into account the allowance for credit losses.

Notes to the Financial Statements

All amounts in ₹ lakhs, unless otherwise stated

Credit risk on trade receivables and other financial assets is evaluated as follows:

(i) Expected credit loss for trade receivable under simplified approach:

Particulars	31 March 2018	31 March 2017	1 April 2016
Gross carrying amount	1340.51	1083.03	815.42
Expected credit losses (Loss allowance provision)	-	(13.98)	(11.92)
Carrying amount of trade receivables	1340.51	1069.05	803.50

(ii) Expected credit loss for financial assets where general model is applied

The financial assets which are exposed to credit are loans to employees.

Particulars	31 March 2018	31 March 2017	1 April 2016
Asset group	Estimated gross carrying amount at default	Estimated gross carrying amount at default	Estimated gross carrying amount at default
Gross carrying amount			
Loans to employees	19.08	26.91	33.29
	19.08	26.91	33.29
Expected credit losses	-	-	-
Net carrying amount			
Loans to employees	19.08	26.91	33.29
TOTAL	19.08	26.91	33.29

(ii) Reconciliation of loss allowance provision

Particulars	Trade receivables
Loss allowance as at 1 April 2016	11.92
Changes in loss allowance during the period of 2016-17	2.06
Loss allowance as at 31 March 2017	13.98
Changes in loss allowance during the period of 2017-18	(13.98)
Loss allowance as at 31 March 2018	-

(iii) Significant estimates and judgements

Impairment of financial assets:

The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(C) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding to meet obligations when due and to close out market positions. Company's treasury maintains flexibility in funding by maintaining availability under deposits in banks.

Management monitors cash and cash equivalents on the basis of expected cash flows.

All amounts in ₹ lakhs, unless otherwise stated

(i) Financing arrangements:

The company had access to the following undrawn borrowing facilities at the end of the reporting period

Particulars	As at		
	31 March 2018	31 March 2017	1 April 2016
Expiring within one year (bank overdraft and other facilities)	2458.91	1495.60	3.21

(ii) Maturities of financial liabilities

Contractual maturities of financial liabilities as at :

Particulars	31 March 2018		31 March 2017		1 April 2016	
	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
Borrowings	670.89	2836.93	3652.61	2618.19	3352.17	4501.37
Trade payables	256.05	-	311.14	-	512.53	-
Other financial liabilities	430.12	3002.96	993.69	2939.90	379.52	2392.86
TOTAL	1357.06	5839.89	4957.44	5558.09	4244.22	6894.23

(iii) Management expects finance cost to be incurred for the year ending 31 March 2019 is ₹234.893 Lakhs.

33. Capital management

A. Capital management and gearing ratio

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the company's capital management is to maximise the shareholder value.

The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The company monitors capital using a gearing ratio, which is debt divided by total capital. The company includes within debt, interest bearing loans and borrowings.

Particulars	31 March 2018	31 March 2017	1 April 2016
Borrowings			
Current	670.89	3652.61	3352.17
Non current	2836.93	2618.19	4501.37
Current maturities of non- current borrowings	119.47	749.64	95.24
Debt	3627.29	7020.44	7948.78
Equity			
Equity share capital	700.38	700.38	700.38
Other equity	35835.94	32530.85	27853.74
Total capital	36536.32	33231.23	28554.12
Gearing ratio in % (debt/ equity)	9.93%	21.13%	27.84%

Notes to the Financial Statements

All amounts in ₹ lakhs, unless otherwise stated

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2018 and 31 March 2017.

B. Dividends

Particulars	31 March 2018	31 March 2017
Dividends recognised		
Final dividend for the year ended 31 March 2017 of INR 3/- per fully paid share (on split face value of Rs.5/-)	420.23	-
For the year ended the directors have recommended the payment of a final dividend of INR 3/- per fully paid equity share (March 31, 2017 - INR 3/-). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting, hence the same is not recognised.	420.23	420.23

34. Segment information:

- a) The Company's Executive Chairman, Managing Director and Chief Financial Officer examines the Company's performance from a product perspective and has identified two operating segments viz., Cement Division and Power Division. Operations of both the segments are based only in India. As per the threshold limits prescribed under Ind AS 108 "Operating Segments", the management has identified one reportable segment "Cement Division". Other segment "Power Division" is below the threshold limits prescribed under Ind AS 108. Hence, segment reporting is not given.
- b) Information about products:
Revenue from external customers - Sale of Cement : ₹58779.12 Lakhs
Revenue from external customers - Sale of Power: ₹623.72 Lakhs
- c) The Company has not made any external sales to one customer meeting the criteria of 10% or more of the entity revenue.

