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OCL INDIA LIMITED

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Annual Report 2009-10
Abridged



Strengthening enterprise.
Creating water security.



OCL INDIA LIMITED

Incorporated in India - Members' Liability Limited

PRESIDENTS

Shri M.H. Dalmia

Shri R.H. Dalmia

DIRECTORS

Shri Pradip Kumar Khaitan - Chairman

Shri D.D. Atal - Whole Time Director
& CEO

Shri D.N. Davar

Shri Puneet Dalmia

Dr. Ramesh C. Vaish

Dr. S.R. Jain

Shri V.P. Sood

**BANKERS/FINANCIAL
INSTITUTIONS**

United Bank of India

State Bank of India

Punjab National Bank

UCO Bank

Axis Bank Ltd.

International Finance Corporation

Export - Import Bank of India

PTC India Financial Services Ltd.

AUDITORS

Statutory:

V. Sankar Aiyar & Co.

Chartered Accountants

New Delhi

Internal:

S.R. Dutt Associates

Chartered Accountants

Kolkata

**CEMENT AND REFRACTORY
WORKS & REGD. OFFICE**

Rajgangpur - 770 017 (Orissa)

KAPILAS CEMENT WORKS

Cuttack - 753 004 (Orissa)

DELHI OFFICE

B-47, Connaught Place,

New Delhi - 110 001

NOTICE

Notice is hereby given that Sixtieth Annual General Meeting of the Company will be held at the Company's Rest House at Rajgangpur - 770017 (District Sundargarh, Orissa State) on Friday, the 17th day of September, 2010 at 4.30 p.m. to transact the following business:

ORDINARY BUSINESS:

- (1) To consider and adopt the audited Profit and Loss Account of the Company for the Financial Year 2009-10 and the Balance Sheet as at the 31st day of March, 2010 together with the Reports of the Auditors' and the Directors' thereon.
- (2) To declare dividend on equity shares and to consider and, if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the recommendation made by the Board of Directors of the Company, a dividend at the rate of Rs. 4.00 (200%) per paid up equity share to the equity shareholders of the Company whose names appear in the Register of Members as on September 17, 2010 be and is hereby declared out of the current profits of the Company for the Financial Year ended March 31, 2010.

RESOLVED FURTHER THAT dividend be paid by posting the dividend warrants/through ECS within 30 days hereof to all the shareholders who are entitled to receive the payment."

- (3) To appoint a Director in place of Shri Puneet Dalmia who is retiring by rotation and being eligible offers himself for re-appointment.
- (4) To appoint a Director in place of Dr. S. R. Jain who is retiring by rotation and being eligible offers himself for re-appointment.
- (5) To appoint Auditors and fix their remuneration and in this regard to consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT the Auditors of the Company, M/s. V. Sankar Aiyar & Co., Chartered Accountants, New Delhi, who retire at this meeting, being eligible and willing to act as Auditors, be and are hereby appointed Auditors of the Company to hold office till the conclusion of the next Annual General Meeting of the Company at a remuneration of Rs. 10,00,000/- (Rupees Ten Lacs only) plus such out of pocket expenses, as may be incurred by them in connection with the audit of Company."

SPECIAL BUSINESS:

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

"RESOLVED THAT Shri D. D. Atal, who was appointed as an Additional Director of the Company with effect from April 01, 2010 pursuant to Section 260 of the Companies Act, 1956 at the Board of Directors meeting held on January 19, 2010 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956 proposing his candidature for the office of the Director be and is hereby appointed as a Director of the Company."

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

"RESOLVED THAT Shri Gaurav Dalmia, who was appointed as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 at the Board of Directors meeting held on July 21, 2010 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956 proposing his candidature for the office of the Director be and is hereby appointed as a Director of the Company."

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

"RESOLVED THAT pursuant to Section 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the appointment of Shri D. D. Atal as a Whole Time Director of the Company for a period of five years with effect from April 01, 2010 till March 31, 2015 on the terms and conditions as set out in the agreement entered into between the Company and Shri D. D. Atal and terms of which have already been forwarded to the shareholders in terms of section 302 of the Companies Act, 1956.

FURTHER RESOLVED THAT the Board of Directors including Remuneration Committee be and is hereby authorized to make or accept variations in any of the terms of agreement as it may deem fit and proper provided that such variations shall be permissible under Schedule XIII of the Companies Act, 1956 or any amendments made thereto.

FURTHER RESOLVED THAT pursuant to Section 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and subject to the sanction of the Central Government, if necessary, Shri D. D. Atal, Whole Time Director of the Company, be paid remuneration in terms of the agreement as minimum remuneration in case of absence or inadequacy of profit.”

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

“**RESOLVED THAT** pursuant to Section 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the appointment of Shri Gaurav Dalmia as a Managing Director of the Company for the period from July 21, 2010 to March 31, 2015 on the terms and conditions as set out in the agreement (a copy of which is placed before the Meeting) entered into between the Company and Shri Gaurav Dalmia.

FURTHER RESOLVED THAT the Board of Directors including Remuneration Committee be and is hereby authorized to make or accept variations in any of the terms of agreement provided that such variations shall be permissible under Schedule XIII of the Companies Act, 1956 or any amendments made thereto.

FURTHER RESOLVED THAT pursuant to section 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, the Companies Act, 1956 and subject to the sanction of the Central Government, if necessary, Shri Gaurav Dalmia, Managing Director of the Company, be paid remuneration in terms of the agreement as minimum remuneration in case of absence or inadequacy of profit.”

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

“**RESOLVED THAT** pursuant to the provisions of Section 314 of the Companies Act, 1956, consent of the Company be and is hereby accorded to Shri M. H. Dalmia, father of Shri Gaurav Dalmia, Managing Director, to hold an office or place of profit as ‘President’ of the Company with effect from August 01, 2010 at an honorarium of Rs. 5,100/- per month alongwith perquisites including reimbursement of actual medical expenses, mediclaim policy, club fees, use of movable assets, etc.”

By Order of the Board of Directors
for **OCL INDIA LIMITED**

Place: New Delhi
Dated: July 21, 2010

Sd/-
(Rachna Gorla)
Company Secretary

NOTES:

- (1) EVERY MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIM/HER AND SUCH PROXY NEED NOT BE A MEMBER. The proxies should, however, be deposited at Registered Office of the Company not less than 48 hours before the time of the meeting.
- (2) Corporate members are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the meeting.
- (3) Members/proxies should fill in the attendance slip for attending the meeting.
- (4) The Register of Members will remain closed from September 10, 2010 to September 17, 2010 (both days inclusive).
- (5) C B Management Services (P) Limited, P-22 Bondel Road, Kolkata - 700 019 are the Registrars & Share Transfer Agents of the Company to handle share transfers both in physical and electronic segments and other shares related matters. The shareholders are requested to correspond with the Registrars at the above address.
- (6) You are requested to quote Folio number and in case your shares are dematerialized quote your Client ID Number and your DP ID Number in all your correspondence with the Company/Registrars for facilitating quick disposal of the letters.
- (7) Consequent upon insertion of Section 109-A of the Companies Act, 1956, nomination facility is available to the shareholders and Fixed Deposit Holders. Shareholders holding shares in electronic form are required to file their nomination forms with their Depository participants. Shareholders holding shares in physical form can submit their Nomination forms to the Registrars at Kolkata. Nomination forms can be obtained from the Company or its Registrars at Kolkata.
- (8) As per the requirement of Clause No. 49 of the listing agreement on Corporate Governance, particulars of the Directors who are eligible to be re-appointed/appointed are given below:

NOTICE

(contd.)

Puneet Dalmia

Shri Puneet Dalmia holds B. Tech degree from the Indian Institute of Technology, Delhi and is a gold medalist from the Indian Institute of Management, Bangalore in strategy and marketing. He has Thirteen Years of experience in the industry having started his career as the co-founder and Chairman of one of the most profitable e-recruitment websites in India, JobsAhead.com, which was later acquired by Monster.com, a Nashdaq listed multinational company.

Shri Puneet Dalmia holds directorship in the following public limited companies:

S. No.	Directorship in other companies	Membership in committees
1.	Ankita Pratisthan Limited	N.A.
2.	Dalmia Cement (Bharat)Limited	N.A.
3.	Dalmia Cement Ventures Limited	N.A.
4.	ZipAhead.Com Limited	N.A.

Shri Puneet Dalmia holds Nil shares in the Company.

Sheo Raj Jain

Dr. S. R. Jain is a Mechanical Engineer from Pilani Institute. He is the former Chairman of India's largest steel producing company, i.e., Steel Authority of India. He was also Chairman of Coal India Limited and Heavy Engineering Corporation Limited. He was Managing Director of Bhilai Steel Plant. He has variety of experience in the business arena with specialty in steel and heavy industry. He holds directorship in the following public limited companies:

S. No.	Directorship in other companies	Membership in committees
1.	Neelachal Ispat Nigam Limited	Member - Audit Committee
2.	Universal Cables Limited	Chairman - Audit Committee

Dr. S. R. Jain holds Nil shares in the Company

D. D. Atal

Shri D. D. Atal is an Electrical Engineer. He has rich and varied experience of about 35 years (excluding more than three years in the Company) out of which 25 years is in the Cement Industry. He has worked in (a) National Newsprint & Paper Mills as Shift Engineer; (b) J. K. Cement Works as Electrical Engineer; (c) Grasim/UltraTech Industries as Senior Engineer to Executive President.

Shri D. D. Atal holds directorship in the following public limited companies:

S. No.	Directorship in other companies	Membership in committees
1.	Global Exports Limited	N.A.

Shri D. D. Atal holds Nil shares in the Company

Gaurav Dalmia

Shri Gaurav Dalmia holds a bachelors degree in computer science from Salford University, UK and MBA with Beta Gamma Sigma honors (top 5% class) from Columbia University, USA. He has been associated with our Company as a joint president for around two decades. He holds directorship in the following public limited companies:

S. No.	Directorship in other companies	Membership in committees
1.	Debikay Systems Limited	N.A.
2.	First Capital India Limited	Member – Audit Committee
3.	Landmark Property Development Co. Limited	Member - Shareholders/Investors Grievance Committee
4.	Kumar Urban Development Limited	Member – Audit Committee
5.	Bajaj Corp Limited	N.A.
6.	Hari Machines Limited	N.A.

Shri Gaurav Dalmia holds 58,333 shares in the Company.

EXPLANATORY STATEMENT

(Under Section 173 of the Companies Act, 1956)

Item No. 6

Shri D. D. Atal was appointed as an Additional Director of the Company by the Board of Directors at its meeting held on January 19, 2010 with effect from April 01, 2010 and holds office as such upto the date of this Annual General Meeting, pursuant to section 260 of the Companies Act, 1956 and Articles of Association of the Company.

Notice under section 257 of the said act has been received from a member along with the deposit of Rs. 500/- signifying his intention to propose the name of Shri D. D. Atal, for appointment as a Director of the Company. Shri D. D. Atal has already filed his consent to act as a Director, with the Company.

None of the Directors except Shri D. D. Atal is concerned or interested in this Resolution.

Item No. 7

Shri Gaurav Dalmia was appointed as an Additional Director of the Company by the Board of Directors at its meeting held on July 21, 2010 with effect from July 21, 2010 and holds office upto the date of this Annual General Meeting, pursuant to section 260 of the Companies Act, 1956 and Articles of Association of the Company.

Notice under section 257 of the said act has been received from a member along with the deposit of Rs. 500/- signifying his intention to propose the name of Shri Gaurav Dalmia for appointment as a Director of the Company. Shri Gaurav Dalmia has already filed his consent to act as a Director, with the Company.

None of the Directors except Shri Gaurav Dalmia is concerned or interested in this Resolution.

Item No. 8

Shri D. D. Atal was appointed as a Whole Time Director by the Board of Directors at its meeting held on January 19, 2010 for a period of five (5) years with effect from April 01, 2010 subject to the approval of the shareholders. The remuneration of Shri D. D. Atal, being within the limits prescribed under Schedule XIII of the Companies Act, 1956, was approved by the Remuneration Committee at its meeting held on January 19, 2010. An agreement had been entered into between the Company and Shri D. D. Atal and terms of the Agreement were sent to the shareholders pursuant to Section 302 of the Companies Act, 1956. The Agreement entered into with the Whole Time Director is available for inspection by the members at Registered Office of the Company on any working day during working hours up to the date of the meeting.

The appointment of Shri D. D. Atal as Whole Time Director of the Company is recommended to be approved by passing a Special Resolution in terms of Part II of Schedule XIII of the Companies Act, 1956.

The Company has not made any default in repayment of any of its debts (including public deposits) or debentures or interest payable thereon for a continuous period of thirty days in the preceding financial year.

None of the Directors except Shri D. D. Atal is concerned or interested in this Resolution.

The information as prescribed under Part II of Schedule XIII is as under:

I. General Information

- (1) Nature of Industry: Manufacturing Cement and Refractories.
- (2) Date of commencement of commercial production: February 10, 1950
- (3) Financial Performance:

(Rs. In Crores)

Particulars	Quarter ended June 2010	Quarter ended June 2009	Year ended March 2010	Year ended March 2009	Year ended March 2008
Gross Sales	409.18	387.86	1521.55	1276.25	892.82
EBIDTA	107.48	121.36	419.72	272.46	224.24
PBT	63.28	84.29	254.55	177.07	174.06
PAT	42.28	57.39	163.70	115.74	116.14

NOTICE

(contd.)

