

32nd Annual Report 2011-12



DECCAN CEMENTS LIMITED

BOARD OF DIRECTORS

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

SENIOR EXECUTIVES

Mr. L Jayashankar	President
Mr. G R Ram	Senior Vice President
Mr. M Krishnam Raju	Vice President (Marketing)
Mr. S Venkateswarlu	Vice President (Works)
Mr. M Rama Krishna	Sr.General Manager (Legal) & Company Secretary
Mr. H V.Badri Narayana Murthy	General Manager (Finance)

Auditors

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

Bankers

State Bank of India
Andhra Bank

Registered Office

“Deccan Chambers”
6-3-666/B, Somajiguda,
Hyderabad –500 082.
Tel: 23310561, 23310168.
Mail: secretarial@deccancements.com

NOTICE

Notice is hereby given that the **THIRTY SECOND ANNUAL GENERAL MEETING** of the Members of **DECCAN CEMENTS LIMITED** will be held on **Tuesday the 7th day of August 2012 at 10.00 A.M.** at "Bhaskara Auditorium" Birla Museum, Adarsh Nagar, Hyderabad 500063, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March, 2012, the Balance Sheet as at that date, the Directors' and the Auditors' Reports thereon.
2. To declare a dividend on Equity shares.
3. To appoint a Director in place of Mr. Umesh Shrivastava, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Mr. K P Singh, who retires by rotation and being eligible offers himself for reappointment.
5. To appoint M/s. M Bhaskara Rao & Co., Chartered Accountants, as Statutory Auditors to hold office from the conclusion of this Annual General Meeting up to the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED that pursuant to the provisions of the Companies Act, 1956 and Article 106 of the Articles of Association of the Company, Dr.S.A.Dave be and is hereby appointed as a Director of the Company."
7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

REAPPOINTMENT OF EXECUTIVE CHAIRMAN:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and all other provisions, if any, of the Companies Act, 1956, (including any statutory modifications or reenactment thereof for the time being in force) and subject to the limits specified in Schedule XIII of the said Act, and subject to such approvals and permission of any authority as may be necessary Mr M B Raju be and is hereby reappointed as the Executive Chairman of the Company for a period of 5 years with effect from 1st April, 2012 on the following terms and conditions and ratify payment of remuneration.

- i) Salary : ₹ 4,00,000/- per month with annual increment of ₹ 25,000/-
- ii) Other terms and conditions shall be as follows:

Commission:

Commission @ 2 % of the net profits of the Company computed in the manner laid down in Section 309 (5) of the Companies Act, 1956.

Perquisites and Allowance:

I. Housing:

- a) The expenditure incurred by the Company on hiring accommodation for the Executive Chairman shall be subject to a ceiling of 70% of salary over and above 10% payable by the Executive Chairman himself.
- b) Where accommodation in Company owned house is provided, the Executive Chairman shall pay to the Company by way of rent 10% of salary.
- c) Where the Company does not provide accommodation to the Executive Chairman, House Rent allowance may be paid by the Company in accordance with (a) above.
- d) The expenditure incurred by the Company on gas, electricity, water and furnishing will be valued as per the Income Tax Rules, 1962. This will, however, be subject to a ceiling of 10% of salary of the Executive Chairman.

II Medical Reimbursement:

Expenses incurred for self and family subject to a ceiling of one month's salary per year or three months' salary in a period of three years.

III Leave Travel concession:

For self and family once in a year in accordance with any rules specified by the Company.

IV Club Fees:

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

V. Personal Accident Insurance:

For an amount as per the rules of the Company.

Other Perquisites:

- i. Company's contribution towards Provident Fund subject to a ceiling of 12% of salary, as per rules of the Company.

- ii. Company's contribution towards Pension/ Superannuation Fund, as per rules of the Company – such contribution to the Provident Fund shall not exceed 27% of salary.
- iii. Gratuity payable in accordance with an approved scheme and shall not exceed one half month's salary for each completed year of service

Contribution to Provident fund and Superannuation fund to the extent they are exempted under the Income Tax act, 1961 and encashment of leave at the end of tenure will not be included in the computation of the ceiling on perquisites. Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. All long distance personal calls shall be duly logged and paid for by the Executive Chairman. Earned / Privilege Leave will be on full pay and allowances as per rules of the Company. Leave accumulated but not availed at during his tenure may be allowed to be encashed as per the rules of the Company.

"RESOLVED FURTHER THAT in pursuance of the provisions of Schedule XIII of the Companies Act, 1956, the above remuneration by way of salary and perquisites be paid as minimum remuneration to Mr M B Raju Executive Chairman, in the absence or inadequacy of profits in any year"

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

REAPPOINTMENT OF MANGING DIRECTOR:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and all other provisions, if any, of the Companies Act, 1956, (including any statutory modifications or reenactment thereof for the time being in force) and subject to the limits specified in Schedule XIII of the said Act, and subject to such approvals and permission of any authority as may be necessary Ms P Parvathi be and is hereby reappointed as the Managing Director of the Company for a period of 5 years with effect from 1st April, 2012 on the following terms and conditions and ratify payment of remuneration.

- i) Salary : ₹ 3,50,000/- per month with annual increment of ₹ 25,000/-
- ii) Other terms and conditions shall be as follows:

Commission:

Commission @ 2 % of the net profits of the Company computed in the manner laid down in Section 309 (5) of the Companies Act, 1956.

Perquisites and Allowance:

I. Housing:

- a) The expenditure incurred by the Company on hiring accommodation for the Managing Director shall be subject to a ceiling of 70% of salary over and above 10% payable by the Managing Director herself.
- b) Where accommodation in Company owned house is provided, the Managing Director shall pay to the Company by way of rent 10% of salary.
- c) Where the Company does not provide accommodation to the Managing Director, House Rent allowance may be paid by the Company in accordance with (a) above.
- d) The expenditure incurred by the Company on gas, electricity, water and furnishing will be valued as per the Income Tax Rules, 1962. This will, however, be subject to a ceiling of 10% of salary of the Managing Director.

II Medical Reimbursement:

Expenses incurred for self and family subject to a ceiling of one month's salary per year or three months' salary in a period of three years.

III Leave Travel concession:

For self and family once in a year in accordance with any rules specified by the Company.

IV Club Fees:

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

V. Personal Accident Insurance:

For an amount as per the rules of the Company.

Other Perquisites:

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

Contribution to Provident fund and Superannuation fund to the extent they are exempted under the Income Tax act, 1961 and encashment of leave at the end of tenure will not be included in the computation of the ceiling on perquisites. Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. All long distance personal calls shall be duly logged and paid for by the Managing Director. Earned / Privilege Leave will be on full pay and allowances as per rules of the Company. Leave accumulated but not availed at during her tenure may be allowed to be encashed as per the rules of the Company.

"RESOLEVED FURTHER THAT in pursuance of the provisions of Schedule XIII of the Companies Act,

1956, the above remuneration by way of salary and perquisites be paid as minimum remuneration to Ms P Parvathi, Managing Director, in the absence or inadequacy of profits in any year"

By Order of the Board

M.Rama Krishna

Place : Hyderabad
Date : 15.05.2012

Sr. General Manager (Legal)
& Company Secretary

Registered Office:

6-3-666/B, Deccan Chambers
Somajiguda, HYDERABAD – 500 082

Notes:

- 1) A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend instead of himself and such Proxy need not be a member of the Company. Proxies, in order to be effective, should be received by the Company at its Registered Office not less than 48 hours before the commencement of the meeting.
- 2) Members are requested to notify immediately of any change in their address to the Company's Registered Office with their Folio Number(s).
- 3) The Register of Members and Share Transfer Books of the Company will be closed from 01 August, 2012 to 07 August, 2012 (both days inclusive).
- 4) Payment of dividend on shares, if declared at the meeting, will be made to those members whose names appear on the Company's Register of Members on 7th August, 2012 and as per the list of beneficial ownership furnished by Depositories for this purpose in case of shares held in Electronic form.
- a) In terms of the provisions of Section 205A of the Companies Act, 1956, the Company has already transferred all unclaimed dividends up to and including the Financial Year ended 31st March, 2004.
- b) Pursuant to the provisions of Section 205A of the Companies Act, 1956 as amended, dividend for the financial year ended 31st March, 2005 and thereafter, which remains unpaid or unclaimed for a period of 7 years will be transferred to the "Investor Education and Protection Fund" of the Central Government.

Members are advised to write to the Company regarding their unclaimed dividend

- 5) Stock Exchanges:
 - a) The Company's shares are listed with Mumbai Stock Exchange, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 Code: 502137 and National Stock Exchange Limited, Bandra Kurla Complex, Bandra East, Mumbai – 400 051 Code: DECCANCE.
 - b) The Annual Listing Fee for the year 2012-2013 has been paid in time as per Clause 38 of the Listing Agreement entered into with Stock Exchanges at Mumbai.
 - 6) All the shareholders are requested to intimate their e-mail address to the Company or to the depository for sending the Notice with Balance Sheet, Profit & Loss Account, Auditor's Report, Director's Report etc pursuant to the Circular 18/2011 issued by the Ministry of Corporate Affairs.

By Order of the Board

Place : Hyderabad
Date : 15.05.2012

M.Rama Krishna
Sr. General Manager (Legal)
& Company Secretary

Registered Office:
6-3-666/B 'Deccan Chambers'
Somajiguda
HYDERABAD – 500 082

Annexure to the Notice:

Explanatory Statement under Section 173(2) of the Companies Act, 1956:

Item No 6:

Dr.S A Dave was appointed as an Additional Director by the Board in their Board Meeting held on August 12, 2011. In terms of provisions of Section 260 of the Companies Act, 1956 Dr.Dave holds office up to the date of the ensuing Annual General Meeting. The Company has since received a notice from a Member, signifying his intention to propose the appointment of Dr S A Dave as a Director. A deposit of ₹ 500/- as required under the provisions of Section 257 of the Companies Act, 1956 was also received from the above Member.

Dr.S A Dave is a Doctorate of Economics and holds a Master's degree in Economics from the University of Rochester. Dr. Dave was the former Chairman of the Securities and Exchange Board of India (SEBI) and the Unit Trust of India (UTI). Dr. Dave is currently the chairman of the Centre for Monitoring Indian Economy and a director on the boards of many prominent companies in India. A respected figure in the financial markets in India and abroad for his acumen knowledge of the capital markets, regulations etc.

The Board considers that the Company will immensely benefit with the association of Dr.Dave as a Director and recommends the resolution to the Members for their approval.

In terms of Clause 49(IV)(E)(V) of the Listing Agreement, Dr.Dave has disclosed his shareholding in the Company as "Nil"

None of the Directors is concerned or interested in the Resolution except Dr.Dave.

Item No 7:

Mr.M B Raju is the founder of the Company and a renowned Industrialist having experience in setting up of industries.

Mr.Raju was appointed as Executive Chairman of the Company from July 2007 for a period of 5 years. The Board of Directors of the Company based on the recommendation of Remuneration Committee had approved reappointment of Mr.M B Raju as Executive Chairman for a further period of 5 years effective from

1st April, 2012 on the terms and conditions set out in the Resolution. This is together with the terms and conditions of the appointment may be treated as extract in terms of Section 302 of the Companies Act, 1956.

The Board of Directors recommends the special resolution for the approval of Members. None of the Directors are interested in the resolution except Mr.M.B. Raju himself, Ms.P.Parvathi, Managing Director and Mr.P.Venugopal Raju, Director.

