



DCL:SECY:2021

Date: 21st August 2021

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

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

Security Code: 502137

Trading Symbol: DECCANCE

Dear Sir,

Subject: 41st Annual Report 2020-21.
Notice of 41st Annual General Meeting.

Ref: Regulation 34 of SEBI (LODR) Regulations, 2015

Pursuant to the provisions of Regulation 34 of the SEBI (LODR) Regulations, 2015, please find enclosed 41st Annual Report 2020-21 (Notice of the 41st AGM).

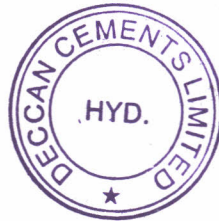
The Company is going to send the Annual Report to all the shareholders and other eligible persons by e-mail (electronic mode) only.

Thank you,

With regards,

For Deccan Cements Limited

Bikram Keshari Prusty
Company Secretary



Enclosure: 41st Annual Report 2020-21 (Notice of the 41st AGM).



DECCAN CEMENTS LIMITED

4^{1st} Annual Report

2020-21



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Corporate Information

Board of Directors

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

Senior Management

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

Bankers

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

Secretarial Auditors

V. Shankar & Co.,
Company Secretaries
303, Block - A, Legend Commercial
Complex, 3-4-770 & 136, Opp ICICI Bank,
Barkatpura, Hyderabad - 500027

Registrar and Share Transfer Agent

KFin Technologies Private Limited.
Karvy Selenium Tower B
Plot number 31 & 32
Financial District, Gachibowli
Hyderabad - 500 032
E-mail id: einward.ris@kfintech.com
Toll free no: 1800-309-4001

Statutory Auditors

M Anandam & Co.
Chartered Accountants
7'A', Surya Towers, S.P. Road,
Secunderabad - 500 003

Cost Auditors

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

Registered Office

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

NOTICE

NOTICE is hereby given that the 41st Annual General Meeting of the members of Deccan Cements Limited will be held on Tuesday, 14th September 2021 at 11:00 A.M. through Video Conferencing (“VC”)/ Other Audio-Visual Means (“OAVM”), to transact the following business:

ORDINARY BUSINESS:

1. **To consider and adopt the audited financial statements of the Company for the financial year ended 31st March 2021 and the reports of the Board of Directors and Auditors thereon, and pass the following resolution as an Ordinary Resolution:**

“RESOLVED THAT the audited financial statements of the Company for the financial year ended 31st March 2021 and the reports of the Board of Directors and Auditors thereon, as circulated to the members, be and are hereby considered and adopted.”

2. **To consider declaration of final dividend for FY 2020-21, and pass the following resolution as an Ordinary Resolution:**

“RESOLVED THAT as per recommendation of the Board of Directors, approval of the members of the company be and is hereby granted for the payment of dividend of Rs.5/- (i.e., @100%) per equity share on 1,40,07,500 equity shares of the Company for the Financial Year 2020-21, and the same be paid to all the members whose names appear in the Register of Members and Beneficial Owners of the Company as on the Record date (7th September 2021).”

3. **To consider appointment of Mr. R. Gopalakrishnan (DIN: 00296413) as Director, who retires by rotation, and pass the following resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013, Mr. R. Gopalakrishnan (DIN: 00296413), who retires

by rotation at this meeting, and being eligible, offers himself for re-appointment, be and is hereby appointed as a Director of the Company.”

SPECIAL BUSINESS:

4. **To consider and ratify Cost Auditor’s remuneration for the Financial Year 2021-22, and pass the following resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 as amended from time to time, the Company hereby ratifies the remuneration of Rs.1,50,000/- (Rupees One Lakh Fifty Thousand only) plus reimbursement of travelling and out of pocket expenses payable to M/s. Aruna Prasad & Co., Cost Accountants, Chennai, who have been appointed by the Board of Directors as Cost Auditors of the Company, to conduct the audit of the cost accounting records of the Company for the Financial Year 2021-22.”

5. **To consider revision of the remuneration payable to Mr. Shonti Venkateswarlu (DIN: 08602254), Director (Works) w.e.f., 1st April 2021 till completion of his presents term, and pass the following resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to the recommendation of the Nomination and Remuneration Committee and Board of Directors of the Company, and pursuant to provision of Section 197 read with Schedule V of the Companies Act, 2013 and Rules made thereunder, in partial modification to the Ordinary Resolution passed in the 40th Annual General Meeting of the Company, held on 15th September 2020, the remuneration payable to Mr. Shonti Venkateswarlu (DIN: 08602254), Director (Works) be and is hereby revised, with effect from 1st April 2021 till completion of his presents term, as under:

1 **Salary** (Basic Pay, House Rent Allowance and other allowances): Rs.3,72,500/- (rupees three lakhs seventy two thousand five hundred only) per month

2 **Perquisites:**

Medical Reimbursement:

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

Leave Travel Concession:

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

Personal Accident Insurance:

For an amount as per the rules of the Company.

Others:

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

b. Company's contribution towards Pension / Superannuation Fund, as per rules of the Company;

such contribution to the Provident Fund and Pension / Superannuation Fund shall not exceed 27% of basic salary.

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

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

Provision of car for use on Company's business and, telephone and internet at residence will not be considered as perquisites. Earned / Privilege Leave will be on full pay and allowances as per rules of the Company. Leave accumulated but not availed at during his tenure may be allowed to be encashed as per the rules of the Company.

RESOLVED FURTHER THAT notwithstanding the above, in the absence of or inadequacy of profits in any financial year, Mr. Shonti Venkateswarlu (DIN: 08602254) be paid the above remuneration as minimum remuneration in terms of Section II (A) of Part II of Schedule V of the Companies Act, 2013.

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

By Order of the Board

Sd/-

Bikram Keshari Prusty

Company Secretary

FCS 7855

Place: Hyderabad

Date: 13th August 2021

Notes:

1. Considering the present Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide their Circular No. 02/2021 dated January 13, 2021, Circular No. 20/2020 dated May 05, 2020, Circulars No. 14/2020 dated April 08, 2020, Circular No. 17/2020 dated April 13, 2020 (collectively referred to as “MCA Circulars”) and SEBI vide their Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, permitted to convene the Annual General Meeting (“AGM” / “Meeting”) through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”), without the physical presence of the members at a common venue. In accordance with the MCA Circulars read with SEBI Circular, provisions of the Companies Act, 2013 (‘the Act’) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), the 41st AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
2. In compliance with the above stated MCA Circulars and SEBI Circular, Notice of the 41st AGM along with the Annual Report 2020-21 is being sent through electronic mode only, to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice of the 41st AGM and Annual Report 2020-21 will also be available on the Company’s website www.deccancements.com, websites of the Stock Exchanges, i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of Company’s Registrar and Transfer Agent, KFin Technologies Private Limited (“KFinTech”) at <https://evoting.KFinTech.com>.
3. A statement pursuant to Section 102(1) of the Act, relating to the Special Business to be transacted at the 41st AGM is annexed hereto.
4. Generally, a member entitled to attend and vote at the general meeting is entitled to appoint a proxy to attend and vote on a poll instead of him/her and the proxy need not be a member of the Company. Since this 41st AGM is being held through VC / OAVM, pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the 41st AGM and hence the Proxy Form and Attendance Slip are not annexed hereto.
5. Since the 41st AGM will be held through VC/OAVM, the route map of the venue of the Meeting is not annexed hereto.
6. In terms of the provisions of Section 152 of the Act, Mr. R. Gopalakrishnan, Director, retires by rotation at the Meeting, and being eligible, offers himself for re-appointment. The Board of Directors of the Company recommends appointing him as a Director.
7. Pursuant to Regulations 36(3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, Section 160 of the Companies Act, 2013 and Secretarial Standards on General Meetings (SS-2), details of Directors retiring by rotation / seeking appointment / re-appointment at this Meeting are provided in the “Annexure” to the Notice.
8. Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, as amended, and Regulation 44 of SEBI (LODR) Regulations, 2015, and in terms of SEBI circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, the Company is providing to its members facility to exercise their right to vote on resolutions proposed to be passed at 41st AGM by electronic means (“e-voting”). For this purpose, the Company has engaged the services of KFin Technologies Private Limited, (“KFinTech”) Selenium Building, Tower B, Plot No. 31 & 32, Financial District Nanakramguda, Serilingampally Mandal, Hyderabad – 500032,

Telangana, India and has made necessary arrangements with RTA to facilitate E-voting. In terms of the MCA and SEBI Circulars, voting can be done only by Remote E-voting/ E-voting at the AGM. The Members are advised to go through the E-voting procedure, as provided in the Notice.

9. The Board of Directors has fixed 7th September 2021, Tuesday, as the Cut-off Date to know the eligibility of members entitled to participate and/ or vote at the 41st AGM.

PROCEDURE FOR JOINING THE AGM THROUGH VC / OAVM:

10. The Company is making necessary arrangements for the members to participate in the 41st AGM through VC / OAVM.

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

Members are requested to follow the procedure given below:

- (i) Launch internet browser (chrome/ firefox/safari) by typing the URL: "<https://emeetings.KFinTech.com>"
 - (ii) Enter the login credentials (i.e., User ID and password for e-voting).
 - (iii) After logging in, click on "Video Conference" option
 - (iv) Then click on camera icon appearing against AGM event of **Deccan Cements Limited** to attend the Meeting.
- b) Members who do not have User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the procedure given in the E-voting instructions.
- c) Members who would like to express their views or ask questions during the AGM may register themselves by logging on

to "<https://emeetings.KFinTech.com>" and clicking on the '**Speaker Registration**' option available on the screen after log in. The Speaker Registration will be open during 11th September 2021, Saturday to 12th September 2021, Sunday. Only those members who are registered will be allowed to express their views or ask questions. The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of the AGM.

- d) Members will be allowed to attend the 41st AGM through VC / OAVM on first come, first served basis to 2,000. The large members (i.e. members holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. can attend the 41st AGM without any restriction on account of first-come-first-serve principle.
 - e) Facility to join the meeting shall be opened 30 minutes before the scheduled time of the 41st AGM and shall be kept open throughout the proceedings of the 41st AGM.
 - f) Members who need assistance before or during the AGM, can contact KFinTech on "evoting@KFinTech.com" or call on toll free numbers 1800-309-4001. Kindly quote your name, DP ID-Client ID / Folio No. and E-voting Event Number in all your communications.
11. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the AGM.
12. Members attending the AGM through VC / OAVM shall be reckoned for the purpose of quorum under Section 103 of the Act.

13. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM.

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

14. The Company has engaged the services of KFinTech as the agency to provide electronic voting facility.
15. The Board of Directors of the Company has appointed Mr. V. Shankar, Practicing Company Secretary (Membership No. FCS: 7638 and CP: 8446), as Scrutiniser to scrutinise the remote e-voting and e-voting process in a fair and transparent manner and they have communicated their willingness to be appointed and will be available for the said purpose. Scrutinizer's decision on the validity of the E-voting will be final.
16. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI Listing Regulations and in terms of SEBI vide circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 in relation to e-Voting Facility Provided by Listed Entities, the Members are provided with the facility to cast their vote electronically, through the e-Voting services provided by KFinTech, on all the resolutions set forth in this Notice. The instructions for e-Voting are given herein below.

However, pursuant to the SEBI circular SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process.

Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication

but also ease and convenience of participating in e-Voting process. Members are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.

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

| | |
|---------------------------------|---|
| Commencement of remote e-voting | 11 th September 2021, Saturday @ 9:00 A.M. |
| End of remote e-voting | 13 th September 2021, Monday @ 5:00 P.M. |

Voting rights of a member / beneficial owner (in case of electronic shareholding) shall be in proportion to his/her/their share in the paid-up equity share capital of the Company as on the cut-off date, i.e., 7th September 2021, Tuesday.

Any person holding shares in physical form and non-individual members, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at "evoting@KFinTech.com". However, if he / she is already registered with KFinTech for remote e-Voting then he/she can use his/her existing User ID and password for casting the vote.

In case of Individual members holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below.

The details of the process and manner for remote e-Voting and e-AGM are explained herein below:

- Step 1: Access to Depositories e-Voting system in case of individual members holding shares in demat mode.
- Step 2: Access to KFinTech e-Voting system in case of members holding shares in physical and non-individual members in demat mode.
- Step 3: Access to join virtual meetings (e-AGM) of the Company on KFinTech system to participate e-AGM and vote at the AGM.

Details on Step 1 are mentioned below:

Login method for remote e-Voting for Individual members holding securities in demat mode.

| Type of members | Login Method |
|---|---|
| Individual Members holding securities in demat mode with NSDL | <p>1. User already registered for IDeAS facility:</p> <ol style="list-style-type: none"> I. Visit URL: "https://eservices.nSDL.com" II. Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' section. III. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting" IV. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period. <p>2. User not registered for IDeAS e-Services</p> <ol style="list-style-type: none"> I. To register click on link : "https://eservices.nSDL.com" II. Select "Register Online for IDeAS" or click at "https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp" III. Proceed with completing the required fields. IV. Follow steps given in points 1 <p>3. Alternatively by directly accessing the e-Voting website of NSDL</p> <ol style="list-style-type: none"> I. Open URL: "https://www.evoting.nSDL.com/" II. Click on the icon "Login" which is available under 'Shareholder/Member' section. III. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. IV. Post successful authentication, you will be requested to select the name of the company and the e-Voting Service Provider name, i.e. KFinTech. V. On successful selection, you will be redirected to KFinTech e-Voting page for casting your vote during the remote e-Voting period. |
| Individual Members holding securities in demat mode with CDSL | <p>1. Existing user who have opted for Easi / Easiest</p> <ol style="list-style-type: none"> I. Visit URL: "https://web.cdslindia.com/myeasi/home/login" or URL: "www.cdslindia.com" II. Click on New System Myeasi III. Login with your registered user id and password. IV. The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFinTech e-Voting portal. V. Click on e-Voting service provider name to cast your vote. |

| Type of members | Login Method |
|--|--|
| | <p>2. User not registered for Easi/Easiest</p> <ol style="list-style-type: none"> I. Option to register is available at "https://web.cdslindia.com/myeasi/Registration/EasiRegistration" II. Proceed with completing the required fields. III. Follow the steps given in point 1 |
| | <p>3. Alternatively, by directly accessing the e-Voting website of CDSL</p> <ol style="list-style-type: none"> I. Visit URL: "www.cdslindia.com" II. Provide your demat Account Number and PAN No. III. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account. IV. After successful authentication, user will be provided links for the respective ESP, i.e., KFinTech where the e- Voting is in progress. |
| Individual Member login through their demat accounts / Website of Depository Participant | <ol style="list-style-type: none"> I. You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility. II. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. III. Click on options available against company name or e-Voting service provider – KFinTech and you will be redirected to e-Voting website of KFinTech for casting your vote during the remote e-Voting period without any further authentication. |

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

Helpdesk for Individual Members holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL:

| Login type | Helpdesk details |
|---------------------------|--|
| Securities held with NSDL | Please contact NSDL helpdesk by sending a request at " evoting@nsdl.co.in " or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |
| Securities held with CDSL | Please contact CDSL helpdesk by sending a request at " helpdesk.evoting@cdslindia.com " or contact at 022- 23058738 or 022-23058542-43 |

Details on Step 2 are mentioned below:

Login method for e-Voting for members other than Individual's members holding securities in demat mode and members holding securities in physical mode.

(A) Members whose email IDs are registered with the Company/Depository Participants(s), will receive an email from KFinTech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:

- i. Launch internet browser by typing the URL: "<https://emeetings.KFinTech.com/>"

- ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFinTech for e-voting, you can use your existing User ID and password for casting the vote.
 - iii. After entering these details appropriately, click on "LOGIN".
 - iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
 - v. You need to login again with the new credentials.
 - vi. On successful login, the system will prompt you to select the "EVEN" i.e., 'Deccan Cements Limited - AGM' and click on "Submit"
 - vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/ AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/ AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option "ABSTAIN". If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
 - viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.
 - ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as "ABSTAIN".
 - x. You may then cast your vote by selecting an appropriate option and click on "Submit".
 - xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution(s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
 - xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to cast its vote through remote e-voting. Together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email id "1981shanky@gmail.com" with a copy marked to "evoting@KFinTech.com". The scanned image of the above mentioned documents should be in the naming format "Corporate Name_Even No."
- (B) Members whose email IDs are not registered with the Company/Depository Participants(s), and consequently the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:
- i. Members who have not registered their email address and in consequence the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, may temporarily get their email address and mobile number provided with

- KFinTech, by accessing the link: "<https://ris.KFinTech.com/clientservices/mobilereg/mobileemailreg.aspx>". Members are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, member may write to "einward.ris@KFinTech.com".
- ii. Alternatively, member may send an e-mail request at the email id "einward.ris@KFinTech.com" along with scanned copy of the signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of AGM and the e-voting instructions.
 - iii. After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.

Details on Step 3 are mentioned below:

Instructions for all the members, including Individual, other than Individual and Physical, for attending the AGM of the Company through VC/OAVM and e-Voting during the meeting.

- i. Member will be provided with a facility to attend the 41st AGM through VC/OAVM platform provided by KFinTech. Members may access the same at "<https://emeetings.KFinTech.com/>" by using the e-voting login credentials provided in the email received from the Company/KFinTech. After logging in, click on the Video Conference tab and select the EVEN of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned above.
- ii. Facility for joining AGM through VC/OAVM shall open at least 30 minutes before the commencement of the Meeting.
- iii. Members are encouraged to join the Meeting through Laptops/Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.
- iv. Members will be required to grant access to the webcam to enable VC / OAVM. Further, Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- v. As the AGM is being conducted through VC/OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name, demat account number / folio number, email id, mobile number at "emeetings@KFinTech.com". Questions / queries received by the Company till 12th September 2021, Sunday shall only be considered and responded during the AGM.
- vi. The Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC/OAVM platform. The Members may click on the voting icon displayed on the screen to cast their votes.
- vii. A Member can opt for only single mode of voting i.e., either through remote e-voting or voting at the AGM. If a Member casts votes by both modes, then voting done through remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

- viii. Facility of joining the AGM through VC/OAVM shall be available for at least 2000 members on first come first served basis. The large members (i.e. members holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. can attend the 41st AGM without any restriction on account of first-come-first-serve principle

Other Instructions:

- I. **Speaker Registration:** The Members who wish to speak during the meeting may register themselves as speakers for the AGM to express their views. They can visit "<https://emeetings.KFinTech.com>" and login through the user id and password provided in the mail received from KFinTech. On successful login, select 'Speaker Registration' which will be opened from 11th September 2021, Saturday to 12th September 2021, Sunday. Members shall be provided a 'queue number' before the meeting. The Company reserves the right to restrict the speakers at the AGM to only those Members who have registered themselves, depending on the availability of time for the AGM.
- II. **Post your Question:** The Members who wish to post their questions prior to the meeting can do the same by visiting "<https://emeetings.KFinTech.com>". Please login through the user id and password provided in the mail received from KFinTech. On successful login, select 'Post Your Question' option which will be opened from 11th September 2021, Saturday to 12th September 2021, Sunday.
- III. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at

the download section of "<https://evoting.KFinTech.com>" (KFinTech Website) or contact Mr. Rajkumar Kale, Asst. General Manager, at "evoting@KFinTech.com" or call KFinTech's toll free No. 1-800-309-4001 for any further clarifications.

- IV. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on 7th September 2021, Tuesday, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.
- V. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cutoff date for E-voting, he/she may obtain the User ID and Password in the manner as mentioned below:
- i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399
- Example for NSDL: MYEPWD <SPACE> IN12345612345678
- Example for CDSL: MYEPWD <SPACE> 1402345612345678
- Example for Physical: MYEPWD <SPACE> XXXX1234567890
- ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of "<https://evoting.KFinTech.com/>", the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

iii. Members who may require any technical assistance or support before or during the AGM are requested to contact KFinTech at toll free number 1-800-309-4001 or write to them at "evoting@KFinTech.com".

VI. The Scrutiniser will, after the conclusion of e-voting at the AGM, scrutinise the votes cast at the AGM (Insta Poll) and votes cast through remote e-voting, make a consolidated Scrutiniser's Report and submit the same to the Chairperson. The result of e-voting will be declared within forty-eight hours of the conclusion of the Meeting and the same, along-with the consolidated Scrutiniser's Report, will be placed on the website of the Company: "www.deccancements.com" and on the website of KFinTech at: "<https://evoting.KFinTech.com>". The result will simultaneously be communicated to the stock exchanges, where the shares of the company are listed. Subject to receipt of requisite number of votes, the Resolutions proposed in the Notice shall be deemed to be passed on the date of the Meeting, i.e., 14th September 2021, Tuesday.

PROCEDURE FOR INSPECTION OF DOCUMENTS:

17. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM.

18. All documents referred to in the Notice will also be available electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to "secretarial@deccancements.com".

DIVIDEND RELATED INFORMATION:

19. The Board of Directors recommended final dividend on equity shares at the rate of (100%) i.e. Rs.5/- per Equity Share of face value of Rs.5/- each for the Financial Year 2020-21, subject to approval of the Members at the 41st AGM.
20. The Board of Directors has fixed 7th September 2021, Tuesday, as the Record Date for determining the names of member(s) eligible for final dividend FY 2020-21.
21. The dividend, if approved, will be paid on 27th September 2021, Monday, to the Members whose names appear on the Company's Register of Members as on the Record Date, and in respect of the shares held in dematerialised mode, to the Members whose names are furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as beneficial owners as on that date. The dividend on equity shares, if approved at the Meeting, shall be credited to the respective bank account of the members of the company on 27th September 2021, Monday. The dispatch of dividend warrants may take some time due to COVID-19 pandemic.
22. As per relevant Circulars, payment of dividend shall be made through electronic mode to the members who have updated their bank account details. Dividend warrants / demand drafts will be dispatched to the registered address of the members who have not updated their bank account details, after normalisation of the postal services. To avoid delay in receiving dividend, members are requested to update their bank account details with their Depository Participants in case securities are held in demat mode and members holding securities in physical form should send a request for updating their bank details to the Company's Registrar & Share Transfer Agents.
23. Payment of Dividend shall be subject to deduction of tax at source (TDS) at applicable rates as notified by the Government of India.
24. Members are requested to notify immediately any change of address and other relevant

correspondence including NECS/ECS/NEFT/RTGS details and submission of Permanent Account Number (PAN):

- i. to their Depository Participants (DPs) in respect of their electronic share accounts; and
- ii. to the Company by writing to the RTA (M/s KFin Technologies Private Limited, Unit: Deccan Cements Limited, Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500032) or by emailing at "einward.ris@KFinTech.com" in respect of their physical shares, if any, quoting their folio number, Banker's name and account number to ensure prompt and safe receipt of dividend warrants.

25. Manner of registering mandate for receiving Dividend:

- a) with the Depository Participant(s) with whom you maintain your demat accounts if

26. Pursuant to the amendments introduced by the Finance Act, 2020 the Company will be required to withhold taxes at the prescribed rates on the dividend paid to its members w.e.f. April 01, 2020. No tax will be deducted on payment of dividend to the resident individual members if the total dividend paid does not exceed Rs.5,000/-. The withholding tax rate would vary depending on the residential status of the member and documents registered with the Company as follows

A. RESIDENT MEMBERS:

A.1 Tax Deductible at Source for Resident Members:

| SI No | Particulars | Withholding tax rate | Documents required (if any) |
|-------|---|-----------------------------------|---|
| 1 | Valid PAN updated in the Company's Register of Members | 10% | No document required (if no exemption is sought) |
| 2 | No PAN/Valid PAN not updated in the Company's Register of Members | 20% | No document required (if no exemption is sought) |
| 3 | Availability of lower/nil tax deduction | Rate specified in the certificate | Lower tax deduction certificate issued by Income Tax Department u/s 197 of Income Tax Act, 1961 |

shares are held in dematerialised mode by submitting the requisite documents, and

- b) with the Company / RTA (KFinTech) by clicking on "<https://ris.KFinTech.com/form15>" or by emailing at "einward.ris@KFinTech.com", if shares are held in physical mode, by submitting scanned copy of the
 - (i) signed request letter which shall contain member's name, folio number, bank details (Bank account number, Bank and Branch Name and address, IFSC, MICR details),
 - (ii) self-attested copy of the PAN card and
 - (iii) cancelled cheque leaf (with name pre-printed).