35. First-time adoption of Ind AS

Transition to Ind AS

These are the company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS balance sheet at 01 April 2016 (date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation on how the transition from previous GAAP to Ind AS has effected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

Exemptions and Exceptions available

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A. Ind AS optional exemptions

(i) Deemed cost

Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all of its property, plant & equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition, after making necessary adjustments for decommissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38.

Accordingly, the company has elected to measure all of its property, plant & equipment and intangible assets at their previous GAAP carrying value.

(ii) Impairment of financial assets

The Company has applied the exception related to impairment of financial assets given in Ind AS 101. It has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial assets were initially recognised and compared that to the credit risk as at 01 April 2016.

B. Ind AS mandatory exceptions

(i) Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with the estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Investment in equity instruments carried at Fair value through Profit and Loss.
- Impairment of financial asset based on expected credit loss model.

(ii) Classification and measurement of Financial Assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

C. Reconciliation between previous GAAP and Ind AS (as at 31 March 2017 and 1 April 2016)

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods.

Notes to the Financial Statements

All amounts in ₹ lakhs, unless otherwise stated

The following tables represent the reconciliations from previous GAAP to Ind AS.

Particulars	Notes	As at 31 March 2017			As at 1 April 2016		
		Previous GAAP*	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP*	Effect of transition to Ind AS	As per Ind AS balance sheet
I. ASSETS							
Non-current assets							
(a) Property, plant and equipment		36129.57	(197.13)	35932.44	32518.32	(199.72)	32318.60
(b) Capital work-in-progress		9.36	-	9.36	3404.12	-	3404.12
(c) Investment properties	9	-	205.26	205.26	-	207.84	207.84
(d) Other intangible assets		1563.48	-	1563.48	1705.17	-	1705.17
(e) Financial assets							
Investments	10	8.69	(3.24)	5.45	8.69	(3.19)	5.50
Other financial assets		150.72	-	150.72	116.35	-	116.36
(f) Other non-current assets		1695.16	-	1695.16	899.44	-	899.44
Current assets							
(a) Inventories		5749.52	-	5749.52	5379.45	-	5379.45
(b) Financial assets							
(i) Trade receivables	11	1083.03	(13.98)	1069.05	815.42	(11.92)	803.50
(ii) Cash and cash equivalents		5280.53	-	5280.53	3348.90	-	3348.88
(iii) Other bank balances		29.61	-	29.61	33.29	-	33.29
(iv) Loans		26.91	-	26.91	19.63	-	19.63
(v) Other financial assets		152.52	-	152.52	67.15	-	67.15
(c) Current tax assets (net)		76.86	-	76.86	104.97	-	104.97
(d) Other current assets		1509.04	-	1509.04	465.27	-	465.27
TOTAL		53465.00	(9.09)	53455.91	48886.17	(6.99)	48879.18
II. EQUITY AND LIABILITIES							
Equity							
(a) Equity share capital		700.38	-	700.38	700.38	-	700.38
(b) Other equity	6	31974.39	556.46	32530.85	27820.49	33.25	27853.74
Liabilities							
Non-current liabilities							
(a) Financial liabilities							
(i) Borrowings	1	2637.72	(19.53)	2618.19	4501.37	-	4501.37
(ii) Other financial liabilities		2939.90	-	2939.90	2392.86	-	2392.86
(b) Provisions		372.13	-	372.13	338.26	-	338.26
(c) Deferred tax liabilities (net)		6117.24	-	6117.24	5766.99	-	5766.99
(d) Other non-current liabilities	6	67.36	(40.24)	27.12	92.36	(40.24)	52.12
Current liabilities							
(a) Financial liabilities							
(i) Borrowings		3652.61	-	3652.61	3352.17	-	3352.17

All amounts in ₹ lakhs, unless otherwise stated

(ii) Trade payables	311.14	-	311.14	512.53	-	512.53	
(iii) Other financial liabilities	993.69	-	993.69	379.52	-	379.52	
(b) Other current liabilities	3148.69	-	3148.69	3010.55	-	3010.55	
(c) Provisions	5	549.73	(505.78)	43.95	18.69	-	18.69
TOTAL		53465.00	(9.09)	53455.91	48886.17	(6.99)	48879.18

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Reconciliation of total comprehensive income for the year ended 31 March 2017