Item No 8:

Ms.P.Parvathi, a relative of Mr.M.B.Raju is a post graduate in Commerce and has been working with the Company.

She was appointed as Managing Director from July 2008 for a period of 5 years on the terms and conditions approved by the Members of the Company.

The Board of Directors of the Company based on the recommendation of Remuneration Committee had approved reappointment of Ms.P.Parvathi as Managing Director for a further period of 5 years effective from 1st April, 2012 on the terms and conditions set out in the Resolution. This is together with the terms and conditions of the appointment may be treated as extract in terms of Section 302 of the Companies Act, 1956.

The Board recommends the resolution for the approval of the Members. The Board of Directors recommends the special resolution for the approval of Members. None of the Directors are interested in the resolution except Ms.P.Parvathi, herself, Mr.M.B.Raju, Executive Chairman and Mr.P.Venugopal Raju, Director.

By Order of the Board

M.Rama Krishna

Place : Hyderabad

Sr. General Manager (Legal)

Date : 15.05.2012

& Company Secretary

Registered Office:

6-3-666/B 'Deccan Chambers'

Somajiguda

HYDERABAD – 500 082

INFORMATION REQUIRED TO BE FURNISHED UNDER CLAUSE 49 OF THE LISTING AGREEMENT

1. As required under Clause 49 of the Listing Agreement particulars of Mr.Umesh Shrivastava, Director who is proposed to be reappointed by rotation at ensuing Annual General Meeting is given below:

Mr. Mr.Umesh Shrivastava was B.Sc. – Engineering. He is Director of Holtec Consulting (P) Ltd, Technology Application Consultants (P) Ltd and Holtec Global Solutions (P) Ltd. These companies are reputed consultants in the industry. He is a technocrat and an expert in cement plants designing and erection. He is associated with the Company for a long time.
2. As required under Clause 49 of the Listing Agreement particulars of Mr.K.P.Singh, Director who is proposed to be reappointed by rotation at ensuing Annual General Meeting is given below:

Mr.K.P.Singh is a retired IAS Officer having worked in various departments of the Government of India and Karnataka Electricity Board and retired as Secretary Defence Production. Mr.Singh has rich experience in Corporate Management and has served as a Director on various Public Sector Undertakings including as Chairman of Karnataka Electricity Board and Managing Director of Mass Rapid Transport System in Bangalore.

DIRECTORS' REPORT

The Members,

Your Directors have pleasure in presenting the Thirty Second Annual Report together with the Audited Accounts and Cash Flow Statement for the year ended 31st March, 2012.

Financial Results:

The Financial Results for the year ended 31st March, 2012 are summarized below:

Particulars	April, 2011 March 2012 (₹ in Lacs)	April, 2010 March 2011 (₹ in Lacs)
Sale Income	50979.72	33,845.03
Other Income	348.01	474.03
Total	51327.73	34,319.06
Profit before Depreciation and Interest	11906.76	6,904.70
Less : Depreciation	2468.63	2,405.71
Interest and Finance Charges	4056.90	3,955.97
Profit before Tax and prior period items	5381.23	543.02
Less: Provision for Taxation	1076.56	108.10
Deferred Taxation	158.54	233.24
Prior Year Taxation	36.39	0.00
Wealth Tax	15.47	2.37
MAT Credit entitlement	(682.00)	0
Net Profit after Tax	4776.27	199.31
Profit brought forward from previous year	11500.63	11,409.00
Profit available for appropriation	16276.90	11,608.31
Appropriations		
Proposed Dividend	210.11	84.05
Dividend Tax	34.09	13.63
General Reserve	477.63	10.00
Balance retained	15555.07	11,500.63

Results of Operations:

During the period under review the Company's sales stood at ₹ 50979.72 Lacs compared to previous year of ₹ 33,845.03 Lacs. The net profit is ₹ 4776.27 Lacs for the current period as against ₹ 199.30 Lacs of previous year.

The operations of the Company continued to be under tremendous pressure during this year because of depressed market conditions. Steep increase in input costs had an adverse effect on the manufacturing cost.

Out Look for Cement:

Cement demand across the country continues to be depressed during the fiscal due to poor demand from infrastructure and real estate sectors. High borrowing cost and slowdown in the economy has further subdued the demand for cement. Scarcity of sand, an important material in building construction has very adversely impacted the demand for cement. The Indian Cement Industry has witnessed massive capacity additions of over 120 MT during the past four years which has resulted in significant pressure on price realization and also on capacity utilization.

Appropriations:

Dividend:

In consonance with the Company's policy of rewarding its shareholders on a consistent basis, your Directors recommend a dividend of ₹ 3/- per equity share (30%) for the year ended 31st March, 2012 which would entail a cash outflow of ₹ 210.11 Lacs and Dividend distribution tax amounting to ₹ 34.09 Lacs.

Transfer to Reserves:

Your Directors propose to transfer ₹ 477.63 Lacs in compliance with the provisions of The Companies (Transfer of Profits to Reserves) Rules, 1975.

Capital Structure:

There is no change in the Share capital of the Company during the Financial Year under review.

Fixed Deposits:

The aggregate amount of Deposits accepted by the Company as at 31st March, 2012 stood at ₹ 168.24 Lacs. There are no matured and unclaimed Deposits as on 31st March, 2012.

Industrial Relations:

The Company maintained harmonious relation with its employees during the period under review. Your Directors wish to place on record their appreciation for the dedicated services of its employees.

Corporate Governance:

A detailed report on Corporate Governance is annexed hereto which forms part of the report.

Transfer to Investor Education and Protection Fund

In terms of Section 205C of the Companies Act, 1956, the unclaimed dividend amount aggregating to ₹ 2,08,521/- with the Company for a period of seven years pertaining to the year ended 31st March 2004, was transferred during the financial year to the Investor Education and Protection Fund, established by the Central Government.

Directors' Responsibility Statement:

Pursuant to the provisions of Section 217 (2AA) of the Companies Act 1956, it is confirmed that:

- i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- ii) the Directors have 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 and of the profit or loss of the Company for that period;
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) the Directors have prepared the annual accounts on a going concern basis.

Directors:

Pursuant to the provision of Section 255 of the Companies Act, 1956, Mr. Umesh Shrivastava and Mr. K P Singh retire by rotation and are eligible for reappointment. During the year the Board of the Company had co-opted Dr. S A Dave who has rich industrial experience, as an Additional Director of the Company. The Company has since received a notice from a Member, proposing the name of Dr. S A Dave for appointment as a Director in the ensuing Annual General Meeting. Mr. R S Agarwal ceased to be a director. The Board places on record its appreciation of the services rendered by him during his tenure.

Statutory Auditors:

M/s. M Bhaskara Rao & Company, Chartered Accountants, Statutory Auditors of the Company retire at the conclusion of the Annual General Meeting and are eligible for reappointment. The Audit Committee, in its meeting held on 15th May, 2012 has recommended the re-appointment of M/s. M Bhaskara Rao & Company.

Particulars of Research and Development, Conservation of Energy, Technology Absorption, etc:

Particulars as required under section 217(1)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Directors) Rules, 1988 are given in the annexure to the report.

Energy, Technology and Foreign Exchange:

Additional information on Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo, as required to be disclosed in terms of Section 217 (1) (e) of the Companies, Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed hereto which forms part of this report.

Particulars of Employees:

Particulars required pursuant to the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules 1975, as amended, are annexed and forms part of this report.

Acknowledgement:

The Board expresses its thanks to the Government of Andhra Pradesh, Government of India, Banks, Employees, Customers and Dealers for their continued support to the Company.

for and on behalf of the Board

Place : Hyderabad
Date : 15.05.2012

M B RAJU
Executive Chairman

ANNEXURE TO DIRECTORS' REPORT

Disclosure of particulars with respect to the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo, as required under the Companies(Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

A. Conservation of Energy

CEMENT DIVISION

a) Energy Conservation Measures taken:

Optimization of productivity and ensuring better availability of the equipment, are given priority so as to achieve lower energy consumption.

b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:
NIL

c) Total energy consumption and energy consumption per unit of production:

The above information is given in the prescribed Form 'A' annexed.

B. Technology absorption

Efforts made towards absorption of technology are given in the prescribed Form B annexed.

FORM A

(See Rule 2)

Form for disclosure of particulars with respect to conservation of energy.

A) POWER AND FUEL CONSUMPTION

	Current Year 2011-12	Previous Year 2010-11
1) ELECTRICITY:		
a) Purchased Units (KWH – Lacs)	787.92	719.30
Total Amount (₹ in Lacs)	2981.80	2557.59
Average Rate per unit (₹)	3.78	3.56
b) Own Generation:		
(i) Through Diesel Generator :		
Units Generated (KWH Lacs)	0.09	0.65
Total Amount (₹ in Lacs)	5.44	26.76
Rate per unit (₹)	63.72	21.48
Units per Litre of Diesel (₹)	0.94	2.22
(ii) Through Captive Power Plant :		
Units Generated (KWH Lacs)	479.93	346.78
Total Amount (₹ in Lacs)	2232.93	1188.64
Rate per unit (₹)	4.76	3.43
2) Coal (C&D Grade):		
Used as a fuel in Kiln:		
Quantity (Million K Cal)	876231	762093
Total Cost (₹ in Lacs)	11655.57	7404.76
Average Rate (₹/million K Cal)	1330.19	971.63

**B) POWER AND FUEL CONSUMPTION PER UNIT OF PRODUCTION
Cement Division**

	Current Year 2011-12	Previous Year 2010-11
Electricity (KWH/Tonne of Cement)	86	89
Coal %	16.29	17.69

FORM B

(See Rule 2)

Form for Disclosure of Particulars with respect to Technology Absorption.

- A) RESEARCH AND DEVELOPMENT (R&D) : NOT APPLICABLE
- B) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION : NOT APPLICABLE
- A. Foreign Exchange Earnings and Outgo
- a) Activities relating to exports, initiatives taken to increase export, development of new export market for production & services and export plans.
The Company presently has no export business on hand.
- b) Total foreign exchange used and earned.

	₹ in Lacs	
	Current Year	Previous Year
Used	36.10	NIL
Earned	NIL	NIL

INFORMATION AS PER SECTION 217 (2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2012

Name, age and qualification	Designation and nature of duties	Date of commencement of employment	Experience in years	Remuneration (₹ in Lacs)	Last Employment
M B RAJU 72 years B.E.	EXECUTIVE CHAIRMAN	31.07.1979	49	131.04	Chairman and Managing Director, DCL Polyesters Ltd.
P PARVATHI 46 years M Com	MANAGING DIRECTOR	01.07.1998	23	131.65	Deputy Manager, Secretarial, DCL Polyesters Ltd.

- Remuneration includes Salary, Commission, Company's contribution to Provident Fund, Superannuation Fund and Group Gratuity Scheme, reimbursement of Medical Expenses, Leave Travel Assistance and other perquisites.
- Ms. P Parvathi, Managing Director and Mr. M B Raju, Executive Chairman are related to each other in terms of Schedule-I-A, read with Section 6(c) of the Companies Act, 1956,
- The terms of employment of Mr. M B Raju and Ms. P Parvathi are contractual.

for and on behalf of the Board

 Place : Hyderabad
Date : 15.05.2012

M B RAJU
Executive Chairman

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

We submit here Management Discussion and Analysis Report on the Business of the Company as applicable and to the extent relevant.

1. INDUSTRY STRUCTURE AND DEVELOPMENT:

The present capacity in the Country is over 340 Million Tonnes and additional capacities are also being added in various States. In Andhra Pradesh alone, the present capacity is 71.86 Million Tonnes and is likely to touch 85 Million Tonnes in 2015.