In case shares are held in dematerialised mode, details in a form prescribed by your Depository Participant may also be required to be furnished.

A.2 No Tax Deductible at Source on dividend payment to resident members if the Members submit and register following documents as mentioned below table with the Company / KFinTech (RTA).

| SI No | Particulars | Withholding tax rate | Documents required (if any) |
|-------|--|----------------------|---|
| 1 | Submission of form 15G/15H | Nil | Declaration in Form No. 15G (applicable to any person other than a company or a firm) / Form 15H (applicable to an Individual who is 60 years and above), fulfilling certain conditions |
| 2 | Members to whom section 194 of the Income Tax, 1961 does not apply such as LIC, GIC, etc. | Nil | Documentary evidence that the said provisions are not applicable |
| 3 | Member covered u/s 196 of Income Tax Act, 1961 such as Government, RBI, Corporations established by Central Act, and Mutual Funds. | Nil | Documentary evidence for coverage u/s 196 of Income Tax Act, 1961 |
| 4 | Category I and II Alternative Investment Fund | Nil | SEBI registration certificate to claim benefit under section 197A (1F) of Income Tax Act, 1961 |
| 5 | <ul style="list-style-type: none"> • Recognised Provident Funds • Approved Superannuation Fund • Approved Gratuity Fund | Nil | Necessary documentary evidence as per Circular No. 18/2017 issued by Central Board of Direct Taxes(CBDT) |
| 6 | National Pension Scheme | Nil | No TDS as per section 197A (1E) of Income Tax Act, 1961 |

B. NON-RESIDENT MEMBERS:

Withholding tax on dividend payment to non-resident members if the non-resident members submit and register following document as mentioned in the below table with the Company / RTA.

| SI No | Particulars | Withholding tax rate | Documents required (if any) |
|-------|---|--|---------------------------------------|
| 1 | Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs) | 20% (plus applicable surcharge and cess) | FPI registration number / certificate |

| | | | |
|---|---|---|---|
| 2 | Other Non-resident members | 20% (plus applicable surcharge and cess) or tax treaty rate whichever is beneficial | To avail beneficial rate of tax treaty following tax documents would be required: i. Tax Residency certificate issued by revenue authority of country of residence of member for the year in which dividend is received ii. PAN iii. Form 10F filled & duly signed iv. Self-declaration for non-existence of permanent establishment/ fixed base in India (Note: Application of beneficial Tax Treaty Rate shall depend upon the completeness of the documents submitted by the Non-Resident member and review to the satisfaction of the Company) |
| 3 | Indian Branch of a Foreign Bank | NIL | Lower tax deduction certificate u/s 195(3) obtained from Income Tax Authority Self-declaration confirming that the income is received on its own account and not on behalf of the Foreign Bank |
| 4 | Availability of Lower/NIL tax deduction certificate issued by Income Tax Department u/s 197 of Income Tax Act, 1961 | Rate specified in certificate | Lower tax deduction certificate obtained from Income Tax Authority |

Notes:

- i. The Company will issue soft copy of the TDS certificate to its members through email registered with the Company / RTA (KFinTech) post payment of the dividend. Members will be able to download the TDS certificate from the Income Tax Department's website "<https://incometaxindiaefiling.gov.in>" (refer to Form 26AS).
- ii. The aforesaid documents such as Form 15G/15H, documents under section 196, 197A, FPI Registration Certificate, Tax Residency Certificate, Lower Tax certificate etc. can be uploaded on the link "<https://ris.KFinTech.com/form15/>" on or before 7th September 2021, Tuesday to enable the Company to determine the appropriate TDS / withholding tax rate applicable. Any communication on the tax determination/ deduction received post 7th September 2021, Tuesday shall not be considered.
 - iii. Application of TDS rate is subject to necessary verification by the Company of the member details as available in Register of Members as on the Record Date and other documents available with the Company / RTA.
 - iv. In case TDS is deducted at a higher rate, an option is still available with the member to file the return of income and claim an appropriate refund.
 - v. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the Member(s), such Member(s) will be responsible to indemnify the Company and also provide the Company with all information/documents and co-operation in any appellate proceedings.
 - vi. This Communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. Members should consult

their tax advisors for requisite action to be taken by them.

IEPF RELATED INFORMATION:

27. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules as amended from time

to time, the Company has uploaded the details of unclaimed/ unpaid amounts lying with the Company as on 31st March 2021 on the website of the Company which can be accessed through the link "<http://www.deccancements.com/shareholders-information.php>", the summary of such unclaimed/ unpaid dividend and the last date for claiming the same are given below:

| Financial Year | Date of Declaration | Face Value per Share (Rs.) | % of Dividend Declared | Dividend per Share (Rs.) | Unclaimed and unpaid Dividend as on 31.03.2021 (Rs.) | No. of Shares on which dividend unclaimed and unpaid as on 31.03.2021 | Due date of transfer to IEPF |
|----------------|---------------------|----------------------------|------------------------|--------------------------|--|---|------------------------------|
| 2013-14 | 29.09.2014 | 10 | 12 | 1.20 | 1,55,938 | 1,29,887 | 30.10.2021 |
| 2014-15 | 22.09.2015 | 10 | 25 | 2.50 | 3,22,754 | 1,29,102 | 26.10.2022 |
| 2015-16* | 16.03.2016 | 10 | 50 | 5.00 | 6,57,965 | 1,31,593 | 20.04.2023 |
| 2016-17 | 11.08.2017 | 10 | 60 | 6.00 | 7,35,480 | 1,22,580 | 10.09.2024 |
| 2017-18 | 10.08.2018 | 5 | 60 | 3.00 | 4,73,788 | 1,57,929 | 13.09.2025 |
| 2018-19 | 07.08.2019 | 5 | 75 | 3.75 | 5,15,587 | 1,37,490 | 13.09.2026 |
| 2019-20* | 28.02.2020 | 5 | 80 | 4.00 | 6,39,792 | 1,59,948 | 07.03.2027 |

* Interim Dividend

28. Pursuant to Section 124(5) of the Companies Act, 2013 [Section 205C(2) of the Companies Act, 1956] read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time, the Company has transferred the unpaid and unclaimed dividends declared upto financial years 2012-13, to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Details of dividends so far transferred to the IEPF Authority are available on the website of IEPF Authority and the same can be accessed through the link: "www.iepf.gov.in".
29. During financial year 2020-21 (on 26th October 2020), the Company has transferred a sum of Rs.2,25,606/-, the unclaimed and unpaid dividend pertaining to the Financial Year 2012-13, to the Investor Education and Protection Fund (IEPF).
30. The unclaimed/unpaid dividend, if any, pertaining to the financial year 2013-14 shall be transferred to the Investor Education and Protection Fund (IEPF) on 30th October 2021, unless a claim by the respective member is lodged with the Company/RTA before that date.
31. Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time, all shares on which dividend has not been claimed/paid

for seven consecutive years or more shall be transferred to IEPF Authority.

32. During financial year 2020-21, the Company has transferred 6,422 equity shares belongs to 27 shareholders to the IEPF Authority in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more. Details of such shares are available on the website of the Company and the same can be accessed through the link: "<http://www.deccancements.com/shareholders-information.php>". The said details have also been uploaded on the website of the IEPF Authority and can be accessed through the link: "www.iepf.gov.in".
33. Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back from the IEPF Authority. The concerned members/investors are advised to visit the weblink "<http://www.deccancements.com/shareholders-information.php>" or visit the weblink of the IEPF Authority "<http://www.iepf.gov.in/IEPF/refund.html>", or contact the Company's RTA (KFin Technologies Pvt. Ltd.), for detailed procedure to lodge the claim with the IEPF Authority.

OTHER INFORMATION:

34. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Therefore, members holding shares in electronic form are, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the RTA/Company.

In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), with effect from 1st April 2019, securities of listed companies can be transferred in dematerialised form only, except in case of transmission or transposition of securities. In view of the above, Members are advised to dematerialise shares held by them in physical form.

35. Members holding shares in physical mode are:
- a) required to submit their Permanent Account Number (PAN) and bank account details to the Company/RTA (KFinTech) at "<https://karisma.KFinTech.com/>". Members, if not registered with the Company/ KFinTech, as mandated by SEBI, by writing to the KFinTech at "einward.ris@KFinTech.com" along with the details of Folio No., self-attested copy of PAN card, bank details (Bank account number, Bank and Branch Name and address, IFSC, MICR details) and cancelled cheque (with name pre-printed).
 - b) advised to register nomination in respect of their shareholding in the Company.
36. Members holding shares in electronic mode are:
- a) requested to submit their PAN and bank account details to their respective Depository Participants ("DPs") with whom they are maintaining their demat accounts.
 - b) advised to contact their respective DPs for registering nomination.
37. Non-Resident Indian members are requested to inform KFinTech/respective DPs, immediately of:
- a) Change in their residential status on return to India for permanent settlement.
 - b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
38. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its RTA i.e. [KFin Technologies Private Limited ("KFin")] cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant by the member(s).

39. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / RTA.
40. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made there under, Companies can serve Annual Reports and other communications through electronic mode to those members who have registered their e-mail address either with the Company or with the Depository. Those members, who desire to receive notice / documents through e-mail, are requested to communicate their e-mail ID and changes thereto from time to time to his/her Depository Participant / the Company's Registrar & Share Transfer Agent as the case may be. Members who have not registered their e-mail address either with the Company or with the Depository are requested to register as soon as possible
41. Members may also note that the 41st Annual Report for the financial year 2020-21 will also be available on the Company's website "www.deccancements.com". For any communication, the members may also send requests to the Company's investor relations email id: "secretarial@deccancements.com".
42. Members may avail facility of nomination in terms of Section 72 of the Companies Act, 2013, by nominating any person to whom their shares in the Company shall vest in the event of their death.
43. The Company has paid the Listing Fees for the Year 2020-21 to both the Stock Exchanges where equity shares of the Company are listed.

Explanatory statement under Section 102 of the Companies Act, 2013

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

Item No.4: To consider and ratify Cost Auditor's remuneration for the Financial Year 2021-22:

On the recommendation of the Audit Committee, the Board of Directors of the Company, has appointed M/s. Aruna Prasad & Co., Cost Accountants, as the Cost Auditor to conduct the audit of the cost accounting records of the Company for the Financial Year ending 31st March, 2022 at a remuneration of Rs.1,50,000/- (Rupees One Lakh Fifty Thousand only) plus reimbursement of travelling and out of pocket expenses.

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

Accordingly, ratification by the members is sought for the remuneration payable to the Cost Auditors for the financial year ending March 31, 2022 by passing an Ordinary Resolution as set out at Item No. 4 of the Notice.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

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

Item No.5: To consider revision of the remuneration payable to Mr. Shonti Venkateswarlu (DIN: 08602254), Director (Works) w.e.f., 1st April 2021 till completion of his present term:

Mr. Shonti Venkateswarlu was appointed as Director (Works) with effect from 11th November 2019 for a term of five years. Members in the 40th AGM held on 15th September 2020 accorded their approval for the same.

Taking into consideration of his performance as well as the performance of the Company, the Nomination and Remuneration Committee recommended revision of his remuneration with effect from 1st April 2021 till completion of his present term.

Except revision of remuneration there will be no other changes in terms and conditions of his appointment.

Mr. Shonti Venkateswarlu is interested in the resolution set out at item No. 5 of this Notice.

The other relatives of Mr. Shonti Venkateswarlu may be deemed to be interested in the resolution set out at item No.5 of this Notice, to the extent of their shareholding, if any, in the Company.

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

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

By Order of the Board

Sd/-

Bikram Keshari Prusty

Company Secretary

FCS 7855

Place : Hyderabad

Date : 13th August 2021

ANNEXURE TO THE NOTICE DATED 13th AUGUST 2021

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

Mr. R. Gopalakrishnan (DIN: 00296413):

| | |
|---|--|
| Date of Birth | 26.01.1955 |
| Age | 66 Years |
| Date of Appointment | 11.08.2015 |
| Qualification | Fellow Member of the Institute of Company Secretaries of India (ICSI) |
| Brief resume and expertise in specific functional area | More than three decades of experience in corporate sector in areas of General Management, Financial, Legal and Secretarial compliance. |
| Directorships in other companies | Nil |
| Chairmanship/Membership of committees of other companies | Nil |
| Shareholding in the company | Nil |
| No. of Meetings of the Board attended during year 2020-21 | 4 out of 4 |
| Total Remuneration paid for the year 2020-21 | Rs.3.86 Lakhs (Sitting Fees for attending Board and Committee Meetings and Commission on Net Profit of the Company) |
| Relationships between Directors Inter-se | None of the Directors / Key Managerial Personnel of the Company are relatives |

By Order of the Board

Sd/-

Bikram Keshari Prusty

Company Secretary

FCS 7855

Place : Hyderabad

Date : 13th August 2021

DIRECTORS' REPORT

Dear Shareholders,

The Directors of your company are glad to present the 41st Annual Report together with the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2021.

Financial Results

The Financial Results for the year ended 31st March, 2021 are summarized below:

(Rs. in Lakhs)

| Particulars | 2020-21 | 2019-20 |
|--|------------------|------------------|
| Revenue from operations | 75,795.18 | 55,533.46 |
| Other Income (net) | 1,010.58 | 955.66 |
| Total Income | 76,805.76 | 56,489.12 |
| Operating expenses | 58,210.04 | 47,703.81 |
| Depreciation and amortization expenses | 2,317.09 | 2,091.25 |
| Total expenses | 60,527.13 | 49,795.06 |
| Profit before Finance cost and Tax and Exceptional Item | 16,278.62 | 6,694.06 |
| Less: Finance cost | 742.60 | 677.62 |
| Exceptional Item | 0.00 | 962.41 |
| Current tax | 3,890.42 | 1,235.89 |
| Deferred tax | 132.86 | (1,846.24) |
| Net Profit after Tax | 11,512.75 | 5,664.38 |
| Other comprehensive income | (5.00) | (5.06) |
| Total comprehensive income for the year | 11,507.75 | 5,659.32 |
| Profit brought forward from previous year | 38,400.00 | 34,049.42 |
| Less: Dividend (including Corporate Dividend Tax) | 0.00 | (1,308.74) |
| Closing Balance of Profit | 49,907.75 | 38,400.00 |
| Earnings Per Share (in Rs.) | 82.19 | 40.44 |

Results of Operations:

The profit after tax of the Company for the current year was at Rs.11,512.75 Lakh as compared to the

previous year profit of Rs.5,664.38 Lakh. During the year there is no change of business.

The Financial statements are required to be presented in accordance with the Ind-AS requirements from the financial year 2018-19. As per Ind-AS requirements GST, rebates and discounts are reduced from the Gross revenue.

(Rs. in Lakhs)

| Particulars | 2020-21 | 2019-20 |
|--|------------------|------------------|
| Sale of products | | |
| (a) Cement - Net Revenue | 75,078.51 | 54,838.63 |
| (b) Power* (Net of charges for wheeling, banking) | | |
| Wind | 18.76 | 47.68 |
| Hydel | 349.67 | 519.30 |
| Thermal | - | - |
| Power – Net Revenue | 368.43 | 566.98 |
| Other operating revenues | | |
| Scrap sales | 119.06 | 127.85 |
| Sales Tax Incentives** | 229.18 | - |
| Revenue (Net of Taxes and Rebates) | 75,795.18 | 55,533.46 |

* includes unbilled revenue.

** During the year, the company has received sales tax incentive of Rs. 229.18 lakhs pertaining to FY 2013- 14.

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

Dividend:

In consonance with the Company's policy of rewarding its shareholders on a consistent basis, your directors have recommended final dividend of Rs.5/- per equity share i.e. @100% dividend on the Equity Share Capital of the Company for FY 2020-21, sub-

ject to approval of the members in the ensuing annual general meeting of the Company.

The cash outflow for the final dividend FY 2020-21, if declared by the members, will be Rs.700.38 Lakh. The cash outflow for dividend declared for FY 2019-20 was Rs.560.30 Lakh and Rs.115.19 Lakh towards tax on dividend totaling to Rs.675.49 Lakhs.

Your directors have not proposed to transfer any sum to Reserves for the financial year 2020-21.

Capital Structure:

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

Deposits:

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

Management Discussion and Analysis Report:

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

Business Responsibility Report:

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

Corporate Governance:

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

Certificate from the Statutory Auditors of the Company M/s. M Anandam & Co., Chartered Accountants confirming the compliance with the conditions of Corporate Governance as stipulated under the SEBI

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

Transfer to Investor Education and Protection Fund (IEPF):

During the year, the Company has transferred a sum of Rs.2,25,606/-, the unclaimed and unpaid dividend pertaining to the Financial Year 2012-13, to the Investor Education and Protection Fund (IEPF) in compliance with applicable provisions of the Companies Act, 2013. The amount supposed to be transferred to the IEPF by 18th October 2020. Accordingly, your Company had taken necessary steps to transfer the unclaimed and unpaid dividend to the IEPF on or before 18th October 2020, and the Dividend payment banker had transferred the said unclaimed and unpaid dividend to account of the IEPF by NEFT on 14th October 2020. However, due to some technical reasons the linking of the UTR with the Challan couldnot happen. In this connection, your Company raised a service request with the MCA. However, the problem was not resolved, and on 26th October 2020 the dividend payment banker informed your company that due to non-linking of the UTR with the SRN, the amount returned to the account. On the same day your company requested the dividend payment banker to transfer the unclaimed and unpaid dividend to the IEPF, and the dividend payment banker transferred the same to the account of the IEPF by NEFT on 26th October 2020, and this time your Company succeeded to link the UTR with the SRN of the Challan. Due to the above stated reason, there was a delay of 8 days in transferring the unclaimed and unpaid dividend to the IEPF.

Further, the unclaimed and unpaid dividend amount pertaining to the Financial Year 2013-14 is due for transfer to IEPF on 30th October, 2021. The year wise details of unpaid and unclaimed amounts lying with the Company as on 31st March, 2021 is available

in the Company's website "www.deccancements.com". Shareholders are advised to check their unpaid and unclaimed dividend status and contact the Company for encashment of the same, if depicting unpaid.

Section 124(6) of the Companies Act, 2013 read with the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 mandates companies to transfer shares in respect of which dividends remain unpaid / unclaimed for a continuous period of seven years to the IEPF. Adhering to the various requirements set out in the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has, during financial year 2020-21, transferred 6,422 equity shares belonging to 27 shareholders to the IEPF Authority in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more as on the due date of transfer, i.e., 18th September 2020, through corporate action on 28th October, 2020 to the demat account of IEPF Authority held with NSDL. Details of shares so far transferred to the IEPF Authority are available on the website of the Company and the same can be accessed through

Due dates for transfer to IEPF, of the unclaimed/unpaid dividends for the financial year 2013-14 and thereafter, are as under:

| Financial Year | Date of Declaration | Face Value per Share (Rs.) | % of Dividend Declared | Dividend per Share (Rs.) | Unclaimed and unpaid Dividend as on 31.03.2021 (Rs.) | No. of Shares on which dividend unclaimed and unpaid as on 31.03.2021 | Due date of transfer to IEPF |
|----------------|---------------------|----------------------------|------------------------|--------------------------|--|---|------------------------------|
| 2013-14 | 29.09.2014 | 10 | 12 | 1.20 | 1,55,938 | 1,29,887 | 30.10.2021 |
| 2014-15 | 22.09.2015 | 10 | 25 | 2.50 | 3,22,754 | 1,29,102 | 26.10.2022 |
| 2015-16* | 16.03.2016 | 10 | 50 | 5.00 | 6,57,965 | 1,31,593 | 20.04.2023 |
| 2016-17 | 11.08.2017 | 10 | 60 | 6.00 | 7,35,480 | 1,22,580 | 10.09.2024 |
| 2017-18 | 10.08.2018 | 5 | 60 | 3.00 | 4,73,788 | 1,57,929 | 13.09.2025 |
| 2018-19 | 07.08.2019 | 5 | 75 | 3.75 | 5,15,587 | 1,37,490 | 13.09.2026 |
| 2019-20* | 28.02.2020 | 5 | 80 | 4.00 | 6,39,792 | 1,59,948 | 07.03.2027 |

* Interim Dividend

the link: "<http://www.deccancements.com/shareholders-information.php>". The said details have also been uploaded on the website of the IEPF Authority and can be accessed through the link: "www.iepf.gov.in".

Similarly, the shares in respect of which dividend are unpaid / unclaimed for a continuous period of seven years, since the dividend declared for Financial Year 2013-14, are due for transfer to IEPF on 30th October, 2021.

The details of unpaid and unclaimed dividends lying with the Company as on March 31, 2021 are uploaded on the website of the Company and can be accessed through the link "<https://deccancements.com/shareholders-information.php>".

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

Directors and Key Managerial Personnel:

Pursuant to Section 152 of the Companies Act, 2013 Mr. R Gopalakrishnan (DIN: 00296413) is liable to retire by rotation at the forthcoming Annual General Meeting and being eligible has offered himself for re-appointment. The Board recommends his reappointment.

Brief resume of the Director(s) retiring by rotation, seeking appointment, including nature of their experience in specific functional areas, names of companies in which they hold directorship and membership of committees of the Board is appended to the Notice calling the 41st Annual General Meeting.

Familiarization program for Independent Directors:

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

Declaration by Independent Directors:

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

Statutory Auditor:

M/s. M Anandam & Co., Chartered Accountants, Secunderabad, were appointed as Statutory Auditors

of the Company in the 37th annual general meeting of the Company held on 11th August, 2017 for a period of five years i.e. till the conclusion of the 42nd annual general meeting to be held in the year 2022 for FY 2021-22.

The Notes on the financial statements referred to in the Auditors' Report are self explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark, except delay in transferring the unclaimed and unpaid dividend for FY 2012-13 to the IEPF. Your Director reiterates the reasons stated in "Transfer to Investor Education and Protection Fund (IEPF)" for the delay of 8 days in transferring the unclaimed and unpaid dividend for FY 2012-13 to the IEPF.

Cost Auditor:

M/s. Aruna Prasad & Co., Cost Accountants, Chennai, has been reappointed by the Board of Directors as Cost Auditor of the Company for the Financial Year 2021-22. The remuneration of the cost auditor is required to be ratified by the members in accordance with the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014. Accordingly, the matter is being placed before the Members for ratification at the ensuing Annual General Meeting.

Secretarial Auditor:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company engaged the services of M/s. V. Shankar & Co., Company Secretaries, Hyderabad to conduct the Secretarial Audit of the Company for the financial year ended 31st March, 2021. The Secretarial Audit Report in Form MR-3 is

annexed to this Report (Annexure I). There has been no qualification, reservation, adverse remarks or disclaimer in the Secretarial Audit Report, except delay in transferring the unclaimed and unpaid dividend for FY 2012-13 to the IEPF. Your Director reiterates the reasons stated in "Transfer to Investor Education and Protection Fund (IEPF)" for the delay of 8 days in transferring the unclaimed and unpaid dividend for FY 2012-13 to the IEPF.