(4) Export Performance and net foreign exchange collaborations:

Total Foreign Exchange used and earned during 2009-10:

Used: Rs.9828.26 Lakhs

Imports (C.I.F. Value)	(Rs. In Lakhs)
i) Raw Materials	8418.81
ii) Stores and Spare parts	291.31
iii) Capital Goods	31.96
iv) Royalty and know how fees	2.11
v) Interest on Foreign Currency Loans	2.24
vi) Professional/ Consultation fee	101.70
vii) Commission	229.48
viii) Purchased Refractories	687.32
ix) Other Matters	63.33
Total Expenses	9828.26

Earned : Rs.2900.78 Lakhs

	(Rs. In Lakhs)
i) Goods exported (F.O.B. value)	2708.74
ii) Sale of goods on High Seas	18.57
iii) Interest receipt	0.00
iv) Service charges	173.11
v) UK Vat refund	0.36
Total Earnings	2900.78

There are no foreign collaborations.

(5) Foreign investments or collaborators, if any – Nil.

II. Information about the appointee:

- (1) Background details: Shri D. D. Atal, an Electrical Engineer, having total professional experience of about 35 Years (excluding more than three years in the Company) out of which 25 years is in cement industry, has been appointed as Additional Director and Whole Time Director by the Board of Directors at its meeting held on January 19, 2010, effective from April 01, 2010 for a period of five years, subject to his appointment by the shareholders at the Annual General Meeting.
- (2) Past remuneration: Remuneration as Executive Director (Cement) of OCL India Limited during year 2009-10 was Rs. 98,10,135/-.
- (3) Recognition or awards: Nil
- (4) Job profile and his suitability: As a Whole Time Director, Shri D. D. Atal is responsible for managing all the day to day affairs of the Company. Shri D. D. Atal being associated with the Company as head of the Cement Works for more than three years has also full responsibility of managing the Cement Works.

Shri D. D. Atal being associated with the Cement Industry for about Thirty Five years and having been associated with the Company for more than three years is well versed with the technical, managerial and administrative issues of the Company and he is most suitable to be appointed as Whole Time Director.

(5) Remuneration proposed:

Salary

Basic salary Rs. 3,46,300/- (Rupees Three Lacs Forty Six Thousand Three Hundred only) per month plus such increments, from time to time, as may be sanctioned by the Board;

Variable Portion of Pay Rs. 24,00,000/- (Rupees Twenty Four Lacs only), to be derived/finalized in terms of the policy of the Company, payable annually and such other amount as may be sanctioned by the Board of Directors from time to time;

House Rent Allowance

House Rent Allowance not exceeding the amount charged/able from him as license fee for the accommodation provided by the Company;

Allowances

Allowances aggregating to Rs. 3,26,660/- (Rupees Three Lacs Twenty Six Thousand Six Hundred Sixty only) per month plus such increments, from time to time, as may be sanctioned by the Board;

Commission

Commission as may be decided by the Board subject to applicable ceilings under the Companies Act, 1956 including any statutory modifications/amendments made therein from time to time or re-enactment thereof;

Perquisites

- (i) Housing accommodation (unfurnished) maintained by the Company with free supply of Water for which he will be charged normal license fee;
 - (ii) Reimbursement of actual medical expenses incurred for himself, his wife and dependent children. He and his family shall also be covered under Group Medical Insurance Policy;
 - (iii) Leave travel assistance for himself and his family in accordance with rules of the Company;
 - (iv) Club membership fees as approved by the Board from time to time;
 - (v) He shall be covered under the Group Personal Accident Insurance Policy;
 - (vi) Contribution towards Provident Fund and Superannuation Fund as per rules of the Company. However, Superannuation Fund to be restricted to Rs. 1,00,000/- (Rupees One Lac only);
 - (vii) Gratuity @ 4.8% of a month's basic salary, based on the rate of basic salary last drawn, for each month of continuous service or part thereof in excess of 15 days;
 - (viii) Car and telephone at residence.
- (6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:

Name of Company	Turnover (Rs. In Lacs)	Profit After Tax (Rs. In Lacs)	Remuneration of WTD (Rs. In Lacs)	Yrs. of experience
OCL India Limited	1374	164	120	38 years
J. K. Lakshmi Cement Limited	1490	241	176	30 Years
Dalmia Cement (Bharat) Limited	2154	137	165	28 Years

- (7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any: Shri D. D. Atal has no pecuniary relationship with the Company or with any other managerial personnel, except the proposed remuneration.

(III) Other information

- (1) Reasons of loss or inadequate profits: Till Financial Year 2009-10 there was no loss or inadequacy of profits.
However, in the coming years due to additions in cement capacity and additions of Grinding Units in the market or near to the source of availability of Fly Ash/slag, there is going to be a surplus scenario in cement and thus there might be pressure on demand supply situation where supply is likely to exceed demand in most part of the country and Eastern Region will not be any exception hence prices are likely to come under pressure. This will be due to new capacities reaching to its full scale production.
- (2) Steps taken or proposed to be taken for improvement: Not Applicable.
- (3) Expected increase in productivity and profits in measurable terms: Not Applicable.

IV. Disclosures

- (1) Remuneration package of the managerial person: As detailed above at (II)(v).

Item No. 9

Shri Guarav Dalmia was appointed as a Managing Director of the Company by the Board of Directors at its meeting held on July 21, 2010 for the period from July 21, 2010 till March 31, 2015 subject to the approval of the shareholders. The remuneration of Shri Guarav Dalmia, being within the limits prescribed under Schedule XIII of the Companies Act, 1956, was approved by the Remuneration Committee at its meeting held on July 21, 2010. An agreement had been entered into between the Company and Shri Gaurav Dalmia.

NOTICE

(contd.)

The main terms and conditions of his appointment are as under:

(A) Salary

Basic salary of Rs. 3,75,000/- (Rupees Three Lacs Seventy Five Thousand only) per month plus such increments, from time to time, as may be sanctioned by the Remuneration Committee/Board of Directors.

(B) Commission

Such amount of commission as may be decided by the Remuneration Committee/the Board of Directors.

(C) Perquisites

i) Gas, Electricity, Water and Furnishings

Expenses on gas, electricity, water at actuals and furnishings, if any, to be valued as per Income-Tax Rules, 1962, as amended from time to time.

ii) Part Time Assistant

Reimbursement of the salary of a Part Time Assistant engaged at his residential office at actuals.

iii) Medical Reimbursement

Reimbursement of actual medical expenses for self and family.

iv) Leave Travel Assistance

Leave travel assistance for himself and his family in accordance with the rules of the Company.

v) Club Fees

Fees of two clubs excluding admission and life membership fees.

Reimbursement of actual membership fees of a Professional Body/Association.

vi) Personal Accident Insurance

He shall be covered under the Group Personal Accident Insurance Policy taken by the Company and the value shall be determined as per rules of the Company.

vii) Company's contribution towards Provident fund & Superannuation Fund and Gratuity

Contribution towards Provident Fund, Super -Annuation Fund and Gratuity shall be as per rules of the Company.

The Managing Director shall have the option to receive additional pension in lieu of the whole or part of the gratuity amount as per rules of the Company.

These will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

viii) Car & Telephone.

The Company shall provide two cars for business purposes and shall reimburse or pay directly the expenditure on petrol, maintenance, insurance, repairs and salaries of two drivers. The Company shall also provide telephone at the residence of Managing Director. However, provision of these facilities will be subject to taxes as per prevailing Income Tax Rules as amended from time to time or any re-enactment thereof.

(D) Minimum Remuneration

In the event of absence or inadequacy of profits of the Company in any financial year, during the tenure of the agreement, the Managing Director shall be paid Salary and Perquisites as specified above as minimum remuneration subject to the sanction of the Central Government, if necessary.

(E) The Managing Director shall not be paid any sitting fee for attending meetings of the Board of Directors or committee thereof during the period he remains Managing Director.

(F) This Agreement may be terminated by the Company by giving three months notice in writing or paying three months salary in lieu thereof. This Agreement may be terminated by Managing Director by giving three months' notice in writing.

(G) Any dispute or difference whatsoever concerning or arising out of this Agreement whether during the currency or other wise shall be settled by arbitration in accordance with the law relating to for the time being in force.

The above terms may be treated an abstract as per section 302 of the Companies Act, 1956. The Agreement entered into with the Managing Director is available for inspection by the members at Registered Office of the Company on any working day during working hours up to the date of the meeting.

The appointment of Shri Gaurav Dalmia as a Managing Director for his increased day to day management support and decisions for the Company is recommended to be approved by passing a Special Resolution in terms of Part II of Schedule XIII of the Companies Act, 1956. He holds a bachelors degree in computer science from Salford University, UK and has completed his MBA with Beta Gamma Sigma honors (top 5% class) from Columbia University, USA. He has been associated with the Company as a joint president for around two decades and takes keen interest in various on going projects, planning and their execution.

The Company has not made any default in repayment of any of its debts (including public deposits) or debentures or interest payable thereon for a continuous period of thirty days in the preceding financial year.

None of the Directors except Shri Gaurav Dalmia is concerned or interested in this Resolution.

The information as prescribed under Part II of Schedule XIII is as under:

II. Information about the appointee:

- (1) Background details: Shri Gaurav Dalmia, an industrialist, having total professional experience of more than two decades in the Company, has been appointed as Additional Director and Whole Time Director by the Board of Directors at its meeting held on July 21, 2010 for a period from July 21, 2010 till March 31, 2015, subject to his appointment by the shareholders at the Annual General Meeting.
- (2) Past remuneration: Remuneration as Joint President of OCL India Limited during year 2009-10 was Rs. 36,31,710/-.
- (3) Recognition or awards: Nil
- (4) Job profile and his suitability: Shri Gaurav Dalmia having substantial powers of management as a Managing Director is responsible for managing all the day to day affairs of the Company and planning and execution of various projects. Shri Gaurav Dalmia being associated with the Company as Joint President for about two decades is best suited for the post of Managing Director.
- (5) Remuneration proposed: As detailed above.
- (6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:

Name of Company	Turnover (Rs. In Lacs)	Profit After Tax (Rs. In Lacs)	Remuneration of Managing Director (Rs. In Lacs)	Yrs. of experience
OCL India Limited	1374	164	57	20 years
J. K. Lakshmi Cement Limited	1490	241	877	44 Years
Dalmia Cement Bharat Limited	2154	137	200	13 Years
Orient Paper and Industries Limited	1620	159	176	49 Years

- (7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any: In addition to the proposed remuneration, Shri Gaurav Dalmia holds 58,333 shares in the Company. He is son of Shri Mridu Hari Dalmia, President of the Company.

Item No. 10

Shri M. H. Dalmia, father of Shri Gaurav Dalmia, Managing Director, holds an office or place of profit as 'President' of the Company with effect from August 01, 2010 at an honorarium of Rs. 5,100/- per month alongwith perquisites including reimbursement of actual medical expenses, mediclaim policy, club fees, movable assets, etc. The total amount of honorarium and perquisites put together may be more than the prescribed limits under Section 314 of the Companies Act, 1956 and therefore requires the consent of the shareholders by way of Special Resolution. Accordingly, the resolution is proposed to be passed as a Special Resolution. None of the Directors except Shri Gaurav Dalmia, being Managing Director is concerned or interested in the Resolution.

DIRECTORS' REPORT

FOR THE YEAR ENDED MARCH 31, 2010

The Directors of your Company are pleased to present their Sixtieth Annual Report together with the audited accounts of the Company for the year ended March 31, 2010.

1. WORKING RESULTS

	2009-10 (Rs./Lakhs)	2008-09 (Rs./Lakhs)
Operating Profit	41,971.38	27,245.23
Less: Interest	5,066.76	3,849.55
Depreciation	11,449.73	5,688.59
Profit before Taxation	25,454.89	17,707.09
Provision for Taxation		
Current tax	6,500.00	2,025.00
Deferred tax	1,985.22	4,132.81
Fringe Benefit Tax	0.00	75.00
Provision for Taxation relating to earlier years	500.00	0.00
MAT Credit available for set off	100.00	-100.00
Profit after taxation	16,369.67	11,574.28
Add: Brought forward from previous year	7,665.76	4,829.20
Transfer from Reserve for Bad and Doubtful Debts	0.00	700.00
	24,035.43	17,103.48
Transfer to General Reserve	10,000.00	7,500.00
Transfer to Debenture Redemption Reserve	-476.35	273.46
Transfer to Reserve for Bad & doubtful debts	0.00	--
Proposed Dividend/Interim Dividend	2,276.01	1,422.51
Tax on Dividend/Interim Dividend	378.02	241.75
Surplus carried to Balance Sheet	11,857.75	7,665.76
	24,035.43	17,103.48

2. DIVIDEND

The Directors recommend payment of dividend for the financial year ended March 31, 2010 of Rs. 4/- per paid up equity share of Rs. 2/- (i.e., 200%).

3. APPROPRIATIONS

It is proposed to transfer Rs. 10,000 Lakhs to the General Reserve while Rs. 11,857.75 Lakhs are proposed to be retained in the Profit and Loss Account and carried to the Balance Sheet.

4. OPERATIONS

The operational results of the current year in relation to the corresponding operations of the previous year have registered an increase of 23% in net sales, 54% in operating profit and 58% in profit before depreciation and tax.

For a detailed analysis of the performance of the Company for 2009-10 reference is invited to the chapter on Management Discussion and Analysis of this report.

5. EXPANSION AND FUTURE PLANS

Your Company is taking all steps for earliest setting up of 2X27 MW Coal based Captive Power Plant, which is expected during the financial year 2010-11.

Your company has initiated steps for setting up a Cement manufacturing unit in West Bengal. In this regard, acquisition of 153.84 acres of Land through West Bengal Industrial Development Corporation is at an advanced stage. Also, studies have been undertaken as regards infrastructure required for availability of water, power and rail connectivity at the proposed site.

Your Company has received the Terms of Reference (TOR) from the State Level Appraisal Committee, Orissa under the Ministry of Environment & Forest with respect to permission sought by the Company to produce cement up to its full installed capacity of 1.35 MnTPA from its existing unit at Kapilas Cement Works and data compilation is under progress.