Particulars	Notes	Previous GAAP*	Adjustments	Ind AS
I. Revenue from operations	2	64914.30	(6241.66)	58672.64
Less: Excise duty	3	9047.92	9047.92	-
II. Other income	1	144.89	96.71	241.60
III. Total revenue (I + II)		56011.27	2902.97	58914.24
IV. Expenses:				
Cost of materials consumed		4861.95	-	4861.95
Excise duty	3	-	9047.92	9047.92
Changes in inventories of finished goods and work-in-progress		(334.56)	-	(334.56)
Employee benefits expense	4	2258.23	(15.31)	2242.92
Finance costs	1	606.37	77.18	683.55
Depreciation and amortization expense		2172.38	-	2172.38
Other expenses	2,10,11	39121.86	(6239.55)	32882.31
Total expenses		48686.23	2870.24	51556.47
V. Profit before tax (III - IV)		7325.04	32.73	7357.77
VI. Tax expense:				
(1) Current tax		2315.10	-	2315.10
(2) Deferred tax		350.25	5.35	355.60
VII. Profit for the period (V-VI)		4659.69	27.38	4687.07
VIII. Other comprehensive income				
Items that will not be reclassified to statement of profit and loss				
a) Remeasurement of defined employee benefit plans	4,7	-	(15.31)	(15.31)
b) Income tax relating to item (a) above		-	5.35	5.35
Other comprehensive income (net of tax)		-	(9.96)	(9.96)
IX. Total comprehensive income for the year		4659.69	17.42	4677.11

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Notes to the Financial Statements

All amounts in ₹ lakhs, unless otherwise stated

Reconciliation of total equity as at 31 March 2017 and 1 April 2016

Particulars	Notes	31 March 2017	1 April 2016
Total equity (shareholder's funds) as per previous GAAP		32674.79	28520.87
Adjustments			
Proposed dividend including corporate dividend tax	5	505.78	-
Transfer of the amount in capital subsidy	6	40.24	40.24
Fair valuation of investments	10	4.88	4.93
Provision for doubtful debts	11	(13.98)	(11.92)
Fair valuation of government grants	1	19.53	-
Total adjustments		556.45	33.25
Total equity as per Ind AS		33231.24	28554.12

Reconciliation of total comprehensive income for the year ended 31 March 2017

Particulars	Notes	31 March 2017
Profit after tax as per previous GAAP		4659.69
Adjustments		
Fair valuation of government grants	1	19.53
Fair valuation of investments	10	(0.05)
Provision for doubtful debts	11	(2.06)
Total comprehensive income as per Ind AS		4677.11

Impact of Ind AS adoption on the statements of cash flows for the year ended 31 March 2017

Particulars	Notes	Previous GAAP*	Adjustments	Ind AS
Net cash flow from operating activities		6024.33	114.07	6138.40
Net cash flow from investing activities		(2147.35)	(534.15)	(2681.50)
Net cash flow from financing activities		(1914.65)	389.40	(1525.25)
Net increase/(decrease) in cash and cash equivalents	8	1962.33	(30.68)	1931.65
Cash and cash equivalents as at 1 April 2016		3498.53	(149.65)	3348.88
Cash and cash equivalents as at 31 March 2017		5460.86	(180.33)	5280.53

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

D. Notes to first-time adoption of Ind AS:**1) Borrowings**

The benefit of a government loan at below current market rate of interest is treated as a government grant. The loan is recognised and measured in accordance with Ind AS 109. The benefit of the below market rate of interest is measured as the difference between the initial carrying value of the loan determined in accordance with Ind AS 109 (at fair value) and the proceeds received. Government grant is recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses, the related costs for which the grants are intended to compensate. As a result other income has increased by ₹96.70 Lakhs towards government grant amortisation and finance cost has increased by ₹77.18 lakhs towards interest expense on government loan and accordingly the overall net profit has increased by ₹19.52 lakhs for the year ended 31 March 2017. Consequently the borrowings have been restated to ₹4501.37 lakhs and ₹2618.19 lakhs as at 1 April 2016 and 31 March 2017 respectively.

2) Expenses directly attributable to revenue

Under the previous GAAP, cash discounts, sales promotion expenses and breakages and damages amounting to ₹6241.66 lakhs directly attributable to sales were recognized as part of other expenses which have been adjusted against the revenue from sale of goods under Ind AS during the year ended 31 March 2017. There is no impact on the total equity and profit.

3) Excise duty

Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the statement of profit and loss as part of expenses. This change has resulted in an increase in total revenue and total expenses for the year ended 31 March 2017 by ₹9047.92 lakhs. There is no impact on the total equity and profit.

4) Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. Actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. There is no impact on the total equity as at 31 March 2017.

5) Proposed Dividend

Under the previous GAAP, dividends proposed by the Board of Directors after the balance sheet date but before the approval of the financial statements were considered as an adjusting event. Accordingly, provision for proposed dividend and corporate dividend tax was recognised as liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend and corporate dividend tax of ₹505.78 lakhs included under provisions as at 31 March 2017 has been reversed with corresponding adjustments to retained earnings. Consequently the total equity increased by an equivalent amount.

6) Other equity

Retained earnings as at April 1, 2016 has been adjusted consequent to the above Ind AS transition adjustments on the date of transition.