Annual Return:

The Annual Return for FY 2020-21 is available on the website of the Company and the same can be accessed through the link: "<http://www.deccancements.com/shareholders-information.php>".

Board Meetings:

During the year, Four (4) meetings of the Board of Directors were convened and held. The details of the meetings of the Board are furnished in the Corporate Governance Report which forms part of this Report.

Directors' Responsibility Statement:

Pursuant to the provisions of Section 134(3)(c) and 134(5) of the Companies Act, 2013, relating to Directors' Responsibility Statement, your Directors, confirm that:

- a) in the preparation of the annual accounts for the year ended 31st March, 2021, the applicable accounting standards had been followed and there are no material departure;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 31st March, 2021 and of the

profit of the company for the year ended on that date;

- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts for the year ended 31st March, 2021 on a going concern basis;
- e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CEO/CFO Certification:

The CEO and CFO certification on the Financial Statements for Year 2020-21 is provided elsewhere in this Annual Report.

Policy on Directors' appointment and remuneration and other details:

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

Particulars of loans, guarantees or investments under Section 186:

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

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

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

Transactions entered by the Company with its related parties were on an arm's length basis and suitable disclosures as required under Ind AS-24 have been made in Note No. 32 to the Financial Statements.

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

Energy Conservation, Technology Absorption and Foreign Exchange:

Information required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 forming part of the Directors' Report for the year ended 31st March 2021 are given in Annexure II.

Internal Control Systems and its Adequacy:

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

Risk Management:

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

Corporate Social Responsibility (CSR):

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

A brief outline of the CSR policy of the Company and the Annual Report on CSR activities undertaken during the year 2020-21 in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed to this Report (Annexure III).

Board Evaluation:

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

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

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

Particulars of Employees:

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

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

Prevention of Sexual Harassment Policy:

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

During the financial year ended 31st March, 2021, the Company has not received any Complaint pertaining to Sexual Harassment.

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

As per the directives of both the Central and State Governments in the wake of COVID-19 pandemic, your Company had suspended operations w.e.f. 23rd March 2020. Taking into account directives from the Government operations have commenced in a phased manner from 20th April 2020. The Company's operations were impacted in the month of March and April 2020. The Company has made an assessment on measurement of assets and liabilities including recoverability of carrying values of its assets, its liquidity position and ability to repay its debts for the next

year, and concluded that no material adjustments are considered necessary. The Company has not availed moratorium allowed by RBI for payment of its debt obligations and the Company continues to service all its payment obligations in time. The Company has adequate liquidity in the form of cash and credit facilities/lines for meeting its funds requirements.

Acknowledgement:

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

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

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

For and on behalf of the Board

Sd/-

M B Raju

Place: Hyderabad
Date: 11th June 2021

Executive Chairman
DIN: 00016652

Annexure I

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

(Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Deccan Cements Limited** (hereinafter called the Company).

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2021 (herein after called as Audit Period)** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of :
 - a) Foreign Direct Investment (**Not Applicable during the Audit Period**)
 - b) Overseas Direct Investment; (**Not Applicable during the Audit Period**)
 - c) External Commercial Borrowings (**Not Applicable during the Audit Period**);
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(not applicable during the Audit Period)**;
 - d. The Securities and Exchange Board of India (Share Based Benefits) Regulations, 2014; **(not applicable during the Audit Period)**;
 - e. The Securities and Exchange Board of India (Issue and listing of Debt Securities) Regulations, 2008; **(not applicable during the Audit Period)**;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(not applicable during the Audit Period)** and;
 - h. The Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018 **(not applicable during the Audit Period)**;
- vi. We further report that having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:
- a. Cement (Quality Control) Order, 2003
 - b. Cement Cess Rules, 1993
 - c. The Electricity Act, 2003
 - d. The Mines Act, 1952
 - e. Mines and Minerals (Development & Regulation) Act, 1957
 - f. The Forest Conservation Act, 1980
 - g. Legal Metrology Act, 2009
- vii. We have also examined compliance with the applicable clauses of the following:
- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
 - (ii) The Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that -

- (i) There has been a delay in transferring unpaid dividend amount to the IEPF account. However, the officials of the Company described the reason and furnished necessary information for the delay in transferring the unpaid and unclaimed dividend to IEPF.
- (ii) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Di-

rectors that took place during the period under review were carried out in compliance with the provisions of the Act:

- (ii) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (iii) All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be

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

For V Shankar & Co
Company Secretaries

Sd/-

Shankar Viswanathan

Sole Proprietor

FCS No. : 7638

C. P. No. : 8446

UDIN: F007638C000445504

Place : Hyderabad

Date : 11.06.2021

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

Annexure A

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

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For V Shankar & Co
Company Secretaries

Sd/-
Shankar Viswanathan
Sole Proprietor
FCS No. : 7638
C. P. No. : 8446
UDIN: F007638C000445504

Place : Hyderabad
Date : 11.06.2021

Annexure II

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

A. Conservation of Energy

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

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

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

The Company has two non-conventional power plant, one is 2.025 MW capacity Wind Power Project and the other unit is a 3.75 MW Mini Hydel Project. Further, during the financial year 2020-21, the company has commissioned Waste Heat Recovery (WHR) power plant project of 6.31 MW.

Disclosure of Particulars with Respect to Conservation of Energy

| I) | Power and Fuel Consumption | Current Year 2020-21 | Previous Year 2019-20 |
|-----|---|-------------------------|--------------------------|
| 1 | Electricity | | |
| | a Purchased | | |
| | Unit: (KWH - Lakh) | 112.50 | 160.47 |
| | Total Amount (Rs.in Lakh) | 1,194.91 | 1,358.54 |
| | Average rate per unit (Rs.) | 10.62 | 8.47 |
| | b Own Generation | | |
| | i Through diesel generator | | |
| | Units Generated (KWH - Lakh) | 0.020 | 0.000 |
| | Total Amount (Rs.in Lakh) | 2.421 | 2.972 |
| | Rate per unit (Rs.) | 142.41 | 0 |
| | Units per Liter of Diesel Oil (Rs.) | 0.63 | 0 |
| | ii Thermal Generation (CPP) | | |
| | Units Generated (KWH - Lakh) | 1,231.18 | 1,179.67 |
| | Total Amount (Rs.in Lakh) | 5,107.46 | 5,097.76 |
| | Rate per unit (Rs.) | 4.14 | 4.32 |
| | iii Waste Heat Recovery (WHR) power plant | | |
| | Units Generated (KWH - Lakh) | 105.76 | NA |
| | Total Amount (Rs.in Lakh) | 25.45 | NA |
| | Rate per unit (Rs.) | 0.24 | NA |
| 2 | Coal: Used as fuel in kiln | | |
| | Quantity (Million K Cal) | 10,85,021 | 9,25,736 |
| | Total Cost (Rs.in Lakh) | 15,435.92 | 13,280.11 |
| | Average Rate (Rs./ Million K Cal) | 1,422.64 | 1,434.55 |
| II) | Power and Fuel consumption per unit of production | | |
| | Electricity (KWH / Tonne of Cement) | 81 | 82 |
| | Coal % | 18.25 | 18.09 |

B. Technology Absorption

- a) Research & Development (R&D) : Not Applicable
- b) Technology Absorption, Adaption and Innovation : During the financial year 2020-21, the company has commissioned Waste Heat Recovery (WHR) power plant project of 6.31 MW

C. Foreign Exchange Earnings and Outgo

- a) Activities relating to exports; initiatives taken to increase exports; development of new export markets or products and services and export plans:

The Company presently has no export business on hand.

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

| Particulars | Current Year 2020-21 | Previous Year 2019-20 |
|--------------------|---------------------------------|----------------------------------|
| Used | 467.14 | 23.51 |
| Earned | NIL | NIL |

For and on behalf of the Board

Place: Hyderabad
Date: 11th June 2021

Sd/-
M B Raju
Executive Chairman
DIN: 00016652

Annexure III

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

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

The CSR Committee has formulated a CSR Policy indicating the areas in which activities are to be undertaken. As per the Policy, the Company during the year has undertaken the CSR activities in areas of promoting education, making availability of safe drinking water, preventive health care and rural development projects which have benefited the community at large. These projects are in accordance with Schedule VII of the Companies Act, 2013.

2. The composition of the CSR Committee:

In compliance with the requirements of Section 135 of the Companies Act, 2013 your company has constituted a Corporate Social Responsibility ("CSR") Committee with the following directors:

| Sl. No. | Name of Director | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---------|------------------|--------------------------------------|--|--|
| 1 | Mr. K. P. Singh | Chairman / Independent Director | 1 | 1 |
| 2 | Dr. S.A Dave | Member / Independent Director | 1 | 1 |
| 3 | Ms. P. Parvathi | Member / Managing Director | 1 | 1 |

3. The web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company are as under:

| | |
|------------------------------------|---|
| Composition of CSR committee | https://deccancements.com/corporate-governance.php |
| CSR Policy | http://www.deccancements.com/pdf/CSRPolicy.pdf |
| CSR projects approved by the board | https://deccancements.com/shareholders-information.php |

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule(3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules,2014, if applicable (attach the report): Not Applicable

5. Details of the amount available for set-off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set-off for the financial year, if any:

| Sl. No. | Financial Year | Amount available for set-off from preceding financial years (in Rs) | Amount required to be set-off for the financial year, if any(in Rs) |
|---------|----------------|---|---|
| 1 | 2019-20 | Nil | Nil |
| 2 | 2018-19 | Nil | Nil |
| 3 | 2017-18 | Nil | Nil |
| | Total | Nil | Nil |

6. Average net profit of the company as per section 135(5): Rs. 61,90,88,678

| | | | |
|----|-----|--|-----------------|
| 7. | (a) | Two percent of average net profit of the company as per section 135(5) | Rs. 1,23,81,774 |
| | (b) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years. | Nil |
| | (c) | Amount required to be set-off for the financial year, if any | Nil |
| | (d) | Total CSR obligation for the financial year (7a+7b-7c) | Rs. 1,23,81,774 |

8. (a) CSR amount spent or unspent for the financial year:

| Total Amount Spent for the Financial Year (in Rs.) | Amount Unspent (in Rs.) | | | | |
|--|---|------------------|---|--------|------------------|
| | Total Amount transferred to Unspent CSR Account as per section 135(6) | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) | | |
| | Amount | Date of transfer | Name of the Fund | Amount | Date of transfer |
| 1,25,16,321 | - | - | - | - | - |

(b) Details of CSR amount spent against ongoing projects for the financial year:

| (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | (9) | (10) | (11) | |
|--------|---------------------|---|---------------------|-------------------------|------|------------------|---|---|--|---|--|---|
| Sl. No | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local area (Yes/No) | Location of the project | | Project duration | Amount allocated for the project (in Rs.) | Amount spent in the current financial Year (in Rs.) | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.) | Mode of Implementation- Direct (Yes/No) | Mode of Implementation-Through Implementing Agency | |
| | | | State | District | Name | | | | | | CSR Registration number | |
| - | - | - | - | - | - | - | - | - | - | - | - | - |

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

| (1) Sl. No. | (2) Name of the Project | (3) Item from the list of activities in schedule-VII to the Act | (4) Local area (Yes/No) | (5) Location of the project. | | (6) Amount spent for the project (in Rs.) | (7) Mode of implementation -Direct (Yes/No) | (8) Mode of implementation-Through implementing agency | |
|----------------|--|--|----------------------------|---------------------------------|----------|--|--|---|-------------------------|
| | | | | State | District | | | Name | CSR Registration number |
| 1 | 1(a).Distribution of Essential Commodities to Poor and Needy in Surrounding villages | Eradicating hunger, poverty and malnutrition -Item No. (i) of the Schedule VII | Yes | Telangana | Suryapet | 7,31,187 | Yes | - | - |
| | 1(b).Distribution of Essential Commodities to Poor and Needy in Surrounding villages | | Yes | Andhra Pradesh | Guntur | 4,000 | Yes | - | - |
| 2. | 2 (a). DCL High School | Promoting education - Item No.(ii) of the Schedule VII | Yes | Telangana | Suryapet | 50,11,304 | Yes | - | - |
| | 2 (b). Aganwadi School Building Repairing at Janpahad Village | | Yes | Telangana | Suryapet | 40,000 | Yes | - | - |
| | 2(c). Distribution of Laptops to Schools for Online Classes | | Yes | Telangana | Suryapet | 2,65,500 | Yes | - | - |
| | 2(d). Supporting to Schools in the various Districts of Telangana and Andhra Pradesh | | | Telangana and AP | - | 1,56,000 | No | Janahita | - |

DIRECTORS REPORT

| (1) Sl. No. | (2) Name of the Project | (3) Item from the list of activities in schedule-VII to the Act | (4) Local area (Yes/No) | (5) Location of the project. | | (6) Amount spent for the project (in Rs.) | (7) Mode of implementation -Direct (Yes/No) | (8) Mode of implementation-Through implementing agency | |
|----------------|--|---|----------------------------|---------------------------------|----------|--|--|---|-------------------------|
| | | | | State | District | | | Name | CSR Registration number |
| 3. | 3 (a). Medical Camp in the surrounding villages | Promoting Health Care including Preventive Health Care and sanitation - Item No. (i) of the Schedule VII | Yes | Telangana | Suryapet | 3,76,250 | Yes | - | - |
| | 3(b). RO Water Plant arranged at Kalmet Thanda | | Yes | Telangana | Suryapet | 1,70,700 | Yes | - | - |
| | 3(c). Mobile Toilets in surrounding villages. | | Yes | Telangana | Suryapet | 1,00,000 | Yes | - | - |
| | 3(d). Supply of Furniture to Primary Health Centre in Sunyapahad Village | | Yes | Telangana | Suryapet | 15,500 | Yes | - | - |
| 4. | 4(a). Cleaning, Leveling & Flooring of Roads and Drainages in Ravipahad, Janpahad and other surrounding Villages | Rural Development Projects - Item No. (x) of the Schedule VII | Yes | Telangana | Suryapet | 5,83,247 | Yes | - | - |
| | 4(b). Providing infrastructure facilities to Surrounding Villages | | Yes | Telangana | Suryapet | 8,82,050 | Yes | - | - |
| | 4(c). Fencing Work around Dumping Yard in Ravipahad Village | | Yes | Telangana | Suryapet | 1,51,187 | Yes | - | - |
| | 4(d). CC Roads in Ravipahad and Mahankaligudem Village | | Yes | Telangana | Suryapet | 10,15,110 | Yes | - | - |
| | 4(e). Drainage works in Janpahad Village | | Yes | Telangana | Suryapet | 78,698 | Yes | - | - |
| | 4(f). Various Development works in surrounding villages | | Yes | Telangana | Suryapet | 19,35,588 | Yes | - | - |

| (1) Sl. No. | (2) Name of the Project | (3) Item from the list of activities in schedule-VII to the Act | (4) Local area (Yes/No) | (5) Location of the project. | | (6) Amount spent for the project (in Rs.) | (7) Mode of implementation -Direct (Yes/No) | (8) Mode of implementation-Through implementing agency | |
|----------------|---|--|----------------------------|---------------------------------|----------|--|--|---|-------------------------|
| | | | | State | District | | | Name | CSR Registration number |
| 5 | 5(a).Promoting Sports in Surrounding Villages | Promote Rural Sports - Item No. (vii) of the Schedule VII | Yes | Telangana | Suryapet | 10,00,000 | Yes | - | - |
| | | | | | Total | 1,25,16,321 | | | |

- (d) Amount spent in Administrative Overheads : NIL
- (e) Amount spent on Impact Assessment, if applicable : NIL
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e) : Rs.1,25,16,321
- (g) Excess amount for set off, if any:

| SI No. | Particular | (Amount in Rs.) |
|--------|---|-----------------|
| (i) | Two percent of average net profit of the company as per section 135(5) | 1,23,81,774 |
| (ii) | Total amount spent for the Financial Year | 1,25,16,321 |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | 1,34,547 |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | Nil |
| (v) | Amount available for set-off in succeeding financial years [(iii)-(iv)] | 1,34,547 |

9. (a) Details of Unspent CSR amount for the preceding three financial years:

| SI No. | Pre-ceeding Financial Year | Amount transferred to Unspent CSR Account under section 135(6) (in Rs.) | Amount spent in the reporting Financial Year (in Rs.) | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any | | | Amount re-remaining to be spent in succeeding Financial years (in Rs.) |
|--------|----------------------------|---|---|---|----------------|------------------|--|
| | | | | Name of the Fund | Amount (in Rs) | Date of transfer | |
| 1 | 2019-20 | - | - | - | - | - | - |
| 2 | 2018-19 | - | - | - | - | - | - |
| 3 | 2017-18 | - | - | - | - | - | - |
| | Total | - | - | - | - | - | - |

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
|--------|------------|---------------------|---|------------------|---|--|---|---|
| SI No. | Project ID | Name of the Project | Financial Year in which the project was commenced | Project duration | Total amount allocated for the project (in Rs.) | Amount spent on the project in the reporting Financial Year (in Rs.) | Cumulative amount spent at the end of reporting Financial Year (in Rs.) | Status of the project - Completed / Ongoing |
| 1 | - | - | - | - | - | - | - | - |
| 2 | - | - | - | - | - | - | - | - |
| 3 | - | - | - | - | - | - | - | - |
| | Total | - | - | - | - | - | - | - |

10. Details relating to the capital asset created or acquired through CSR spent in the financial year: (asset-wise details): Not Applicable

- (a) Date of creation or acquisition of the capital asset(s):
- (b) Amount of CSR spent for creation or acquisition of capital asset:
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset(s)).

11. Specify the reason(s) why the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

Sd/-
P. Parvathi
Managing Director
DIN: 00016597
Place: Hyderabad
Date: 11-06-2021

Sd/-
K. P. Singh
Chairman CSR Committee
DIN: 02951522
Place: New Delhi
Date: 11-06-2021

Annexure IV

REMUNERATION DETAILS PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- i) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

| Name of Directors | Designation | Ratio of remuneration to Median Remuneration |
|----------------------|------------------------|--|
| Mr. M B Raju | Executive Chairman | 98.84 |
| Mr. U Shrivastava | Independent Director | 1.08 |
| Dr. S A Dave | Independent Director | 0.80 |
| Mr. J Narayanamurty | Independent Director | 1.08 |
| Mr. K P Singh | Independent Director | 1.06 |
| Mr. R Gopalakrishnan | Non-Executive Director | 0.82 |
| Ms. P Parvathi | Managing Director | 97.14 |
| Mr. S Venkateswarlu | Director (Works) | 8.71 |
| Mrs. Mahpara Ali | Independent Director | 0.69 |

The percentage in increase in remuneration of each directors, chief financial officer, Company Secretary, if any in the financial year:

| Name of Directors / KMP | Designation | % increase / (decrease) in Remuneration |
|--|-------------------------|---|
| Mr. M B Raju | Executive Chairman | 86.12 |
| Mr. U Shrivastava | Independent Director | N.A. |
| Dr. S A Dave | Independent Director | N.A. |
| Mr. J Narayanamurty | Independent Director | N.A. |
| Mr. K P Singh | Independent Director | N.A. |
| Mr. R Gopalakrishnan | Non-Executive Director | N.A. |
| Ms. P Parvathi | Managing Director | 87.27 |
| Mr. S Venkateswarlu* | Director (Works) | 142.25 |
| Mrs. Mahpara Ali | Independent Director | N.A. |
| Mr. D. Raghava Chary [#] | Chief Financial Officer | 34.11 |
| Mr. Bikram Keshari Prusty [§] | Company Secretary | 43.13 |

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

* Mr. S. Venkateswarlu is appointed as Director (Works) on 11th November 2019.

[#] Mr. D. Raghava Chary is appointed as CFO on 29th June 2019.

[§] Mr. Bikram Keshari Prusty is appointed as Company Secretary on 8th July 2019.

- ii) The percentage increase in the median remuneration of Employees for the financial year: 4.44%
- iii) There were 379 permanent employees as on 31st March 2021.
- iv) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration:

The average increase in the remuneration of employees excluding KMPs during FY 2020-21 was 0.73% and the average increase in the remuneration of KMPs during FY 2020-21 was 85.93 % (Due to increase in profit during FY 2020-21 and Commission on Net Profit payable to Executive Chairman and Managing Director. Further, the Director (Works), CFO, and Company Secretary were appointed during FY 2019-20 and they did not draw remuneration for whole FY 2019-20).

- v) The remuneration of Directors was as per the Remuneration Policy of the Company.
- vi) Details of Top 10 Employees:

| Sl. No. | Name | Designation | Remuneration (Annual) Rs. in Lakhs | Qualification & Experience | Date of Commencement of Employment | Age | Last Employment Details | No. of Shares held in the Company |
|---------|----------------------|---|------------------------------------|----------------------------------|------------------------------------|-----|---|-----------------------------------|
| 1 | N. Srinivasa Raju | Chief General Manager (Works) | 30.98 | B. Tech (Mech) & 29 Years | 07.11.2019 | 52 | Sr.GM (O&M) MyHome Ind. Pvt.Ltd | - |
| 2 | U. Raghavendra Varma | Sr. General Manager (E&I) | 25.95 | B. Tech (EEE) & 34 Years | 17-03-2012 | 58 | Dy. GM (Works) - NCL Industries Ltd. | 50 |
| 3 | G. Venkata Subaiah | Sr. General Manager (Projects & Operations) | 25.23 | Diploma in Mech. Engg.& 32 Years | 02-08-2018 | 59 | GM (Pyro Section & Operations) – Ultra Tech Cement Ltd. | - |
| 4 | C Ramesh Reddy | Vice President (Marketing) | 21.83 | B. com, MBA, LLB & 27 Years | 10-10-2008 | 50 | Dy. Manager (Sales) - Ultra Tech Cement Ltd. | - |
| 5 | D. Raghava Chary | Vice President (Finance) & CFO | 21.80 | ACA & 34 Years | 15-04-2019 | 58 | GM-(Finance & Admin)- Raycom Eng Systems Ltd. (Dubai) | 2 |
| 6 | A V S Seshu | Sr. General Manager (Purchase) | 20.64 | BE (Mech. Eng.) & 28 Years | 07-05-2012 | 53 | Sr. Manager (Materials) - Vijai Electricals Ltd. | - |

| Sl. No. | Name | Designation | Remuneration (Annual) Rs. in Lakhs | Qualification & Experience | Date of Commencement of Employment | Age | Last Employment Details | No. of Shares held in the Company |
|---------|-----------------------|---|------------------------------------|---------------------------------|------------------------------------|-----|--|-----------------------------------|
| 7 | P. Srinivasa Rao | Dy. General Manager (Mech) | 17.52 | B. Tech (Mech. Eng.) & 26 Years | 06-01-2011 | 53 | Dy. Manager (Mechanical) - India Cements Ltd. | - |
| 8 | Bikram Keshari Prusty | Dy. General Manager (Legal) & Company Secretary | 17.29 | M.Com, LLB. & 15 Years | 08-07-2019 | 47 | Company Secretary – Nile Limited | 1 |
| 9 | S. Nagamalleswara Rao | General Manager (P&A) | 16.92 | LLB, MA & 32 Years | 17-07-2015 | 56 | Sr. Manager (HR) – Anjani Portland Cement Ltd. | - |
| 10 | Mohammad Mastan | General Manager (Process) | 16.63 | B.Sc 30 Years | 14.09.2018 | 57 | Plant Manager Rai Cement | - |

Note:

- All the above employees are under regular employment contract.
- None of the above employees is relative of any director of the company.

For and on behalf of the Board

Place: Hyderabad
Date: 11th June 2021

Sd/-
M B Raju
Executive Chairman
DIN: 00016652

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Despite the lockdown imposed due to pandemic situation prevailing in the country, which severely hampered the working conditions, the Company has shown a stable and improved performance with a good bottom line (profit after tax) during the year under review.