6. ALLOTMENT OF CAPTIVE COAL BLOCK AND PROGRESS THEREUPON

All the three joint allocatees to the captive coal block i.e. M/s. Rungta Mines Ltd., M/s. Ocen Ispat Pvt. Ltd and your Company, have agreed in terms of Option-I as set out in the Ministry of Coal, Government of India letter no. 13016/33/2005-CA-I dated February 02, 2006 to form a Joint Venture company for carrying out the mining activities at Radhikapur (West) Captive Coal Block, MCL and in this regard a Shareholders' Agreement for Joint Venture has been entered on August 31, 2009 by all the three joint allocatees, which has also been approved by Ministry of Coal, Government of India. As per the Shareholders' Agreement, a new Joint Venture Company named "Radhikapur (West) Coal Mining Private Limited" has been formed. All other necessary steps are being initiated by the JV Company for bringing the allotted captive coal mines into operation at the earliest.

Consequent upon de-merger of the Company's erstwhile steel division operations and vesting of all assets and liabilities of the said division in OCL Iron and Steel Limited (OISL), your Company and OISL have jointly approached Ministry of Coal, Government of India for inclusion of the name of OISL as one of the allocatees of Radhikapur (West) Captive coal Block with proportionate share of coal allocation for its steel making operations. The share of coal allocation in favour of OISL will come out of bifurcation of coal allotment originally made by the Government in the name of OCL.

7. DIRECTORS

The term of Shri V. P. Sood as Whole Time Director came to an end on March 31, 2010. Shri V. P. Sood is continuing as Non Executive Director of the Company. The Company acknowledges the contribution of Shri V. P. Sood as a Whole Time Director towards success of the Company.

The Board of Directors at its meeting held on January 19, 2010 has, subject to approval of the shareholders, appointed Shri D. D. Atal as Additional Director and Whole Time Director with effect from April 01, 2010.

Shri Puneet Dalmia and Dr. S. R. Jain, Directors of the Company, would retire by rotation at the forthcoming Annual General Meeting in accordance with the provisions of the Companies Act, 1956 and Company's Articles of Association and being eligible, offer themselves for re-appointment.

8. LISTING OF THE COMPANY'S SHARES

The Company's equity shares continue to be listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.

9. DIRECTORS RESPONSIBILITY STATEMENT

In terms of provisions of Section 217 (2AA) of the Companies Act, 1956, your Directors confirm that:

- a) In the preparation of the Annual Accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures, wherever applicable;
- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company as on March 31, 2010 and of the Profit of the Company for the year ended on that date;
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d) The Directors have prepared the annual accounts of the Company on a going concern basis.

10. SUBSIDIARIES

Kashmissa Industries Limited, a subsidiary of the Company, which had filed an application under Section 560 of the Companies Act 1956 for striking off its name from the records of the Registrar of Companies, has been dissolved with effect from February 25, 2010.

11. LABOUR MANAGEMENT RELATIONS

Relation between the Management and Employees remained cordial during the year under review. On December 05, 2009 your Company entered into a long term tripartite settlement with the recognized union which has further strengthened the relation and would help in maintaining industrial peace and harmony in the organization.

DIRECTORS' REPORT

FOR THE YEAR ENDED MARCH 31, 2010 (contd.)

12. DEPOSITS

As on March 31, 2010 there were 19 deposits aggregating Rs.13.84 Lacs which remained unclaimed beyond due dates, out of which deposits aggregating Rs.1.88 Lacs have since been renewed/repaid.

13. PARTICULARS OF EMPLOYEES

The particulars of the employees as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are set out in **Annexure-I** to the Directors Report.

However, having regard to the provisions of Section 219(1) (b) (iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining such particulars may write to the Company at its registered office.

14. RESUME OF HEALTH AND SAFETY PERFORMANCE

Your Company gives utmost importance to Quality, Environment and Occupational Health and Safety management systems. Quality Management System as per ISO 9001:2000, Environment Management System as per IS/ISO 14001:2004 and Occupational Health and Safety Management System as per IS 18001:2007 have been implemented in Cement works at Rajgangpur. Certification under IMS (i.e., ISO 9001:2008, ISO 14001:2004 & OHSAS 18001:2007) is under process at KCW. Refractory Division has implemented Integrated Management System (IMS), comprising of Quality Management Systems (ISO 9001:2008), Environment Management System (ISO 14001:2004) and OHSAS 18001:2007, which have been certified by TUV NORD since November 01, 2009.

Environment Control Measures:

- a. **Environment Management System (ISO 14001:2004)** has been implemented in both Cement and Refractory Divisions.
- b. An **"Engineering Secured Landfill"**, for disposal of hazardous waste by burying it, has been put in operation after getting it approved by OSPCB, Bhubaneswar. Your Company is proud to be the 2nd company in Orissa having own Landfill.
- c. Your Company has so far planted about 4 Lac 15 Thousand trees in and around its factory and mines premises at Rajgangpur and 27 thousand trees in and around factory premises at KCW.
- d. Your Company celebrated **"World Environment Day"** at Rajgangpur and Lanjiberna on June 05, 2009 and **"Bana Mahostav"** between 1st to 20th August, 2009 and conducted environment promotional activities and tree plantation which the Company will continue to observe in future also.
- e. Your Company is installing a Sewage water Treatment Plant to treat a part of Sewage water discharged through drains from Rajgangpur Municipality and OCL's own industrial township area at Rajgangpur. Your company proposes to use this treated water for process and gardening purposes.
- f. Your Company observe every Saturday as **'vehicle-free-day'** to save the environment. On this day, all employees come to plant by walk.

15. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO, ETC.

Information required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors), Rules, 1988 with regard to conservation of energy, technology absorption and foreign exchange earnings and outgo are given in **Annexure-II**, which forms part of this report.

16. CORPORATE GOVERNANCE

As per Clause No. 49 of the Listing Agreement, report on Corporate Governance is given in **Annexure-III**, which forms part of this Report.

17. CORPORATE SOCIAL RESPONSIBILITY

Your Company has always been giving priority to community development. It has undertaken a number of developmental activities in peripheral areas of Rajgangpur, Lanjiberna and Biswali where its plant and captive mines are situated for improving the social and economic condition of the people, mostly tribals. The activities are mainly focused on areas like health, education and drinking water. The Company is operating two mobile health care units, i.e., one in Rajgangpur and another in Kapilas Cement Works for providing health care to elderly people at their door steps through "Help Age India", an NGO of national repute. Your Company has also conducted social-economic surveys through Jan Sadhna, a Bhubaneswar based NGO having expertise in the field to understand the

DIRECTORS' REPORT

FOR THE YEAR ENDED MARCH 31, 2010 (*contd.*)



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need of the nearby villages and is following the recommendations of NGO. Your Company pledges to continue its efforts in this direction more vigorously in future.

18. AUDITORS AND AUDITORS REPORT

M/s V. Sankar Aiyar & Co., Chartered Accountants, Statutory Auditors of the Company, holds office until the conclusion of the forthcoming Annual General Meeting and is eligible for re-appointment.

The Company has received certificate from M/s V. Sankar Aiyar & Co., Chartered Accountants, Delhi, to the effect that their re-appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such re-appointment within the meaning of Section 226 of the said Act.

The notes to accounts referred to in Auditors' Report are self-explanatory and therefore do not call for any further comments.

19. COST AUDIT

M/s R. J. Goel & Co., Cost Accountants, New Delhi was appointed Cost Auditors for the financial year 2009-10. The Company has received certificate from M/s R. J. Goel & Co., Cost Accountants, Delhi, to the effect that their re-appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not subject to disqualifications specified in Section 233-B(5) of the said Act.

20. ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation of the timely support provided by your Company's Bankers and Financial Institutions.

Your Directors acknowledge the dedication and commitments of the employees at all levels and also take this opportunity to thank all the valued customers who have appreciated our products and have patronized them.

Your Directors convey their grateful thanks to the Government Authorities (Central & States), Bankers, shareholders, distributors and dealers for their continued assistance, co-operation and patronage.

for & on Behalf of the Board

Place : New Delhi
Date : May 10, 2010

(Pradip Kumar Khaitan)
Chairman

ANNEXURE-II TO THE DIRECTORS' REPORT

FOR THE YEAR ENDED MARCH 31, 2010

STATEMENT CONTAINING PARTICULARS PURSUANT TO COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

A. CONSERVATION OF ENERGY

CEMENT:

a) Energy Conservation measures taken

- i) Replacement of Pre-heater fan impeller with high efficiency impeller.
- ii) Use of Dynamic classifier in Coal Mill of Clinkerisation plant line-I.
- iii) Modification of Pre-heater fan inlet duct to reduce pressure drop.
- iv) Compressed air audit and replacement of inefficient compressors with high efficiency compressors and modification of compressed air line to reduce pressure drop.
- v) Continued utilization waste hot gases from Kiln for drying of slag.
- vi) Continued daily monitoring of Section-wise energy conservation.
- vii) Monitoring of false air in circuit and arresting it.
- viii) Control of idle running of motors through time circuit.

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

- i) Utilization of additional waste heat from Clinkerisation plant Kiln 2 for slag drying during Cement manufacturing process.
- ii) Installation of Medium Voltage Variable frequency drive for Coal Mill bag filter fan.
- iii) Installation of Medium Voltage Variable frequency drive for CVRM-3 bag filter fan.
- iv) Installation of Variable frequency drive for:
 - a) HAG 1 DA fan
 - b) Waste gas fan
 - c) Booster fan
- v) Swapping of Motors to improve efficiency by replacing Under Loaded motor by proper size motors.
- vi) Removal of Dampers/replacing these with shut off dampers where VFD is installed.
- vii) To get Study of Ball mill circuit to improve efficiency of grinding.
- viii) Rerouting of hot Air duct from PH & Cooler to CVRM to reduce pressure drop and optimum utilization of waste heat in slag drying.

c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

- i) Saving of electrical as well as thermal energy usage.
- ii) Utilization of waste heat for drying moisture of raw materials such as slag thus saving on drying cost.
- iii) Creating intensive awareness on need of energy conservation.
- iv) Reduction in Green House Gases there by helping to control Global warming.

d) Total energy consumption and consumption per unit of production as per 'Form A' is given below.

ENVIRONMENTAL IMPROVEMENT:

CEMENT:

a) Environmental improvement measures taken:

- i) Continued use of Road sweeping machine to control fugitive dust emission.
- ii) Continued development of green belt.
- iii) Continued Rain water harvesting.
- iv) Manufacture and use of Fly Ash brick blocks for construction activities in Plant and Township.
- v) Covering of Coal Stacker Reclaimer.
- vi) Auditing of Plant Water System.
- vii) Installation of wagon tippler for Coal/Slag/Gypsum unloading instead of manual unloading.
- viii) No discharge of water to outside the plant, as being treated for reuse.
- ix) Recirculation of cooling water after cooling through cooling towers.
- x) Utilization of Gypsum (Waste product of Fertilizer industry) and utilization of Slag (Waste product of Steel Industry)

- b) Additional investments and proposals, if any, being implemented for Environmental improvement:**
- i) Stackers reclaimers for Gypsum and slag are being covered with shed.
 - ii) Implementation of recommendations of Plant water audit Study.
 - iii) Installation of sewage treatment plant and utilization of treated water in plant.
 - iv) Development of green belt.
 - v) Rain water harvesting.
 - vi) Water spray/Dry fog systems at hopper unloading points and transfer points.
 - vii) Concreting of roads/flooring.
 - viii) Installation of reject stone crushing system for value addition to waste stones generated during lime stone mining.
 - ix) Replacement of under capacity bag filters at the transfer towers.
 - x) Additional bag filter in the Multi Compartment Silo.
 - xi) Development and launching Masonry Cement utilizing low grade lime stone and fly ash.
- c) Impact of the measures at (a) and (b) above for environmental improvement:**
- i) Reduction in stack and fugitive dust emission.
 - ii) Green belt is one of helpful measures to control Global warming.
 - iii) Rain water harvesting helps to recharge the water table.
 - iv) Reduction in Green House Gases there by helping to control Global warming.
 - v) Conservation of water
 - vi) Conservation of natural resource
 - vii) Usage of Industrial waste / reject resources
- d) Total energy consumption and consumption per unit of production as per 'Form A' is given below.**

REFRACTORY:

- a) Energy Conservation measures taken:**
- One more tunnel kiln is converted from oil to gas firing system.
 - On-line oil filtration for hydraulic presses has been installed to achieve better efficiency in hydraulic presses.
 - AC drives for energy efficient operation of fans are used in kilns.
 - Installation of dedicated screw compressors in GPP and Rice husk operation.
 - Output from chamber kiln has been improved.
 - Down Sizing of RR mill motors from 60 HP to 40HP in FB plant.
 - Use of high efficient Metal halide lights instead of SV lights.
- b) Additional investment and proposals**
- New Plant for fine coal briquetting is being put up.
 - Beneficiation of 'E' grade coal is being done to replace partly 'B' grade coal.
- c) Impact of the measures at (a) & (b) above for reduction of energy consumption & consequent impact on cost of production of grades:**
- Saving in energy usage.
- d) Total energy consumption and consumption per unit of production as per 'Form A' is given below.**

ANNEXURE-II TO THE DIRECTORS' REPORT

FOR THE YEAR ENDED MARCH 31, 2010 (contd.)