2. OPPORTUNITIES AND THREATS:

The Government consumption on the whole has registered a negative trend in the South and especially in AP. There is a drop in consumption from 2009 – 10 onwards. There is a downtrend in the implementation of infrastructure projects and also in Real Estate consumption for the last two years. This has resulted in excess capacity and lower price realizations, while the input costs have gone up on all fronts like Excise Duty, VAT, MRT, Coal, Freight charges and ofcourse labour costs.

This position will continue till massive investments in Housing, Real Estate and Infrastructure projects are made possible by Central and State Governments.

Coming to your Company, substantial quantities are planned for dispatch to other States which means pressure on realization due to higher freight and incidental costs.

The Company's Captive Power Plant has been established 3 years back. Hydel and Wind Energy installations are insulating to some extent the energy costs. Increase in the cost of Coal and Freight expenditure are to be necessarily borne by us. This situation is likely to continue for the next few years till the economy revives which could be around 3 – 4 years..

3. OUTLOOK:

Cement demand across the country continues to be depressed during the fiscal due to poor demand from infrastructure and real estate sectors. High borrowing cost and slowdown in the economy has further subdued the demand for cement. Scarcity of sand, an important material in building construction has very adversely impacted the demand for cement. The Indian Cement Industry has witnessed massive capacity additions of over 120 MT during the past four years which has resulted in significant pressure on price realization and also on capacity utilization.

4 RISKS AND CONCERNS:

The risk faced by your Company are in the enhancement of Coal Price and Transportation costs. These are common to all Companies. Also the threat of severe competition coupled with lower demand are likely to continue for some time.

5. INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY:

The Internal Control system in the Company is well streamlined with defined procedures. An external independent agency of Chartered Accountants has been appointed as Internal Auditors to independently audit the Company's accounts and operations. These Internal Auditors submit their reports and suggest remedial actions where required. The Audit Committee also involves itself in reviewing the reports of Internal Auditors and directs remedial action to the operating management.

6. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATION PERFORMANCE:

The financial performance with respect to operation of the Company is discussed below:

The net sales and other income were at ₹ 51327 Lacs against ₹ 34,319 Lacs in the previous year. The outgo on interest payments is ₹ 3857.79 Lacs as against ₹ 3754.98 Lacs in the previous year.

The Profit before tax of the Company was ₹ 5381 Lacs as compared to ₹ 543 Lacs in the previous year. The net profit after tax for the year was ₹ 4776 Lacs against ₹ 199 Lacs in the previous year.

There has been no change in paid-up share capital during the Financial Year 2011-2012 which stands at ₹ 700.38 Lacs

7. MATERIAL DEVELOPMENT IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS INCLUDING NUMBER OF PEOPLE:

The Company believes that human resources are an invaluable asset. The Company takes special care to maintain cordial relationship with employees and staff.

8. CAUTIONARY STATEMENT:

Statements in the “Management Discussion & Analysis” 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 finished goods, feed stock availability and prices, 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.

DISCLOSURE ABOUT RISK MANAGEMENT

1. Clause-49 of the Listing Agreement requires that the Board of Directors of the Company take note of the risk factors in the operations and measures taken to mitigate the same.
2. Risks generally faced by the Company are as follows:

A. Business Risk

The risk which is specific to the industry and the market in which it operates.

B. Operational Risk

The operational risk including technology changes and obsolescence of plant and machinery.

C. Financial risks

The financial risks relate to loss on account of interest rate fluctuations on the Company’s borrowings and Foreign Exchange fluctuations in import / export transactions.

D. Market risks

Market risk involves loss arising out of market price fluctuations or supply rejections and bad or doubtful recovery of receivables.

E. Legal and Statutory risks

These are risks associated with new legislations and impostures by the government, backed out contracts and risks due to non-compliance of various statutory requirements, etc.

F. Management risks

The risk in this area relates to defective internal control systems, poor recovery plans, Human Resource Management failures, etc.

CORPORATE GOVERNANCE REPORT

In compliance with the Corporate Governance requirements as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges, a report on Corporate Governance is set out below:

I COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Deccan Cements Limited believes that the 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.

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.

II BOARD OF DIRECTORS ("Board")

The Board comprises of the following seven Directors of whom two are Executive and five are Non-Executive Directors.

a) Composition of the Board:

Name of the Director	Status
Mr. M B Raju	Executive Chairman
Ms. P Parvathi	Managing Director
Dr. S A Dave**	Additional Director - Independent and Non-executive
Mr. Umesh Shrivastava	Independent and Non-executive
Mr. P Venugopal Raju	Non-executive
Mr. R S Agarwal*	Independent and Non-executive
Mr. J Narayanamurthy	Independent and Non-executive
Mr. K P Singh	Independent and Non-executive

* Mr. R S Agarwal, ceased to be a Director on 12.08.2011

** Dr. S A Dave was appointed as an Additional Director on 12.08.2011

Mr. M B Raju, Ms. P Parvathi and Mr. P Venugopal Raju are related to each other in terms of the provisions of the Companies Act, 1956. No other Director is related to any other Director on the Board.

Appointment of Directors on various Committees is as per the guidelines of the Listing Agreement. The Directors have intimated from time to time, their membership in various Committees in other Companies including changes thereof.

b) Board Meetings:

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

i) Number of Board Meetings:

During the year 1st April, 2011 to 31st March, 2012 the Board met four times on the following dates.
30th May, 2011, 12th August, 2011, 11th November, 2011, 3rd February, 2012.

ii) Attendance of Directors:

Name of the Director	No of Board Meetings held	No of Board Meetings attended	Attendance at the last Annual General Meeting	No of Directorships in other Boards as on 31 st March 2012	No of Member-ships in other Board Committees as on 31 st March 2012
Mr. M B Raju	4	4	YES	2	NIL
Ms P Parvathi	4	4	YES	2	NIL
Mr.Umesh Shrivastava	4	NIL	NO	4	NIL
Mr.P Venugopal Raju	4	4	YES	5	NIL
Mr.R S Agarwal*	4	1	NO	10	NIL
Mr.J Naryanamurthy	4	3	YES	1	NIL
Mr. K P Singh	4	4	YES	2	NIL
Dr. S A Dave**	4	2	NO	14	7

* Mr. R S Agarwal, ceased to be a Director on 12.08.2011

** Dr. S A Dave was appointed as an Additional Director on 12.08.2011

III. COMMITTEES OF DIRECTORS

The Board has constituted Committees in line with the requirements of Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

A) AUDIT COMMITTEE:

i) The Audit Committee comprises of the following non-executive Directors of the Board.

1.	Mr. J Narayanamurthy	Chairman
2.	Mr. P Venugopal Raju	Member
3.	Mr. Umesh Shrivastava	Member
4.	Mr. K P Singh	Member *

* Chairman informed the committee that Mr. K P Singh, was appointed as member for one meeting held on 11th November, 2011 to meet the requirements of quorum, for approving the financial results as two members of the Committee were granted leave of absence.

ii) During the year Audit Committee has been reconstituted. The Audit Committee met four times on the following dates:

30th May, 2011, 12th August, 2011, 11th November, 2011, 3rd February, 2012.

iii) Attendance of the members in the Audit Committee Meetings :

Name of the Director	No of meetings held	No of meetings attended
Mr.P Venugopal Raju	4	4
Mr.J Narayanamurthy	4	3
Mr. Umesh Shrivastava	4	NIL
Mr. K P Singh	4	1

The terms of reference to the Audit Committee are in line with the Listing Agreement entered into with the Stock Exchanges.

B) SHARE TRANSFER & INVESTORS' RELATIONS COMMITTEE:

i) During the year, the Share Transfer and Investors' Grievance Committee has been reconstituted and changed the committee name from Share Transfer & Investors' Grievance Committee to Share Transfer & Investors' Relations Committee. The Committee comprises of the following members of the Board.

1. Dr. S A Dave, Chairman
2. Mr. J Narayanamurthy, Member
3. Ms. P Parvathi, Member

ii) Name of the Compliance Officer:

Mr. M Rama Krishna, Sr.General Manager (Legal) & Company Secretary

iii) During the year from 1st April, 2011 to 31st March, 2012, the Share Transfer and Investors' Relations Committee met four times on the following dates:

30th May, 2011, 12th August, 2011, 11th November, 2011, 3rd February, 2012.

iv) Attendance of the Directors in the Share Transfer & Investors' Grievance Committee Meetings :

Name of the Director	No of meetings held	No of meetings attended
Mr. Umesh Shrivastava	4	NIL
Mr. R S Agarwal	4	1
Ms P Parvathi	4	4
Mr. J Narayanamurthy	4	2
Dr. S A Dave	4	2

The terms of reference to the Share Transfer & Investors' Relations Committee are in line with the Listing Agreement entered into with the Stock Exchanges.

v) Number of complaints received and pending with the Company:

During the year 9 complaints were received and disposed of. There are no complaints pending to be responded as at 31st March, 2012

C) REMUNERATION COMMITTEE:

a) During the year, the Remuneration Committee has been reconstituted.

The Committee comprises of the following Non-executive and Independent Directors of the Board.

4. Mr. Umesh Shrivastava, Chairman
5. Mr. J Narayanamurthy, Member
6. Dr. S A Dave, Member
7. Mr. K P Singh, Member

b) During the year 1st April, 2011 to 31st March, 2012 the Remuneration Committee met once on 12th August, 2011 which was attended by 2 directors namely Mr.K.P.Singh and Mr.J Narayanamurthy members of the Committee.

The terms of reference to the Remuneration Committee are in line with the Listing Agreement entered into with the Stock Exchanges.

IV. Compensation to Non-executive Directors :

The Non-executive Directors of the Company are paid sitting fees for attending the meetings of the Board / Committees and Commission on profits at such rates as determined by the Shareholders in the General Meetings.

V. Details of Remuneration paid to the Directors during the Financial Year 2011-12 :

The Board comprises of Seven Directors as on 31st March, 2012 of whom two are Executive and five are Non-Executive Directors.

a) Executive Directors : (₹ In Lacs)

Name of Director	Salary	Perquisites	Commission	Total
Mr. M B Raju	22.80	23.73	84.51	131.04
Ms. P Parvathi	21.60	25.54	84.51	131.65

i) Terms of Contract :

Name of Director	Date of Appointment	Date of Expiry of the Contract
Mr. M B Raju	01.04.2007	31.03.2012
Ms. P Parvathi	01.07.2008	30.06.2013

b) Non-executive Directors :

Name of Director	Sitting fees paid (₹)
Mr. Umesh Shrivastava	NIL
Mr. R S Agarwal *	6,000/-
Mr. P Venugopal Raju	24,000/-
Mr. J Narayanamurthy	21,000/-
Mr. K P Singh	22,000/-
Dr. S A Dave**	12,000/-

* Ceased to be a Director on 12.08.2011

** Appointed as an Additional Director on 12.08.2011

Non-Executive Directors are collectively paid a Commission @ 1% of the net profits of the Company, subject to an overall ceiling of ₹ 5 Lacs.

VI Code of Conduct:

The Company has evolved a Code of Conduct for the Directors and Senior Management personnel of the Company (one level below the Executive Directors including Heads of the Departments), which has been affirmed for adherence.

VII Subsidiaries:

There are no subsidiaries to the Company.

VIII Related Party Transactions: See below at item XI

IX Risk Factors: The Company has procedures for risk assessment and its mitigation. These procedures are continually evaluated, fine-tuned and placed before the Board for approval.