We summarise below the Management's view on the Performance of the Company for the year 2020-21 and on the future outlook for the Company:

Industry Structure and Developments:

India is the world's second-largest cement producer.

Cement production in India stood at 294 million tonnes (MT) in FY 2020-21 as against 334 million tonnes (MT) in FY2019-20.

However, due to the increasing demand in various sectors such as housing, commercial construction and industrial construction, cement industry in India is expected to reach 550-600 million tonnes per annum (MTPA) by the year 2025. Cement demand is closely linked to the overall economic growth, particularly of the housing and infrastructure sector. Increasing demand from affordable housing and for other government infrastructure projects like roads, metros, airports, irrigation etc. are demand drivers which support cement industry.

The demand as well as price of Cement during FY 2020-21 was good. However, due to country wide lockdown imposed by the Central and State Governments, to curb the spread of COVID-19, production and dispatches during April 2020 and first half of May 2020 were severely hampered.

Cement consumption is also growing strong in the rural, semi-urban and retail markets. There has been

a spurt in construction in rural infrastructure and low cost housing sectors.

Also there has been a steady off take in housing and government infrastructure projects which has resulted in reviving demand across the markets even in urban India in the later months of the FY.

Further, the Indian Government has approved various investment schemes, which will help strengthen cement consumption. Some of the initiatives taken by the Indian Government are:

- As per the Union Budget 2021-22, the government outlaid Rs.1,18,101 crore for the Ministry of Road Transport and Highways.
- As per the Union Budget 2021-22, National Infrastructure Pipeline (NIP) expanded to 7,400 projects from 6,835 projects.
- The Union Budget allocated Rs.13,750 crore and Rs.12,294 crore for Urban Rejuvenation Mission: AMRUT and Smart Cities Mission, and Swachh Bharat Mission, respectively and Rs.27,500 crore has been allotted under Pradhan Mantri Awas Yojana.

The continued emphasis on infrastructure projects is expected to lead to a steady demand for cement country wide. Various other initiatives and projects of the Governments have shown results in the form of improved off take of cement and are expected to give further fillip in the years to come.

Opportunities and Threats:

Infrastructure development is widely acknowledged as the key to achieving growth, which has also been the focus of the government of India in its recent plans and policies.

Indian cement companies reported a healthy growth in earnings and demand for the industry increased on the back of resuming construction activities post COVID-19 lockdown imposed by the government.

Opportunities:

- Government announcements in November–December 2020 regarding key infrastructure projects such as National Highway projects in Nagaland, Rajasthan, Karnataka and Telangana.
- Opportunities available in areas such as housing, dedicated freight corridors, ports and other infrastructure projects.
- Various government projects to fuel the economy, the domestic cement industry is poised for a volume surge.

Threats:

- Excess production facilities in a region may lead to cut throat competition.
- The cement industry greatly relies on construction activities. Therefore, any problem in construction activities will affect the cement industry to a large extent.
- Scarcity in supply of raw material, such as limestone, coal.

However, at present the demand of cement is encouraging and expected to continue in future.

Outlook:

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

The eastern states of India along with the Border States will be the new demand drivers for cement companies and will contribute to their bottom-line in future.

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

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

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

During the year under review the Company has commissioned its Waste Heat Recovery Plant (WHR project) in December 2020, and started generating energy. The WHR was planned in order to reduce the energy cost of the Company.

Your Directors have approved the proposal to increase the cement production capacity by 2.2 Million Tons. The management of your company is working on the same proposals.

Risks and Concerns

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

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

- Adverse Changes in Government Policies impact the costs, demand and supply;

Internal Control Systems and their Adequacy:

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

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

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

Financial and Operational Performance

During the year under review, the Company's op-

erational performance was good in comparison to FY 2019-20. During FY 2020-21 the Company has sold 17.81 Lakh MT's of cement, as against 14.70 Lakh MT's during the year 2019-20, which is about 21.16% higher in FY 2020-21. The revenue from Cement sales in FY 2020-21 stands at Rs.75,079 Lakh, as against Rs.54,839 Lakh in FY 2019-20, which is about 36.91% higher in FY 2020-21.

The scenario of demand for the product and the price fluctuations can be gauged from the fact that the increase in volume of sale by 21.16% has translated into 36.91% increase in the revenue from cement during the year. While a Tonne of Cement has realised an average price of Rs.3,734 per MT during 2019-20, it realised Rs.4,215 per MT during the year 2020-21.

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

Due to increase in the Volume of sales, the revenue from operations went up by 36.49%, consequently EBIDTA margin increased by 111.67%, Profit before Tax and Exceptional items increased by 158.23%.

The Profit After Tax for the year stood at Rs.11,512.75 Lakh compared to Rs.5,664.38 Lakh Lakh for the previous year (an increase of about 103.25%).

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

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

| Particulars (Ratio) | 2020-21 | 2019-20 | Variance |
|------------------------------------|---------|---------|----------|
| Debtors Turnover Ratio (in Days) | 17.55 | 20.92 | (16.11%) |
| Inventory Turnover Ratio (in Days) | 56.84 | 67.30 | (15.54%) |
| Interest Coverage Ratio | 21.92 | 9.88 | 121.90% |
| Current Ratio | 2.00 | 1.85 | 8.30% |
| Debt Equity ratio | 0.09 | 0.15 | (38.28%) |
| Operating profit Margin ratio | 21.48% | 12.05% | 78.17% |
| Net profit margin ratio | 15.19% | 10.20% | 48.92% |
| Return on Equity | 22.69% | 13.23% | 71.49% |

Increase in profit resulted in high Interest Coverage Ratio, Operating Profit Margin Ratio, Net Profit Margin Ratio, and Return in Equity.

During the year the Company repaid Term Loan installments and other long-term debts. Accordingly, the Debt Equity Ratio decreased.

Human Resources & Industrial Relations

The Company believes that the people are its assets and continues its focused attention on nurturing and developing its human resources through continuous training, motivation and engagement initiatives. The relationship with employees continues to be cordial and harmonious and always provides a positive and conducive environment to improve efficiency. Emphasis on competency improvement through skill and capability development, training programs and nationalization of work methods, have improved employee productivity and morale. The Company's Health and Safety Policy aims at providing a healthy and safe work environment to all employees. As on 31st March 2021, the Company has 379 employees who are engaged in its units and offices.

Cautionary Statement

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

For and on behalf of the Board

Sd/-

M B Raju

Place: Hyderabad

Date: 11th June 2021

Executive Chairman

DIN: 00016652

BUSINESS RESPONSIBILITY REPORT

[See Regulation 34(2)(f)]

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

| S. No. | Particulars | Company Information |
|--------|--|--|
| 1 | Corporate Identity Number (CIN) of the Company | L26942TG1979PLC002500 |
| 2 | Name of the Company | Deccan Cements Limited |
| 3 | Registered address | 6-3-666/B, Deccan Chambers, Somajiguda, Hyderabad, Telangana-500082 |
| 4 | Website | www. deccancemets.com |
| 5 | E-mail id | secretarial@deccancements.com |
| 6 | Financial Year reported | 01.04.2020- 31.03.2021 |
| 7 | Sector(s) that the Company is engaged in (industrial activity code-wise) | 1. Manufacture of clinkers and cement (23941 and 23942) 2. Generation of Electricity (35101, 35102 and 35106) |
| 8 | List three key products/ services that the Company manufactures/ provides (as in balance sheet): | 1. Ordinary Portland Cement (OPC). 2. Portland Pozollana Cement (PPC). 3. Sulphate Resistance Portland Cement (SRC). |
| 9 | Total number of locations where business activity is undertaken by the Company | |
| (a) | Number of International Locations (Provide details of major 5) | Nil |
| (b) | Number of National Locations | 5 States (Andhra Pradesh, Telangana, Tamilnadu, Karnataka and Odisha) |
| 10 | Markets served by the Company – Local/State/National/International | Local, State and National |

SECTION B: FINANCIAL DETAILS OF THE COMPANY

| S. No. | Particulars | Company Information |
|--------|---|---|
| 1 | Paid up Capital(Lakh) | Rs.7,00.375 |
| 2 | Total Turnover(Lakh) | Rs.75,795.18 |
| 3 | Total Profit after Taxes(Lakh) | Rs.11,512.75 |
| 4 | Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) | The Company has spent Rs.125.16 lakhs during the Financial Year 2020-21 on CSR activities, which is more than 2% of PAT of average 3 preceding years. |
| 5 | List of activities in which expenditure in 4 above has been incurred | 1. Eradicating hunger, poverty and malnutrition 2. Promoting Education 3. Promoting Health Care 4. Promoting Rural Sports 5. Rural Development projects |

SECTION C: OTHER DETAILS

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

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

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

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

(b) Details of the BR head

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

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

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

| | |
|-----|---|
| P 1 | Businesses should conduct and govern themselves with Ethics, Transparency and Accountability |
| P 2 | Businesses should provide goods and services that are safe and Contribute to sustainability throughout their life cycle |

BUSINESS RESPONSIBILITY REPORT

| | |
|-----|--|
| P 3 | Businesses should promote the wellbeing of all employees |
| P 4 | Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized |
| P 5 | Businesses should respect and promote human rights |
| P 6 | Business should respect, protect and make efforts to restore the environment |
| P 7 | Businesses, when engaged in influencing public and regulatory policy should do so in a responsible manner |
| P 8 | Businesses should support inclusive growth and equitable development |
| P 9 | Businesses should engage with and provide value to their customers and consumers in a responsible manner |

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

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

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

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

3. Governance related to BR

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

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle-1:

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

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

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

BUSINESS RESPONSIBILITY REPORT

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

| | Pending as on 01-04-2020 | Received during the Year | Redressed during the year | Pending as on 31-03-2021 |
|---------------------|-----------------------------|-----------------------------|------------------------------|-----------------------------|
| Customer Complaints | Nil | Nil | Nil | Nil |
| Investor Complaints | Nil | 15 | 15 | Nil |
| Consumer cases | Nil | Nil | Nil | Nil |

Principle-2

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

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**
 - (a) The Company is aware of its obligations on its environmental concerns, risk & opportunities appropriately and formulated the cement manufacturing process by considering of its aspects and obligations.
 - (b) The company has installed world class machinery and State of Art technology for manufacturing of cement by taking care of energy conservation in the process and reduction in natural resources like 6 Stage pre-heater, Vertical roller mills, Reverse Air Bag House for Kiln Exit Gasses and Advanced PLC with FUZI Logic System for Pyro process optimization, Waste Heat recovery for Kiln & Cooler exit gasses, Railway siding for Cement transportation, Wagon tippler for coal unloading, etc., which are known best for the energy conservation and advanced technologies using as on date.
 - (c) During the year Clinker factor was 63.56 % with Fly Ash utilization of 32.16 % in PPC impacts saving of natural resources like limestone and coal, etc.
2. **For each such product, provide the following details in respect of resource use (energy, water, raw material, etc.) per unit of product (optional):**
 - (a) Reduction during sourcing/ production/ distribution achieved since the previous year throughout the value chain?
 - (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

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

| Consumption per MT of production | Industry Norms | Current Year (FY 2020-21) | Previous Year (FY 2019-20) |
|----------------------------------|----------------|---------------------------|----------------------------|
| Electricity (KWH/MT of Cement) | 100 | 79.61 | 80.11 |
| HSD (LTRS/T of Clinker) | NA | 0.766 | 0.817 |
| Specific Heat (K.Cal/Kg Clinker) | 800 | 745.47 | 743.39 |

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

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

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

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

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

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

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

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

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

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

Waste heat generated from the Kilns are being used to generate energy.

Waste generated from the residential colony are being used as alternative fuel in Kilns.

Principle-3

Businesses should promote the well being of all employees

1. Please indicate the Total number of employees: 379
2. Please indicate the Total number of employees hired on temporary/ contractual/ casual basis: 475
3. Please indicate the Number of permanent women employees: 8
4. Please indicate the Number of permanent employees with disabilities: Nil
5. Do you have an employee association that is recognized by management: Yes, we have recognized trade unions affiliated to either of TNTUC, INTUC, CITU.

6. What percentage of your permanent employees is members of this recognized employee association? 23%

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

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

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

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

Principle-4

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

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

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

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

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

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

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

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

Principle-5

Businesses should respect and promote human rights.

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

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

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

The Company has received 15 stakeholder (Shareholders) complaints in during FY 2020-21 and 100% of the complaints were satisfactorily resolved by the management.

Principle-6

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

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

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

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

If yes, please give hyperlink for web page etc.

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

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

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

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

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

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

If yes, please give hyperlink for web page etc.

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

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

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

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

Nil.

Principle-7

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

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

- (a) Cement Manufacturing Association (CMA)
- (b) Confederation of Indian Industry (CII)
- (c) Federation of Telangana Chambers of Commerce and Industry (FTCCI)

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No;

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

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

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

Principle-8

Businesses should support inclusive growth and equitable development

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

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

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

- a) Education
- b) Rural Development
- c) Quality of elementary Education
- d) Water, Sanitation and Hygiene

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

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

3. Have you done any impact assessment of your initiative?

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

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

| S.No. | CSR Projects | Expenditure (Rs. In Lakhs) |
|-------|---|----------------------------|
| 1 | Eradicating hunger, poverty and malnutrition | 7.35 |
| 2 | Promoting Education | 54.73 |
| 3 | Promoting Health Care including Preventive Health Care and sanitation | 6.62 |
| 4 | Rural Development projects | 10.00 |
| 5 | Promoting Rural Sports | 46.46 |
| | Total | 125.16 |

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

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

Yes, all the community development initiatives of the Company are implemented through participatory approach. The portfolio of CSR projects are drawn from need assessments done by our internal team through participatory rural appraisal method with the help of local government officials. A panel comprising of different stakeholders from community representatives and functional at plant location, regularly monitors the implementation of CSR initiatives and suggests measures for course corrections. The community ownership and sustainability are the criteria that are built in CSR initiatives from the start by creating community managed organisations. Community contribution is always a priority as that ensures continuance of the project through self governance model.

Principle-9

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

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

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

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

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

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

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

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

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

For Deccan Cements Limited

Place: Hyderabad
Date: 11th June 2021

Sd/-
P. Parvathi
Managing Director
DIN : 00016597

CORPORATE GOVERNANCE REPORT

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

1. STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company's philosophy on Corporate Governance strives to meet its business objectives efficiently and accomplishing its responsibility towards its stakeholders. The Company has been consistently practicing good Corporate Governance. The Company creates an environment for the efficient conduct of the business, enables the management to meet its obligations towards all its stakeholders, including amongst others, customers, employees and the community in which the Company operates.

The Company believes that Corporate Governance provides a structure through which:

- Objectives of the Company are set, means for achieving and monitoring performance are determined;
- Long term value of the enterprise is maximized;
- The business complies with legal and regulatory frameworks; and
- Offers better value to shareholders / stakeholders and the society at large.

2. BOARD OF DIRECTORS

Composition and Category of Directors:

As on 31st March 2021, the Board comprises of nine directors of whom three are executive including one woman director, one non-executive and five are independent directors, including one woman independent director. The composition of the Board is in conformity with the Regulations 17 of the Listing Regulations read with Section 149 of the Companies Act, 2013.

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

Board Meetings:

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

The Board of Directors of your company met 4 (four) times during the year 2020-21 on the following days to transact various businesses:

1. 25th June, 2020;
2. 14th August, 2020;
3. 10th November, 2020
4. 12th February, 2021

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

Composition, Attendance, Board and Committee Position:

| Name of the Directors | Category | No. of Board Meetings during the Year 2020-21 | | Whether attended last AGM held on 15.09.2020 | No. of Directorships* | Name of the listed entity and Category of Directorship** | No. of Committees Position held# | |
|-----------------------|-------------------------|---|----------|--|-----------------------|--|----------------------------------|----------|
| | | Held | Attended | | | | Member | Chairman |
| Mr. M B Raju | Executive Chairman | 4 | 4 | Yes | 3 | - | - | - |
| Mr. Umesh Shrivastava | Independent Director | 4 | 4 | Yes | 1 | - | 1 | - |
| Dr. S A Dave | Independent Director | 4 | 4 | Yes | 2 | Phoenix Township Limited – Independent Director | 2 | 2 |
| Mr. J Narayanamurty | Independent Director | 4 | 4 | Yes | 2 | Dynavision Limited - Independent Director | 2 | 1 |
| Mr. K P Singh | Independent Director | 4 | 4 | Yes | 1 | - | 1 | - |
| Mr. R Gopalakrishnan | Non- Executive Director | 4 | 4 | Yes | 1 | - | 1 | - |
| Ms. P Parvathi | Managing Director | 4 | 4 | Yes | 4 | - | 1 | - |
| Mr. S. Venkateswarlu | Executive Director | 4 | 4 | Yes | 1 | - | - | - |
| Mrs. Mahpara Ali | Independent Director | 4 | 4 | Yes | 2 | Ramky Infrastructure Limited | - | - |

* All Public Limited Companies including Deccan Cements Limited.

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

** All listed entities other than Deccan Cements Limited.

Disclosure of Relationship between directors inter-se:

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

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

No. of Shares held by Non-Executive Directors:

| Name of the Director | No. of Equity Shares Held |
|-----------------------------|----------------------------------|
| Mr. Umesh Shrivastava | 7,160 |
| Dr. S A Dave | 1,000 |
| Mr. J Narayanamurty | 0 |
| Mr. K P Singh | 0 |
| Mr. R Gopalakrishnan | 0 |
| Mrs. Mahpara Ali | 0 |

Familiarisation programme:

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

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

| Name of the Director | Qualification | Profile | Field of Specialisation/ Existing skills/ expertise/ competence |
|-----------------------------|---|--|--|
| Mr. M B Raju | Honours Graduate in Mechanical Engineering | Technocrat Entrepreneur and eminent Industrialist, with more than 46 years experience in the Cement Industry. | Expert in Cement Operations |
| Mr. Umesh Shrivastava | BSc (Engg) from Banaras Hindu University, Advanced Management Programme (AMP) at Harvard Business School, USA | Eminent Cement Technologist, with Over 4 decades experience in the Cement Industry and in Consulting. Also, is the Executive Chairman of Holtec Consulting(P) Limited, a premier consulting firm in the country, engaged in implementing modern cement plants. | Eminent Cement Technologist |
| Dr. S A Dave | Doctorate in Economics, with a Masters Degree from the University of Rochester, USA | Currently, the Chairman of Centre for Monitoring Indian Economy. Formerly, Chairman of Securities and Exchange Board of India (SEBI) and the United Trust of India (UTI). Has also functioned as the Executive Director of IDBI. | Finance and Regulatory |
| Mr.J Narayana-murty | M.A. and CAIIB Certificate | Retired Chief General Manager of IDBI with over 40 years of rich experience in Project Financing, Implementation & Monitoring | Finance and Banking |

| | | | |
|----------------------|---|---|---|
| Mr. K P Singh | M.A. and IAS Officer (Retd.) | worked earlier in several capacities in the Central as well as State Governments, including as Chairman of Karnataka Electricity Board; as Secretary, Defence Production; and, as Secretary, Internal Security & Intelligence | Management & Administration, Power Projects |
| Mr. R Gopalakrishna | Fellow Member of Institute of Company Secretaries of India (ICSI) | 36 years of experience in corporate sector in areas of General Management, Financial, Legal and Secretarial compliance. Was associated with DCL Group for over 20 years | Statutory compliance and finance |
| Ms. P Parvathi | Post Graduate in Commerce | More than 26 years experience in business and commerce, most part of which has been in the Cement Industry. | Management, Finance and Operations |
| Mr. S. Venkateswarlu | B.Sc. and MBA | More than 36 years of experience, in various positions, including senior positions in Cement Industry | Operation and Management |
| Mrs. Mahpara Ali | Master Degree in Arts and Bachelor of Arts (Hons) and Diploma in International Banking and Finance from Indian Institute of Banking and Finance | served in various capacities in the State Bank of India (SBI) for 39 years and retired as a Chief General Manager of Bangalore circle of SBI. | Finance and Banking |

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

Committees of the Board:

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

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

3. AUDIT COMMITTEE:

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

Terms of Reference:

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

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

- valuation of undertakings or assets of the company, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- discussion with internal auditors of any significant findings and follow up there on;
- reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- to review the functioning of the Whistle Blower or Vigil Mechanism;
- approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- carrying out any other function as authorised by the Board from time to time.
- reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
- consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

Composition, Meetings and Attendance of the Committee:

During the year 2020-21, the Audit Committee met 4 (Four) times on 25th June, 2020; 14th August, 2020; 10th November, 2020 and 12th February, 2021. Composition of the committee and details of attendance at the meetings are given below:

CORPORATE GOVERNANCE REPORT

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

The necessary quorum was present for all the meetings.

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

4. NOMINATION AND REMUNERATION COMMITTEE:

Terms of Reference:

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

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

The function of the Committee is to perform the duties as mentioned in the "Terms of Reference", including but not limited to determining and making recommendations with respect to all forms of compensation to be granted to the Directors and senior management of the Company.

Composition, Meetings and Attendance of the Committee

During the year 2020-21, the Nomination and Remuneration Committee met 2 (two) time on 25th June 2020 and 10th November 2020.

Composition of the committee and details of attendance at the meetings are given below:

| Name of the Director | Designation | Category | Numbers of Meetings | |
|-----------------------|-------------|------------------------|---------------------|----------|
| | | | Held | Attended |
| Mr. Umesh Shrivastava | Chairman | Independent Director | 2 | 2 |
| Mr. J Narayanamurty | Member | Independent Director | 2 | 2 |
| Mr. R. Gopalakrishnan | Member | Non Executive Director | 2 | 2 |

Performance Evaluation Criteria for Independent Directors:

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

Nomination and Remuneration Policy:

The Key Objectives of the Nomination and Remuneration Policy as framed by the Nomination and Remuneration Committee are:

- to guide the Board in relating to appointment and removal of Directors (including the Executive Directors),
- to evaluate the performance of the Board members and provide necessary report to the Board for further evaluation of the Board.
- to recommend to the Board for the remuneration payable to the Directors, including the Executive Directors.
- selection of suitable person for the senior management position, remuneration payable to them, and increment and promotions, if any, of the senior management personnel including the Chief Financial Officer and Company Secretary.

5. REMUNERATION TO DIRECTORS:

The non-executive directors, in addition to the sitting fees payable for attending the meeting of Board of Directors and committees thereof, are collectively entitled for a commission of not exceeding 1% per an-

CORPORATE GOVERNANCE REPORT

num of the net profits of the company calculated in accordance with the provisions of Section 198 of the Act, subject to a ceiling of Rs.10,00,000/- per annum.

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

| Type of Meetings | Sitting Fees per meeting |
|------------------|--------------------------|
| Board Meeting | Rs.40,000/- |
| Audit Committee | Rs.40,000/- |
| Other Committees | Rs.10,000/- |

Details of Sitting Fees paid & Commission payable to the Non-Executive Directors for the Year 2020-21:

| Name of the Directors | Sitting Fees (Rs. in Lakhs) | Commission (Rs. in Lakhs) |
|-----------------------|------------------------------|---------------------------|
| Mr. Umesh Shrivastava | 3.40 | 1.67 |
| Dr. S A Dave | 2.10 | 1.67 |
| Mr. J Narayanamurty | 3.40 | 1.67 |
| Mr. K P Singh | 3.30 | 1.67 |
| Mr. R Gopalakrishnan | 2.20 | 1.66 |
| Mrs. Mahpara Ali | 1.60 | 1.66 |

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

Details of Remuneration of the Executive Directors during the Financial Year 2020-21:

(Rs. in Lakhs)

| Name of the Directors | Salary | Perquisites & Other Benefits | Commission | Total |
|-----------------------|--------|------------------------------|------------|--------|
| Mr. M B Raju | 60.00 | 73.27 | 330.82 | 464.09 |
| Ms. P Parvathi | 91.80 | 33.50 | 330.82 | 456.12 |
| Mr. S. Venkateswarlu | 36.00 | 4.89 | - | 40.89 |

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

6. STAKEHOLDERS' RELATIONSHIP & SHARE TRANSFER COMMITTEE:

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

Composition, Meetings and Attendance of the Committee:

During the year 2020-21 the Stakeholders' Relationship & Share Transfer Committee met 4 (Four) times on 25th June, 2020; 14th August, 2020; 10th November, 2020 and 12th February, 2021.