The company has transferred on April 1, 2016 an amount of ₹99.28 lakhs from power subsidy to general reserve and ₹40.24 lakhs from other current liabilities to general reserve as the conditions attached to it are fulfilled as at the date of transition. However there is impact on other equity on account of the adjustment of other current liabilities(capital subsidy) of ₹40.24 lakhs.

7) Other comprehensive income

Under Ind AS, all items of income and expense recognized in a period should be included in the profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit or loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of 'other comprehensive income' did not exist under previous GAAP.

8) Cash flow from financing activities

Other bank balances (disclosed under Note 7.3) and financial assets(disclosed under Note 4.2) are not considered as part of cash and cash equivalents under Ind AS and their movement amounting to ₹30.68 lakhs is the variance in net increase/decrease in cash and cash equivalents as at 31 March 2017.

9) Investment properties:

Under previous GAAP, investment in land of Rs. 8.12 lakhs is shown in investments. As on transition date, the Company has identified land & Buildings of Rs. 199.73 Lakhs which was grouped under property ,plant and equipment in previous GAAP. These two amounts are classified as investment properties on the face of the balance sheet as per Ind AS 40 – Investment properties.

10) Investments

Under Ind AS, the financial assets and liabilities have to be shown at fair value. Accordingly, the company has restated the investments in equity instruments of TCS at fair value.

11) Trade receivables

Under Ind AS, trade receivables have to be adjusted for the effect of expected credit loss. Accordingly, the company has made a provision for the doubtful debts of ₹11.92 lakhs and ₹ 2.06 lakhs as on 01.04.2016 and 31.03.2017 respectively.

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

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

For and on behalf of the Board

M.V. Ranganath
Partner
Membership Number: 028031

M B Raju
Executive Chairman
DIN: 00016652

P Parvathi
Managing Director
DIN: 00016597

Place : Hyderabad
Date : 29.05.2018

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 **38th Annual General Meeting** of the Company to be held on **Friday, 10th August 2018 at 10:30 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: _____

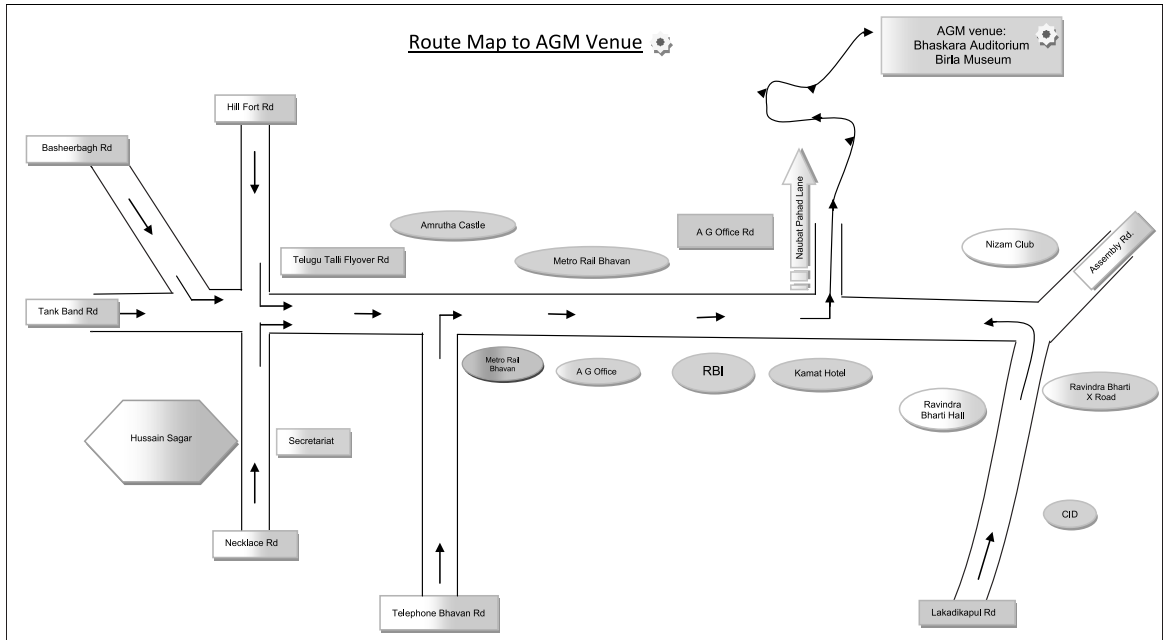
or failing him/her

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 38th Annual General Meeting of the Company, to be held on Friday, 10th August 2018 at 10:30 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 2018 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. M B Raju (DIN: 00016652) who retires by rotation and being eligible offers himself for re-appointment.			
Special Business				
4	Ratification of Cost Auditor's remuneration for the Financial Year 2018-19.			

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.

Notes

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