FORM-A

(PARTICULARS OF TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION)

		2009-10		2008-09	
		CEMENT REFRACTORY		CEMENT REFRACTORY	
A	POWER AND FUEL CONSUMPTION				
1	Electricity				
a)	Purchased				
	Units (in lacs kwh)	2154.91	170.30	1908.97	169.58
	Total Amount (Rs. in lacs)	7166.13	567.67	5937.01	563.33
	Rate/ Unit (Rs.)	3.33	3.33	3.11	3.32
b)	Own generation				
i)	Through Diesel Generators				
	Unit (in lacs kwh)	117.73	10.06	135.02	13.71
	Units per Ltr. Of fuel (in Kwh)	3.34	3.34	3.42	3.46
	Cost/Unit (Rs.)	7.69	7.68	9.07	9.06
ii)	Through Steam turbine/Generators				
	Unit (in lacs)	-	-	-	-
	Units per Ltr. of fuel oil /gas	-	-	-	-
	Cost /Unit (Rs.)	-	-	-	-
2	Coal (Grade B to F Wash Coal in Kiln and CVRM, Grade A,B & E – Refractory Kilns)				
	Quantity (in lac Tonnes)	3.14	0.44	2.25	0.37
	Total Cost (Rs. in lacs)	8464.44	1965.79	6157.11	1900.67
	Average rate (Rs./MT)	2695.73	4501.84	2733.34	5,071.29
3	Furnace Oil				
	Quantity (K.Ltr)	5924.79	1517.04	5447.99	1,485.10
	Total amount (Rs. in lacs)	1340.59	340.76	1505.59	405.29
	Average rate (Rs./K.ltr)	22626.73	22462.03	27635.60	27,290.64
4	Others / Internal Generation				
a)	Light Diesel Oil for PG Sets				
	Quantity (K.Ltr.)	-	-	-	-
	Total Cost (Rs.in lacs)	-	-	-	-
	Rate/Unit (Rs./kl Ltr.)	-	-	-	-
b)	Light Diesel Oil for KHD Kiln				
	Quantity (K.Ltr)	-	-	-	32.55
	Total cost (Rs.in lacs)	-	-	-	3.81
	Rate/Unit (Rs./K.Ltr)	-	-	-	11,716.53
c)	Light Diesel Oil for CVRM				
	Quantity (K.Ltr)	-	-	-	-
	Total cost (Rs.in lacs)	-	-	-	-
	Average Rate/Unit (Rs./K.Ltr)	-	-	-	-
d)	HSD Oil for DG Sets				
	Quantity (K.Ltrs)	0.955	-	3.00	-
	Total Cost(Rs. in lacs)	0.25	-	1.11	-
	Rate per Unit (Rs./K/Ltr)	26323.79	-	36915.00	-

ANNEXURE-II TO THE DIRECTORS' REPORT

FOR THE YEAR ENDED MARCH 31, 2010 (contd.)



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e)	High Speed Diesel Oil etc. for Payers & Tippers at Factory			
	Quantity (K.Ltrs)	324.39	-	292.11
	Total Cost(Rs. in lacs)	107.13	-	95.20
	Rate per Unit (Rs./K/Ltr)	33025.35	-	32590.92
f)	HSD Oil for Diesel Locos			
	Quantity (K.Ltr.)	79.615	-	78.58
	Total cost (Rs.in lacs)	24.30	-	25.01
	Rate/Unit (Rs./MT)	30521.75	-	31,830.87
g)	Dynamics F for Kilns			
	Quantity (K.Ltr.)	-	1.30	-
	Total cost (Rs. in lacs)	-	3.51	-
	Rate / Unit (Rs.)	-	2,69,969.23	-
B	CONSUMPTION PER UNIT OF PRODUCTION (PER MT)	Standards (if any)	2009-10	2008-09
a)	Cement			
	Electricity (KWH)		76.00	76.00
	Furnace Oil (Litres)		0.81	0.57
	Coal for Kiln and CVRM (grades B to F-wash coal)(Kgs.)		106.00	84.00
	Others - L.D. Oil (Litres.)		-	-
	For KHD Kiln and CVRM		-	-
	HSD Oil for Pay loaders and tippers		0.11	0.11
	HSD Oil for CVRM		-	-
b)	Refractory			
	Electricity (KWH)		306.00	249.00
	Furnace Oil (K. Litres)		-	-
	For Oil Fired Bricks		0.130	0.087
	For Mixed Fire Bricks		0.021	0.021
	Coal (MT) for Refractory Kilns (grades A, B and E)		-	-
	For Gas fired bricks		1.028	0.772
	For Mixed fire bricks		1.027	0.369
	Dynamics F		-	-
	For oil fired bricks		0.00014	0.00001

REASONS FOR VARIATION IN THE CONSUMPTION OF POWER AND FUEL FROM STANDARDS OF PREVIOUS YEAR:

CEMENT:

Coal consumption per tonne of cement is increased due to:-

- More use of clinker in cement.
- Link coal having high ash was used without washing.
- Line-2 kiln was under optimization process.

Fuel Consumption per tonne of Cement is higher due to

- More use of clinker in cement.
- Line-2 kiln was under optimization process.

REFRACTORY:

- Improvement actions implemented to reduce the electric power consumption.
- Interlocking of dust filters with respective circuits and machines.
- Controlled compressed air pressure, air leakage/wastage, air intake temperature, and compressor load management.
- Higher output in Chamber kiln by 15-20%.
- Higher output in Tunnel kiln by increasing Car pushing rate.
- Time controlled Circuit implementation in Concast refractoriness.
- Higher pay load in Cold Isostatic Press and higher production rate.
- Controlled feed rate in Fire Brick impact mill-2 avoiding extra running of dust filters.
- Down sizing of motors in - Ring Roller Mill.

ANNEXURE-II TO THE DIRECTORS' REPORT

FOR THE YEAR ENDED MARCH 31, 2010 (contd.)

B. TECHNOLOGY ABSORPTION: Efforts made in technology absorption

FORM B

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION

RESEARCH & DEVELOPMENT (R & D)

1. Specific Areas in Which R & D carried out by the Company

CEMENT:

1. Development of PSC having slag % increased upto 59%.
2. Use of fly Ash/cinder/char/iron ore beneficiation rejects in Cement Raw mix.

REFRACTORY:

1. Manufacturing of SEN in New technology with a new binder system for all domestic & export
2. Development of Zirconia based composite metering nozzle for billet cater as import substituted product.
3. Development of tundish flow modifier for clean steel.
4. Development of improved quality Tuyere blocks for copper industries
5. Development of Dolomite bricks

2. Benefits derived as a result of the above R&D

CEMENT:

1. Reduction of CO2 emission. UNFCCC has registered emission reduction of PSC and PPC projects. PSC blended cement Project is under process of verification.
2. Increase in mines life and conservation of natural resources.
3. Use of industrial waste in cement manufacturing.

REFRACTORY:

1. Cost reduction in making SEN. Pollution free environment.
2. New market open up in Durgapur steel plant
3. Higher sequence life of tundish with less dead zone & production of clean steel.
4. Performance improved and secured more order in copper industry.
5. New product for high business opportunity.

3. Future Plan of Action

CEMENT:

1. Enhancement of clinker/cement capacity through use of advanced technology for low energy consumption and use of waste derived fuel, etc.
2. Installation of washery to enable use of inferior quality coal and use of rejects in proposed Captive Thermal Power Plant using CFBC technology.

REFRACTORY:

1. Establishment TN -60 mechanisms for Slide gate refractories.
2. Establishment of commercial production of Dolomite bricks
3. Development of Head wall precast for NALCO.
4. Import substitute of dry vibro mass.
5. Improvement of MBS and SEN to be ahead of competitors.

4. Expenditure on R&D

- | | |
|--|-----------------|
| a) Capital | Rs. 1.43 Lacs |
| b) Recurring | Rs. 101.68 Lacs |
| c) Total | Rs.103.11 Lacs. |
| d) Total R&D expenditure as a Percentage of total turnover | 0.07% |

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. **Efforts, in brief, made towards technology absorption, adaptation and innovation.**
The Company entered into an agreement with M/s TYK Japan for technology transfer of slide gate mechanism and permission to manufacture in India.
2. **Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution.**
The technical collaboration with M/s TYK Corp., Japan has enhanced the technical capability of the Company. The Company, as a result of the above efforts, has made improvement in the product quality and saved energy resulting into cost savings.
3. **In case of imported technology (imported during the last 5 years), following information may be furnished:**
 - a) Technology imported : Slide gate Mechanism from TYK corporation Japan
 - b) Year of import : 2007-08
 - c) Has technology been fully absorbed : **TN 80 machine manufactured & established at ISP & VSP. TN 60 machine has also been manufactured & yet to be established.**
 - d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plan of action : N.A.

C. FOREIGN EXCHANGE EARNINGS AND OUT-GO

Activities Relating To Exports; Initiatives Taken To Increase Exports; Development of New Export Markets for Products and Services; And Export Markets.

REFRACTORY:

Exports of Refractories in Year 2009-10 suffered with negative growth due to the global recession which slowed down the consumption of Refractories in the ferrous & non ferrous segments world side. New Projects in Steel & Glass which consumes most of the Silica Refractories got indefinitely postponed. The European & Chinese Refractories were desperate to survive the downturn, hence, offered very low prices giving us a stiff competition.

However, we could retain our dedicated customers in the special Refractory segment & increase its sales in comparison to FY08-09 by bagging 100% orders. During this year we have successfully identified & penetrated into new markets like Australia, Sweden & Greece in the special Refractory segment with commercial orders.

Your company has received a prestigious order for Coke Oven Silica bricks (1880 Mt) from Nippon steel corporation-Japan which is the world's second largest & most quality conscious steel maker for supply in FY 2010-11.

Total Foreign Exchange used and earned:
Used: Rs.9828.26 Lakhs

Imports (C.I.F. Value)	(Rs. In Lakhs)
i) Raw Materials	8418.81
ii) Stores and Spare parts	291.31
iii) Capital Goods	31.96
iv) Royalty and know how fees	2.11
v) Interest on Foreign Currency Loans	2.24
vi) Professional/ Consultation fee	101.70
vii) Commission	229.48
viii) Purchased Refractories	687.32
viii) Other Matters	63.33
Total Expenses	9828.26

Earned : Rs.2900.78 Lakhs

	(Rs. In Lakhs)
i) Goods exported (F.O.B. value)	2708.74
ii) Sale of goods on High Seas	18.57
iii) Interest receipt	0.00
iv) Service charges	173.11
v) UK Vat refund	0.36
Total Earnings	2900.78

MANAGEMENT DISCUSSION AND ANALYSIS

1. Economic Scenario and Outlook

The year 2009-10, witnessed a steady recovery from economic slowdown that the world was experiencing for last couple of years. However, higher input costs remained a cause of concern.

As our growth has relatively strong domestic underpinnings, the fundamentals of our economy remained strong inspite of economic slow down across the Globe.

Confidence in the Global markets is restoring and economic activity in India is rebounding. Fiscal and monetary measures coupled with stimulus packages announced by the Central Government and by the Reserve Bank of India during last fiscal have helped in revival of growth. The Government's efforts to boost demand through enhanced expenditure on infrastructure and through tax reductions have started putting economy back to growth track. The measures taken by the Reserve Bank of India have helped to infuse liquidity in the system and spur consumers to borrow and revive business confidence and economy.

2. Financial Highlights

Cement operations scaled further to higher levels both in terms of revenues and earnings. The success story of the Company continued this year with the robust all round performance in its operations.

(Rs./ Lakhs)

Financial Highlights	2009-10	2008-09	Growth	% Mix (2009-10)	% Mix (2008-09)
Net Sales					
Cement	110979	83856	32.35%	81%	75%
Refractory	26442	28013	-5.6%	19%	25%
EBITDA					
Cement	38765	23858	62.48%	92%	88%
Refractory	3207	3388	-5.34%	8%	12%

Net Sales in FY 2009-10 were up from Rs.111,869 Lakhs in FY 2008-09 to Rs.137421 Lakhs for the Company. EBITDA for the Company grew from Rs.27246 Lakhs in FY 2008-09 to Rs.41972 Lakhs in FY 2009-10, depicting a growth of 54%.

The net sales of cement business grew by 32.35% to Rs.110979 Lakhs in FY 2009-10. Net Sales from the refractory business of the Company decreased to Rs.26442 Lakhs in FY 2009-10, down by 5.6%.

In the Earnings before Interest, Tax and Depreciation, huge surge was witnessed in cement business in FY 2009-10 as compared to previous year. Cement EBITDA has grown on account of higher volumes as well as improved realizations.

3. Cement Business

a) Industry Structure and Developments

FY 2009-10 was full of surprises for the Indian Cement Industry as a whole. Amidst speculation of likely down fall as the global cue suggested in the beginning of the year, the year witnessed a decent growth in the cement industry. Eastern sector particularly ran through out the year with deficit supply situation on a demand growth of around 20% whereas supply was mainly coming from neighbouring regions to fulfill the demand. While South felt heat of over capacity, impact was also felt in Eastern Region where prices softened sharply in the areas bordering Andhra region, coming down to near historical low from a level of Rs.240 per bag to a level of Rs. 140 per bag and which caused a desperate need of searching unconventional markets to push volume. Neighbouring states were the natural targets and saw hectic marketing activities including sharp fall in prices. Capacity additions in the east could not take place fully as planned hence the current year did see a positive demand supply scenario. However the surplus capacities in bordering states, which will continue to push volumes in the east, and stabilization of new plants either already commissioned or in process of commissioning in the eastern region is expected to cause a surplus scenario in the next financial year which is expected to be more felt from second half the next financial year. Despite likely demand growth of 11% or so on all India basis and slightly better growth in east, production will be more and there is likely hood of over supply situation in certain regions. Eastern market is also not likely to remain insulated and if plants from other regions are able to transport material to east, prices are likely to be under pressure.