Composition of the committee and details of attendance at the meetings are given below:

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

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

Details of complaints/grievances received and resolved during the year 2020-21:

| Nature | Pending at the Beginning of the Year | Received during the Year | Resolved during the Year | Pending at the End of the Year |
|-------------------------------|--------------------------------------|--------------------------|--------------------------|--------------------------------|
| Non-receipt Dividend Warrants | 0 | 11 | 11 | 0 |
| Non-receipt of Securities | 0 | 2 | 2 | 0 |
| SEBI/BSE/NSE Complaints | 0 | 2 | 2 | 0 |
| Non-receipt of Annual Report | 0 | 0 | 0 | 0 |
| Others | 0 | 0 | 0 | 0 |
| TOTAL | 0 | 15 | 15 | 0 |

7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

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

Composition, Meetings and Attendance of the Committee:

During the year 2020-21, the Committee met once on 25th June, 2020

Composition of the committee and details of attendance at the meetings are given below:

| Name of the Director | Designation | Category | Number of Meeting | |
|----------------------|-------------|----------------------|-------------------|----------|
| | | | Held | Attended |
| Mr. K P Singh | Chairman | Independent Director | 1 | 1 |
| Ms. P Parvathi | Member | Managing Director | 1 | 1 |
| Dr. S. A. Dave | Member | Independent Director | 1 | 1 |

8. SEPARATE MEETING OF INDEPENDENT DIRECTORS:

In compliance of provisions of the Regulation 25 of the Listing Regulations, during the year 2020-21, the Independent Directors of the Company met on 12th February, 2021 without the presence of Executive Directors or members of the Management.

9. GENERAL BODY MEETINGS

The number, date, time and venue of AGMs held during last three years and the special resolution(s) passed thereat, are given below:

| Financial Year | 2019-20 |
|-----------------------|--|
| AGM No. | 40th |
| Date | 15th September, 2020 |
| Time | 11:00 AM |
| Venue | Registered Office at Deccan Chambers, 6-3-666/B, Somajiguda, Hyderabad, Telangana – 500082, through Video Conferencing / Other Audio Visual means. |
| Special Resolutions | Nil |

| Financial Year | 2018-19 |
|-----------------------|--|
| AGM No. | 39th |
| Date | 7th August, 2019 |
| Time | 10:30 AM |
| Venue | Bhaskara Auditorium, Birla Museum, Adarsh Nagar, Hyderabad, Telangana – 500 063 |
| Special Resolutions | <ul style="list-style-type: none"> • Reappointment of Mr. K. P. Singh, Non Executive Independent Director for a second term of five consecutive years. • Continuation of payment of remuneration to the Executive Directors who are Promoters in excess of threshold limits as per the SEBI (LODR) (Amendment) Regulations, 2018 |

| Financial Year | 2017-18 |
|-----------------------|---|
| AGM No. | 38th |
| Date | 10th August, 2018 |
| Time | 10:30 AM |
| Venue | Bhaskara Auditorium, Birla Museum, Adarsh Nagar, Hyderabad, Telangana – 500 063 |
| Special Resolutions | NIL |

Note:

- All the resolutions set out in the respective notices were passed by the Shareholders.
- No Extra-Ordinary General meeting was held during the Financial Year 2020-21.
- During Financial Year 2020-21 the Company sought approval of the shareholders under Section 180(1)(c) and (a) of the Companies Act, 2013 by way of special resolution through postal ballot.

10. MEANS OF COMMUNICATION

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

11. GENERAL SHAREHOLDER INFORMATION

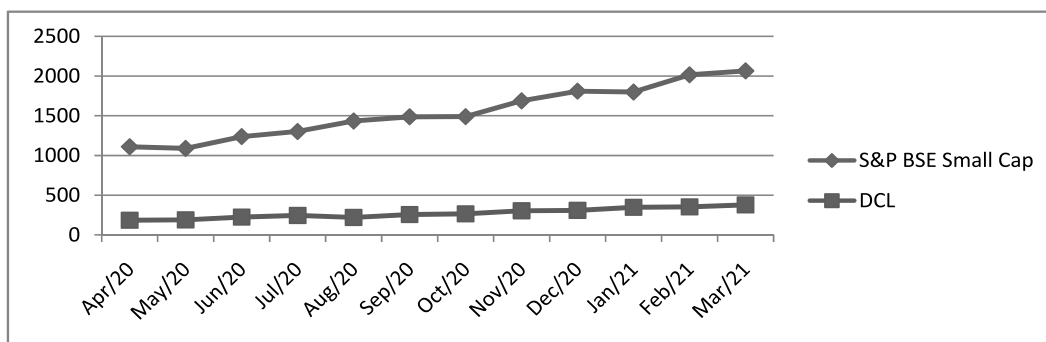
- a) Annual General Meeting : 41th Annual General Meeting
Date: To be decided by the Board (14th September 2020, Tuesday)
Time: 11:00 A.M.
Venue : Registered Office
Deccan Chambers, 6-3-666/B
Somajiguda, Hyderabad - 500082.
- b) Financial Year : 2020 - 21
- c) Dividend payment date : To be decided by the Board (27th September 2020, Monday)
- d) Listing with Stock Exchanges : **BSE Limited**
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001
National Stock Exchange of India Ltd.
Exchange Plaza, Plot No. C/1, G Block,
Bandra - Kurla Complex, Bandra (East),
Mumbai – 400 051
Listing Fee paid to both the stock Exchanges for the Financial Year 2021-22.
- e) Stock Code : BSE – 502137
NSE – DECCANCE
ISIN - INE583C01013
- f) Market Price Data during each month in last financial year 2020-21:

| Month and Year | High (Rs.) | | Low (Rs.) | |
|----------------|------------|--------|-----------|--------|
| | NSE | BSE | NSE | BSE |
| April 2020 | 223.80 | 234.00 | 186.15 | 185.20 |
| May 2020 | 262.00 | 261.90 | 192.10 | 190.20 |
| June 2020 | 301.75 | 300.00 | 223.00 | 225.00 |

CORPORATE GOVERNANCE REPORT

| Month and Year | High (Rs.) | | Low (Rs.) | |
|----------------|------------|--------|-----------|--------|
| | NSE | BSE | NSE | BSE |
| July 2020 | 320.85 | 319.90 | 246.15 | 246.25 |
| August 2020 | 327.00 | 326.70 | 241.00 | 221.00 |
| September 2020 | 315.00 | 311.25 | 261.10 | 258.00 |
| October 2020 | 335.00 | 334.00 | 267.05 | 266.35 |
| November 2020 | 367.00 | 366.00 | 305.35 | 305.00 |
| December 2020 | 396.00 | 396.50 | 315.25 | 310.00 |
| January 2021 | 388.65 | 388.50 | 347.60 | 347.55 |
| February 2021 | 432.50 | 433.25 | 352.25 | 352.80 |
| March 2021 | 465.00 | 465.00 | 377.55 | 378.00 |

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



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

| | April 2020 | May 2020 | June 2020 | July 2020 | August 2020 | September 2020 | October 2020 | November 2020 | December 2020 | January 2021 | February 2021 | March 2021 |
|------------------------------|------------|----------|-----------|-----------|-------------|----------------|--------------|---------------|---------------|--------------|---------------|------------|
| S&P BSE Small Cap | 11101.84 | 10892.60 | 12380.75 | 13021.76 | 14336.18 | 14867.36 | 14888.08 | 16875.15 | 18098.11 | 17988.20 | 20155.35 | 20649.33 |
| DCL | 185.20 | 190.20 | 225.00 | 246.25 | 221.00 | 258.00 | 266.35 | 305.00 | 310.00 | 347.55 | 352.80 | 378.00 |

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

h) Registrars and Share Transfer Agent : KFin Technologies Private Limited
Selenium Tower B, Plot No.31 & 32,
Financial District, Nankramguda, Serilingampally,
Gachibowli, Hyderabad- 500 032,
Toll Free Number is 1800-309-4001
Email id: einward.ris@kfintech.com,
Website: <https://www.kfintech.com>

i) **Share Transfer System:**

Vide SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 Dt. 08.06.2018, except in case of transmission or transposition of securities requests for transfer of securities or not being processed unless securities are held in dematerialised form. However as per clarification given by SEBI vide PR No. 12/2019, Dt 27.03.2019 transfer deed(s) lodged prior to the deadline and returned due to deficiency in the document were considered as and when the documents relogged after rectification of the deficiencies. A summary of transfer/transmission of shares of the Company so approved by the Managing Director were placed before the every Stakeholders' Relationship and Share Transfer Committee Meeting.

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

j) **Distribution of Shareholding as on 31st March, 2021:**

| Category (Amount in Rs) | Number of Shareholders | % to total no. of shareholders | Number of Shares | % to paid up share capital |
|----------------------------|---------------------------|-----------------------------------|---------------------|-------------------------------|
| 1-5000 | 14,506 | 99.24 | 28,52,347 | 20.36 |
| 5001- 10000 | 54 | 0.37 | 3,91,494 | 2.79 |
| 10001- 20000 | 31 | 0.21 | 4,31,016 | 3.08 |
| 20001- 30000 | 5 | 0.03 | 1,07,606 | 0.77 |
| 30001- 40000 | 2 | 0.01 | 70,606 | 0.50 |
| 40001- 50000 | 4 | 0.03 | 1,90,326 | 1.36 |
| 50001- 100000 | 2 | 0.01 | 1,68,421 | 1.20 |
| 100001 & Above | 13 | 0.09 | 97,95,684 | 69.93 |
| Total | 14,617 | 100.00 | 1,40,07,500 | 100.00 |

k) **Dematerialization of Shares and Liquidity:**

The Company has arrangements with National Securities Depositories Ltd (NSDL) and Central Depository Services India Ltd (CDSL) to establish electronic connectivity of its shares for script-less trading. As on 31st March 2021 total of 1,38,15,053 (98.63%) number of shares were dematerialized with the following Depositories (ISIN No. INE583C01013):

- National Securities Depository Limited – 45,77,660 shares (32.68%)
- Central Depository Services Limited – 92,37,393 shares (65.95%)

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.

CORPORATE GOVERNANCE REPORT

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

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

n) Location of Company's Plants:

| | |
|---------------------|--|
| Cement Plant | Bhavanipuram, Janpahad (Post), Palakaveedu (Mandal); Suryapet Dist, Telangana State - 508 218 |
| Thermal Power Plant | Bhavanipuram, Janpahad (Post), Palakaveedu (Mandal); Suryapet Dist, Telangana State - 508 218 |
| Hydel Power Plant | GBC - 1, Head Regulator, Nekarikallu Adda Road; Narsaraopet, Guntur Dist, Andhra Pradesh - 522 601 |
| Wind Farms | Polepalli Village, Ramagiri Mandal, Ananthapur Dist., Andhra Pradesh - 515101 |

o) Address for Correspondence:

Shareholders can correspond with the Company or Registrars and Share Transfer Agent as per the following:

| Company | RTA |
|---|--|
| Deccan Cements Limited Secretarial Department "Deccan Chambers", 6-3-666/B, Somajiguda, Hyderabad – 500 082 Phone - 040 - 23310168/552 Fax - 040 – 23318366 Email Id: secretarial@deccancements.com Website: www.deccancements.com | KFin Technologies Private Limited (Unit: Deccan Cements Limited) Selenium Tower B Plot No: 31 & 32, Financial District, Gachibowli, Hyderabad - 500 032 Toll Free Number is 1800-309-4001 email id : einward.ris@kfintech.com website: www.kfintech.com |

p) Credit Ratings:

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

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

There is no change in credit rating during the year.

12. OTHER DISCLOSURES

- a. The details of related party transactions are disclosed in Note No. 32 of Notes to the Financial Statements. None of the business transactions with any of the related parties was in conflict with the interests of the Company during the financial year 2020-21.
- b. During the last three years there were no strictures or penalties imposed either by the SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets.
- c. The Company has formulated and adopted 'Vigil Mechanism/Whistle Blower Policy' and the same is placed on the company's website "www.deccancements.com". Further, it is hereby affirmed that no personnel has been denied access to the Audit Committee.
- d. The Company has complied with the mandatory requirements of the Listing Regulations and the following discretionary requirements specified in Part E of Schedule II as detailed below:
 - i. The Board: Maintenance of Office to the Non-executive Chairperson at the Company's expense: This is not applicable as the Chairperson of the Company is an Executive Director.
 - ii. Shareholders' rights: All the quarterly financial results are placed on the Company's Website: www.deccancements.com, apart from publishing the same in the Newspapers.
 - iii. Modified opinion(s) in audit report: There are no modified opinions in the Audit Reports.
 - iv. Separate Posts of Chairman and CEO: The Company has separate posts of Chairman and Managing Director.
 - v. Reporting of internal auditor: The Internal auditor reports to the Chairman of the Audit Committee directly.
- e. Web link where policy for determining 'material' subsidiaries is disclosed- Not Applicable (There is no subsidiary to the Company).
- f. The Company has formulated and adopted a policy for determining the material related party transactions. The web link for Related Party Transactions policy and the details of such policy are available at "<http://www.deccancements.com/pdf/RPTPolicy.pdf>".
- g. Commodity price risks and commodity hedging activities:

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

CORPORATE GOVERNANCE REPORT

- i. The Company has obtained a Certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any other statutory authority. A copy of such certificate is enclosed to the Annual Report.
- j. Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year- There is no such instance during the year, and the Board considered and accepted the recommendations made by the Committees.
- k. The Statutory Auditors of the company have neither provided any services nor have been paid any fees by any one of the group entities of the company. Detail of fees paid to the Statutory Auditors is given in Note 27(a) to the Financial Statements.
- l. During the financial year ended 31st March, 2021, the Company has not received any Complaint pertaining to Sexual Harassment.

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

The Company has complied with all the requirements of the Corporate Governance Report for the Financial Year 2020-21.

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

The Company has complied with all the applicable provisions of the Listing Regulations on Corporate Governance for the Financial Year 2020-21.

For and on behalf of the Board

Sd/-

M B Raju

Executive Chairman

DIN: 00016652

Place: Hyderabad

Date: 11th June 2021

DECLARATION ON CODE OF CONDUCT

This is to confirm that all the Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the Financial Year ended 31st March 2021 as envisaged under Schedule V(D) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Sd/-

P. Parvathi

Managing Director

DIN: 00016597

Place : Hyderabad

Date :11.06.2021

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

I, V Shankar, Company Secretary in Practice, CP No.8446, FCS7638, proprietor of V. Shankar & Co., Company Secretaries, have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Deccan Cements Limited having CIN L26942TG1979PLC002500 and having registered office at 6-3-666/B, Deccan Chambers, Somajiguda, Hyderabad - 500 082, Telangana India (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

| S. No. | Name of the Director | DIN | Designation |
|--------|------------------------------|----------|----------------------|
| 1. | Surendra Ambalal Dave | 00001480 | Independent Director |
| 2. | Parvathi Penmetcha | 00016597 | Managing Director |
| 3. | Bangar Raju Manthena | 00016652 | Executive Chairman |
| 4. | Jonnalagadda Narayana Murthy | 00026474 | Independent Director |
| 5. | Umesh Shrivastava | 00229382 | Independent Director |
| 6. | Gopalakrishnan Ramamurthi | 00296413 | Director |
| 7. | Kanwar Pratap Singh | 02951522 | Independent Director |
| 8. | Mahpara Ali | 06645262 | Independent Director |
| 9. | Venkateswarlu Shonti | 08602254 | Whole Time Director |

For **V.Shankar & Co**
Company Secretaries

Sd/-

V.Shankar

Partner

FCS No.: 7638

C P No.: 8446

Place: Hyderabad

Date: 11.06.2021

UDIN: F007638C00445526

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of,
Deccan Cements Limited

We have examined the compliance of conditions of Corporate Governance by Deccan Cements Limited ('the Company') for the year ended March 31, 2021 as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations.

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

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

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

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

Sd/-

M.V.Ranganath
Partner

Place : Hyderabad
Date : 11th June, 2021

Membership No.028031
UDIN: 2102831AAAAEU6531

CEO AND CFO CERTIFICATION
COMPLIANCE CERTIFICATE
[Regulation 17(8)]

We, P Parvathi, Managing Director and D. Raghava Chary, Chief Financial Officer of the Company certify that:

- A. We have reviewed the Financial Statements and the Cash Flow Statement for the Financial Year ended 31st March 2021 and that to the best of our knowledge and belief, we state that:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. We further state there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and that there are no deficiencies in the design or operation of internal controls which we are aware.
- D. We have indicated to the Auditors and the Audit Committee:
- (1) that there are no significant changes in internal control over financial reporting during the year;
 - (2) that there are no significant changes in accounting policies during the year and hence no disclosure is required to be made in the notes to the Financial Statements; and
 - (3) that there are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the Management or an employee having a significant role in the Company's internal control system over financial reporting

Place: Hyderabad
Date: 11.06.2021

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

Sd/-
P Parvathi
Managing Director
DIN: 00016597

DECLARATION

[Pursuant to Regulation 33(3)(d) of the SEBI (LODR) Regulations, 2015]

We hereby declare that M/s. M. Anandam & Co., Chartered Accountants, Statutory Auditors of the Company, have issued Audit Report with unmodified opinion on the Audited Financial Results of the Company for the year ended 31st March, 2021

Place: Hyderabad
Date: 11.06.2021

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

Sd/-
P Parvathi
Managing Director
DIN: 00016597

INDEPENDENT AUDITOR'S REPORT

To

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

Opinion

We have audited the financial statements of **Deccan Cements Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Cash Flow Statement for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

| Sr. No. | Key Audit Matter | Auditor's Response |
|---------|---|--|
| 1. | <p>Revenue Recognition – Price Discounts</p> <ul style="list-style-type: none"> Revenue is measured net of discounts earned by customers on the Company's sales. Due to the Company's presence across different marketing regions within the country and the competitive business environment, price discounts vary based on the customer and market it caters to and recognised based on sales made during the year. These discounts are calculated based on the market study reports which reports are collated periodically by the management and are prone to manual interventions. Therefore, there is a risk of revenue being misstated as a result of incorrect computation of price discounts. Given the complexity involved in the assessment of price discounts and their periodic recognition against sales, the same is considered as key audit matter. <p>Refer Note – 2(d)(i) of Significant Accounting Policies</p> | <p>Principal Audit Procedures</p> <ul style="list-style-type: none"> Assessed the appropriateness of the Company's accounting policies relating to price discounts by comparing with applicable accounting standards. Assessed the design and tested the implementation and operating effectiveness of Company's internal controls over the approvals, calculation, accounting and issuance of credit notes. Obtained and inspected, on a sample basis, supporting documentation for price discounts recorded and credit notes issued during the year as well as credit notes issued after the year end date to determine whether these were recorded appropriately. Compared the historical trend of price discounts to sales made to determine the appropriateness of current year's discount charge. |
| 2. | <p>The Company has material litigations which involve significant judgement to determine the possible outcome of these litigations. Refer Note 30 of the financial statements.</p> | <p>Principal Audit Procedures</p> <p>Obtained details of litigations for the year ended March 31, 2021 from management. We have relied upon our internal experts to challenge the management's underlying assumptions in estimating the possible outcome of the disputes. Our internal team also considered the status of the disputes, legal precedence and other rulings in evaluating management's position on these matters. We have also relied on assurances and opinions provided by the various agencies, representing the company.</p> |
| 3. | <p>Inventories as disclosed in Note 6 to the financial statements includes:</p> <ul style="list-style-type: none"> Raw materials comprising iron-ore, gypsum, limestone, laterite and fly ash; Work-in-progress mainly comprising clinker Coal <p>The above items of inventory are stored in sheds, stockpiles and silos. As the weighing of these inventories is not practicable, management assesses the reasonableness of the quantities on hand by obtaining measurements of stockpiles and converting these measurements to unit of volumes by using angle of repose and bulk density. The Company involves its team in the inventory count process.</p> <p>Due to the significance of inventory balances and related estimations involved, this is considered as a key audit matter.</p> | <p>Principal Audit Procedures</p> <p>The Company performs annual inventory counts at the year end and issues prior notification of procedures to be performed for such inventory counts. Our audit procedures to assess the existence of such items of inventory included the following:</p> <ul style="list-style-type: none"> Assessed the management's process of measurement of stockpiles and the determination of values using conversion of volumes and density to total weight and the related yield. Obtained and reviewed the inventory count report of the management's team and assessed its accuracy on a sample basis. |

| Sr. No. | Key Audit Matter | Auditor's Response |
|---------|--|---|
| 4. | <p>Appropriateness of capitalisation of costs as per Ind AS 16 Property, Plant and Equipment</p> <ul style="list-style-type: none"> • During the year, the Company has capitalised Waste Heat Recovery Plant (WHR Project) of Rs.6915.72 Lakhs. <p>Refer Note – 2(h) of Significant Accounting Policies and Note 3.1 - Property, Plant and Equipment of the financial statements.</p> <p>Given the significance of the capital expenditure during the year, there is a risk that elements of costs that are ineligible for capitalization in accordance with the recognition criteria provided in Indian Accounting Standard 16, Property, Plant and Equipment are capitalized.</p> | <p>Principal Audit Procedures</p> <p>We have performed procedures, including the following, in relation to testing of capitalization of costs:</p> <ul style="list-style-type: none"> • Understood, evaluated and tested the design and operating effectiveness of key controls relating to capitalization of various costs incurred in relation to Property Plant and Equipment. • Performed test of details with focus on those items that we considered significant due to their amount or nature and tested several items capitalized during the year against underlying supporting documents to ascertain nature of costs and whether they meet the recognition criteria provided in the Ind AS 16, Property, Plant and Equipment in this regard. |

Other Information

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

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

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going

concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial results.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act based on our audit, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS prescribed under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provision of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements (Refer Note 30 of the financial statements);
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been a delay of eight days in transferring the amounts, which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016, ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Sd/-

M.V.Ranganath
Partner

Place: Hyderabad
Date: 11th June, 2021

Membership No.028031
UDIN: 21028031AAAAEW6261

Annexure “A” to the Independent Auditor’s Report

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

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

We have audited the internal financial controls over financial reporting of Deccan Cements Limited (“the Company”) as of 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sd/-
M.V.Ranganath
Partner