X General Body Meetings.

a) Annual General Meetings of the Company for the previous three years were held as under :

FINANCIAL YEAR	DATE	TIME	PLACE
2008-2009	18.09.2009	10.00 A.M.	Bhaskara Auditorium, Birla Museum, Adarsh Nagar, HYDERABAD – 500 063.
2009-2010	13.08.2010	10.00 A.M.	Bhaskara Auditorium, Birla Museum, Adarsh Nagar, HYDERABAD – 500 063.
2010-2011	12.08.2011	10.00 A.M.	Bhaskara Auditorium, Birla Museum, Adarsh Nagar, HYDERABAD – 500 063.

All the resolutions set out in the respective notices were passed by the Shareholders. No special resolutions were required to be put through the ballot in any of the above meetings.

XI. Disclosures:

Pecuniary disclosure with regard to interested Directors:

- a) Disclosures on materially significant related party transactions of the Company of material nature with the Promoters, Directors or their relatives, or the Senior Management personnel, etc., that may have potential conflict with the interests of the Company at large.
None of the business transactions with any of the related parties was in conflict with the interests of the Company during the financial year 2011-12.
- b) Details of non-compliance by the Company with any of the Listing Agreement clauses, penalties or strictures imposed on the Company by Stock Exchanges or SEBI or any other statutory authority, on any matter related to Capital Markets during the last three years.
There were no instances of non-compliance of any matter related to Capital Markets during the last three years.
- c) The Managing Director and General Manager (Finance) of the Company have periodically given Certificates to the Board in pursuance to Clause 49 of the Listing Agreement entered into with the Stock Exchanges.
- d) In respect of non-mandatory clause of the Listing Agreement for implementation, the Company has constituted a Remuneration Committee to examine the issues of remuneration payable to Executive Directors and Directors.
- e) There are no qualifications in the Auditor's report on the financial statements to the Shareholders of the Company.

XII. Means of Communication:

- a) Quarterly / Half-yearly Financial Results of the Company are forwarded to the Stock Exchanges and published in News papers in line with the Listing Agreement requirements.
- b) The Financial Results or the official news of the Company are displayed on the Website of the Company.
- c) The Company has not made any presentations to any Institutional Investors / Analysts during the last financial year.
- d) Shareholders may send their grievances for redressal, to the Company's Email address given below.

XII. General Shareholder Information:

- a) Annual General Meeting : **32nd Annual General Meeting**
Date : August 7, 2012
Time : 10.00 A.M.
Venue : Bhaskara Auditorium, Birla Museum, Adarsh Nagar, HYDERABAD-500 063
- b) Financial Calendar : 1st April to 31st March
- c) Date of Book Closure : 01-08-2012 to 07-08-2012 (Both days inclusive)
- d) Dividend Payment : Within 30 days from the date of declaration
- e) Registered Office : **DECCAN CEMENTS LIMITED**, 6-3-666/B, Deccan Chambers, Somajiguda, HYDERABAD – 500 082.
email : secretarial@deccancements.com
- f) Listing with Stock Exchanges : a) The Bombay Stock Exchange Limited, Phiroj Jeejibhoy Towers, Dalal Street, MUMBAI – 400 001.
b) The National Stock Exchange Limited, Exchange Plaza, Bandra - Kurla Complex, Bandra (East) Mumbai – 400 051
- g) Code : BSE : 502137
NSE : DECCANCE
- h) Market Price Data : Bombay Stock Exchange Limited (BSE)
National Stock Exchange Limited (NSE)

Month and Year	High (₹)		Low (₹)	
	BSE	NSE	BSE	NSE
APRIL – 2011	169.95	181.70	136.00	139.85
MAY	155.00	155.00	135.05	136.10
JUNE	151.00	150.00	140.00	140.05
JULY	157.80	153.90	140.50	140.30
AUGUST	159.00	154.85	125.50	125.10
SEPTEMBER	148.00	160.00	139.45	138.10
OCTOBER	154.95	158.00	136.00	135.00
NOVEMBER	150.00	150.00	135.10	134.00
DECEMBER	149.95	149.95	128.50	130.50
JANUARY – 2012	149.70	150.00	125.50	122.10
FEBRUARY	182.00	184.65	140.00	145.00
MARCH	178.45	179.85	153.80	153.65

i) **Address of Registrars (both for Physical and Dematerialized) & Share Transfer Agents:**

KARVY COMPUTERSHARE PVT LTD
17-24, Vittal Road Nagar, Madhapur, Hyderabad – 500 081.

j) **Share Transfer System:**

Transferred Securities in physical form are dispatched within thirty (30) days of receipt, provided the transfer documents are in order. The Managing Director has been delegated powers to approve transfers.

k) **Distribution of Shareholding as on 31st March, 2012**

Share holding			Number of Shareholders	% to total	Number of Shares	% to Total
01	-	5,000	4042	90.20	499953	7.14
5,001	-	10,000	232	5.18	184367	2.63
10,001	-	20,000	102	2.28	159149	2.27
20,001	-	30,000	31	0.69	79719	1.14
30,001	-	40,000	12	0.27	43780	0.63
40,001	-	50,000	15	0.33	71695	1.02
50,001	-	100,000	15	0.33	113302	1.62
100,000	and	above	32	0.75	5851785	83.55
			4481	100.00	70,03,750	100.00

l) **Outstanding GDR's / ADR's / Warrants or any Convertible instruments, conversion date and likely impact on equity:**

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

m) **Dematerialization of Shares:**

As of 31st March, 2012- 66,84,502 number of shares were dematerialized with the following depositories:

a)	National Securities Depositories Limited	-	28,90,973 shares
b)	Central Depository Services Limited	-	37,93,529 shares

Demat ISIN No. INE583C01013

n) **Location of Company's Plants**

- Cement Plant** : Bhavanipuram, Mahankaligudem – 508 218, Nalgonda Dist., A.P.
Hydel Power Plant : GBC - 1, Head Regulator
Nekarikallu Adda Road, Narsaraopet – 522 601, Guntur Dist., A.P.
Thermal Power Plant : Bhavanipuram, Mahankaligudem – 508 218, Nalgonda Dist., A.P.
Wind Farms : Polepalli Village, Ramagiri Mandal, Ananthapur District, A.P.

- o) **Address for Correspondence** : Shareholders can correspond with the
Registered Office of the Company at
6-3-666/B,
"Deccan Chambers",
Somajiguda,
Hyderabad –500 082.

Persons to contact

- i) Mr. M Rama Krishna, Sr.General Manager (Legal) &
Company Secretary
ii) Mr. M Rajeswara Rao, Asst. Manager (Secretarial & Legal)

Declaration on code of Conduct

This is to confirm that all Directors and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended on 31st March, 2012 as envisaged in clause 49 of the Listing Agreement with Stock Exchanges.

Place : Hyderabad
Date : 15th May, 2012.

M B Raju
Executive Chairman

AUDITORS' CERTIFICATE

To the Members of
Deccan Cements Limited

We have examined the compliance of conditions of Corporate Governance by **DECCAN CEMENTS LIMITED** for the year ended 31st March 2012, as stipulated in Clause 49 of the Listing Agreement of the said company with Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been in the manner described in the Guidance note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India and has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us, and based on our reliance upon the representations made by the management that there were no transactions of material nature with the management or by relatives that may have potential conflict with the interest of the company at large.

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

We certify that the company has complied in all material respects with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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 Bhaskara Rao & Co.,**
Chartered Accountants
Firm Registration No. 00459 S

Place : Hyderabad
Dated : 15th May, 2012

V K Muralidhar
Partner
Membership No.201570

AUDITOR'S REPORT

The Members of
DECCAN CEMENTS LIMITED

1. We have audited the attached Balance Sheet of DECCAN CEMENTS LIMITED as at 31st March, 2012, the Statement of Profit and Loss and also the Cash Flow Statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) Order, (Amendment) 2004 issued by the Central Government in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matter specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph (3) above, we report that:
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - iv) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - v) On the basis of written representations received from the directors, as on 31st March, 2012 and, taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with "Significant Accounting Policies" and notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - ii) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

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

Place : Hyderabad
Date : 15.05.2012

(V.K. Muralidhar)
Partner
Membership Number.201570

**ANNEXURE TO THE AUDITORS REPORT (STATEMENT REFERRED TO IN
PARAGRAPH (1) OF OUR REPORT OF EVEN DATE)**

- i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) According to the information and explanations given to us, the Management has conducted physical verification of major fixed assets during the year, which in our opinion is reasonable having regard to the size of the Company and the nature of the assets. No material discrepancies were noticed on such verification.
- c) According to the information and explanations given to us, the Company has not disposed off substantial part of fixed assets and hence, reporting on the going concern status in this regard does not arise.
- ii) a) The inventories have been physically verified during the year by the Management at reasonable intervals. In our opinion, the frequency of the verification is reasonable.
- b) In our opinion and, according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and nature of its business.
- c) In our opinion and according to the information and explanation given to us, and on the basis of our examinations of the inventory records, the Company maintaining proper records. The discrepancies noticed on physical verification of inventory as compared to book records were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account.
- iii) a) According to the information and explanations given to us, the Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, sub clauses (b), (c) and (d) of clause (iii) of this Order are not applicable.
- e) According to the information and explanations given to us, the Company has taken unsecured loans from other parties covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the period and the outstanding year end balances of said loans aggregate to Rs 586.64 Lakhs and Rs 104.41 Lakhs respectively.
- f) The rate of interest and other terms and conditions of unsecured loans taken by the Company, are not prima facie prejudicial to the interest of the Company; and
- g) Payment of the principal amount and interest are regular.
- iv) In our opinion and, according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business with regard to the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control.
- v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of arrangements entered in the register maintained under section 301 of the Companies Act, 1956 in respect of other parties are reasonable.
- vi) In our opinion and according to the information and explanations given to us, the Company has complied with the provision of section 58A, 58AA or any other relevant provision of companies act 1956 and the rules framed there under with regard to the deposits accepted from the public. No order has been passed by the Company law board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.

- vii) The internal audit of the Company has been conducted by a firm of Chartered Accountants. The scope and coverage of internal audit commensurate with the size of the Company and nature of its business.
- viii) On the basis of records produced to us, we are of the opinion that, prima facie the cost records and accounts prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956, have been maintained. However, we are not required to and, have not carried out any detailed examinations of such accounts and records.
- ix) a) According to the information and explanations given to us and according to the books and records produced and examined by us, in our opinion, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales tax Wealth Tax, Service tax, Custom Duty, Excise Duty, Cess and any other statutory dues as applicable, have been regularly deposited during the year with the appropriate authorities in India. There are no arrears of statutory dues as at 31st March, 2012 which are outstanding for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, there are no dues on accounts of Income Tax / Sales Tax / Wealth Tax / Service Tax / Custom Duty / Excise Duty / Cess as at March 31,2012 which have not been deposited on account of dispute except the following .:

Name of the Statue	Nature of Dues	Assessment year to which the amount relates	₹. In Lacs.	Forum where dispute is pending
Income Tax Act 1961	Disallowance of debenture issue expenses and bad debts.	1997-98	6.46	Income Tax appellate Tribunal, Hyderabad. CIT(appeals). Hyderabad.
Andhra Pradesh general Sales Tax Act,/VAT Act.	Sales Tax on packing material	1993-94	11.52	High Court of Andhra Pradesh
	Sales tax on transfer of clinker from cement division to slag division	2001-02 & 2005-06	9.30 306.14	High Court of Andhra Pradesh
	Sales tax demand for the deemed excess production based on energy audit	1999-2000 & 2000-01	85.68	Deputy Commissioner (Appeals) Hyderabad
	Sales tax deferment on additional products manufactured	2001-02	168.97	High Court of Andhra Pradesh
Others	Dispute on water rates levied on the quantum of water used in the generation of water.	1997-98 To 2007-08	723.29	High Court of Andhra Pradesh
	Dispute on duty levied by A.P Govt. on electricity generated and consumed.	2003-04 To 2008-09	316.23	High Court of Andhra Pradesh

- x) The Company has no accumulated losses as at 31st March, 2011. Further it has not incurred any cash losses in the financial year under report and in the immediately preceding financial year.
- xi) Based on our Audit procedures and according to the information and explanations given by the Management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institution, banks or debenture holders.
- xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The Company is not a Chit Fund / Nidhi / Mutual Benefit Fund / Society. Therefore, the provisions of clause 4(xiii) of this Order are not applicable to the Company.