Coal, slag and other inputs remained in short supply. Even railways wagon supply also remained scarce at the time of peak demand. Government's response towards Industry's request for dual excise duty anomaly remained mute. The support needed from the Government in allowing abatement in Excise duty on MRP was also not considered. Restoration of Excise Duty on MRP from 8% to 10% has further pushed cost upward. Power availability in Orissa is worsening day by day which is likely to

put pressure on cost of power and is likely to affect production from plants dependent on Grid power. Imposition of flat Rs. 50 per Metric Tonne Clean Energy Cess on all grades of coal and increase in cost of petroleum product prices will further take the cost up.

b) Operations/Performance

Cement operations contribute 81% to the revenues of the Company. The plants are currently at Rajgangpur, District Sundargarh and at Kapilas Road, District Cuttack, Orissa, which fall in the eastern region of India where growth in cement demand during Financial Year 2009-10 has been much higher compared with the national growth rate.

Production and Sales quantity	('000 MT')		
	2009-10	2008-09	Growth
Clinker Production	1175	900	31%
Cement Production	3035	2687	13%
Cement Sales & Self Consumption	3008	2698	12%

The ability of your Company to react to growth opportunities and execute efficiently has helped it deliver a superior performance on a continuous basis. The volumes have grown and margins are at near historic highs. There has been a notable growth in the volume of cement business of the Company which has increased to 3 Million tones in FY 2009-10. The year was full of challenges especially in regard to availability of slag and rising input costs. Nevertheless, by focusing all strength on maximizing volume to reap the benefit of demanding market helped your Company to improve margins with higher realizations and better cost management.

To mitigate the increase in energy costs and threat on availability in the years to come, your Company is in process of setting up 2x27 MW Captive Thermal Power Plant (CPP) at Rajgangpur, Orissa. This will ensure un-interrupted captive power supply to its plants at relatively lower cost. Your company is taking all necessary steps to install CPP at the earliest.

c) Opportunities and Threats

KCW plant near Cuttack has been fully functional last year and operated almost at full capacity barring rainy season. Your company is going to get full advantage by having its manufacturing facilities in the vicinity of market over manufacturers who have to depend upon rail supply. Industry is experiencing major wagon shortage both for input raw material movement as well as for cement/clinker dispatches. Your company has made arrangement for dedicated vehicles in KCW plant near Cuttack to mitigate this risk and has safeguarded itself from the shortfall of road supply in the event of peak season demand for lorries. Similar arrangement is also being planned for Rajgangpur plant. Out of 35 lakh tonnes of capacity utilization being planned for the coming year the dispatch of around 20 lakh tonnes is being planned through road transport without being dependent on rail supply for dislodging additional volume.

Scarcity of slag was felt both at KCW and at Rajgangpur. Steps have been taken to enter into long term arrangement for sourcing slag for both the plants. In view of adequate availability of clinker due to commissioning of 2nd stream of Clinkerisation at Rajgangpur, your Company will have leverage of resorting to maximizing cement volumes by producing other types of cements like Ordinary Portland Cement (OPC), IRST-40 Sleeper grade Portland Cement and Portland Pozzolana Cement (PPC), etc. apart from manufacturing Portland Slag Cement (PSC). Steps are being taken to launch a new type of cement i.e. 'Masonry cement' which is a better alternative to cement for masonry and similar usages other than RCC. -

d) Risks and Concerns

There is a possibility of cement prices getting softened due to demand supply mismatch likely in the second half of the next financial year due to full scale operation of the new capacity additions which took place during current year as well as expected in the first half of next financial year. Though demand of cement is likely to be good but because of surplus scenario particularly in the Southern market, supply pressure will be felt all across Eastern Region thereby putting pressure on the margins.

Budgetary impact of increase in Excise Duty, cess on coal and increase in diesel prices would affect all round increase in cost of production as well as dispatches of finished product.

Dual rate of Excise duty on Institutional sales and consumer sales is still continuing on MRP without allowing any abatement. This would impact adversely on realization.

Availability of Slag both at KCW and at Rajgangpur works has come under pressure because of new –cement manufacturing capacities put up by other manufacturers nearer to the source of slag and hence availability of slag has become a constraint having adverse impact on cost. As an alternative to PSC, Company may resort to manufacture of PPC utilizing fly ash from outside in addition to fly ash generated from its own CPP.

MANAGEMENT DISCUSSION AND ANALYSIS

(contd.)

Availability and quality of coal is also a cause of concern due to increasing prices as well as due to higher percentage of Ash content in linkage coal. Further, linkage quantity of coal is getting reduced day by day which is likely to have adverse impact on cost.

Rake availability for transportation of cement as well as clinker is constrained by shortage of rake supply from the Railways. Your company has made long term agreement for hiring around 100 numbers of dedicated lorries to take care of its road transportation need in order to mitigate the risk of bottleneck in rail supply.

Worsening Power availability in Orissa may affect volume both at KCW and Rajgangpur. Rajgangpur will become comfortable once CPP is set up. However, the risk will continue in case of KCW which is fully dependent on Grid power.

A notification issued by Ministry of Environment and Forests (MoEF) on 03rd November 2009 with a view to encourage usage of fly ash and hence making it compulsory to use fly ash based products in construction activities within a radius of 100 Kms from a coal or lignite based thermal power plant is also likely to have adverse impact on your company which is primarily a slag based cement manufacturing company. Your company has already filed a writ petition before Hon'ble High Court of Orissa for inclusion of usage of Slag in addition to fly ash in the said notification.

e) Outlook

FY 2010-11 seems to be promising so far cement demand growth in the country is concerned. Backed on the projected GDP growth numbers of near 8%, cement demand growth is likely to be in the range of 9%-11% in the country as a whole and around 10%-12% in the Eastern part of the country. This year also Eastern Region showed a growth of 20% and backed on the same growth path over and above current year's growth, coming year growth is also likely to be around 12% which is mainly due to increasing cement consumption in the ongoing large infrastructure projects, roads and factories etc. Housing demand is also likely to be good due to economic revival taking place in the country. Demand in 2010-11 will largely be driven by the pass-through effect of the stimulus packages announced by the Government for housing and infrastructure sectors. While urban demand has slackened significantly, semi-urban and rural demands in the housing sector still show some robustness.

Despite likely good demand growth, due to additions in cement capacity and additions of Grinding Units in the market or near to the source of availability of Fly Ash/slag, there is going to be a surplus scenario in cement and thus there might be pressure on demand supply situation where supply is likely to exceed demand in most part of the country and Eastern Region will not be any exception hence prices are likely to come under pressure. This will be due to new capacities reaching to its full scale production. Despite all above, your Company is hopeful of maintaining profitability due to operational efficiencies, enhancement of sales volume and advantage of being nearer to market.

The Company continued to enjoy goodwill in its market place and its brand "Konark" continued to be preferred product and commanded premium over other products in the market.

4. Refractory Business

a) Industry Structure and Developments

The year started with a very positive sign as steel business was coming out of recession. The dampening effect of downturn however remained on projects which were deferred time and again. This led to unpredictable delivery of products manufactured against firm order.

The refractory industry in general has only 60% capacity utilization and there are few which have joined hands with each other for working under one umbrella for the purpose of marketing.

The raw material prices also had a south ward direction particularly those from China. Steel industry started ordering refractories on a very short notice and for quick delivery. This led to severe competition as none of the refractory manufacturers had comfortable order book position. This led to downward price trend particularly in fire brick and special products.

b) Operations/Performance

The year 2009-10 has been an unpredictable year with respect to customer preferences. Therefore, this year operations were effected due to short order quantities in one order by same customer. Your company took up the challenge in this changed business model and has maintained almost similar NSR as that of previous year.

('000 MT')			
Production and Sales quantity	2009-10	2008-09	Growth
Refractory Production	72	87	-17%
Refractory Sales & Self Consumption	77	87	-12%

Refractory production in terms of tonnage has declined in FY 2009-10 as compared to the FY 2008-09 due to lower demand of Silica bricks for Coke oven project and lower exports due to low capacity utilization of European and Middle east countries. Refractory production declined by 17% to 0.72 Lac tons in FY 2009-10.

On export front, this year your Company has achieved sales of Rs.34.04 crores against Rs.59.13 crores in previous year registering a decline of 42%.

In non-ferrous market your Company has retained its share in copper and aluminium sectors by supplying refractories to domestic consumers. The continuous casting refractories have performed well in Scandinavian Countries and we expect good order next year. Sale of our special products have been growing and we have made a good place in flow control refractories in Non-SAIL segment.

c) Opportunities and Threats

Your Company is looking at the potential in developing international market for silica insulation refractories for which it has received international recommendation by Glass Plant Designers.

The technical collaboration with M/s TYK Corp., Japan for manufacturing slide gate plate mechanism has enhanced the technical capability of the Company. Product has been under commercial application in 2 integrated steel plants and is performing as per the design. Your Company expects good orders from steel plants in future years.

Your company has added Dolomite bricks in the product range and tried successfully in AOD application in 2 MINI steel plants and also used in secondary steel making ladle in one plant with encouraging results and expect to get good orders in future.

d) Risks and Concerns

- 1) Downward prices of product and increasing input costs are going to put pressure on the company finance. Your company has therefore taken up strong cost reduction focus based on throughput increase by process innovation and re-engineering.
- 2) Chinese turn key projects of silica based coke oven will impact the market of silica refractories.
- 3) The continued closure of Talbasta Mine has made fire brick not profitable business. Your company has therefore taken a new focus on outsourcing these products.
- 4) Short term delivery requirement by the customers may sometimes deprive the company the business even from loyal ones. Your company has therefore decided to stock the fast consumable items at three strategic locations in next year to handle this situation.
- 5) Last but not the most important concern is of deferment of projects both in steel and aluminium. The trend is likely to continue. In future, therefore, the project customers may not take the material in time thereby disturbing the complete delivery and capacity booking schedule of the company.

e) Outlook

Your Company expects a growth of refractory consumables market due to addition of new steel making facilities in the country and thereby increases its share from its large basket of products.

As a future strategy, your Company expects that even with moderate growth rate of 8-10% in steel production, refractory industry will be growing reasonably. There is lower demand of Silica bricks for rebuild of coke oven in SAIL units and new coke ovens in MINI steel sector are inclined towards Chinese Silica bricks hence the silica orders are expected to stagnant @ 70% capacity utilization during 2010-11. The addition of Dolomite bricks manufacturing has widened the product range further and expects good orders in future. Due to increase in steel production the technology driven products of continuous casting refractory, slide gate plates and purging refractories will keep the Company on good growth path in future.

MANAGEMENT DISCUSSION AND ANALYSIS

(contd.)

5. Financial Performance

The overall financial position of the Company continued to be healthy and promising. The snapshot of the financial performance of the Company in FY 2009-10 vis-à-vis its performance in FY 2008-09 is presented below.

Financials	FY2008-09	(Rs.Crores) FY2009-10	Growth
Net Sales			
from Operations	1119	1374	23%
Other Income	15	35	133%
Total Income	1134	1409	24%
Material Costs adjusted for change in stocks	311	389	25%
Salaries & Wages	52	71	37%
Other Expenses	537	579	8%
Total Expenditure	900	1039	15%
Profit before Depreciation and			
Tax (PBDT)	234	370	58%
Depreciation	57	115	102%
Profit before Tax (PBT)	177	255	44%
Taxes	61	91	49%
Profit After Tax (PAT)	116	164	41%

The Company witnessed increased turnover on account of growth in volumes in cement business.

Total Expenses before Depreciation and Tax for the Company are Rs.1039 crores, up from Rs.900 crores last year. Power and Fuel costs are the highest contributor to the expenses of the Company in FY 2009-10, at Rs.198 crores. Raw Material costs at Rs.379 crores are close to 37% of the expenditure. Freight & transportation charges contributed another 10% to the costs. Salaries and Wages contribute only 7% to the costs of the Company at Rs.71 crores. Interest cost was 5% of expenses.

Depreciation was higher at Rs.115 crores on account of addition in gross assets during the year and depreciation on assets of Kapilas cement works & clinkerisation unit (Line-2) was provided on written down value method.

6. Awards and Recognition

Awards and Recognition - Cement Division

Your Company has bagged national award for energy efficiency in Indian Cement Industry instituted by National Council for Cement and Building material (NCCBM) for 2nd best improvement in Electrical Energy performance during the year 2008-09.

Quality Circle Team “KHADAN UTPADAN” from LQ of Cement Division bagged Appreciation for Good Performance Award in the NALCO Trophy held at Bhubaneswar during 28~29 April’ 2009.

Quality Circle Team “KIRAN” from Water Supply of Cement Division bagged Special Award for Best Analysis & Process Award in the NALCO Trophy held at Bhubaneswar during 28~29 April’ 2009.

Quality Circle Team “KIRAN” from Water Supply of Cement Division bagged Distinguish Award in the 17th Chapter Convention on Quality Circles held at Rourkela during 11~12 September’ 2009.

Quality Circle Team “ANNEVESHAN” from Kiln & VRM of Cement Division bagged Excellent Award in the 17th Chapter Convention on Quality Circles held at Rourkela during 11~12 September’ 2009.

Quality Circle Team “ANNEVESHAN” from Kiln & VRM of Cement Division bagged Par Excellent Award in the 23rd National Convention on Quality Circles held at Bengaluru during 17~21 December’ 2009.

Awards and Recognition - Refractory Division

OCL Refractory division has once again bagged the prestigious CAPEXIL Export award (Ministry of Commerce & Industries) for excellence in Exports for year 2008-09 for the fourth consecutive year.

Quality Circle Team “VISWAKARMA (ENGG)” from Refractory Division bagged Par Excellent Award in the 17th Chapter Convention on Quality Circles held at Rourkela during 11~12 September’ 2009.

Quality Circle Team “LAKSHYA (PROD)” from Refractory Division bagged Par Excellent Award in the 17th Chapter Convention on Quality Circles held at Rourkela during 11~12 September 2009.

Quality Circle Team “VISWAKARMA (ENGG)” from Refractory Division bagged Par Excellent Award in the 23rd National Convention on Quality Circles held at Bengaluru during 17~21 December 2009.