Place: Hyderabad
Date: 11th June, 2021

Membership No.028031
UDIN: 21028031AAAAEW6261

Annexure "B" to the Independent Auditor's Report

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) The property, plant and equipment have been physically verified by the management in a periodical manner, which in our opinion is reasonable, having regard to the size of the Company and the nature of its business. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, all the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventories have been physically verified during the year by the management. The discrepancies noticed on verification between the physical stocks and book records were not material.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3 (iii) (a) to (c) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has made investments which are in compliance with Section 186 of the Act. The Company has not granted loans, not provided guarantees and securities.
- (v) According to the information and explanations given to us, the Company has not accepted deposits within the meaning of Sections 73 to 76 of the Act and the rules framed thereunder.
- (vi) We have broadly reviewed the cost records maintained by the Company as prescribed under sub-section (1) of section 148 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, cess and any other statutory dues as applicable with the appropriate authorities and there were no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and records of the Company examined by us, the particulars of income tax, sales tax, value added tax, goods and services tax and any other statutory dues as at 31st March, 2021 which have not been deposited on account of any dispute pending are as under:

| Name of the statute | Nature of the dues | Amount (₹ in lakhs) | Period to which the amount relates | Forum where the dispute is pending |
|---|--------------------|------------------------|---------------------------------------|--|
| Andhra Pradesh General Sales Tax Act, 1957 / AP VAT Act, 2005 | Sales tax / VAT | 11.52 | 1993-94 | Hon'ble High Court of Telangana |
| | | 85.68 | 1999-00 & 2000-01 | |
| | | 51.61 | 2002-03 to 2004-05 | |
| | | 137.24 | 2006-07 | Deputy Commissioner (Appeals), Hyderabad |
| Telangana VAT Act, 2005 | VAT | 1.62 | 2014-15 | VAT Appellate Tribunal, Hyderabad |
| AP Electricity Duty Amendment Act, 2003 | Electricity Duty | 316.23 | 2003-04 to 2008-09 | Hon'ble High Court of Telangana |
| Telangana Tax on Entry of Goods into Local Areas Act, 2001 | Entry Tax | 18.38 | 2012-13 To 2016-17 | Appellate Tribunal, Hyderabad |

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

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

Sd/-

M.V.Ranganath
Partner

Membership No.028031

UDIN: 21028031AAAAEW6261

Place: Hyderabad

Date: 11th June, 2021

BALANCE SHEET AS AT 31st MARCH 2021

Rs in lakhs

| Particulars | Note | As at | |
|---|------|-----------------------------|-----------------------------|
| | | 31 st March 2021 | 31 st March 2020 |
| I. ASSETS | | | |
| Non-current assets | | | |
| (a) Property, plant and equipment | 3.1 | 42,792.71 | 35,801.23 |
| (b) Right-of-use assets | 3.2 | 10.81 | 17.77 |
| (c) Capital work-in-progress | 3.3 | 926.51 | 5,982.22 |
| (d) Investment property | 3.4 | 101.82 | 197.48 |
| (e) Intangible assets | 3.5 | 1,709.08 | 1,784.17 |
| (f) Intangible assets under development | 3.6 | 230.71 | 187.26 |
| (g) Financial assets | | | |
| (i) Investments | 4.1 | 14.08 | 8.13 |
| (ii) Other financial assets | 4.2 | 228.27 | 218.47 |
| (h) Other non-current assets | 5 | 2,381.05 | 1,136.83 |
| Current Assets | | | |
| (a) Inventories | 6 | 6,893.12 | 6,699.76 |
| (b) Financial assets | | | |
| (i) Trade receivables | 7.1 | 2,511.54 | 4,778.31 |
| (ii) Cash and cash equivalents | 7.2 | 25,912.82 | 11,623.57 |
| (iii) Bank balances other than (ii) above | 7.3 | 43.86 | 40.96 |
| (iv) Loans | 7.4 | 8.81 | 12.55 |
| (v) Other financial assets | 7.5 | 461.95 | 388.09 |
| (c) Current tax assets (net) | 8 | 67.41 | 313.09 |
| (d) Other current assets | 9 | 1,853.46 | 1,858.83 |
| TOTAL ASSETS | | 86,148.01 | 71,048.72 |
| II. EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity share capital | 10 | 700.38 | 700.38 |
| (b) Other equity | 11 | 55,797.41 | 44,289.66 |
| Liabilities | | | |
| Non-current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 12.1 | 5,176.35 | 6,678.11 |
| (ii) Lease liabilities | 3.2 | 2.57 | 14.86 |
| (b) Provisions | 13 | 524.15 | 449.38 |
| (c) Deferred tax liabilities (net) | 14 | 5,042.98 | 4,911.80 |
| (d) Other non current liabilities | 15 | 58.97 | 102.23 |
| Current Liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 16.1 | 3,308.32 | 2,127.53 |
| (ii) Trade payables | 16.2 | | |
| a) Total outstanding dues of micro enterprises and small enterprises | | 89.43 | 4.71 |
| b) Total outstanding dues of creditors other than micro enterprises and small enterprises | | 4,318.38 | 2,287.77 |
| (iii) Lease liabilities | 3.2 | 8.63 | 3.56 |
| (iv) Other financial liabilities | 16.3 | 8,924.30 | 8,045.47 |
| (b) Other current liabilities | 17 | 1,700.34 | 1,310.95 |
| (c) Provisions | 18 | 165.77 | 122.31 |
| (d) Current tax liabilities (net) | 19 | 330.03 | - |
| TOTAL EQUITY AND LIABILITIES | | 86,148.01 | 71,048.72 |
| Summary of significant accounting policies | 2 | | |

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

As per our report of even date

On behalf of Board of Directors

For M.Anandam & Co.,

Chartered Accountants

(Firm Registration Number: 000125S)

Sd/-

M.V.Ranganath

Partner

Membership Number: 028031

Sd/-

M.B. Raju

Executive Chairman

DIN : 00016652

Sd/-

D. Raghava Chary

Chief Financial Officer

ACA : 200310

Sd/-

P.Parvathi

Managing Director

DIN : 00016597

Sd/-

Bikram Keshari Prusty

Company Secretary

FCS : 7855

Place: Hyderabad

Date: 11th June, 2021

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2021

Rs. in lakhs

| Particulars | Note | Year ended 31 st March 2021 | Year ended 31 st March 2020 |
|--|------|---|---|
| I. Income | | | |
| Revenue from operations | 20 | 75,795.18 | 55,533.46 |
| Other income | 21 | 1,010.58 | 955.66 |
| Total income | | 76,805.76 | 56,489.12 |
| II. Expenses | | | |
| Cost of materials consumed | 22 | 6,819.61 | 5,457.58 |
| Changes in inventories of finished goods and work-in-progress | 23 | 567.56 | (493.69) |
| Employee benefits expense | 24 | 3,320.79 | 2,749.40 |
| Finance costs | 25 | 742.60 | 677.62 |
| Depreciation and amortization expense | 26 | 2,317.09 | 2,091.25 |
| Power and fuel | | 21,229.39 | 19,337.89 |
| Freight charges | | 15,428.00 | 12,467.68 |
| Other expenses | 27 | 10,844.69 | 8,184.95 |
| Total expenses | | 61,269.73 | 50,472.68 |
| III. Profit before exceptional items and tax (I - II) | | 15,536.03 | 6,016.44 |
| IV. Exceptional items | | | |
| Wheeling charges | 28 | - | 962.41 |
| V. Profit before tax (III-IV) | | 15,536.03 | 5,054.03 |
| VI. Tax expense: | | | |
| (1) Current tax | | 3,850.66 | 1,226.06 |
| (2) Earlier year tax | | 39.76 | 9.83 |
| (3) Deferred tax | | 132.86 | (1,846.24) |
| VII. Profit for the year (V- VI) | | 11,512.75 | 5,664.38 |
| VIII. Other comprehensive income | | | |
| Items that will not be reclassified to profit or loss | | | |
| a) Remeasurement of defined benefit plans | | (6.68) | (6.76) |
| b) Income tax relating to item (a) above | | 1.68 | 1.70 |
| Other comprehensive income/(loss) (net of tax) | | (5.00) | (5.06) |
| IX. Total comprehensive income for the year | | 11,507.75 | 5,659.32 |
| X. Earnings per equity share (Face value of Rs. 5/- each) | | | |
| (1) Basic (in Rs) | 33 | 82.19 | 40.44 |
| (2) Diluted (in Rs) | | 82.19 | 40.44 |
| Summary of significant accounting policies | 2 | | |

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

As per our report of even date

For M.Anandam & Co.,

Chartered Accountants

(Firm Registration Number: 000125S)

Sd/-

M.V.Ranganath

Partner

Membership Number: 028031

Sd/-

M.B. Raju

Executive Chairman

DIN : 00016652

Sd/-

D. Raghava Chary

Chief Financial Officer

ACA : 200310

Sd/-

P.Parvathi

Managing Director

DIN : 00016597

Sd/-

Bikram Keshari Prusty

Company Secretary

FCS : 7855

Place: Hyderabad

Date: 11th June, 2021

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2021

Rs. in lakhs

| Particulars | Year ended 31 st March 2021 | Year ended 31 st March 2020 |
|---|---|---|
| Cash flow from operating activities | | |
| Profit before tax | 15,536.03 | 5,054.03 |
| Adjustments for: | | |
| Depreciation and amortisation expense | 2,317.09 | 2,091.25 |
| Net gain on disposal of property, plant and equipment | (0.04) | (0.81) |
| Net gain on disposal of investment property | (47.65) | - |
| Amortisation of revenue grant | (62.78) | (84.09) |
| Interest income on deposits and others | (847.03) | (679.88) |
| Rental income | (4.46) | (6.50) |
| Dividend income | (0.18) | (0.48) |
| Provision for bad and doubtful debts | 4.01 | 17.60 |
| Finance costs | 742.60 | 677.62 |
| Net gain on fair value changes of investment | (5.95) | 0.77 |
| Operating Profit before working capital changes | 17,631.64 | 7,069.51 |
| Changes in operating assets and liabilities | | |
| (Increase) / decrease in Trade Receivables | 2,262.76 | (3,207.60) |
| (Increase) in financial assets other than trade receivables | (82.82) | (127.06) |
| (Increase) / Decrease in other assets | (1,053.57) | 745.81 |
| (Increase) / Decrease in Inventories | (193.36) | (182.39) |
| Increase in Trade payables | 2,115.33 | 345.47 |
| Increase / (Decrease) in other financial liabilities | 702.87 | 3,027.45 |
| Increase / (Decrease) in provisions | 68.03 | 68.20 |
| Increase / (Decrease) in other liabilities | 408.91 | (2,183.09) |
| Cash Generated from Operations | 21,859.79 | 5,556.30 |
| Income taxes paid | (3,500.00) | (1,250.00) |
| Net cash inflow (outflow) from operating activities | 18,359.79 | 4,306.30 |

| Particulars | Year ended 31 st March 2021 | Year ended 31 st March 2020 |
|--|---|---|
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment (net) | (9,214.74) | (3,975.79) |
| (i) Increase in intangible Assets | - | (462.80) |
| (ii) (Increase) / decrease in Capital Work-In-Progress | 5,055.71 | (5,087.15) |
| (iii) (Increase)/decrease in Intangible Assets under Development | (43.45) | (145.76) |
| (iv) Sale of property, plant and equipment | 0.05 | 6.02 |
| Sale of investment property | 140.85 | - |
| Interest income on deposits and others | 847.03 | 679.88 |
| Dividend income | 0.18 | 0.48 |
| Rental income | 4.46 | 6.50 |
| Net cash inflow from (used in) investing activities | (3,209.91) | (8,978.62) |
| Cash flow from financing activities | | |
| Proceeds/ (repayment) from non-current borrowings (net) | (1,582.18) | 4,208.22 |
| Proceeds/ (repayment) from current borrowings | 1,334.73 | 854.47 |
| Dividend paid (Including corporate dividend tax) | - | (1,308.74) |
| Finance costs | (595.26) | (516.95) |
| Payment for lease liabilities | (17.92) | (21.38) |
| Net cash inflow from (used in) financing activities | (860.63) | 3,215.62 |
| Net increase (decrease) in cash and cash equivalents | 14,289.25 | (1,456.70) |
| Cash and Cash equivalents at the beginning of the Year | 11,623.57 | 13,080.27 |
| Cash and Cash equivalents at the end of the Year | 25,912.82 | 11,623.57 |

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

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

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

On behalf of Board of Directors

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

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

Sd/-
P.Parvathi
Managing Director
DIN : 00016597

Place: Hyderabad
Date: 11th June, 2021

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

Sd/-
Bikram Keshari Prusty
Company Secretary
FCS : 7855

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2021 Rs in lakhs

a. Equity share capital

| Particulars | Note | As at | |
|---|------|-----------------------------|-----------------------------|
| | | 31 st March 2021 | 31 st March 2020 |
| Balance at the beginning of the year | 10 | 700.38 | 700.38 |
| Changes in equity share capital during the year | | - | - |
| Balance at the end of the year | | 700.38 | 700.38 |

b. Other equity

| Particulars | Note | Reserves and surplus | | | Total |
|--|------|----------------------|-----------------|-------------------|------------------|
| | | Securities premium | General reserve | Retained earnings | |
| Balance as at 1 April 2019 | 11 | 1,250.14 | 4,639.52 | 34,049.42 | 39,939.08 |
| Dividend (including corporate dividend tax) | | - | - | (1,308.74) | (1,308.74) |
| Profit for the year | | - | - | 5,664.38 | 5,664.38 |
| Other comprehensive income/(loss) (net of tax) | | - | - | (5.06) | (5.06) |
| Balance as at 31 March 2020 | | 1,250.14 | 4,639.52 | 38,400.00 | 44,289.66 |
| Profit for the year | | - | - | 11,512.75 | 11,512.75 |
| Other comprehensive income/(loss) (net of tax) | | - | - | (5.00) | (5.00) |
| Balance as at 31 March 2021 | | 1,250.14 | 4,639.52 | 49,907.75 | 55,797.41 |
| Summary of significant accounting policies | 2 | | | | |

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

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

On behalf of Board of Directors

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

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

Sd/-
P.Parvathi
Managing Director
DIN : 00016597

Place: Hyderabad
Date: 11th June, 2021

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

Sd/-
Bikram Keshari Prusty
Company Secretary
FCS : 7855

Notes forming part of the financial statements for the year ended 31st March 2021

1 Company Information:

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

2 Significant Accounting Policies:

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

a) Statement of Compliance:

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

b) Basis of preparation:

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

c) Use of estimates and critical accounting judgements:

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

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

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

d) Revenue Recognition:

i) Sale of Products

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

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

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

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

ii) Other income

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

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

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

e) Borrowing Costs:

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

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

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

f) Employee Benefits:

(i) Short-term obligations

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

(ii) Other long-term employee benefit obligations

The liabilities for earned leave is not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The

benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligations. Remeasurements as a result of the experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

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

(iii) Gratuity obligations

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

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

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

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

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

(iv) Defined contribution plans

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

(v) Bonus plans

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

g) Income Taxes:

Tax expense for the year comprises current and deferred tax.

Current Tax is the amount of tax payable on the taxable income for the year as determined in accordance

with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws that have been enacted or substantively enacted by the end of the reporting period.

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

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

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

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

h) Property, plant and equipment (PPE):

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of property, plant and equipment comprises of purchase price, applicable duties and taxes, any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets, upto the date the asset is ready for its intended use. All other repair and maintenance costs, including regular servicing, are recognised in the statement of profit and loss as incurred. When a replacement occurs, the carrying value of the replaced part is de-recognised. Where an item of property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items.

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic

benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

i) Expenditure during construction period:

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

j) Depreciation:

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

k) Intangible Assets and Amortization:

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

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

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

l) Investment Property:

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

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

m) Impairment of Assets:

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

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

n) Inventories:

Raw Materials, Fuel, Stores & Spares and Packing Materials

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

Materials in Transit:

Valuation of Inventories of Materials in Transit is done at Cost

Work-in-Progress (WIP) and Finished Goods

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

o) Provisions, Contingent Liabilities and Contingent Assets :

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

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

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

p) Financial instruments:

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

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

Financial assets

(i) Financial assets carried at amortised cost

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

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

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

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

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

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

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity Instruments

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

Financial Liabilities

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

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

Derecognition of financial instruments

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

Fair value of financial instruments

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

Offsetting financial instruments

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

q) Earnings Per Share :

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

r) Cash and cash equivalents:

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

s) Transactions in Foreign Currencies:

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

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

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

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

t) Segment Reporting - Identification of Segments:

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

u) Government Grants:

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

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

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

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

v) Leases

As a lessee:

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

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

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

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

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

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

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the company changes its assessment if whether it will exercise an extension or a termination option.

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

As Lessor:

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

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

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

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

w) Dividend Distribution

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

x) Rounding off amounts

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

y) Standards issued but not yet effective

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

Notes forming part of the financial statements for the year ended 31st March 20213.1 (a) Property, plant and equipment Rs. in Lakhs

| Particulars | Gross carrying amount | | | Accumulated depreciation | | | Net carrying amount |
|------------------------|-----------------------|-----------------|-------------|--------------------------|--------------------|-----------------|---------------------|
| | As at 1 April 2020 | Additions | Deletions | As at 31 March 2021 | As at 1 April 2020 | For the period | |
| Land | 1,895.39 | 652.47 | - | 2,547.86 | - | - | 2,547.86 |
| Buildings | 5,765.97 | 980.92 | - | 6,746.89 | 953.23 | 258.36 | 5,535.30 |
| Plant and equipment* | 32,802.70 | 7,386.98 | - | 40,189.68 | 6,475.08 | 1,696.80 | 32,017.80 |
| Furniture and fixtures | 53.92 | 41.74 | - | 95.66 | 25.30 | 5.68 | 64.68 |
| Vehicles | 367.04 | 98.64 | - | 465.68 | 92.81 | 49.58 | 323.29 |
| Office equipment | 130.01 | 53.99 | 0.28 | 183.72 | 81.10 | 21.85 | 81.04 |
| Railway sidings | 3,016.86 | - | - | 3,016.86 | 603.14 | 190.98 | 2,222.74 |
| TOTAL | 44,031.89 | 9,214.74 | 0.28 | 53,246.35 | 8,230.66 | 2,223.25 | 42,792.71 |

*includes amount capitalised towards Waste Heat Recovery System (WHRS) of Rs. 6915.72 lakhs on 30-12-2020.

3.1 (b) Property, plant and equipment

| Particulars | Gross carrying amount | | | Accumulated depreciation | | | Net carrying amount |
|------------------------|-----------------------|-----------------|--------------|--------------------------|--------------------|-----------------|---------------------|
| | As at 1 April 2019 | Additions | Deletions | As at 31 March 2020 | As at 1 April 2019 | For the Year | |
| Land | 1,798.09 | 97.30 | - | 1,895.39 | - | - | 1,895.39 |
| Buildings | 5,640.58 | 125.39 | - | 5,765.97 | 712.42 | 240.81 | 4,812.74 |
| Plant and equipment | 29,151.13 | 3,651.57 | - | 32,802.70 | 4,978.59 | 1,496.49 | 26,327.62 |
| Furniture and fixtures | 50.12 | 3.80 | - | 53.92 | 20.03 | 5.27 | 28.62 |
| Vehicles | 288.75 | 89.91 | 11.62 | 367.04 | 57.23 | 41.99 | 274.23 |
| Office equipment | 122.19 | 7.82 | - | 130.01 | 68.13 | 12.97 | 48.91 |
| Railway sidings | 3,016.86 | - | - | 3,016.86 | 411.64 | 191.50 | 2,413.72 |
| TOTAL | 40,067.72 | 3,975.79 | 11.62 | 44,031.89 | 6,248.04 | 1,989.03 | 35,801.23 |



3.2 Right-of-use assets

Following are the changes in the carrying value of right of use assets:

| Particulars | As at 31 st March 2021 | As at 31 st March 2020 |
|------------------------------------|-----------------------------------|-----------------------------------|
| Opening Balance | 17.77 | - |
| Add: Additions during the year | 9.34 | 37.58 |
| Less: Amortisation during the year | 16.30 | 19.81 |
| Net carrying amount | 10.81 | 17.77 |

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

The following is the break-up of current and non-current lease liabilities:

| Particulars | As at 31 st March 2021 | As at 31 st March 2020 |
|-----------------------------|-----------------------------------|-----------------------------------|
| Current lease liability | 2.57 | 14.86 |
| Non-current lease liability | 8.63 | 3.56 |
| Total | 11.20 | 18.42 |

The following is the movement in lease liabilities:

| Particulars | As at 31 st March 2021 | As at 31 st March 2020 |
|--------------------------------------|-----------------------------------|-----------------------------------|
| Balance at the beginning of the year | 18.42 | - |
| Additions | 9.34 | 37.58 |
| Finance Cost accrued during the year | 1.34 | 2.21 |
| Deletions | - | - |
| Payment of lease liabilities | 17.90 | 21.37 |
| Balance at the end of the year | 11.20 | 18.42 |

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

| Particulars | As at 31 st March 2021 | As at 31 st March 2020 |
|--------------------|-----------------------------------|-----------------------------------|
| Less than one year | 9.21 | 18.06 |
| one to five year | 2.65 | 3.66 |
| Total | 11.86 | 21.72 |

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

Rental expense recorded for short-term leases was Rs. 47.96 lakhs for the year ended March 31, 2020 (P.Y. Rs. 44.32 lakhs)

3.3 (a) Capital work-in-progress as at March 31, 2021: Rs.926.51 Lakhs.