- xiv) In the opinion and according to information and explanations given to us, the Company does not deals or trade in shares, securities, debentures and other investments. All investments are held by the Company in its own name.
- xv) In the opinion and according to information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi) During the year under report, the Company has not obtained term loans. The Term loans obtained have been applied for the purpose for which they were obtained.
- xvii) On the basis of an overall examination of the Balance Sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on short term basis which have been used for long term investment by the Company.
- xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the companies Act, 1956 during the year.
- xix) The Company has not issued any debentures.
- xx) The Company has not raised any money by public issue during the year.
- xxi) During the course of our examinations of the books and records of the Company carried out in accordance with the generally accepted practices in India and according to the information and explanations given to us we have neither come across any instances of fraud on or by the Company, noticed or reported during the year nor have we been informed of such case by the Management.

For M.BHASKARA RAO & CO.,
Chartered Accountants
Firm Registration Number. 00459 S

Place : Hyderabad
Date : 15.05.2012

(V.K. MURALIDHAR)
Partner
Membership Number. 201570

Balance Sheet as at 31st March , 2012

PARTICULARS	Note No	(₹ in Lacs)	
		As at 31st Mar'2012	As at 31st Mar'2011
I EQUITY AND LIABILITIES :			
1. Shareholders' Fund			
(a) Share Capital	3	700.38	700.38
(b) Reserves and Surplus	4	21227.71	16695.64
2 Non - Current Liabilities			
(a) Long Term Borrowings	5	22373.25	27271.80
(b) Deferred Tax Liabilities (Net)	6	4663.34	4504.80
(c) Other Long Term Liabilities	7	921.59	810.53
(d) Long Term Provisions	8	194.22	166.15
3. Current Liabilities			
(a) Short - Term Borrowings	9	3344.45	2,249.48
(b) Trade Payables		2473.42	1585.71
(c) Other Current Liabilities	10	3622.55	4686.31
(d) Short - Term Provisions	11	1750.25	1170.06
		61271.16	59840.86
II. ASSETS			
1. Non - Current Assets			
(a) Fixed Assets	12		
i. Tangible Assets		40473.76	42680.70
ii. Intangible Assets		14.92	16.61
iii. Capital Work in - Progress		3454.00	3303.62
(b) Non - Current Investments	13	8.69	8.69
(c) Deferred Tax Assets (Net)		-	-
(d) Long - Term Loans and Advances	14	1022.73	1181.50
(e) Other Non - Current Assets	15	417.70	417.70
2. Current Assets			
(a) Inventories	16	4909.07	3387.15
(b) Trade Receivables	17	1311.67	1923.39
(c) Cash and Bank balances	18	5746.28	4626.09
(d) Short - Term Loans and Advances	19	1544.53	975.45
(e) Other Current Assets	20	2367.81	1319.96
Significant Accounting Policies & other notes	1 to 41	61271.16	59840.86

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

for and on behalf of Board

M.B. Raju.
Executive Chairman

V.K. Muralidhar
Partner
Membership No:201570

M.Rama Krishna
Sr. General Manager (Legal) &
Company Secretary

P.Parvathi
Managing Director

Place : Hyderabad
Date : 15.05.2012

Statement of Profit and Loss for the year ended 31st March , 2012

(₹ in Lacs)

PARTICULARS	Note No	Year ended 31st March 2012	Year ended 31st, March 2011
I. Revenue from Operations	21	57547.36	38626.81
Less: Excise Duty		6567.64	4781.78
		50979.72	33845.03
II. Other Income	22	348.01	474.03
III. Total Revenue (I + II)		51327.73	34319.06
IV. Expenses:			
Cost of materials consumed	23	3985.01	2909.75
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	24	31.36	90.19
Employee benefits expense	25	1505.26	1219.52
Finance Cost	26	4056.90	3955.97
Depreciation and amortization expense		2468.63	2405.71
Other expenses	27	33898.98	23179.16
Total Expenses		45946.14	33760.30
V Prior year's adjustments (net)		0.36	15.74
VI Profit before exceptional and extraordinary items and tax (III - IV - V)		5381.23	543.02
VII Profit before extraordinary items and tax		5381.23	543.02
VIII Profit before Tax		5381.23	543.02
IX Tax Expense :			
(1) Current Tax		1076.56	108.10
(2) Deferred Tax		158.54	233.24
(3) Wealth Tax		15.47	2.37
(4) Prior year tax adjustments		36.39	-
(5) MAT Credit Entitlements		(682.00)	-
X Profit / (Loss) for the period from continuing operation		4776.27	199.31
XI Profit / (Loss) for the period		4776.27	199.31
XII Earning per equity Share :			
(1) Basic		68.20	2.85
(2) Diluted		68.20	2.85
Significant Accounting Policies & other Accounts.	1 to 41		

 As per our Report attached
for **M.Bhaskara Rao & Co.,**

Chartered Accountants

Firm Registration Number 000459 S

for and on behalf of Board

M.B. Raju.

Executive Chairman

V.K. Muralidhar

Partner

Membership No:201570

M.Rama Krishna

Sr. General Manager (Legal) &

Company Secretary

P.Parvathi

Managing Director

Place : Hyderabad

Date : 15.05.2012

Cash Flow Statement for the Year Ended 31.03.2012

(₹ in Lacs)

PARTICULARS	Year Ended 31 st March 2012	Year Ended 31 st March 2011
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit \ (Loss) Before Tax	5381.60	558.75
Adjustments for :		
Depreciation and amortisation expenses	2468.63	2405.71
Interest and Finance charges	4056.90	3955.98
Dividends Received	(0.49)	(0.63)
Interest Income	(229.13)	(298.62)
Profit on Sale of Fixed Assets	(5.96)	(26.58)
Profit on Sale of Investments	-	(4.71)
Loss on Sale of Investments	-	20.56
Operating Profit Before Working Capital Changes	11671.55	6610.46
Changes in Working Capital		
(Increase) / Decrease in Inventories	(1521.92)	(709.78)
(Increase) / Decrease in Trade Receivables	611.72	(826.14)
(Increase) / Decrease in Short Term Loans and Advances	(569.07)	417.29
(Increase) / Decrease in Long Term Loans and Advances	158.77	(1090.83)
(Increase) / Decrease in Other Current Assets (Prepaid)	5.23	(1.41)
Increase /(Decrease) in Trade Payables	887.71	867.80
Increase /(Decrease) in Other Current Liabilities	(998.29)	871.48
Increase /(Decrease) in Long Term Provisions	28.06	27.48
Cash Generated from Operations	10273.76	6166.35
Direct Taxes Paid	(1048.36)	(50.34)
Cash Flow before Prior period Items	9225.40	6116.01
Prior Year Income / (Expenditure)	(0.36)	(15.74)
Net Cash Flow from Operating Activity	9225.04	6100.27

Cash Flow Statement for the Year Ended 31.03.2012

(₹ in Lacs)

PARTICULARS	Year Ended 31 st March 2012	Year Ended 31 st March 2011
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Inflow / (Outflow)		
Dividends received	0.49	0.63
Interest received	211.67	301.53
Purchase of Fixed Assets	(268.86)	(3031.35)
(Increase) / Decrease in Capital Work in Progress	(150.38)	2446.29
Sale of Investments	-	7.04
Sale of Fixed Assets	11.48	1614.03
Sale of Compensatory land for afforestation	3.35	-
Net Cash Flow from Investing Activities	(192.25)	1338.17
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Inflow / (Outflow)		
Dividend Paid (Including Dividend Tax)	(97.68)	(245.01)
Proceeds from Long Term Borrowings	-	354.36
Increase / (Decrease) in Other Long Term Liabilities	111.07	-
Long Term Loan Borrowings	(4898.55)	(1263.17)
Interest Paid	(4122.39)	(3925.16)
Increase / (Decrease) in Interest Accrued on	-	-
Increase / (Decrease) in Cash Credit utilisation	1094.97	(1106.27)
Net Cash Flow from Financing Activities	(7912.58)	(6185.25)
D. NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS :	1120.21	1253.19
Cash and Cash Equivalents as at the commencement of the year	4626.08	3372.89
Cash and Cash Equivalents as at the close of the year (includes Funds not available for use - Margin Money ₹ 147.14 Lacs, Unclaimed Dividend ₹ 18.49 Lacs)	5746.29	4626.08

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

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

for and on behalf of Board

M.B. Raju.
Executive Chairman

V.K. Muralidhar
Partner
Membership No:201570

M.Rama Krishna
Sr. General Manager (Legal) &
Company Secretary

P.Parvathi
Managing Director

Place : Hyderabad
Date : 15.05.2012

Notes to the financial statements for the year ended 31st March 2012

1. Corporate Information:

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

2. Significant Accounting Policies:

a) Basis of Preparation

- (i) Financial Statements are prepared in accordance with Generally Accepted Accounting Principles in India (GAAP) under the historical cost convention.
- (ii) The Company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis.

b) Use of Estimates

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

c) Fixed Assets:

Tangible Fixed Assets:

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

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

Depreciation on Tangible Fixed assets:

Depreciation on Fixed Assets is provided in accordance with Schedule XIV of the Companies Act, 1956, on Straight Line Method in respect of Buildings, Plant and Machinery, and on Written Down Value Method in respect of other Fixed Assets.

Intangible Assets:

Intangible assets acquired separately are measured on initial recognition cost and are amortised on a straight line basis over estimated useful economic life.

The amortised period and amortisation method are reviewed at each financial year end.

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

Capital Work-in-progress is stated at amount expended up to the date of the Balance Sheet.