Quality Circle Team “LAKSHYA (PROD)” from Refractory Division bagged Par Excellent Award in the 23rd National Convention on Quality Circles held at Bengaluru during 17-21 December 2009.

7. Internal Control Systems

Your Company has appropriate internal control systems for business processes, with regard to efficiency of operations, financial reporting, compliance with applicable laws and regulations, etc. Clearly defined roles and responsibilities down the line for all managerial positions have been institutional. All operating parameters are monitored and controlled. Regular internal audits and checks ensure that responsibilities are executed effectively. The Audit Committee of the Board of Directors reviews the adequacy and effectiveness of internal control systems and suggests improvement for strengthening them, from time to time.

8. Human Resource Development/Industrial Relations

Your Company continues to maintain a constructive relationship with its employees through a positive environment so as to improve productivity and efficiency. Your Company also continues to invest in people and skill development and provide them with high performance environment.

Attrition in your Company is in line with industry but poses a big challenge, schemes like Performance Linked Variable Pay and Deferred Compensation have been introduced to attract and retain talent.

9. Cautionary Statement

Certain statements in this management discussion and analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations.

Although we believe our expectations are based on reasonable assumptions, these forward-looking statements may be influenced by numerous risks and uncertainties that could cause actual outcomes and results to be materially different from those expressed or implied. Some of these risks and uncertainties have been discussed in the section on 'risks and concerns'. The Company takes no responsibility for any consequence of decisions made based on such statements and holds no obligation to update these in the future.

ANNEXURE-III TO THE DIRECTORS' REPORT

CORPORATE GOVERNANCE REPORT

I. PHILOSOPHY ON CODE OF GOVERNANCE

The Company firmly believes in and continues to practice good corporate governance. Corporate governance seeks to raise the standards of corporate management, strengthens the Board systems, significantly increase its effectiveness and ultimately serve the objective of maximizing the shareholders value. The philosophy of the Company is in consonance with the accepted principles of good governance.

II. BOARD OF DIRECTORS

- A) **Composition of Board of Directors** - The Company has a thoroughly professional Board with a majority of Non-Executive and Independent Directors. The number of Non-Executive and Independent Directors on the Board is in excess of the number stipulated in clause 49 to the Listing Agreement.

S.No	Name of the Director	Designation	Category of Director	No. of shares held	No. of Board Meetings attended	No. of other Directorships	Total No. of Committees #	
							Member-ship	Chairman-ship
1.	Shri Pradip Kumar Khaitan	Chairman	Non-executive and Non-Independent	Nil	4	13	6	0
2.	Shri V. D. Jhunjhunwala	Director	Non-executive and Independent	-	1	-	-	-
3.	Shri D. N. Davar	Director	Non-executive and Independent	Nil	4	13	4	5
4.	Shri Puneet Dalmia	Director	Promoter, Non-executive and Non Independent	Nil	3	4	0	0
5.	Shri V. P. Sood	Whole Time Director	Executive and Non Independent	33,000	3	1	1	0
6.	Dr. S. R. Jain	Director	Non-executive and Independent	Nil	4	2	3	1
7.	Dr. R. C. Vaish	Director	Non-executive and Independent	Nil	3	6	3	0

Notes:

- a) Four Board meetings were held during the Financial Year 2009-10 on May 26, 2009, July 21, 2009, October 21, 2009, and January 19, 2010.

Shri V. D. Jhunjhunwala resigned with effect from May 27, 2009.

Shri D. D. Atal was co-opted as an Additional Director and was also appointed as Whole Time Director, with effect from April 01, 2010 for a term of five years subject to approval of the shareholders at the ensuing Annual General Meeting.

The term of Shri V. P. Sood as Whole Time Director ended on March 31, 2010 and thereafter he continues as a Non Executive Non Independent Director on the Board.

- b) Other Directorships include only the Directorships in public limited companies.
- c) The chairmanship/membership of the committees reported above includes the chairmanship/membership of the committees of the Company.
- d) The Annual General Meeting was held on September 25, 2009 and was attended by Shri V. P. Sood, Whole Time Director and Shri D. N. Davar, Chairman of Audit Committee.
- e) The Non Executive Chairman has not desired an office at the Company's expense.

- B) **Board Procedure** - The time gap between any two meetings of the Board of Directors is not more than four months. The details about performance of the various units of the Company, financial position, legal compliance, quarterly results, share transfer details and all other aspects of the Company which are relevant for review of the Board of Directors are being given in a structured format at each meeting. The said information complies with the requirements of the Code of Corporate Governance with regard to the information to be placed before the Board of Directors. No Director is a Member in more than ten Committees or acts as Chairman of more than five Committees of the companies in which he is a Director. Every Director

informs the Company about the position he occupies in Companies/Committees and notifies the changes as and when they take place.

A Committee of Directors decides the urgent business that arises in between two Board meetings. The Committee consists of Shri D. N. Davar, Chairman of the Committee and Dr. S. R. Jain, Shri Puneet Dalmia and Dr. R. C. Vaish, members of the Committee. The particulars of Committee meetings held during the year 2009-2010 and the attendance of the members are as follows:

Date of Committee Meeting	Shri D. N. Davar	Dr. S. R. Jain	Shri Puneet Dalmia	Dr. R. C. Vaish
24.08.2010	Absent	Present	Present	Present
26.03.2010	Present	Present	Absent	Present

C) **Inter-se relationship** - The Directors are not related inter-se.

III. AUDIT COMMITTEE

A) **Terms of Reference** - The role and terms of the reference of the Audit Committee covers the areas mentioned in Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, besides other terms as may be referred by the Board of Directors. The Audit Committee reviews the Management Audit reports, Internal Audit reports and Action Taken report of the Management thereupon, periodically. It also reviews the Annual Accounts and Quarterly Results of the Company before they are placed before the Board of Directors. The Audit Committee also meets the Statutory Auditors periodically and discusses the findings, suggestions and reviews the major accounting policies followed by the Company. The Minutes of the Audit Committee meetings are circulated to the Board.

The Audit Committee reviews the audited financial statements with reference to the Director's Responsibility Statement in terms of clause (2AA) of section 217 of the Companies Act, 1956. In addition to the above, the committee also reviews the following: -

- a) Management discussion and analysis of financial conditions and results of operations.
- b) Statement of significant related party transactions submitted by the Management.
 - i) A statement in summary form of transactions with related parties in the ordinary course of business is placed periodically before the audit committee.
 - ii) Details of material individual transactions with related parties, which are not in the normal course of business, are placed before the audit committee.
 - iii) Details of material individual transactions with related parties or others, which are not on an arm's length basis, are placed before the Audit Committee, together with Management's justification for the same.
- c) Management letters/letters of internal control weaknesses, if any, issued by the statutory auditors;
- d) Internal audit reports relating to internal control weaknesses; and
- e) The appointment, removal and terms of remuneration of the Chief Internal Auditor are subject to review by the Audit Committee.

B) **Composition of Audit Committee** - The Audit Committee comprises three Directors with Shri D. N. Davar as its Chairman and Dr. S. R. Jain and Dr. R. C. Vaish as its members. Shri V. D. Jhunjhunwala has resigned with effect from May 27, 2009 and Dr. Ramesh C. Vaish has been co-opted as member of the Audit Committee with effect from May 27, 2009.

C) **Meetings and Attendance** - The meetings of the Audit Committee are usually held before the Board Meetings where the Financial Results of the Company are considered. The particulars of Audit Committee meetings held during the year 2009-2010 and the attendance of the members are as follows:

Date of Audit Committee	Shri D. N. Davar	Dr. S. R. Jain	Shri V. D. Jhunjhunwala	Dr. R. C. Vaish
26.05.2009	Present	Present	Present	N.A.
21.07.2009	Present	Present	N.A.	Present
21.10.2009	Present	Present	N.A.	Absent
19.01.2010	Present	Present	N.A.	Present

IV REMUNERATION OF DIRECTORS

The remuneration of Non Whole Time Directors and Whole Time Director is fixed by the Board of Directors subject to approval of the shareholders.

ANNEXURE-III TO THE DIRECTORS' REPORT

CORPORATE GOVERNANCE REPORT (contd.)

A separate Remuneration Committee has been formed by the Board at its meeting held on January 19, 2010. The Remuneration Committee comprises three Independent Directors with Shri D. N. Davar as its Chairman and Dr. S. R. Jain and Dr. R. C. Vaish as its members.

The Sitting fees of Rs. 20,000/- per meeting is paid to Non Whole Time Directors for attending the Board meetings and Rs. 10,000/- per meeting is paid to the members of the Committees for attending the Committee meetings besides reimbursement of out of pocket expenses.

The Non Whole - Time Directors are also paid commission within the ceiling of one percent of the yearly profits. The Shareholders had, at the Annual General Meeting of the Company held on September 22, 2008 approved payment of commission to Non Whole Time Directors not exceeding 1% of net profits of the Company computed in the manner provided under section 198(1) of the Companies Act, 1956.

The details of sitting fees and commission paid to the Non Whole - Time Directors during the year 2009-10 are as under:

(Amount in Rs.)

S. No.	Name of Director	Sitting Fees	Commission	Total
1.	Shri Pradip Kumar Khaitan	80,000/-	6,00,000/-	6,80,000/-
2.	Shri V. D. Jhunjhunala	40,000/-	Nil	40,000/-
3.	Shri D. N. Davar	1,40,000/-	4,50,000/-	5,90,000/-
4.	Dr. S. R. Jain	1,60,000/-	3,50,000/-	5,10,000/-
5.	Shri Puneet Dalmia	70,000/-	3,00,000/-	3,70,000/-
6.	Dr. R. C. Vaish	1,10,000/-	3,00,000/-	4,10,000/-

During the year, the Company has paid Rs. 23,23,753/- as professional fees to M/s Khaitan & Co., a firm in which Shri Pradip Kumar Khaitan, Director of the Company, is a partner.

There was no other pecuniary relationship/transaction of the Non-Executive Directors *vis a vis* the Company.

The terms of appointment and remuneration paid to Whole Time Director is given below:

Shri V. P. Sood

- a) Period : 1st April 2009 to 31st March 2010
- b) Remuneration : Salary and Allowances – Rs. 1,24,60,634/-
Value of perquisites – Rs. 11,35,963/-
Contribution to PF – Rs. 3,63,216/-
Contribution to SAF – Rs. 99,996/-

Shri V. P. Sood will also be paid variable portion of his pay for the year 2009-10 in the year 2010-11 as per policy of the Company in this regard.

- c) Other terms: The Agreement may be terminated by either party by giving three months' notice. If the Agreement is terminated by the Company, the Company needs to pay three months salary in lieu of the notice.

V SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

The Shareholders/Investors Grievance Committee monitors expeditious redressal of investors' grievances. The Committee consists of three Directors with Dr. S. R. Jain, a Non - Executive Director, as its Chairman and Shri V. P. Sood and Shri Puneet Dalmia as its members. Shri V. D. Jhunjhunwala has resigned with effect from May 27, 2009 and Shri Puneet Dalmia has been co-opted as member of the Shareholders/Investors Grievance Committee with effect from May 27, 2009.

The particulars of Shareholders/Investors Grievance Committee meetings held during the year 2009-2010 and the attendance of the members are as follows:

Date of Shareholders/Investor Grievance Committee meetings	Dr. S. R. Jain	Shri V. D. Jhunjhunwala	Shri V. P. Sood
26.05.2009	Present	Present	Present

Investor Complaints received/settled during the year:

Sl. No.	Type of Complaint	Complaints received	Complaints redressed	Complaints pending
1.	Transfer/Transmission of Shares.	0	0	0
2.	Dividend	1	1	0
3.	Forfeiture of shares	0	0	0
4.	Miscellaneous (change of address, name deletion/non receipt of Annual Report, etc.,)	2	2	0
	TOTAL	3	3	0

The Company has designated an e-mail ID “grievance@ocl.in” for registering the complaints by investors/shareholders. The details are displayed on the Company’s website www.oclindia ltd.in.

Name and designation of compliance officer

Ms. Rachna Gorla, Company Secretary, is the Compliance Officer.

VI GENERAL BODY MEETINGS**A) Location and time, where Annual General Meetings held in last three years -**

AGM	DATE & TIME	LOCATION	WHETHER SPECIAL RESOLUTIONS WERE PASSED
57th AGM	17th September 2007 at 11.30 a.m.	Company's Rest House at Rajgangpur - 770 017 (Orissa)	Special resolution was passed for reduction of share premium account pursuant to Section 100 of the Companies Act, 1956 by an amount upto Rs. 1200 million or such other amount as may be deemed necessary by the Board/Committee of the Directors while implementing the Scheme of Arrangement.
58th AGM	22nd September 2008 at 9.30 a.m.	Company's Rest House at Rajgangpur - 770 017 (Orissa)	a) Special resolution was passed u/s 309(7) of the Companies Act, 1956 for renewal of shareholders decision to pay commission to non whole directors @1% (one percent) of the net yearly profits of the Company. b) Special resolution was passed u/s 314(1) of the Companies Act, 1956 for appointment of Khaitan & Co., New Delhi as Consultant for legal and other matters for a period of three years. c) Special resolution was passed u/s 31 of the Companies Act, 1956 for the alteration of the Articles of Association of the Company.
59th AGM	25th September 2009 at 4.30 P.M.	Company's Rest House at Rajgangpur - 770 017 (Orissa)	No Special Resolution was passed.

The previous Annual General Meeting of the Company was held on 25th September 2009 at 4.30 p.m. at the Company's rest house at: Rajgangpur-770 017, District: Sundargarh (Orissa). In the absence of Chairman of the Board of Directors, the meeting was chaired by Shri V. P. Sood, Whole Time Director of the Company. Shri D. N. Davar, Chairman of the Audit Committee also attended the Annual General Meeting.