Capital work-in-progress includes Land and Buildings of Rs. 271.23 lakhs and Plant and Equipment of Rs. 655.28 lakhs

3.3 (b) Capital work-in-progress as at March 31, 2020: Rs. 5,982.22 lakhs

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

3.4 (a) Investment properties

| Particulars | Gross carrying amount | | | | Accumulated depreciation | | | Net carrying amount As at 31 st March 2021 |
|--------------|----------------------------------|-----------|--------------|-----------------------------------|----------------------------------|----------------|--------------|---|
| | As at 1 st April 2020 | Additions | Deletions | As at 31 st March 2021 | As at 1 st April 2020 | For the period | On disposals | |
| Land | 61.02 | - | 26.56 | 34.46 | - | - | - | 34.46 |
| Buildings | 146.83 | - | 72.95 | 73.88 | 10.37 | 2.44 | 6.29 | 67.36 |
| TOTAL | 207.85 | - | 99.51 | 108.34 | 10.37 | 2.44 | 6.29 | 101.82 |

3.4 (b) Investment property

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

3.4 (c) Disclosures - Ind AS 40

| Particulars | 2020-21 | 2019-20 |
|---|-------------|-------------|
| Rental income from investment property | 4.46 | 6.50 |
| Less: Direct operating expenses (including repairs and maintenance) | 0.04 | 0.17 |
| Income from investment property (net) | 4.42 | 6.33 |

Fair value of the investment property as at 31 March, 2021 is Rs. 50.80 lakhs (P.Y - Rs. 101.60 lakhs)

3.5 (a) Intangible assets

| Particulars | Gross carrying amount | | | | Accumulated amortisation | | | Net carrying amount As at 31 st March 2021 |
|--|----------------------------------|-----------|-----------|-----------------------------------|----------------------------------|----------------|--------------|--|
| | As at 1 st April 2020 | Additions | Deletions | As at 31 st March 2021 | As at 1 st April 2020 | For the period | On disposals | |
| Compensatory land & afforestation expenses | 2,020.65 | - | - | 2,020.65 | 236.48 | 75.09 | - | 311.57 |
| Computer software | 30.49 | - | - | 30.49 | 30.49 | - | - | 30.49 |
| TOTAL | 2,051.14 | - | - | 2,051.14 | 266.97 | 75.09 | - | 1,709.08 |

3.5 (b) Intangible assets

| Particulars | Gross carrying amount | | | | Accumulated amortisation | | | Net carrying amount As at 31 st March 2020 |
|--|----------------------------------|---------------|-----------|-----------------------------------|----------------------------------|--------------|--------------|--|
| | As at 1 st April 2019 | Additions | Deletions | As at 31 st March 2020 | As at 1 st April 2019 | For the Year | On disposals | |
| Compensatory land & afforestation expenses | 1,557.85 | 462.80 | - | 2,020.65 | 163.79 | 72.69 | - | 236.48 |
| Computer software | 30.49 | - | - | 30.49 | 23.37 | 7.12 | - | 30.49 |
| TOTAL | 1,588.34 | 462.80 | - | 2,051.14 | 187.16 | 79.81 | - | 1,784.17 |

3.6 (a) Intangible assets under development as at March 31, 2021: Rs. 230.71 lakhs

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

3.6 (b) Intangible assets under development as at March 31, 2020: Rs. 187.26 lakhs

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

Notes forming part of the financial statements for the year ended 31st March 2021

4.1. Investments

All amounts in Rs. Lakhs, unless otherwise stated

| Particulars | As at 31 st March 2021 | As at 31 st March 2020 |
|---|--------------------------------------|--------------------------------------|
| Investments in equity instruments (quoted - fully paid up) | | |
| Fair value through profit and loss (FVTPL) | | |
| Tata Consultancy Services Limited | 13.98 | 8.03 |
| 440 (P.Y - 440) Equity Shares of Re. 1 /- each | | |
| Investments in equity instruments (unquoted - fully paid up) | | |
| At amortised cost | | |
| DCFEMAC Co-operative Stores Limited | 0.10 | 0.10 |
| 236 (P.Y - 236) Equity Shares of Rs. 100 /- each | | |
| TOTAL | 14.08 | 8.13 |
| Aggregate market value of quoted investments | 13.98 | 8.03 |
| Aggregate amount of unquoted investments | 0.10 | 0.10 |
| Aggregate amount of impairment in value of investments | - | - |

4.2. Other financial assets (non-current)

| Particulars | As at 31 st March 2021 | As at 31 st March 2020 |
|--|--------------------------------------|--------------------------------------|
| Margin money deposits with banks against bank guarantees | 228.27 | 218.47 |
| TOTAL | 228.27 | 218.47 |

5. Other non-current assets

| Particulars | As at 31 st March 2021 | As at 31 st March 2020 |
|---|--------------------------------------|--------------------------------------|
| Unsecured, considered good | | |
| Capital advances* | 1,321.76 | 106.42 |
| Advances other than capital advances | | |
| i) Taxes paid under protest | 499.68 | 498.15 |
| ii) Deposits with government companies and others | 559.61 | 532.26 |
| TOTAL | 2,381.05 | 1,136.83 |

**includes advance given to 1233.42 lakhs for the Clinkerization Plant.*

All amounts in Rs. Lakhs, unless otherwise stated

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

| Particulars | As at 31 st March 2021 | As at 31 st March 2020 |
|---|--------------------------------------|--------------------------------------|
| a) Raw materials | 312.81 | 236.31 |
| b) Work-in-progress | 825.20 | 1,124.46 |
| c) Finished goods | 141.99 | 410.29 |
| d) Stores and spares | 3,347.15 | 3,200.69 |
| e) Packing materials | 274.24 | 105.09 |
| f) Coal (includes material in transit of Rs. 38.56 lakhs (P.Y. 11.27 lakhs) | 1,991.73 | 1,622.92 |
| TOTAL | 6,893.12 | 6,699.76 |

7.1. Trade receivables

| Particulars | As at 31 st March 2021 | As at 31 st March 2020 |
|--|--------------------------------------|--------------------------------------|
| a) Trade Receivables considered good - secured | 1,250.54 | 1,710.61 |
| b) Trade Receivables considered good - unsecured | 1,282.61 | 3,085.30 |
| Less: Allowance for credit losses | (21.61) | (17.60) |
| TOTAL | 2,511.54 | 4,778.31 |

7.2. Cash and cash equivalents

| Particulars | As at 31 st March 2021 | As at 31 st March 2020 |
|---------------------------------------|--------------------------------------|--------------------------------------|
| a) Balances with banks | | |
| in current accounts | 22.20 | 41.16 |
| in deposit accounts* | 24,265.76 | 11,568.44 |
| in margin money deposit accounts | 1.53 | 6.54 |
| Debit balance in cash credit accounts | 1,612.28 | - |
| b) Cash on hand | 11.05 | 7.43 |
| TOTAL | 25,912.82 | 11,623.57 |

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

7.3. Other bank balances

| Particulars | As at 31 st March 2021 | As at 31 st March 2020 |
|--------------------------------------|--------------------------------------|--------------------------------------|
| Earmarked balances with banks | | |
| Unpaid dividend accounts | 35.01 | 32.11 |
| Margin money deposit accounts | 8.85 | 8.85 |
| TOTAL | 43.86 | 40.96 |

Notes to the Financial Statements

All amounts in Rs. Lakhs, unless otherwise stated

7.4. Loans (current)

| Particulars | As at 31 st March 2021 | As at 31 st March 2020 |
|-------------------|--------------------------------------|--------------------------------------|
| Employee advances | 8.81 | 12.55 |
| TOTAL | 8.81 | 12.55 |

7.5. Other financial assets (current)

| Particulars | As at 31 st March 2021 | As at 31 st March 2020 |
|---|--------------------------------------|--------------------------------------|
| Interest accrued on deposits and others | 177.97 | 76.48 |
| Sales tax incentive receivable | 19.65 | 19.65 |
| Banked energy | 264.33 | 291.96 |
| TOTAL | 461.95 | 388.09 |

8. Current tax assets (net)

| Particulars | As at 31 st March 2021 | As at 31 st March 2020 |
|--------------------------------|--------------------------------------|--------------------------------------|
| Advance tax (net of provision) | 67.41 | 313.09 |
| TOTAL | 67.41 | 313.09 |

9. Other current assets

| Particulars | As at 31 st March 2021 | As at 31 st March 2020 |
|--------------------------|--------------------------------------|--------------------------------------|
| Prepaid expenses | 134.82 | 258.30 |
| Advances to suppliers | 1,663.93 | 1,557.71 |
| Advances to transporters | 13.39 | 1.46 |
| Earnest money deposits | 33.58 | 24.06 |
| Other advances | 7.74 | 17.30 |
| TOTAL | 1,853.46 | 1,858.83 |

10. Equity share capital

| Particulars | As at 31 st March 2021 | As at 31 st March 2020 |
|--|--------------------------------------|--------------------------------------|
| AUTHORIZED | | |
| 2,00,00,000 equity shares of Rs. 5/- each (P.Y - 2,00,00,000 equity shares of Rs. 5/- each) | 1,000.00 | 1,000.00 |
| TOTAL | 1,000.00 | 1,000.00 |
| ISSUED, SUBSCRIBED & PAID-UP CAPITAL | | |
| 1,40,07,500 equity shares of Rs. 5/- each (P.Y - 1,40,07,500 equity shares of Rs. 5/- each) | 700.38 | 700.38 |
| TOTAL | 700.38 | 700.38 |

All amounts in Rs. Lakhs, unless otherwise stated

(A) Movement in equity share capital:

| Particulars | Number of shares | Amount |
|----------------------------------|-------------------|--------|
| Balance at April 1, 2019 | 14,007,500 | 700.38 |
| Movement during the year | - | - |
| Balance at March 31, 2020 | 14,007,500 | 700.38 |
| Movement during the period | - | - |
| Balance at March 31, 2021 | 14,007,500 | 700.38 |

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

| Name of the shareholder | As at 31 st March 2021 | | As at 31 st March 2020 | |
|--|-----------------------------------|-----------|-----------------------------------|-----------|
| | No. of Shares | % holding | No. of Shares | % holding |
| Melville Finvest Limited | 4,603,712 | 32.87 | 4,603,712 | 32.87 |
| Satyasai Investments and Leasing Limited | 1,055,228 | 7.53 | 1,054,103 | 7.53 |
| M.B. Raju | 1,160,921 | 8.29 | 1,160,921 | 8.29 |

(C) Terms/Rights attached to equity shares

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

11. Other equity

| Particulars | As at 31 st March 2021 | As at 31 st March 2020 |
|--|--------------------------------------|--------------------------------------|
| Reserves and surplus | | |
| Securities premium | 1,250.14 | 1,250.14 |
| General reserve | 4,639.52 | 4,639.52 |
| Retained earnings | 49,907.75 | 38,400.00 |
| TOTAL | 55,797.41 | 44,289.66 |
| Retained earnings | | |
| Opening balance | 38,400.00 | 34,049.42 |
| Add: Profit for the year | 11,512.75 | 5,664.38 |
| Less: Dividend (including corporate dividend tax) | - | (1,308.74) |
| Add: Items of other comprehensive income/(loss) recognised directly in retained earnings | | |
| - Remeasurements of defined benefit plans (net of tax) | (5.00) | (5.06) |
| Closing balance | 49,907.75 | 38,400.00 |

Nature and purpose of other reserves

(i) Securities premium

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

(ii) General reserve

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

(iii) Retained earnings

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

12.1. Borrowings

| Particulars | As at 31 st March 2021 | As at 31 st March 2020 |
|--|--------------------------------------|--------------------------------------|
| Non- current | | |
| a) Secured loans | | |
| Equipment and vehicle loans | | |
| From banks | 3,246.90 | 4,360.28 |
| b) Unsecured loans | | |
| From directors | 550.00 | 750.00 |
| Inter corporate deposits from related parties | 875.00 | 875.00 |
| Deferred payment liabilities- sales tax deferment loan | 504.45 | 692.83 |
| TOTAL | 5,176.35 | 6,678.11 |

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

The company has availed term loan from HDFC Bank Ltd. The loan is repayable in 16 equal quarterly instalments starting from June 2020.

ii) Security:

The term loan from HDFC Bank Ltd is secured by first charge on fixed assets and second charge (pari passu) on the current assets.

iii) Repayment Schedule with rate of interest:

| Name of the bank/financial institution | Rate of interest | 2021-22 | 2022-23 | 2023-24 |
|--|------------------|---------|----------------|---------|
| HDFC Bank Ltd | 8.80% | 1624.98 | 1624.98 | 1621.92 |

Unsecured loans:

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

Deferred payment liabilities:

The Company in earlier years availed interest free sales tax deferred loan aggregating to Rs.1631.54 lakhs under a scheme of the State Government, for its enhanced capacity implemented in 2000-01. The balance loan is repayable upto the financial year 2024-25 as per VAT assessment orders completed.

13. Provisions (non-current)

All amounts in Rs. Lakhs, unless otherwise stated

| Particulars | As at | As at |
|--------------------------|-----------------------------|-----------------------------|
| | 31 st March 2021 | 31 st March 2020 |
| Employee benefits | | |
| Gratuity | 371.14 | 347.94 |
| Leave encashment | 106.39 | 98.34 |
| Others | | |
| Mine closure | 46.62 | 3.10 |
| TOTAL | 524.15 | 449.38 |

14. Deferred tax liabilities (net)

| Particulars | As at | As at |
|---|-----------------------------|-----------------------------|
| | 31 st March 2021 | 31 st March 2020 |
| (i) Deferred tax liabilities on timing difference due to: | | |
| Depreciation and amortisation | 5,214.01 | 5,051.69 |
| (ii) Deferred tax assets on account of: | | |
| Employee benefits, investments etc., | 171.03 | 139.89 |
| Deferred tax liabilities (net) | 5,042.98 | 4,911.80 |

Movement in deferred tax liabilities (net)

| Particulars | WDV of assets | Expenses allowable on payment basis | Total |
|------------------------------------|---------------|-------------------------------------|----------|
| As at 31 st March, 2020 | 5,051.69 | 139.89 | 4,911.80 |
| (Charged)/Credited | | | |
| to Statement of profit and loss | 162.32 | 29.46 | 132.86 |
| to Other comprehensive income | - | 1.68 | (1.68) |
| As at 31 st March, 2021 | 5,214.01 | 171.03 | 5,042.98 |

15. Other non current liabilities

| Particulars | As at | As at |
|---|-----------------------------|-----------------------------|
| | 31 st March 2021 | 31 st March 2020 |
| Deferred revenue grant - sales tax deferment loan | 58.97 | 102.23 |
| TOTAL | 58.97 | 102.23 |

Notes to the Financial Statements

16.1. Borrowings

All amounts in Rs. Lakhs, unless otherwise stated

| Particulars | As at 31 st March 2021 | As at 31 st March 2020 |
|----------------------------------|--------------------------------------|--------------------------------------|
| Secured | | |
| Repayable on demand | | |
| Working capital loans from banks | 3,308.32 | 2,127.53 |
| TOTAL | 3,308.32 | 2,127.53 |

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

16.1(a) Net Debt Reconciliation

| Particulars | As at 31 st March 2021 | As at 31 st March 2020 |
|--|--------------------------------------|--------------------------------------|
| Opening balance of borrowings | 1,0710.49 | 5,644.46 |
| Add:- Net Proceeds/(repayment) from non-current borrowings | (1,582.18) | 4,208.22 |
| Proceeds/ (repayment) from current borrowings | 1,323.59 | 987.11 |
| Fair value adjustment | 17.63 | (129.30) |
| Closing balance of borrowings | 10,469.53 | 10,710.49 |

16.2. Trade payables

| Particulars | As at 31 st March 2021 | As at 31 st March 2020 |
|--|--------------------------------------|--------------------------------------|
| Dues to micro enterprises and small enterprises (Refer Note below) | 89.43 | 4.71 |
| Dues to creditors other than micro enterprises and small enterprises | 4,318.38 | 2,287.77 |
| TOTAL | 4,407.81 | 2,292.48 |

All amounts in Rs. Lakhs, unless otherwise stated

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

| Particulars | As at 31 st March 2021 | As at 31 st March 2020 |
|---|--------------------------------------|--------------------------------------|
| i) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year Principal amount due to micro and small enterprises Interest due on above | 89.43 | 4.71 |
| ii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period | - | - |
| iii) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006 | - | - |
| iv) The amount of interest accrued and remaining unpaid at the end of each accounting year | | |
| v) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006. | - | - |

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

16.3. Other financial liabilities (current)

| Particulars | As at 31 st March 2021 | As at 31 st March 2020 |
|--|--------------------------------------|--------------------------------------|
| Current maturities of long term debt | | |
| From banks | 1,624.98 | 1,460.50 |
| From others | - | 10.54 |
| Current maturities of deferred payment liabilities | | |
| Sales tax deferment loan | 257.66 | 268.80 |
| Unpaid dividend | 35.01 | 32.11 |
| Interest accrued and due | 33.20 | 47.75 |
| Expenses payable | 2,142.34 | 1,693.64 |
| Other recoveries payable | 15.72 | 10.26 |
| Security deposits from transporters and suppliers | 560.96 | 508.08 |
| Security deposits from stockists and dealers | 3,696.16 | 3,139.49 |
| Capital creditors | 558.27 | 874.30 |
| TOTAL | 8,924.30 | 8,045.47 |

Notes to the Financial Statements

All amounts in Rs. Lakhs, unless otherwise stated

17. Other current liabilities

| Particulars | As at 31 st March 2021 | As at 31 st March 2020 |
|---|--------------------------------------|--------------------------------------|
| Advances from customers | 1,557.18 | 644.89 |
| Statutory liabilities | 99.91 | 603.28 |
| Deferred revenue grant - sales tax deferment loan | 43.25 | 62.78 |
| TOTAL | 1,700.34 | 1,310.95 |

18. Provisions (current)

| Particulars | As at 31 st March 2021 | As at 31 st March 2020 |
|--------------------------|--------------------------------------|--------------------------------------|
| Employee benefits | | |
| Gratuity | 122.68 | 90.54 |
| Leave encashment | 43.09 | 31.77 |
| TOTAL | 165.77 | 122.31 |

19. Current tax liabilities (Net)

| Particulars | As at 31 st March 2021 | As at 31 st March 2020 |
|--|--------------------------------------|--------------------------------------|
| Provision for tax (net of advance tax) | 330.03 | - |
| TOTAL | 330.03 | - |

Notes forming part of the financial statements for the year ended 31 March 2021

(i) Leave obligations

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

(ii) Defined contribution plans

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

| Particulars | As at 31 st March 2021 | As at 31 st March 2020 |
|--|--------------------------------------|--------------------------------------|
| Company's contribution to provident fund | 125.08 | 122.87 |

All amounts in Rs. Lakhs, unless otherwise stated

(iii) Post-employment obligations

a) Gratuity

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

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

| Particulars | As at 31 st March 2021 | As at 31 st March 2020 |
|---|--------------------------------------|--------------------------------------|
| Change in defined benefit obligations: | | |
| Obligation at the beginning of the year | 483.65 | 450.80 |
| Current service costs | 32.75 | 30.22 |
| Interest costs | 31.91 | 32.90 |
| Remeasurement (gains)/losses | 5.96 | 6.62 |
| Benefits paid | (21.74) | (36.89) |
| Obligation at the end of the year | 532.53 | 483.65 |
| Change in plan assets: | | |
| Fair value of plan assets at the beginning of the year | 45.16 | 66.22 |
| Interest income | 2.79 | 4.08 |
| Remeasurement (gains)/losses | (1.63) | (0.13) |
| Employer's contributions | 14.13 | 11.88 |
| Benefits paid | (21.74) | (36.89) |
| Fair value of plan assets at the end of the year | 38.71 | 45.16 |
| Expenses recognised in the statement of profit and loss consists of: | | |
| Employee benefits expense: | | |
| Current service costs | 32.74 | 30.22 |
| Net interest expenses | 29.12 | 28.81 |
| Benefits paid | 19.08 | 15.34 |
| | 80.94 | 74.37 |

Notes to the Financial Statements

All amounts in Rs. Lakhs, unless otherwise stated

| Particulars | As at 31 st March 2021 | As at 31 st March 2020 |
|--|--------------------------------------|--------------------------------------|
| Other comprehensive income: | | |
| (Gain)/loss on plan assets | 0.72 | 0.13 |
| Actuarial (gain)/loss arising from changes in financial assumptions | (1.65) | 18.56 |
| Actuarial (gain)/loss arising from changes in experience adjustments | 7.61 | (11.93) |
| | 6.68 | 6.76 |
| Expenses recognised in the statement of profit and loss | 87.62 | 81.13 |

Amounts recognised in the balance sheet consist of

| Particulars | As at 31 st March 2021 | As at 31 st March 2020 |
|--|--------------------------------------|--------------------------------------|
| Fair value of plan assets at the end of the year | 38.71 | 45.17 |
| Present value of obligation at the end of the year | 532.53 | 483.65 |
| Recognises as | | |
| Retirement benefit liability - Non-current | 371.14 | 347.94 |
| Retirement benefit liability - Current | 122.68 | 90.54 |

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

Expected contribution to post-employment benefit plan of gratuity for the year ending 31 March 2022 is Rs. 14.50 Lakhs.

iv) Significant estimates and sensitivity Analysis

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

| Particulars | Key assumptions | | Defined benefit obligation | | | | | |
|--------------------|-----------------------------------|-----------------------------------|----------------------------|-----------------------------------|-----------------------------------|---------------------------|-----------------------------------|-----------------------------------|
| | | | Increase in assumption by | | | Decrease in assumption by | | |
| | 31 st March 2021 | 31 st March 2020 | Rate | 31 st March 2021 | 31 st March 2020 | Rate | 31 st March 2021 | 31 st March 2020 |
| Discount rate | 6.82% | 6.75% | 1% | 510.23 | 462.22 | 1% | 557.43 | 507.54 |
| Salary growth rate | 4.00% | 4.00% | 1% | 560.75 | 510.34 | 1% | 506.85 | 459.34 |
| Attrition rate | 3.00% | 3.00% | 1% | 536.16 | 487.00 | 1% | 528.52 | 479.94 |

The above sensitivity analysis is based on a change in each assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated

with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

v) Risk exposure

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

Interest rate risk:

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

Salary inflation risk:

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

Demographic risk:

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

20. Revenue from operations

All amounts in Rs. Lakhs, unless otherwise stated

| Particulars | As at 31 st March 2021 | As at 31 st March 2020 |
|---|--------------------------------------|--------------------------------------|
| Sale of products | | |
| (a) Cement | 75,078.51 | 54,838.63 |
| (b) Power* | | |
| (Net of charges for wheeling and banking) | | |
| Wind | 18.76 | 47.68 |
| Hydel | 349.67 | 519.30 |
| Other operating revenues | | |
| Scrap sales | 119.06 | 127.85 |
| Sales tax incentive** | 229.18 | - |
| TOTAL | 75,795.18 | 55,533.46 |

* includes unbilled revenue

** During the year, the company has received sales tax incentive of Rs. 229.18 lakhs pertaining to FY - 13- 14.

21. Other income

| Particulars | As at 31 st March 2021 | As at 31 st March 2020 |
|---|--------------------------------------|--------------------------------------|
| Interest income on deposits and others | 847.03 | 679.88 |
| Dividend income | 0.18 | 0.48 |
| Net gain on disposal of property, plant and equipment | 0.04 | 0.81 |
| Net gain on sale of investment property | 47.65 | - |
| Miscellaneous income | 42.49 | 183.90 |
| Rental income | 4.46 | 6.50 |
| Amortisation of revenue grant | 62.78 | 84.09 |
| Net gain on fair value changes of investment | 5.95 | - |
| TOTAL | 1,010.58 | 955.66 |

Notes to the Financial Statements

All amounts in Rs. Lakhs, unless otherwise stated

22. Cost of materials consumed

| Particulars | As at 31 st March 2021 | As at 31 st March 2020 |
|--------------------------------|--------------------------------------|--------------------------------------|
| Raw materials consumed: | | |
| Lime stone | 2,458.47 | 2,116.94 |
| Iron ore | 1,097.56 | 1,009.81 |
| Gypsum | 1,713.36 | 1,309.09 |
| Fly ash | 1,241.13 | 916.85 |
| Laterite | 395.33 | 156.25 |
| Sub TOTAL | 6,905.85 | 5,508.94 |
| Less : Internal Consumption | 86.24 | 51.36 |
| TOTAL | 6,819.61 | 5,457.58 |

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

| Particulars | Year ended 31 st March 2021 | Year ended 31 st March 2020 |
|----------------------------|---|---|
| Opening inventories | | |
| Finished goods | 410.29 | 364.66 |
| Work-in-progress | 1,124.46 | 676.40 |
| (A) | 1,534.75 | 1,041.06 |
| Closing inventories | | |
| Finished goods | 141.99 | 410.29 |
| Work-in-progress | 825.20 | 1,124.46 |
| (B) | 967.19 | 1,534.75 |
| TOTAL (A-B) | 567.56 | (493.69) |

24. Employee benefits expense

| Particulars | Year ended 31 st March 2021 | Year ended 31 st March 2020 |
|---|---|---|
| Salaries, wages and bonus | 2,778.40 | 2,244.84 |
| Contribution to provident and other funds | 221.94 | 214.35 |
| Staff welfare expenses | 320.45 | 290.21 |
| TOTAL | 3,320.79 | 2,749.40 |

25. Finance costs

| Particulars | Year ended 31 st March 2021 | Year ended 31 st March 2020 |
|--------------------------------------|---|---|
| Interest on borrowings | 566.53 | 581.39 |
| Interest on lease liabilities | 1.34 | 2.21 |
| Other borrowing costs | 68.11 | 92.49 |
| Interest cost on mine closure | 43.52 | 1.53 |
| Interest on shortfall of advance tax | 63.10 | - |
| TOTAL | 742.60 | 677.62 |

All amounts in Rs. Lakhs, unless otherwise stated

26. Depreciation and amortization expense

| Particulars | Year ended | Year ended |
|---|-----------------------------|-----------------------------|
| | 31 st March 2021 | 31 st March 2020 |
| Depreciation on property, plant and equipment | 2,223.26 | 1,989.03 |
| Depreciation on investment property | 2.44 | 2.60 |
| Amortisation of intangible assets | 75.09 | 79.81 |
| Amortisation of right-of-use assets | 16.30 | 19.81 |
| TOTAL | 2,317.09 | 2,091.25 |