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

- d) Revenue Recognition :**
- i) Cement: Sales are recognized at the point of dispatch i.e., when significant risk is transferred to customers
 - ii) Power: Revenue from sale of power is recognized net of Wheeling charges.
- e) Inventory Valuation:**
- i) Raw Materials, Coal, Stores & Spares, and Packing Materials: At Weighted Average Cost
 - ii) Materials in Transit: At Cost
 - iii) Work in process: At Weighted Average cost or Net Realisable Value, which ever is lower.
 - iv) Finished goods: At cost or Net Realisable Value, which ever is lower.
Cost comprises of cost of purchase, cost of conversion, & other costs incurred in bringing the inventories to the present location & condition.
- f) Investments:**
Investments are stated at cost of acquisition. Diminution in the value of investments other than temporary meant to be held for a long period of time is recognized.
- g) Internal Consumption:**
Internal consumption of the Company's products, which are other wise marketable, is accounted for at transfer price and is included under sales.
- h) Transfer price for Inter divisional transfer / consumption:**
- i) Cement: Internal consumption is taken at cost plus statutory levies as applicable.
 - ii) Power (Hydel / Wind): At cost of purchase from APCPDCL/ TNEB by the division consuming such power.
- i) Retirement Benefits:**
Provident Fund is administered through Regional Provident Fund Commissioner. Superannuation and Gratuity are administered through the scheme of Life Insurance Corporation of India. The liability towards Leave Encashment and Gratuity is recognized on the basis of actuarial valuation.
- j) Borrowing Costs:**
Borrowing costs are recognized as an expense in the period in which they are incurred. Borrowing costs incurred for acquiring and construction of assets are capitalised as part of the cost of such assets.
- k) Taxation:**
Provision for income tax is made for both current and deferred taxes. Provision for current Income tax is made at current tax rates based on assessable income. Deferred income taxes are recognized for the future tax consequences attributable to timing differences between the carrying amounts of existing assets and liabilities and their respective tax bases. The effect on deferred tax assets and liabilities of a change in tax rates as stated in the financial statements is recognized using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized and carried forward only when there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.
- l) Contingencies :**
The Company recognizes provisions when there is present obligation as a result of past event and it is probable that there will be an outflow of resources and reliable estimate can be made of the amount of obligation. A disclosure for contingent liabilities is made in the notes to accounts when there is a possible obligation or a present obligation that may, but probably will not, require an out flow of resources. Contingent assets are neither recognized nor disclosed in the financial statements.
- m) Earnings Per Share:**
Earnings per share is calculated by dividing the net profit or loss for the year attributable to equity share holders by the weighted average no of equity shares outstanding during the year.

Note No 3 : Share Capital

(₹ In Lacs)

Particulars	(₹ In Lacs)	
	As at 31st March 2012	As at 31st March 2011
Authorised :		
1,00,00,000 Equity Shares of Rs. 10/- each	1,000.00	1,000.00
Issued Subscribed and Fully Paid:		
70,03,750 Equity Shares of Rs. 10/- each	700.38	700.38
3.a Reconciliation of no of Shares Outstanding:		
At the beginning of the Year	7,003,750	7,003,750
Shares Outstanding at the end of the year	7,003,750	7,003,750

3.b. Terms/ Rights attached :

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

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

During the year ended 31 st March 2012, the amount of per share dividend recognised as distribution to equity shareholders was ₹ 3 /- (31 st March 2011 ₹ 1.2)excluding tax on distributed profits.

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

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

	As at 31st March 2012		As at 31st March 2011	
	No of Shares held	% of holding	No of Shares held	% of holding
i) Melvillie Finvest Limited	2,289,841	32.69%	2,257,331	32.23%
ii) Satyasai Investments & Leasing Limited	519,485	7.42%	512,200	7.31%
iii) Manthena Bangaru Raju	503,343	7.19%	495,951	7.08%
iv) IL and FS Trust Co Ltd	411,300	5.87%	417,119	5.96%
v) Videocon Industries Limited	-	-	359,630	5.13%

Note No 4 : Reserves & Surplus

Particulars	(₹ In Lacs)	
	As at 31st March 2012	As at 31st March 2011
(a) Capital Reserve		
Opening Balance	40.24	40.24
Closing Balance	40.24	40.24
(b) Power Subsidy		
Opening Balance	99.28	99.28
Closing Balance	99.28	99.28
(c) Securities Premium Account		
Opening Balance	1,250.14	1,250.14
Closing Balance	1,250.14	1,250.14
(d) General Reserve		
Opening Balance	3,805.35	3,795.35
Add: Transfer from Surplus in Statement of Profit and Loss	477.63	10.00
Closing Balance	4,282.98	3,805.35
(e) Surplus in Statement of Profit and Loss		
Opening Balance	11,500.63	11,409.00
Add: Profit for the Current Year	4,776.27	199.31
Less:		
Transfer to Reserves	477.63	10.00
Proposed Dividends	210.11	84.05
Corporate Dividend Tax	34.09	13.63
Closing Balance	15,555.07	11,500.63
TOTAL (a+b+c+d+e)	21,227.71	16,695.64

Note No 5: Long Term Borrowings

(₹ In Lacs)

Particulars	Non Current		Current	
	As at 31.03.12	As at 31.03.11	As at 31.03.12	As at 31.03.11
(a) Term Loans from Banks (Secured) - Refer Note 5 a				
State Bank of India	4,130.00	5,103.00	-	232.00
Andhra Bank	5,200.00	6,423.21	-	294.00
State Bank of Hyderabad	3,560.12	4,400.44	-	199.00
State Bank of Mysore	2,135.12	2,640.00	-	120.00
State Bank of Sourashtra	1,410.00	1,759.40	-	81.00
Indian Bank	3,560.00	4,400.00	-	200.00
(b) Deposits (Unsecured) - Refer Note 5 b				
Deposits from Public (Unsecured)	0.50	37.50	37.00	2.82
Deposits from Public				
Deposits from related parties	-	130.74	130.74	308.56
Refer Note No 32 regarding details of related parties				
(c) Deferred Payment Liabilities(Unsecured) :	2,377.51	2,377.51	-	-
Refer Note 5 c				
	22,373.25	27,271.80	167.74	1,437.38
The above loans includes				
Secured	19,995.24	24,726.05	-	1,126.00
Unsecured	2,378.01	2,545.75	167.74	311.38
Amount disclosed under the head				
“ Other current liabilities “ Note No 10			(167.74)	(1,437.38)
	22,373.25	27,271.80	-	-

5.a Term Loans from Banks :
(i) Security

The above loans from banks are secured through Joint Deed of Hypothecation entered into by the Company dated 25.09.2007 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 way of equitable mortgage of the immovable assets and hypothecation of the movable assets of the company, present and future in favour of Consortium of banks comprising of State Bank of India, State Bank of Hyderabad , State Bank of Mysore , State Bank of Saurashtra , Andhra Bank and Indian Bank except the current assets specifically charged to working capital lenders in respect of which second charge is created .

(ii) Personal Guarantees :

The above term loans are further secured by the personal guarantee of Mr. M.B. Raju , Chairman and Ms. P. Parvathi, Managing Director. These personal guarantees exist till the additional mining rights are obtained by the company to the satisfaction of the lenders.

(iii) Rate of Interest(As at the year end) : 15 % (Previous year 13.50 %)

Note No 5: Long Term Borrowings

(₹ In Lacs)

(iv) Repayment Schedule (for the balance term loan as at 31st March 2012)

Year	₹ In Lacs
2013 - 14	904.00
2014 - 15	4,390.00
2015 - 16	4,743.00
2016 - 17	4,853.00
2017 - 18	5,105.00
	19,995.00

5.b Deposits (Un Secured)

 (i) **Rate of Interest : Range from 9.06% to 13.29%**
5.c Deferred Payment Liabilities :(Unsecured)

- (i) Sales Tax Deferral scheme (vide Proceedings No 10 / 3 / 2000 / 0886 / ID, dt.06.06.2000) pursuant to the Sales Tax attributable to the sales effected out of the production from the expansion pertaining to cement division from 600 TPD to 900 TPD is deferred (interest free) for a period of 14 years from 2000-01 or ₹ 1631.54 Lacs (whichever is earlier), and the deferred sales tax of each year is repayable after the expiry of 14 years subject to fulfilment of conditions specified in the proceedings. The Sales Tax so deferred aggregating to ₹ 1631.54 Lacs. Repayment of this deferred liability will commence during 2014-15 and ends in 2024 -25
- (ii) Sales tax exemption scheme vide letter No.30/ 2 /2002 / 0788 /1357 / FD dated 23.10.2002 issued by Commissionerate of Industries , Hyderabad pertaining to the sales effected out of production from the Slag Cement Division which is exempted for a period of 7 years or ₹ 3634.94 Lacs (whichever is earlier). With the implementation of VAT w.e.f. 01.04.2005 the said exemption amounting to ₹ 745.98 Lacs has been converted into deferment and the balance period has also been doubled. The company has availed this deferment amount of ₹ 745.98 Lacs upto the years of 2006 -07.Repayment of this deferred liability will commence during 2013 - 14 and ends in 2014 - 15

Note No 6: Deferred Tax Liability

(₹ In Lacs)

Particulars	As at 31st March 2012	As at 31st March 2011
a) Liability:		
On Account of Depreciation	4,726.36	4,561.27
b) Asset:		
On Account of Employee Benefits	63.02	56.47
Deferred Tax Liability (Net)	4,663.34	4,504.80

Note No 7: Other Long Term Liabilities

(₹ In Lacs)

Particulars	As at 31st March 2012	As at 31st March 2011
(a) Deposits from Stockists & Others (Unsecured)	921.59	810.53
	921.59	810.53

Note 8 : Long Term Provisions :

Particulars	(₹ In Lacs)	
	As at 31st March 2012	As at 31st March 2011
(a) Provision for Employee benefits :		
Gratuity (unfunded)	111.29	72.07
Leave Encashment	82.93	94.08
	194.22	166.15

Note 9 : Short Term Borrowings :

Particulars	(₹ In Lacs)	
	As at 31st March 2012	As at 31st March 2011
Secured :		
(a) Cash Credit from Banks		
State Bank of India	2,363.40	1,779.31
Andhra Bank	981.05	470.17
(the above loans 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 M.B. Raju, Chairman and Ms. P. Parvathi, Managing Director.)		
	3,344.45	2,249.48

Note 10 : Other Current Liabilities :

Particulars	(₹ In Lacs)	
	As at 31st March 2012	As at 31st March 2011
(a) Current Maturities of Long term Debt	167.74	1,437.38
(b) Interest accrued but not due :		
On fixed Deposits	41.54	107.02
(c) Unpaid Dividends :	18.49	19.15
(d) Other Payables :		
Payables for Expenses	2,100.44	1,717.87
Other Payables	44.77	36.05
Advances from customers	1,009.76	1,098.66
Deposits from Stockists	239.81	270.18
	3,394.78	3,122.76
	3,622.55	4,686.31

Note No 11 : Short Term Provisions :

Particulars	(₹ In Lacs)	
	As at 31st March 2012	As at 31st March 2011
(a) Others :		
Provision for Taxation	1,506.05	1,072.38
Proposed Dividend	210.11	84.05
Corporate Dividend Tax	34.09	13.63
	1,750.25	1,170.06
	1,750.25	1,170.06

NOTE No 12 : Fixed assets

(₹ in Lacs)

Description	GROSS BLOCK - AT COST			DEPRECIATION			NET BLOCK			
	As at 31st March 2011	Additions During the Year	Deductions/ Adjustments during the Year	As at 31st March 2012	Upto 31st March 2011	For the Year	Deductions/ adjustments during the Year	Upto 31st March 2012	AS At 31st March 2012	AS At 31st March 2011
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
A. TANGIBLE ASSETS										
Freehold Land	1833.61	-	-	1833.61	-	-	-	-	1833.61	1833.61
Compensatory Land for afforestation	171.68	-	3.34	168.34	-	-	-	-	168.34	171.68
Freehold Land - Mining	28.87	-	-	28.87	8.65	1.44	-	10.09	18.78	20.22
Buildings	7684.82	9.96	-	7694.78	971.17	226.34	-	1197.51	6497.27	6713.65
Plant & Machinery	43755.49	231.67	-	43987.16	9917.99	2213.79	-	12131.78	31855.38	33837.50
Other Equipment	14.19	-	-	14.19	11.03	0.40	-	11.43	2.76	3.16
Furniture & Fixtures	84.19	0.59	-	84.78	60.70	4.04	-	64.74	20.04	23.49
Vehicles	147.01	14.56	20.71	140.86	97.93	13.79	15.19	96.53	44.33	49.08
Office Equipment	118.99	12.08	-	131.07	90.68	7.14	-	97.82	33.25	28.31
Sub Total (A)	53838.85	268.86	24.05	54083.66	11158.15	2466.94	15.19	13609.90	40473.76	42680.70
B. INTANGIBLE ASSETS										
Compensatory Land for Afforestation	36.80	-	-	36.80	21.03	1.69	-	22.72	14.08	15.77
Computer software	16.75	-	-	16.75	15.91	-	-	15.91	0.84	0.84
Sub Total (B)	53.55	-	-	53.55	36.94	1.69	-	38.63	14.92	16.61
C. CAPITAL WORK IN PROGRESS										
Works in Progress - Civil & Others	3303.62	150.38	-	3454.00	-	-	-	-	3454.00	3303.62
Sub Total (C)	3303.62	150.38	-	3454.00	-	-	-	-	3454.00	3303.62
TOTAL (A + B + C)	57196.02	419.24	24.05	57591.21	11195.09	2468.63	15.19	13648.53	43942.68	46000.93
Total of Previous Year	58296.96	3031.36	4,132.30	57196.02	9189.45	2405.71	400.07	11195.09	42697.31	43679.67

* Includes cost of 33 KV line at Wind farm, Hydel Power Plant, Cement Div. and Slag Division aggregating to Rs. 128.04 Lacs ownership of which vest with APTRANSCO.