ANNEXURE-III TO THE DIRECTORS' REPORT

CORPORATE GOVERNANCE REPORT (contd.)

B) Resolutions passed by Postal Ballot

During the financial year 2009-10 no resolution was passed through postal ballot pursuant to Section 192A of the Companies Act, 1956 read with Companies (Passing of Resolution by Postal Ballot) Rules, 2001.

No resolution is till proposed to be passed through postal ballot at the forthcoming Annual General Meeting.

VII DISCLOSURES

- A) The Company during the year has not entered into transactions of material nature with its promoters, the Directors, their relatives, subsidiary companies etc. that may have potential conflict of interest with the Company. No penalties, strictures have been imposed on the Company by the stock exchanges or SEBI on any matters related to capital markets during the last 3 years.

- B) Particulars of contract in which Directors are interested

Name of the Director	Name of the Party	Number & date of the contract/order	Principal terms of the Contract/orders
Sri P. K. Khaitan	M/s Khaitan & Co, New Delhi	Appointment letter dated May 15, 2008	Appointment as consultants for legal and other matters at a remuneration of Rs.40,000/- p.m. for 3 years w.e.f. 01.04.2008.

- C) **Code of Conduct:** The Company's Board of Directors and officers in Senior Management have confirmed compliance with the Code of Conduct of the Company for the financial year 2009-10. A declaration to this effect by the Whole Time Director forms part of this report. The Code of Conduct framed for compliance by the Directors and Senior Management is available on the Company's website www.ocindia.co.in.

- D) **Risk Management:** Risk evaluation and management is an ongoing process within the Company. The Company has identified the major risk areas and laid down frame work for assessment of risks which are reviewed from time to time.

- E) **Disclosure of particulars of persons constituting "Group" pursuant to Regulation 3(1)(c)(i) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.**

"Shri M.H. Dalmia, Shri M.H. Dalmia (HUF), Smt. Abha Dalmia, Mridu Hari Dalmia Parivar Trust, Shri Gaurav Dalmia, Shri Gaurav Dalmia (HUF), Smt. Sharmila Dalmia, Sharmila Dalmia Parivar Trust, Km. Devanshi Dalmia, Km. Aanyapriya Dalmia, Mst. Aryaman Hari Dalmia, Devanshi Trust, Aanyapriya Trust, Aryaman Hari Trust, Smt. Kanupriya Somany, Kanupriya Trust Two, Kanupriya Parivar Trust, Shri J.H. Dalmia, J.H. Dalmia (HUF), Smt. Kavita Dalmia, Shri Gautam Dalmia, Gautam Dalmia (HUF), Smt. Anupama Dalmia, Kum. Sukeshi Dalmia, Kum. Vaidehi Dalmia, Kum. Sumana Dalmia, Sukeshi Trust, Vaidehi Trust, Sumana Trust, Shri Y.H. Dalmia, Y.H. Dalmia (HUF), Smt. Bela Dalmia, Shri Puneet Dalmia, Smt. Avantika Dalmia, Shrutipriya Dalmia Trust, Mst. Priyang Dalmia, Priyang Trust, Kum. Avancee Dalmia, Avancee Trust, Smt. Usha Devi Jhunjhunwala.

Swank Services Ltd., National Synthetics Ltd., First Capital India Ltd., Landmark Property Development Company Ltd., Marathwada Refractories Ltd., Hari Machines Ltd., Dapel Investments Pvt. Ltd., M.H. Dalmia Parivar Trust Two.

Dalmia Cement (Bharat) Limited and all its subsidiaries- Kanika Investment Limited., D.I. Properties Limited, Geetee Estates Limited, Avniya Properties Limited, Ishita Properties Limited, Shri Rangam Properties Limited, Hemshila Properties Limited, Himshikar Investment Limited, Dalmia Minerals & Properties Limited, Shri Radha Krishna Brokers & Holdings Limited, Dalmia Bharat Enterprises Limited, DCB Power Ventures Limited, Sri Shanmugha Mines & Minerals Limited, Sri Swaminatha Mines & Minerals Limited, Sri Subramanya Mines & Minerals Limited, Sri Madhusudana Mines and Properties Limited, Arjuna Brokers & Minerals Limited, Dalmia Power Limited, Sri Trivikrama Mines and Properties Limited., Sri Dhandaauthapani Mines and Minerals Limited, Dalmia Solar Power Limited, Dalmia Cement Ventures Limited, Dalmia Sugar Ventures Limited, Cosmos Cements Limited, Sutnga Mines Private Limited, Golden Hills Resorts Private Limited, Rajputana Properties Private Limited, Shri Nataraj Ceramic & Chemical Industries Ltd. and its subsidiary - Shri Chamundeswari Minerals Ltd.; Mayuka Investments Ltd., Keshav Power Pvt. Ltd., Rama Investment Company Pvt. Ltd., Ankita Pratisthan Ltd., Sita Investment Company Ltd., Shree Nirman Ltd., Himgiri Commercial Ltd., Valley Agro Industries Ltd., Kavita Trading and Investment Co. Pvt. Ltd., Puneet Trading and Investment Co. Pvt. Ltd., Zipahead.Com Ltd., Avancee And Ashni Securities Pvt. Ltd."

- F) **Details of compliance with mandatory requirements and adoption of non-mandatory requirements**

The Company has complied with all mandatory requirements of clause 49 of the Listing Agreement and non-mandatory requirements are being reviewed by the Board from time to time.

- G) **Trading in the Company's shares by Directors and Designated Employees**

As per the SEBI (Prohibition of Insider Trading) Regulations, 1992 read with SEBI (Prohibition of Insider Trading) Amendment Regulations, 2008, the Company is required to have a Compliance Officer who is responsible for setting forth policies, procedures, monitoring adherence to the rules for the prevention of price sensitive information, pre-clearance of trade, monitoring of trades and implementation of the Code of Conduct for trading in Company's

securities under the overall supervision of the Board. The Company has adopted a Code for Prevention of Insider Trading. Ms. Rachna Gorla, Company Secretary, is the compliance Officer in respect of compliance of the Code. All the Directors on the Board as well as Designated Employees are governed by this Code.

VIII. MEANS OF COMMUNICATION

The Company apprises the shareholders through Annual reports, publication of un-audited quarterly results and audited financial results in Economic Times (English) and in Oriya language newspaper. The Company is also giving information about its products through its Web site www.oclindiaLtd.in.

IX. SHAREHOLDERS INFORMATION

A) General information

Registered Office	:	Rajgangpur - 770 017, (Orissa)
Corporate Office	:	B-47, Connuaght Place, New Delhi- 110001
Details of Plant location	:	CEMENT and REFRACTORY At: Rajgangpur- 770 017 Dist.: Sundargarh (Orissa) KAPALAS CEMENT WORKS Cuttack-753 004 (Orissa)
Financial year	:	1st April to 31st March
Annual General Meeting	:	17th September, 2010 at 4.30 PM
Date, time and Venue	:	Rest House of the Company at Rajgangpur-770017, Dist. Sundargarh (Orissa State)
Book Closure	:	10th September 2010 to 17th September 2010 (both days inclusive).
Dividend payment	:	Dividend will be paid after 17th September, 2010 subject to declaration by the shareholders at the Annual General Meeting.

B) Appointment/Reappointment of Directors

The appointment/re-appointment of Directors is communicated to shareholders through the Notice of the Annual General Meeting. In the case of new appointments information about the new Director is given through explanatory statement annexed to the Notice.

C) Financial Results

The Company's quarterly un-audited results and half yearly un-audited results are subjected to limited review by Auditors and Annual results are subjected to Audit by the Statutory Auditors. Quarterly un-audited and annual audited results are published in newspapers and are also provided to Stock Exchanges. The Company displays the financial results and shareholding pattern on the Company's Web site www.oclindiaLtd.in.

D) Share Transfer system and Registrars & share Transfer Agents

Pursuant to directions of SEBI the facility to hold the Company's shares in electronic form is made available to the shareholders as the Company has joined both Depositories namely NSDL and CDSL. Share Transfer Documents for physical transfer and requests for dematerialization of shares are sent to the Company's Registrars M/s C B Management Services (P) Limited at P-22 Bondel Road, Kolkata- 700 019.

E) Listing on Stock Exchanges

The Company's equity shares continue to be listed on National Stock Exchange of India Limited and Bombay Stock Exchange Limited. The Company paid the listing fee for the year 2009-10 to the Bombay Stock Exchange Limited and National Stock Exchange of India Limited within the stipulated time. The shares of the Company are actively traded on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

Name of the Stock Exchange	Code for Equity shares
The Bombay Stock Exchange Limited	502165
The National Stock Exchange of India Limited	OCL

ANNEXURE-III TO THE DIRECTORS' REPORT

CORPORATE GOVERNANCE REPORT (contd.)

F) Share prices as per quotations of Bombay Stock Exchange Limited & National Stock Exchange of India Limited

Month	Bombay Stock Exchange Limited		National Stock Exchange of India Limited	
	High (Rs)	Low (Rs)	High (Rs)	Low (Rs)
April 2009	79.50	45.95	79.80	46.05
May 2009	96.80	64.50	97.30	68.50
June 2009	116.85	86.00	116.00	85.00
July 2009	118.45	86.00	118.95	86.00
August 2009	131.80	104.60	131.90	103.00
September 2009	136.80	120.80	136.50	120.00
October 2009	138.80	104.90	138.50	107.25
November 2009	117.60	100.25	118.50	100.10
December 2009	126.90	107.00	136.00	103.60
January 2010	144.35	121.55	144.20	117.00
February 2010	135.75	113.35	135.50	114.05
March 2010	128.00	106.00	127.00	111.10

G) Share holding pattern as on 31st March, 2010

Category	Physical	NSDL	CDSL	Total
Resident Individuals	1795986	9864807	1177039	12837832
Financial Institutions	18000	--	--	18000
Foreign Institutional Investors	300	230197	--	230497
Foreign Nationals	18080	--	--	18080
Non Resident Indians	23935	132116	28698	184749
Bodies Corporate	1383139	32467761	88975	33939875
Clearing Member	--	82066	48700	130766
Mutual Funds	1000	104929	--	105929
Trusts	--	9339117	--	9339117
Banks	32245	24155	3700	60100
Overseas Corporate Body	--	--	--	--
Insurance Companies	--	35275	--	35275
Total	3272685	52280423	1347112	56900220

H) Distribution of Shareholding as on 31st March 2010

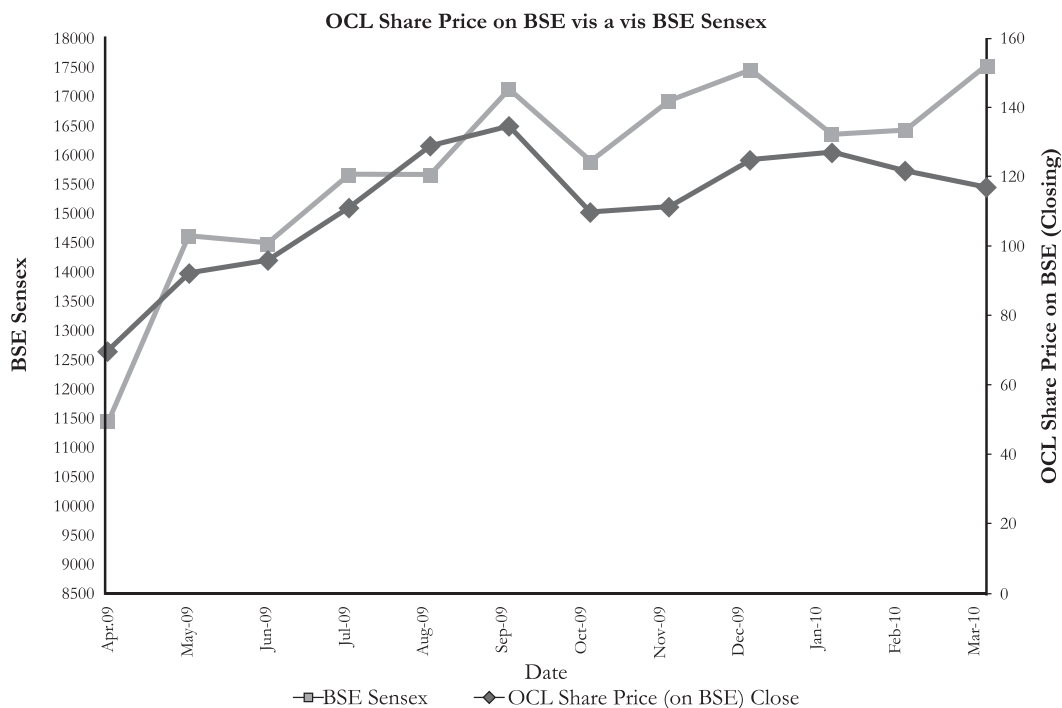
Range	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
1-100	7038	50.33	339947	0.60
101-250	2308	16.51	416786	0.73
251-500	1728	12.36	690329	1.21
501-1000	1320	9.44	1011958	1.78
1001-2000	814	5.82	1182812	2.08
2001-3000	278	1.99	699258	1.23
3001-4000	131	0.94	462852	0.81
4001-5000	74	0.53	339396	0.60
5001-10000	151	1.08	1058864	1.86
10001 & ABOVE	140	1.00	50698018	89.10
TOTAL	13982	100.00	56900220	100.00