27. Other expenses

| Particulars | Year ended | Year ended |
|---|-----------------------------|-----------------------------|
| | 31 st March 2021 | 31 st March 2020 |
| Consumption of stores and spares | 3,500.68 | 2,848.95 |
| Consumption of packing material | 2,623.95 | 2,093.09 |
| Repairs and maintenance | | |
| Buildings | 197.20 | 66.98 |
| Plant and machinery | 1,069.87 | 872.60 |
| Others | 1,881.20 | 731.17 |
| Travelling and conveyance | 80.08 | 125.49 |
| Directors' sitting fee | 16.00 | 11.03 |
| Commission to non-whole-time directors | 10.00 | 10.00 |
| Printing and stationery | 12.20 | 14.28 |
| Communication expenses | 24.66 | 27.85 |
| Legal and professional charges | 75.17 | 79.88 |
| Bank charges | 14.28 | 23.00 |
| Insurance | 117.42 | 86.48 |
| Auditors remuneration (Refer note 27a) | 10.95 | 10.80 |
| Rent | 47.90 | 44.32 |
| Rates and taxes | 72.77 | 88.57 |
| Donations | 25.00 | - |
| Security service charges | 134.75 | 127.30 |
| Corporate social responsibility expenses (Refer note 27b) | 125.16 | 143.39 |
| Sales promotion and other selling expenses | 597.66 | 645.88 |
| Provision for bad and doubtful debts | 4.01 | 17.60 |
| Net loss on fair value changes of investment | - | 0.77 |
| Miscellaneous expenses | 203.78 | 115.52 |
| TOTAL | 10,844.69 | 8,184.95 |

Notes to the Financial Statements

All amounts in Rs. Lakhs, unless otherwise stated

27 a. Payments to auditor

| Particulars | Year ended 31 st March 2021 | Year ended 31 st March 2020 |
|------------------------|---|---|
| (a) Statutory auditors | | |
| Statutory audit fees | 7.00 | 7.00 |
| Certification work | 0.15 | - |
| Quarterly review fees | 2.70 | 2.70 |
| (b) To others | | |
| Cost audit fees | 1.10 | 1.10 |
| TOTAL | 10.95 | 10.80 |

27 b. Corporate social responsibility expenses

| Particulars | Year ended 31 st March 2021 | Year ended 31 st March 2020 |
|---|---|---|
| Amount required to be spent as per section 135 of the Act | 123.82 | 138.76 |
| Amount spent during the year on : | | |
| 1. Construction/ acquisition of any assets | - | - |
| 2. On purposes other than (1) above | 125.16 | 143.39 |

28. Exceptional items

| Particulars | Year ended 31 st March 2021 | Year ended 31 st March 2020 |
|------------------|---|---|
| Wheeling Charges | - | 962.41 |
| TOTAL | - | 962.41 |

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

| Particulars | Year ended 31 st March 2021 | Year ended 31 st March 2020 |
|--|---|---|
| Profit before income tax expense | 15,536.03 | 5,054.03 |
| Tax at the Indian tax rate of 25.168% (P.Y: 25.168%) | 3,910.11 | 1,272.00 |
| Effect of non-deductible expense | 686.88 | 613.74 |
| Effect of allowances for tax purpose | (746.33) | (659.68) |
| Effect of deferred tax | 132.86 | (1,846.24) |
| Effect of earlier year's tax | 39.76 | 9.83 |
| Tax expense | 4,023.28 | (610.35) |

30. Contingent liabilities

Rs. in lakhs

| Particulars | As at | As at |
|---|-----------------------------|-----------------------------|
| | 31 st March 2021 | 31 st March 2020 |
| (a) Claims against the company not acknowledged as debt : | | |
| (i) Counter guarantees to banks | 1,355.53 | 1,257.81 |
| (ii) Claims for difference in prices for the year 1994-95 filed by Metropolitan Transport Project, Chennai, matter pending with High Court of Chennai | 6.83 | 6.83 |
| (b) Other money for which the company is contingently liable: | | |
| (i) Sales tax: | | |
| a) Sales tax demand with respect to packing materials in the Asst Year 1993-94 for which the company filed writ petition in the High Court of Andhra Pradesh and obtained stay on payment of 50% of the disputed demand. | 11.52 | 11.52 |
| b) Sales tax demand for the deemed excess production based on the Energy audit for the years 1999-2000 & 2000-01. | 85.68 | 85.68 |
| c) Sales tax demand for interest of Rs. 1,37,24,338/- on alleged excess utilisation of sales tax incentive. Stay was granted by Additional Commissioner (CT) (Legal) subject to 50% payment of disputed amount. | 137.24 | 137.24 |
| d) Sales tax demand for Rs. 51,60,765/- recovery on excess paid interest for the assessment years 2002-03 to 2004-05. Appeal is pending before the Hon'ble High Court of Judicature at Hyderabad for the State of Telangana and for the State of Andhra Pradesh. | 51.61 | 51.61 |
| (ii) VAT demand for 25% penalty of the disputed tax for the year 2014-15. Appeal is pending before the VAT Appellate Tribunal, Hyderabad. 37.50% of the disputed amount is paid for filing the appeals. | 1.62 | 1.62 |
| (iii) The A.P. Government has issued a G.O. Ms.No 391 levying water cess on the quantum of water used in the generation of power and demanded payment of Rs.723.29 Lakhs for the period 1997 to February 2008. Appeal is pending before the Hon'ble High Court of Judicature at Hyderabad for the State of Telangana and for the State of Andhra Pradesh. | 723.29 | 723.29 |

Notes to the Financial Statements

| Particulars | As at 31 st March 2021 | As at 31 st March 2020 |
|--|--------------------------------------|--------------------------------------|
| (iv) Duty on electricity generated and consumed was levied by the AP Govt. at 25 paise per unit for the years 2003-04 to 2008-09. The Hon'ble High Court of Judicature at Hyderabad for the State of Telangana and for the State of Andhra Pradesh has stayed the operation of AP Electricity Duty Amendment Act, 2003. | 316.23 | 316.23 |
| (v) Government of Andhra Pradesh issued G.O. Ms. No. 35 dated 06.02.2010 enhancing the rate of transit permit fee from Rs. 500/- per 100 permits to Rs. 10/- per ton/cmt for limestone, levied under Rule 5 of Andhra Pradesh forest Produce Rules, 1970. The company has filed a writ petition and obtained interim stay from the Hon'ble High Court of Judicature at Hyderabad for the State of Telangana and for the State of Andhra Pradesh and is paying one-third of revised fee till final order. | 1,221.99 | 1,113.10 |
| (vi) Levy of entry tax on the purchase of certain goods from financial year 2012-13 to financial year 2016-17. Appeals are pending before Appellate Tribunal. 50% of the disputed amount is paid for filing the appeals | 18.38 | 21.89 |
| (vii) Difference in the voltage surcharge charged by AP Transco for the period Jan 99 to Mar 00 for which the company filed a writ petition and division bench of Hon'ble High Court of Judicature at Hyderabad for the State of Telangana and for the State of Andhra Pradesh has set aside the order of single judge and remanded the matter for fresh adjudication. Total demand of Rs. 109.94 lakhs has been paid under protest. | - | - |
| (viii) Consequent to the judgement passed by the Hon'ble Supreme court, the company has received a demand notice for Rs. 2336.05 Lakhs (including interest of Rs. 1725.76 Lakhs) from Southern Power Distribution company of Telangana Limited (TSSPDCL) with request to wheeling charges from April 2003 to June 2014. The company sought clarifications regarding the details of the demand. As per the calculation made by the company, an amount of Rs. 962.41 Lakhs has been provided towards wheeling charges during the financial year 2019-2020. | 1,725.76 | - |

31. Commitments

Capital commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as a liability is as follows: Rs. in lakhs

| Particulars | 31 st March 2021 | 31 st March 2020 |
|-------------------------------|-----------------------------|-----------------------------|
| Property, plant and equipment | 12,331.24 | 1,001.07 |
| Total | 12,331.24 | 1,001.07 |

32. Related party transactions

Names of related parties and nature of relationship

| Names of the related parties | Nature of relationship |
|--|----------------------------|
| i) Key Management Personnel (KMP): | |
| Mr. M.B.Raju | Executive Chairman |
| Ms. P.Parvathi | Managing Director |
| Mr. S.Venkateswarlu (w.e.f. 11.11.2019) | Director (Works) |
| Mr. D.Raghava Chary (w.e.f. 01.07.2019) | Chief Financial Officer |
| Mr. Bikram Keshari Prusty (w.e.f. 08.07.2019) | Company Secretary |
| Mr. RVA Narasimha Rao (up to 29.06.2019) | Chief Financial Officer |
| Mr. S K Mishra (up to 10.06.2019) | Company Secretary |
| ii) Non-whole-time Directors | |
| Mr. Umesh Shrivastava | Director |
| Dr. S.A.Dave | Director |
| Mr. K.P.Singh | Director |
| Mr. J Narayana Murty | Director |
| Mr. R.Gopalakrishnan | Director |
| Mrs. Mahpara Ali (w.e.f. .01.04.2020) | Director |
| iii) Relatives of key managerial personnel: | |
| Mrs. M.Lakshmi | Spouse of Mr. M.B.Raju |
| Mr. P.Anirudh Raju | Son of Ms. P.Parvathi |
| Mr. P.Venugopal Raju | Son-in-law of Mr. M.B.Raju |
| Ms. P.Aishwarya | Daughter of Ms. P.Parvathi |
| Mr. P V R Raju | Spouse of Ms. P.Parvathi |

iv) Enterprises in which key managerial personnel and/or their relatives have control:

- a) Satyasai Investments and Leasing Limited
- b) Melville Finvest Limited
- c) DCL Developers Limited (formerly known as DCL Securities Limited)
- d) DCL Exim Private Limited

v) Enterprises in which non-whole time director is interested:

Holtech Consulting Private Limited

Details of transactions during the year where related party relationship existed: Rs.in lakhs

| Names of the related parties | Nature of Transactions | Year ended 31 st March 2021 | Year ended 31 st March 2020 |
|---|------------------------|---|---|
| Mr. M.B.Raju | Remuneration* | 464.09 | 249.35 |
| Ms. P.Parvathi | Remuneration* | 456.12 | 243.56 |
| Mr. S.Venkateswarlu (w.e.f. 11.11.2019) | Remuneration* | 40.89 | 16.88 |
| Mr. D.Raghava Chary (w.e.f. 01.07.2019) | Remuneration* | 21.80 | 15.60 |
| Mr. Bikram Keshari Prusty (w.e.f. 08.07.2019) | Remuneration* | 17.29 | 12.08 |
| Mr. RVA Narasimha Rao (up to 29.06.2019) | Remuneration* | - | 18.19 |
| Mr. S K Mishra (up to 10.06.2019) | Remuneration* | - | 5.83 |
| Mr. Umesh Shrivastava | Commission | 1.67 | 2.00 |
| Dr. S.A.Dave | Commission | 1.67 | 2.00 |
| Mr. K.P.Singh | Commission | 1.67 | 2.00 |
| Mr. J Narayana Murty | Commission | 1.67 | 2.00 |
| Mr. R.Gopalakrishnan | Commission | 1.66 | 2.00 |
| Mrs. Mahpara Ali | Commission | 1.66 | - |
| Mr. Umesh Shrivastava | Sitting fees | 3.40 | 2.28 |
| Dr. S. A.Dave | Sitting fees | 2.10 | 1.47 |
| Mr. K.P.Singh | Sitting fees | 3.30 | 2.50 |
| Mr. J Narayana Murty | Sitting fees | 3.40 | 2.75 |
| Mr. R. Gopalakrishnan | Sitting fees | 2.20 | 2.03 |
| Mrs. Mahpara Ali | Sitting fees | 1.60 | - |
| Mr. M.B.Raju | Dividend | - | 89.97 |
| Melville Finvest Limited | Dividend | - | 356.78 |
| Satyasai Investments and Leasing Ltd. | Dividend | - | 81.18 |
| Ms. P.Parvathi | Dividend | - | 2.94 |
| Mrs. M Lakshmi | Dividend | - | 22.03 |

| Names of the related parties | Nature of Transactions | Year ended 31st March 2021 | Year ended 31st March 2020 |
|---|--|--|--|
| Mr. P.Anirudh Raju | Dividend | - | 1.77 |
| DCL Developers Limited <i>(formerly known as DCL Securities Limited)</i> | Dividend | - | 39.68 |
| DCL Exim Private Limited | Dividend | - | 13.61 |
| Mr. P.Venugopal Raju | Dividend | - | 0.05 |
| Ms. P.Aishwarya | Dividend | - | 1.66 |
| Mr. P V R Raju | Dividend | - | 0.12 |
| Mr. P.Anirudh Raju | Salary | 15.73 | 14.84 |
| Mr. M.B.Raju | Interest on unsecured loan [@] | 7.80 | 18.78 |
| | Repayment of unsecured loan | 200.00 | - |
| | Unsecured loan outstanding | - | 200.00 |
| Ms. P.Parvathi | Interest on unsecured loan [@] | 46.79 | 51.66 |
| | Unsecured loan outstanding | 550.00 | 550.00 |
| Melville Finvest Limited | Interest on unsecured loan [@] | 34.03 | 37.57 |
| | Unsecured loan outstanding | 400.00 | 400.00 |
| Satysai Investments and Leasing Ltd. | Interest on unsecured loan [@] | 40.41 | 44.61 |
| | Unsecured loan outstanding | 475.00 | 475.00 |
| DCL Developers Limited <i>(formerly known as DCL Securities Limited)</i> | Cement Sales | - | 2.04 |
| Mrs. M Lakshmi | Rent paid | 36.00 | 36.00 |
| Holtec Consulting Private Limited | Consultancy charges | 148.27 | 69.83 |

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

[@] *Interest is paid at monthly floating rate of the bank.*

Notes to the Financial Statements

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

Rs. in lakhs

| Names of the related parties | Nature of Balance | As at 31 st March 2021 | As at 31 st March 2020 |
|------------------------------|-------------------|--------------------------------------|--------------------------------------|
| Credit Balances | | | |
| Mr. M.B.Raju | Commission | 330.82 | 112.28 |
| Ms. P.Parvathi | Commission | 330.82 | 112.28 |
| Mr. Umesh Shrivastava | Commission | 1.67 | 2.00 |
| Dr. S.A.Dave | Commission | 1.67 | 2.00 |
| Mr. K.P.Singh | Commission | 1.67 | 2.00 |
| Mr. J Narayana Murty | Commission | 1.67 | 2.00 |
| Mr. R.Gopalakrishnan | Commission | 1.66 | 2.00 |
| Mrs. Mahpara Ali | Commission | 1.66 | - |

33. Earnings per share (EPS)

| Particulars | 31 st March 2021 | 31 st March 2020 |
|---|-----------------------------|-----------------------------|
| Profit after tax (Rs. in lakhs) | 11,512.75 | 5,664.38 |
| Weighted average number of equity shares in calculating basic and diluted EPS | 14,007,500 | 14,007,500 |
| Face value per share (Rs.) | 5.00 | 5.00 |
| Basic and diluted earnings per share (EPS) (Rs.) | 82.19 | 40.44 |

34. Financial instruments and risk management

Fair values

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

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

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

(i) Categories of financial instruments Rs. in lakhs

| Particulars | Level | 31 st March 2021 | | 31 st March 2020 | |
|---|-------|-----------------------------|------------------|-----------------------------|------------------|
| | | Carrying amount | Fair value* | Carrying amount | Fair value* |
| Financial assets | | | | | |
| Measured at amortised cost: | | | | | |
| Non-current | | | | | |
| Investments | 3 | 0.10 | 0.10 | 0.10 | 0.10 |
| Other financial assets | 3 | 228.27 | 228.27 | 218.47 | 218.47 |
| Current | | | | | |
| Trade receivables | 3 | 2,511.54 | 2,511.54 | 4,778.31 | 4,778.31 |
| Cash and cash equivalents | 3 | 25,912.82 | 25,912.82 | 11,623.57 | 11,623.57 |
| Other bank balances | 3 | 43.86 | 43.86 | 40.96 | 40.96 |
| Loans | 3 | 8.81 | 8.81 | 12.55 | 12.55 |
| Other financial assets | 3 | 461.95 | 461.95 | 388.09 | 388.09 |
| Measured at fair value through profit and loss | | | | | |
| Non-current | | | | | |
| Investments | 1 | 13.98 | 13.98 | 8.03 | 8.03 |
| Total | | 29,181.32 | 29,181.32 | 17,070.08 | 17,070.08 |
| Financial liabilities | | | | | |
| Measured at amortised cost | | | | | |
| Non-current | | | | | |
| Borrowings | 3 | 5,235.32 | 5,176.35 | 6,780.34 | 6,678.11 |
| Lease liabilities | 3 | 2.57 | 2.57 | 14.86 | 14.86 |
| Current | | | | | |
| Borrowings | 3 | 3,308.32 | 3,308.32 | 2,127.53 | 2,127.53 |
| Trade payables | 3 | 4,407.81 | 4,407.81 | 2,292.48 | 2,292.48 |
| Lease liabilities | 3 | 8.63 | 8.63 | 3.56 | 3.56 |
| Other financial liabilities | 3 | 8,924.30 | 8,924.30 | 8,045.47 | 8,045.47 |
| Total | | 21,886.95 | 21,827.98 | 19,264.24 | 19,162.01 |

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

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

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

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

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

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

(A) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk, interest rate risk and price risk. Financial instruments affected by market risk include loans and borrowings, trade receivables and trade payables involving foreign currency exposure. The sensitivity analyses in the following sections relate to the position as at March 31, 2021 and March 31, 2020.

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

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2021 and 31 March 2020.

(i) Foreign currency exchange rate risk

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

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. As the

Company has certain debt obligations with floating interest rates, exposure to the risk of changes in market interest rates are dependent of changes in market interest rates. Management monitors the movement in interest rate and, wherever possible, reacts to material movements in such rates by restructuring its financing arrangement.

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

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

| Particulars | Increase/(decrease) in profit before tax | | Increase/(decrease) in other components of equity | |
|------------------------------|--|-----------------------------|---|-----------------------------|
| | 31 st March 2021 | 31 st March 2020 | 31 st March 2021 | 31 st March 2020 |
| Change in interest rate | | | | |
| increase by 100 basis points | (42.57) | (29.79) | (31.86) | (22.29) |
| decrease by 100 basis points | 42.57 | 29.79 | 31.86 | 22.29 |

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

(B) Credit Risk

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

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

Rs. in lakhs

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

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

| Particulars | 31 st March 2021 | 31 st March 2020 |
|---|-----------------------------|-----------------------------|
| Gross carrying amount | 2,533.15 | 4,795.91 |
| Expected credit loss | (21.61) | (17.60) |
| Carrying amount of trade receivables | 2,511.54 | 4,778.31 |

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

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

| Particulars | 31 st March 2021 | 31 st March 2020 |
|------------------------------|--|--|
| Asset group | Estimated gross carrying amount at default | Estimated gross carrying amount at default |
| Gross carrying amount | | |
| Employee advances | 8.81 | 12.55 |
| | 8.81 | 12.55 |
| Net carrying amount | - | - |
| Loans to employees | 8.81 | 12.55 |
| Total | 8.81 | 12.55 |

(iii) **Reconciliation of loss allowance provision**

| Particulars | Trade receivables |
|---|-------------------|
| Loss allowance as at 01 April 2020 | 17.60 |
| Changes in loss allowance during the year | 4.01 |
| Loss allowance as at 31 March 2021 | 21.61 |

(iv) **Significant estimates and judgements**

Impairment of financial assets:

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

(C) **Liquidity risk**

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

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

Rs. in lakhs

(i) **Financing arrangements:**

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

| Particulars | As at | As at |
|--|-----------------------------|-----------------------------|
| | 31 st March 2021 | 31 st March 2020 |
| Expiring within one year (bank overdraft and other facilities) | 5,357.56 | 7,010.71 |

(ii) **Maturities of financial liabilities**

Contractual maturities of financial liabilities as at :

| Particulars | 31 st March 2021 | | 31 st March 2020 | |
|-----------------------------|-----------------------------|-----------------|-----------------------------|-----------------|
| | Less than 12 | More than 12 | Less than 12 | More than 12 |
| | months | months | months | months |
| Borrowings | 3,308.32 | 5,176.35 | 2,127.53 | 6,678.11 |
| Trade payables | 4,407.81 | - | 2,292.48 | - |
| Lease liabilities | 8.63 | 2.57 | 3.56 | 14.86 |
| Other financial liabilities | 8,924.30 | - | 8045.47 | - |
| Total | 16,649.06 | 5,178.92 | 12,469.04 | 6,692.97 |

(iii) **Management expects finance cost to be incurred for the year ending 31 March 2022 is Rs. 1,172.94 Lakhs.**

35. **Capital management**

A. Capital management and gearing ratio

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

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

| Particulars | 31 st March 2021 | 31 st March 2020 |
|--|-----------------------------|-----------------------------|
| Borrowings | | |
| Current | 3,308.32 | 2,127.53 |
| Non current | 5,176.35 | 6,678.11 |
| Current maturities of long term debt | 1,882.64 | 1,739.84 |
| Debt | 10,367.31 | 10,545.48 |
| Equity | | |
| Equity share capital | 700.38 | 700.38 |
| Other equity | 55,797.41 | 44,289.66 |
| Total capital | 56,497.78 | 44,990.05 |
| Gearing ratio in % (debt/ equity) | 18.35% | 23.44% |

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

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2021 and 31 March 2020.

B. Dividends

| Particulars | 31 st March 2021 | 31 st March 2020 |
|---|-----------------------------|-----------------------------|
| Dividends recognised | | |
| Interim dividend for the year ended 31 March 2021 is Nil (March 31, 2020- INR 4/- per fully paid share) | - | 560.30 |
| For the year ended, the directors have recommended final dividend of INR NIL per fully paid equity share (March 31, 2020 - INR NIL). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting, hence the same is not recognised. | - | - |

36. Segment information:

- a) The Company's Executive Chairman, Managing Director and Chief Financial Officer examine the Company's performance from a product perspective and have identified two operating segments viz., Cement Division and Power Division. Operations of both the segments are based in India. As per the threshold limits prescribed under Ind AS 108 "Operating Segments", the management has identified one reportable segment "Cement Division". Other segment "Power Division" is below the threshold limits prescribed under Ind AS 108. Hence, segment reporting is not given.
- b) Information about products:
Revenue from external customers - Sale of Cement :Rs. 75078.51 Lakhs
Revenue from external customers - Sale of Power: Rs. 368.43 Lakhs
- c) The Company has not made external sales to a single customer meeting the criteria of 10% or more of the entity's revenue.

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

The Company has considered the possible effects that may result from the pandemic relating to Covid-19 in the preparation of the financial statements including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has, at the date of approval of these financial statements, used internal and external sources of information including credit reports and related information and economic forecasts and expects that the carrying amount of these assets will be recovered. The impact of Covid-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

38. Previous year figures are regrouped and rearranged wherever necessary

39. Code on Social Security

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

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

As per our report of even date

On behalf of Board of Directors

For M.Anandam & Co.,
Chartered Accountants
(Firm Registration Number: 000125S)

Sd/-

M.V.Ranganath

Partner

Membership Number: 028031

Place: Hyderabad

Date: 11th June, 2021

Sd/-

M.B. Raju

Executive Chairman

DIN : 00016652

Sd/-

D. Raghava Chary

Chief Financial Officer

ACA : 200310

Sd/-

P.Parvathi

Managing Director

DIN : 00016597

Sd/-

Bikram Keshari Prusty

Company Secretary

FCS : 7855