Note No 13 : Non Current Investments :

Particulars	(₹ In Lacs)	
	As at 31st March 2012	As at 31st March 2011
Long term (at cost)		
(a) Investment in Equity Instruments - Quoted Tata Consultancy Services Ltd. (220 Equity Shares of Rs. 1/- each fully paid)	0.47	0.47
(b) DCFEMAC Co - operative Stores Limited (Unquoted -Fully paid)	0.10	0.10
(c) Investment in Property Investment in Land	8.12	8.12
Total (A) + (B) + (C)	8.69	8.69
Less : Provision for diminition in the value of Investments	-	-
TOTAL	8.69	8.69
Particulars :		
Aggregate market value amount of Quoted investments	2.57	2.60

Note No 14 : Long Term Loans and Advances :

Particulars	(₹ In Lacs)	
	As at 31st March 2012	As at 31st March 2011
(a) Capital Advances : (Unsecured , Considered good) Advances for Capital Goods	59.13	92.05
(b) Security Deposits (Unsecured , Considered good) Central Excise	0.61	3.74
Deposits with Govt & Others	962.99	1,085.71
	1,022.73	1,181.50

Note No 15 : Other Non Current Assets :

Particulars	(₹ In Lacs)	
	As at 31st March 2012	As at 31st March 2011
(a) Others (Unsecured , Considered good) Power & Sales Tax Incentive Receivable	417.70	417.70
	417.70	417.70

Note No 16 : Inventories :

Particulars	(₹ In Lacs)	
	As at 31st March 2012	As at 31st March 2011
(a) Raw Materials	124.09	64.86
(b) Work-in-progress	339.27	411.54
(c) Finished goods	806.87	765.96
(d) Stores and spares	1,711.69	1,415.56
(e) Packing Material	75.30	45.38
(f) Coal	1,837.40	651.24
(g) Power Generation -(Banked Units)	14.45	32.61
Refer Note No 2(e)		
	4,909.07	3,387.15

Note No 17 : Trade Receivables :

Particulars	(₹ In Lacs)	
	As at 31st March 2012	As at 31st March 2011
(a) (Unsecured, Considered good)		
(i) Outstanding for a period exceeding Six months	37.10	93.82
(ii) Outstanding for a period less than Six months	1,274.57	1,829.57
	1,311.67	1,923.39

Note No 18 : Cash and bank balances:

Particulars	(₹ In Lacs)	
	As at 31st March 2012	As at 31st March 2011
(a) Balances with Scheduled Banks :		
-- In Current and Deposit Accounts	5,572.15	4,491.54
-- In Dividend Accounts	18.49	19.15
-- In Margin Money Accounts (lodged with banks)	147.14	104.97
(b) Cash on Hand	8.50	10.43
	5,746.28	4,626.09

Note No 19 : Short term Loans and Advances :

Particulars	(₹ In Lacs)	
	As at 31st March 2012	As at 31st March 2011
(Unsecured , Considered good)		
(a) Advances for purchase of		
-- Raw Materials and Coal	1,205.17	330.08
-- Stores and Spares	1.64	174.57
(b) Advances to Employees	8.52	6.05
(c) Other Advances	329.20	464.75
	1,544.53	975.45

Note No 20 : Other Current Assets :

Particulars	(₹ In Lacs)	
	As at 31st March 2012	As at 31st March 2011
(a) Pre Paid Expenses	31.86	37.10
(b) Tax deducted at Source	95.94	71.26
(c) Advance Income Tax	1,522.14	1,193.20
(d) MAT Credit Entitlements	682.00	-
(e) Interest Accrued	35.87	18.40
	2,367.81	1,319.96

Note No 21 : Revenue from Operations :

Particulars	(₹ In Lacs)	
	As at 31st March 2012	As at 31st March 2011
Sale of Products :		
(a) Cement Sales	64,384.61	41,811.30
(b) Clinker Sales	-	289.62
(c) Income from Power Generation (Net of Wheeling & Bank Charges)	684.34	758.77
	65,068.95	42,859.69
Less : VAT	7,521.59	4,232.88
	57,547.36	38,626.81

	Quantity M.T.	Amount ₹ In Lacs	Quantity M.T.	Amount ₹ In Lacs
(i) Turnover :				
(a) Cement Division :				
Sale of Cement	198,460	9455.36	296,203	10629.45
		9455.36		10629.45
(b) Slag Cement Division :				
Sale of Cement	1,195,487	54926.86	868,894	31181.58
Internal Consumption / Lab samples of cement	120	2.39	15	0.26
Sale of Clinker	-	-	10,971	289.62
		54929.25		31471.46
(c) Power (KWH)				
Wind (AP)		92.29		72.39
Wind (TN)		0.00		98.71
Hydel		592.05		587.68
		684.34		758.78
TOTAL		65,068.95		42,859.69

Note No 22 : Other Income :

Particulars	(₹ In Lacs)	
	As at 31st March 2012	As at 31st March 2011
(a) Interest Income	229.13	298.62
(b) Dividend Income	0.49	0.63
(c) Net Gain / (Loss) on Sale of Investments	-	4.71
(d) Profit on Sale of Fixed Assets	5.96	26.58
(e) Scrap Sales	70.47	30.15
(f) Bad debts Write Back	1.73	4.49
(g) Miscellaneous Income	35.16	108.73
(h) Rental Income	5.07	0.12
	348.01	474.03

Note No 23: Cost of Raw Material Consumed :

Particulars	(₹ In Lacs)	
	As at 31st March 2012	As at 31st March 2011
i) Limestone	1280.02	1091.24
ii) Iron Ore	598.40	523.76
iii) Gypsum	1435.46	979.18
iv) Fly Ash	581.20	241.26
v) Slag	-	15.19
vi) Laterite	-	6.68
vii) Internal Transport of Materials	89.93	52.44
Total	3985.01	2909.75

Note No 24 : Changes in inventories of finished goods

Particulars	(₹ In Lacs)	
	As at 31st March 2012	As at 31st March 2011
Work - in - process and stock in trade :		
(a) Work - in - Process		
Opening Stock	411.54	664.47
Closing Stock	339.27	411.54
	72.27	252.93
(b) Finished Goods		
Opening Stock	765.96	603.22
Closing Stock	806.87	765.96
	(40.91)	(162.74)
	31.36	90.19

Note No 25 : Employee benefits expenses :

Particulars	(₹ In Lacs)	
	As at 31st March 2012	As at 31st March 2011
(a) Salaries , Wages and bonus	1,248.85	993.23
(b) Contribution to Provident and other funds	112.77	107.82
(c) Workmen and Staff welfare Expenses	143.64	118.47
	1,505.26	1,219.52

Note No 26 : Finance Cost :

Particulars	(₹ In Lacs)	
	As at 31st March 2012	As at 31st March 2011
(a) Interest	3,857.79	3,754.98
(b) Bank Charges	199.11	200.99
	4,056.90	3,955.97

Note No 27 : Other Expenses :

(₹ In Lacs)

Particulars	As at 31st March 2012	As at 31st March 2011
(a) Consumption of Stores and Spares	1,496.71	1,355.98
(b) Power and Fuel		
Power	3,021.03	2,557.59
Coal	13,391.23	8,593.42
	16,412.26	11,151.01
(c) Repairs and Maintenance		
Buildings	45.65	30.26
Plant and Machinery	357.80	473.77
Others	293.36	316.06
	696.81	820.09
(d) Administration Expenses		
Travelling and Conveyance	133.73	117.38
Directors' Travelling and Conveyance	6.84	8.74
Directors' Foreign Travel	17.42	3.47
Directors' sitting fees	0.85	1.17
Printing and Stationery	20.87	17.96
Communication Expenses	29.76	25.77
Legal and Professional charges	54.80	81.54
Insurance	47.48	38.72
Auditors' Remuneration	5.75	5.78
Staff Recruitment and Training	3.66	2.95
Rent	61.62	54.46
Rates and Taxes	17.83	30.98
Donations	4.55	5.43
Security Service Charges	83.81	77.08
Sundry Expenses	67.57	66.56
	556.54	537.99
(e) Selling Expenses		
Consumption of Packing Materials	2,046.01	1,530.80
Advertisement and Publicity	162.16	160.08
Freight, Packing and Forwarding charges	8,123.63	4,803.29
Testing and Marking fees	27.98	24.27
Commission on Sales	349.52	226.55
Selling Expenses	303.22	297.29
Price Difference	2,024.87	1,064.68
Other Selling expenses	1,689.31	1,186.57
Bad debts Written off	9.96	
	14,736.66	9,293.53
(f) Loss on Sale of Fixed assets	-	20.56
	33,898.98	23,179.16

28. Contingent Liabilities and Commitments

(₹ in Lacs)

(A) Contingent Liabilities	Current Year	Previous Year
(a) Claims against the Company not acknowledged as Debt:		
(i) Counter Guarantees	1013.21	553.12
(ii) Claims for non supply of cement by company's agent for the year 1995-96 pending in High Court of Andhra Pradesh	5.52	5.52
(iii) Claims for difference in prices for the year 1994 - 95 filed by Metropolitan Transport Project, Chennai, matter pending with High Court of Chennai	6.83	6.83
(b) Other Money for which the company is contingently liable		
(i) Income Tax:		
a) For the Asst Year 97-98 towards disallowances of debenture issue expenses and bad debts. Matter pending in appeal before the Income Tax Appellate Tribunal	6.46	6.46
(ii) Sales Tax:		
a) Regarding sales tax on packing materials in respect of Asst Year 1993-94 for which the company filed writ petition in the High Court of Andhra Pradesh and obtained stay on payment of 50% of the disputed demand	11.52	11.52
b) Regarding sales tax on transfer of clinker from cement division to slag division for the years 2001 -02 & 2005 -06 .The matter is pending in appeal before High Court of Andhra Pradesh.	315.44	315.44
(iii) Sales Tax Deferment for the year 2001 -02 on the additional products manufactured, amounting to Rs. 168.97 Lacs stayed by the AP High Court.	168.97	168.97
Sales Tax Demand for the deemed excess production based on the Energy Audit for the years 1999 – 2000 & 2000 – 01	85.68	85.68
(iv) The A.P. Government has issued a G.O. Ms. No 391 levying water Rates on the quantum of water used in the generation of power and demanded payment of Rs. 723.29 Lacs for the period 1997 to February 2008. Appeal is pending in the High Court of Andhra Pradesh.	723.29	723.29
(v) Duty on Electricity generated and consumed was levied by the AP Govt. at 25 paise per unit for the years 2003 -04 to 2008 -09. The High court of A.P. has stayed the operation of AP Electricity Duty Amendment Act, 2003 but asked to submit monthly returns of generation of power.	316.23	316.23
(B) Estimated amount of contracts to be executed on capital account and not provided for: (net of advances)	293.00	150.62

29. Employee Benefits:

(i) Defined Benefit Plan

- a) Liability for retiring gratuity as on March 31st, 2012 is ₹ 198.92 Lacs (31.03.2011; ₹ 177.67 Lacs) of which ₹ 87.63 Lacs (31.03.11 ₹ 83.60 Lacs) is funded with the Life Insurance Corporation of India

and the balance is included in provision for Gratuity . Liability for Gratuity and Cost of Compensated absences has been actuarially determined and provided for in the books.

- b) The details of the Company's post – retirement benefit plans for its employees including whole time directors are given below which are certified by the actuary.

Particulars	Gratuity (₹ In Lacs)		Compensated Absences (₹ in Lacs)	
	2011-12	2010-11	2011-12	2010-11
(A) Net Assets / (Liability) recognised in the Balance Sheet as at 31st March, 2012				
Present Value of Obligation	198.92	177.67	---	---
Fair Value of Plan Assets Liability / (Assets)	(87.62)	(83.60)	---	---
Un recognized past service Cost	Nil	Nil	---	---
Liability / (Assets) recognised in the Balance Sheet	111.30	94.07	82.93	72.06
(B) Component of Employer's Expense	2011-12	2010-11	2011-12	2010-11
Current Service Cost	12.75	11.78		-
Interest Cost	14.73	13.46		-
Expected Return on Plan Assets	(7.01)	(6.78)		-
Net Actuarial Gain / (Loss) recognised	8.62	(8.96)		-
Past Service Cost	-	16.27		-
Expenses Recognised in the Statement of Profit and loss	29.09	25.77		-

Movement in the Net Liability recognized In the Balance Sheet				-
Opening Net Liability as on 1 st April'2011	94.07	77.43	72.06	61.24
Expenses recognized in the Statement of Profit and Loss	29.09	27.25	---	---
Employer contribution	(11.86)	(10.61)	---	---
Payment made to employee on retirement	111.30	94.07	82.93	72.06
Closing Net Liability as on 31 st March,2012				
Actuarial Assumptions				
Discount Rate (Per annum)	8.55 %	8.10 %	8.55 %	8.10 %
Mortality	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate
Expected Rate of return on Plan Asset (per annum)	7.50 %	7.50 %	-	-
Salary Escalation rate (Per Annum)	5.00 %	5.00 %	5.00 %	5.00 %
Valuation Method	Projected Unit cost Method	Projected Unit cost method	Projected Unit cost Method	Projected Unit cost method

(ii) Defined contribution plan

Amount recognized as an expense and included in Note No 24 under the head “Contribution to Provident and other funds” ₹ 112.77 Lacs (Previous year ₹ 107.82 Lacs).

30 The amount of borrowing cost capitalized during the year is ₹ Nil .(Previous Year ₹ Nil)

31 Segment Reporting: The Company’s main business segment is manufacturing of Cement, hence there is no separate reportable segment as per “Segment Reporting - Accounting Standard – 17 “

32 Accounting Standard 18-Related Party Disclosure.

(i) Names of related parties and description of relationship

Sl. No	Nature of Relationship	Name of the Related Party
(i)	Key Management Personnel (KMP)	a) Mr. M.B. Raju
		b) Ms. P. Parvathi
(ii)	Relatives of KMP	a) Ms. M.Lakshmi
		b) Ms. P. Aishwarya
		c) Mr. P. Anirudh Raju
(iii)	Directors	a) Mr. Umesh Shrivastava
		b) Mr. P. Venugopal Raju
		c) Mr. K.P.Singh
		e) Mr. J Narayana Murthy
		d) Mr. R.S. Agarwal
(iv)	Enterprises in which KMP or relatives having significant influence.	e) Mr. S.A.Dave
		a) DCL Exim Limited .
		b) Satya Sai Investments and Leasing Limited.
		c) Melvillie Finvest Limited
		d) DCL Information Technologies Limited



(ii) Transactions during the year with related parties :											
S. No	Nature of Transactions	Key Management Personnel			Realtives of Key Management Personnel			Directors		Enterprises in which KMP or relatives having significant influence	
		2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
(i)	Rent Paid	-	-	15.96	15.12	-	-	-	-	-	-
(ii)	Unsecured Loans - deposits repayment/ taken	280.00	344.50	8.56	42.99	-	20.00	20.00	190.00	-	-
(iii)	Remuneration including Commission	262.69	107.80	-	-	5.00	5.00	-	-	-	-

(iii) Balance outstanding as on Balance Sheet date :									
S. No	Nature of Transactions	Key Management Personnel		Realtives of Key Management Personnel		Directors		Enterprises in which KMP or relatives having significant influence	
		2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
a)	Credit Balance								
	Mr. M. B. Raju	-	253.07						
	Ms. P. Parvathi	51.31	184.76						
	Ms. P. Aishwarya			13.80	17.22				
	Mr. P. Anirudh Raju			45.63	50.77				
	Mr. Umesh Shrivastava					21.00	21.00		
	Mr. P. Venugopal Raju					1.00	1.00		
	Mr. K.P. Singh					1.00	1.00		
	Mr. J Narayana Murthy					1.00	0.75		
	Mr. R.S. Agarwal					0.25	1.00		
	Mr. D.R.K. Rao					-	0.25		
	Dr. S.A. Dave					0.75	-		20.00
	DCL Exim Limited	51.31	437.83	59.43	67.99	25.00	25.00	0.00	20.00

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

Particulars	2011 -12	2010 -11
(a) Key Management Personal		
(i) Deposits taken / repayment		
Mr M. B. Raju	200.00	200.00
Ms P. Parvathi	80.00	131.31
(ii) Remuneration including commission		
Mr M. B. Raju	131.03	53.71
Ms P. Parvathi	131.65	54.09
(b) Relatives of Key Management Personnel		
(i) Rent Paid		
Ms M.Laxmi	15.96	15.12
(ii) Deposits taken		
Ms P. Aishwarya	3.42	17.22
Mr P. Anirudh Raju	5.14	50.77
(c) Directors		
Commission		
Mr. Umesh Shrivastava	1.00	1.00
Mr. P. Venugopal Raju	1.00	1.00
Mr. K.P. Singh	1.00	1.00
Mr. J Narayana Murthy	1.00	0.75
Mr. R.S. Agarwal	0.25	1.00
Mr. D.R.K. Rao	-	0.25
Dr. S.A.Dave	0.75	-
(d) Enterprises in which KMP or relatives having significant influence		
Deposits taken / repayment		
Satyasai Investments & Leasing Ltd.	-	170.00
DCL Exim Limited	20.00	-

33. Earnings Per Share

(₹ in Lacs)

Particulars	31 st March 2012	31 st March 2011
Profit/(loss) after Tax (Rs in Lacs)	4776.26	199.30
No of equity shares	70,03,750	70,03,750
Earnings per share (Rs.)	68.20	2.85

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

35. Auditor's Remuneration

(₹ in Lacs)

Particulars	31 st March 2012	31 st March 2011
Audit Fee	3.00	3.00
Certification Work	-	0.03
Corporate Governance	0.10	0.10
Tax Audit fee	0.75	0.75
Reimbursement of expenses	1.00	1.00
Limited Review Fee	0.90	0.90
Total	5.75	5.78

36. Value of Imports calculated on CIF basis

(₹ in Lacs)

Particulars	31 st March 2012 Value	31 st March 2011 Value
Raw materials	-	-
Components and spare parts	19.08	12.57
Capital goods	15.15	-

37. Expenditure in Foreign Currency

(₹ in Lacs)

Particulars	31 st March 2012 Value	31 st March 2011 Value
Expenditure	17.42	Nil

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

Particulars	% of total Consumption	31 st March 2012 Value (₹ in Lacs)	% of total Consumption	31 st March 2011 Value (₹ in Lacs)
Raw Materials				
Imported	-	-	-	-
Indigenous	100.00	5720.67	100.00	2909.75
Stores, Spare Parts and Packing Materials				
Imported	0.53	18.68	0.41	11.78
Indigenous	99.47	3524.04	99.59	2875.00

39. Balances of debtors, loans and advances and creditors are subject to confirmations.
40. Previous Year's figures have been recast, re-grouped and reclassified wherever necessary to conform to the current year's classification.
41. Figures are rounded off to the nearest rupee. Figures in brackets represent credits / deductions to the extent applicable.

SIGNATURES TO NOTES TO FINANCIAL STATEMENTS

As per our report of even date
For **M Bhaskara Rao & Co.,**
Chartered Accountants
Firm Registration Number 000459 S

For and on behalf of the Board

V.K. Muralidhar
Partner
Membership No: 201570

M.B.Raju
Executive Chairman

Place : Hyderabad
Date : 15.05.2012

M.Rama Krishna
Sr. General Manager (Legal)
& Company Secretary

P.Parvathi
Managing Director



DECCAN CEMENTS LIMITED

Registered Office : 6-3-666/B, 'DECCAN CHAMBERS',
Somajiguda, Hyderabad - 500 082.

ATTENDANCE SLIP
To be handed over at the
entrance of the Meeting Hall

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

I/We hereby record my/our presence at the 32nd Annual General Meeting of the Company held on Tuesday, the 7th day of August, 2012 at 10.00 A.M. at "Bhaskara Auditorium", Birla Museum, Adarsh Nagar, Hyderabad - 500 063.

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

Notes:

- Shareholder/Proxy, as the case may be, is requested to sign and hand over this slip at the entrance of the Meeting venue.
- Members are requested to advise the change of their address, if any, to the Company at the above address.
* Applicable for Investors holding shares in electronic form.



DECCAN CEMENTS LIMITED

Registered Office : 6-3-666/B, 'DECCAN CHAMBERS',
Somajiguda, Hyderabad - 500 082.

FORM OF
PROXY

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

I/Weof
being a member/members of DECCAN CEMENTS LIMITED hereby appoint
ofor failing him/her of
as my/our proxy to vote for me/us on my/our behalf at the 32nd Annual General Meeting of the Company to be held on Tuesday, the 7th day of August, 2012 at 10.00 A.M. and at any adjournment thereof.

Dated this day of, 2012

Signature _____

Affix
₹ 1/-
Revenue
Stamp

Notes:

- If you intend to appoint a proxy to attend the Meeting instead of yourself the proxy form must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.
- A proxy need not be a Member.
* Applicable for Investors holding shares in electronic form.

**PRINTED MATTER
BOOK - POST**

If undelivered please return to :



DECCAN CEMENTS LIMITED

'Deccan Chambers'
6-3-666/B, Somajiguda,
Hyderabad - 500 082