ANNEXURE-III TO THE DIRECTORS' REPORT

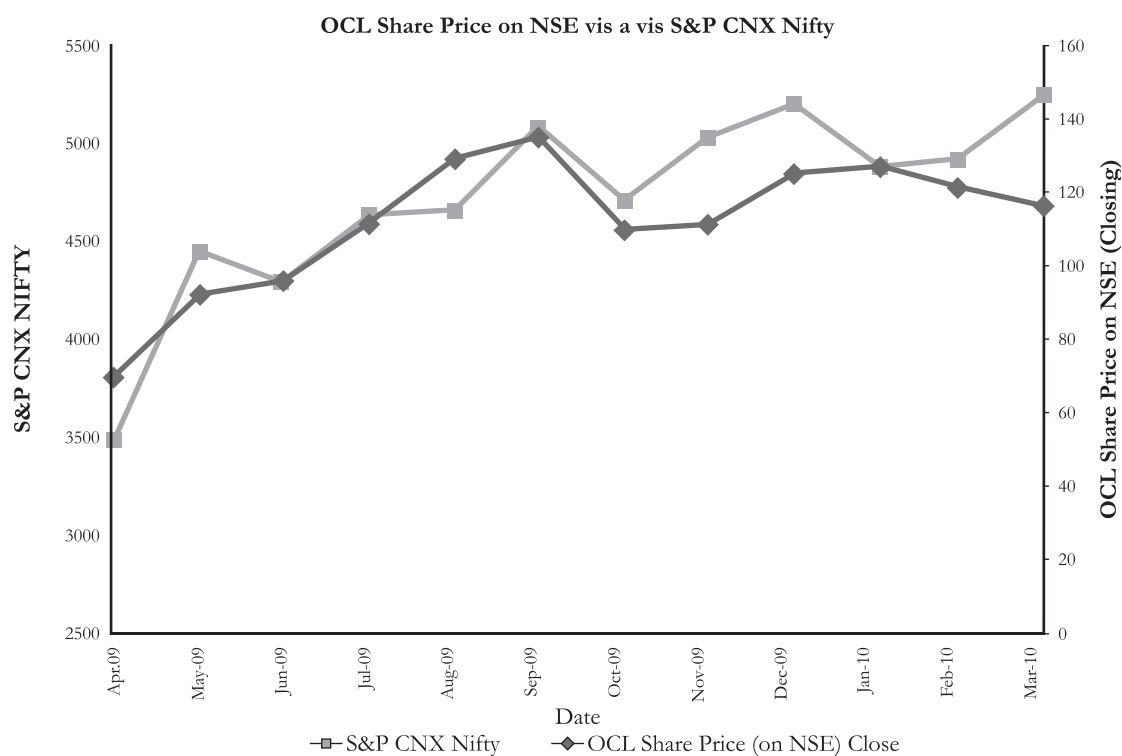
CORPORATE GOVERNANCE REPORT (contd.)

I) Performance in comparison to broad-based indices, i.e., BSE Sensex and S&P CNX Nifty

OCL Share Price on BSE vis a vis BSE Sensex April 2009 - March 2010				
Months	BSE Sensex Close	OCL Share Price (on BSE)		
		High Rs.	Low Rs.	Close Rs.
April 2009	11403.25	79.50	45.95	69.75
May 2009	14625.25	96.80	64.50	92.30
June 2009	14493.84	116.85	86.00	96.00
July 2009	15670.31	118.45	86.00	111.20
August 2009	15666.64	131.80	104.60	128.95
September 2009	17126.84	136.80	120.80	134.65
October 2009	15896.28	138.80	104.90	109.90
November 2009	16926.22	117.60	100.25	111.45
December 2009	17464.81	126.90	107.00	124.95
January 2010	16357.96	144.35	121.55	127.20
February 2010	16429.55	135.75	113.35	121.85
March 2010	17527.77	128.00	106.00	117.05



OCL Share Price on NSE vis a vis S&P CNX Nifty April 2009 - March 2010				
Months	S & P CNX Nifty Close	OCL Share Price (on NSE)		
		High Rs.	Low Rs.	Close Rs.
April 2009	3473.95	79.80	46.05	70.05
May 2009	4448.95	97.30	68.50	92.05
June 2009	4291.10	116.00	85.00	96.10
July 2009	4636.45	118.95	86.00	111.60
August 2009	4662.10	131.90	103.00	129.30
September 2009	5083.95	136.50	120.00	135.20
October 2009	4711.70	138.50	107.25	110.00
November 2009	5032.70	118.50	100.10	111.30
December 2009	5201.05	136.00	103.60	125.15
January 2010	4882.05	144.20	117.00	127.25
February 2010	4922.30	135.50	114.05	121.45
March 2010	5249.10	127.00	111.10	116.45



ANNEXURE-III TO THE DIRECTORS' REPORT

CORPORATE GOVERNANCE REPORT (contd.)

X. COMPLIANCE CERTIFICATE FROM AUDITORS

The Company has obtained a certificate from the Statutory Auditors certifying compliance of the mandatory recommendations mentioned in Clause No. 49 of the listing agreement.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE TO THE SHAREHOLDERS OF OCL INDIA LIMITED

1. We have examined the compliance of conditions of Corporate Governance by OCL India Limited ("the Company") for the year ended March 31st, 2010, as stipulated in clause 49 of the Listing Agreement of the said company with Stock Exchanges in India.
2. 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, 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.
3. 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 Agreement.
4. 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 **V. Sankar Aiyar & Co.**
Chartered Accountants
FRN. 109208W

Place : New Delhi
Date : 10.05.2010

R.RAGHURAMAN
Partner
Membership No.81350

Declaration by Shri D. D. Atal, Whole Time Director & CEO

TO THE MEMBERS OF OCL INDIA LIMITED

Based on the affirmation provided by the Directors and persons in Senior Management of the Company, it is declared that all the Board members and Senior Management personnel are complying with the Code of Conduct framed by the Company for the Directors and Senior Management.

For **OCL India Limited**

D. D. Atal
CEO

Dated: May 10, 2010

AUDITOR'S REPORT ON ABRIDGED BALANCE SHEET



Annual Report 2009-10

TO THE SHAREHOLDERS OF OCL INDIA LIMITED

Abridged

We have examined the attached abridged Balance Sheet of OCL INDIA LIMITED as at 31st March, 2010 and also the abridged Profit & Loss Account and Cash Flow Statement for the year ended on that date, together with the Significant Accounting Policies and Notes thereon. These abridged financial statements are prepared by the Company pursuant to Rule 7A of the Companies (Central Government's) General Rules and Forms, 1956 and are based on the accounts of the year ended 31st March 2010 prepared in accordance with Schedule VI of the Companies Act, 1956 and covered by our report of even date to the members of the Company, which report is attached.

For **V. Sankar Aiyar & Co.**
Chartered Accountants
FRN. 109208W

Place : New Delhi
Date : 10.05.2010

R.RAGHURAMAN
Partner
Membership No.81350

ABRIDGED BALANCE SHEET

AS AT 31ST MARCH, 2010

FORM NO.23AB
(See Rule 7A)
STATEMENT CONTAINING SALIENT FEATURES OF BALANCE SHEET
AND PROFIT AND LOSS ACCOUNT, ETC.
AS PER SECTION 219(1)(b)(iv)

	2009-10 Rs.Lakhs	2008-09 Rs.Lakhs
I SOURCES OF FUNDS		
(1) Shareholders' Funds		
a) Capital Equity	1,138.50	1,138.50
b) Reserve and Surplus		
(i) Capital reserve	157.06	157.06
(ii) Revenue reserve	46,025.87	36,025.87
(iii) Surplus in profit and loss account	11,857.75	7,665.76
(iv) Share premium account	19,600.00	19,600.00
(vi) Debenture redemption reserve	855.36	1,331.71
	78,496.04	64,780.40
(2) Loan Funds		
a) Debentures	7,600.00	8,600.00
b) Public deposits	3,093.95	804.34
c) Secured loans (other than debentures)	71,873.87	59,588.95
d) Unsecured loans	-	2,500.00
	82,567.82	71,493.29
(3) Deferred Tax	12,000.86	10,015.64
Total of (1), (2) and (3)	1,74,203.22	1,47,427.83
II APPLICATION OF FUNDS		
(1) Fixed Assets		
a) Gross Block	1,47,725.79	1,21,223.48
b) Less: Depreciation	49,959.83	37,106.16
c) Net block	97,765.96	84,117.32
d) Capital work-in-progress	33,112.49	37,659.12
	1,30,878.45	1,21,776.44
(2) Investments		
a) Investment others		
(i) Quoted	0.06	23.35
Market value Rs.18.21 lakhs (Previous year Rs. 189.52 lakhs)		
(ii) Unquoted	611.90	612.14
	611.96	635.49
(3) (i) Current Assets, Loans and Advances		
a) Inventories	20,288.12	17,356.53
b) Sundry debtors	10,460.36	11,587.02
c) Cash and bank balances	35,376.72	11,854.46
d) Other current assets	116.72	63.94
e) Loans and advances		
(i) To others	7,187.47	8,155.73
	73,429.39	49,017.68
Less : (ii) Current Liabilities and Provisions		
a) Liabilities	26,481.94	22,044.52
b) Provisions	4,234.64	1,957.26
	30,716.58	24,001.78
Net Current Assets (i-ii)	42,712.81	25,015.90
Total of (1) to (3)	1,74,203.22	1,47,427.83

for OCL INDIA LIMITED,

Annexure to our Report of Date for V Sankar Aiyar & Co. Chartered Accountants		Rachna Gorla Company Secretary	On behalf of the Board,
R Raghuraman Partner Membership No. 81350		D N Singh Executive Director (Finance) & Chief Financial Officer	Pradip Kumar Khaitan
Place : New Delhi Date : 10.05.2010			D D Atal Directors

ABRIDGED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH, 2010



Annual Report 2009-10

Abridged

	2009-10 Rs.Lakhs	2008-09 Rs.Lakhs
I. INCOME		
Sales and self consumption	1,37,420.47	1,11,869.13
Dividend	250.72	3.22
Interest	433.15	162.58
Other income	2,775.45	1,318.76
Total	1,40,879.79	1,13,353.69
II. Expenditure		
Cost of goods consumed/sold		
(i) Opening stock	10,272.93	9,177.45
(ii) Purchases	40,756.19	33,407.38
	51,029.12	42,584.83
Less: Closing stock	12,141.89	10,272.93
	38,887.23	32,311.90
Manufacturing expenses	35,368.64	28,971.12
Selling expenses	11,733.32	12,228.66
Salaries, wages and other employee benefits	6,964.33	5,119.51
Managerial remuneration	166.60	111.25
Interest	5,066.76	3,849.55
Depreciation	11,449.73	5,688.59
Auditor's remuneration	23.52	25.34
Other expenses	5,764.77	7,340.68
Total	1,15,424.90	95,646.60
III Profit/loss before tax (I-II)	25,454.89	17,707.09
IV Provision for taxation		
- Current tax	6,500.00	2,025.00
- Deferred	1,985.22	4,132.81
- For earlier years	500.00	-
- Fringe benefit tax	-	75.00
- MAT credit available for Reversed / (-) set off	100.00	-100.00
V Profit/loss after tax	16,369.67	11,574.28
Add : Balance brought from previous year	7,665.76	5,529.20
	24,035.43	17,103.48
VI Proposed dividend and tax on dividend	2,654.03	1,664.26
VII Transfer to reserves/surplus	21,381.40	15,439.22
	24,035.43	17,103.48

*for OCL INDIA LIMITED,*Annexure to our Report of Date
for **V Sankar Aiyar & Co.**
Chartered Accountants**Rachna Gorla**
Company Secretary

On behalf of the Board,

Pradip Kumar KhaitanPlace : New Delhi
Date : 10.05.2010**R Raghuraman**
Partner
Membership No. 81350**D N Singh**
Executive Director (Finance)
& Chief Financial Officer**D D Atal**
Directors

NOTES TO THE ABRIDGED BALANCE SHEET AND THE ABRIDGED PROFIT AND LOSS ACCOUNT

1 SIGNIFICANT ACCOUNTING POLICIES

a. Accounting Convention

The financial statements are prepared under historical cost convention (except for certain fixed assets which are revalued), on a going concern basis and in accordance with applicable accounting standards prescribed under the Companies (Accounting Standards) Rules, 2006.

b. Use Of Estimates

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amount reported in the financial statements and notes thereto. Differences between actual results and estimates are recognised in the period in which they materialise

c. Fixed Assets

Land, Buildings, Plant and Machinery relating to Cement and Refractory Works acquired/installed upto 31.12.81 were revalued as at 31.12.85. All other fixed assets are shown at cost (net of cenvat). Borrowing costs attributable to the acquisition of qualifying assets and all significant costs incidental to the acquisition of assets are capitalised.

d. Depreciation

Depreciation on Plant and Machinery added in Cement & Refractory after 31.12.81 is provided on straight line method and depreciation on all other assets including Kapilas Cement Works and Clinkerisation Unit at Raigangpur (Line-II) is provided on reducing balance method. Depreciation has been calculated in the manner and at the rates specified in Schedule XIV to the Companies Act, 1956.

e. Investments

Long term Investments are valued at cost. Provision for diminution in value is made, if in the opinion of the management, such a decline is considered other than temporary. Current Investment are valued at Cost or Fair Value which ever is lower

f. Inventories

Stocks of finished and partly finished products are valued at lower of cost or net realisable value and for this purpose, cost is determined on absorption costing method. Cost of finished goods includes excise duty. Raw Materials, other inputs, stores and spares are valued at lower of cost (net of cenvat) or net realisable value after providing for obsolescence. Cost is determined on FIFO / Weighted Average Basis.

g. Revenue Recognition and Accounting for Sales

Revenue from domestic sale of goods is recognised when significant risks and rewards are transferred to the customers. Export sales are accounted for on the basis of date of bill of lading. Sales are net of trade discount and sales tax but inclusive of excise duty. Bonus or penalty linked to operating efficiency of products, where applicable, is accounted for upon crystalization. Interest income is recognised on time proportionate basis. Dividend income is accounted for, when the right to receive the same is established.

h. Treatment of Employee Benefits

The Company makes regular contributions to duly constituted Funds set up for Provident Fund, Family Pension, Gratuity and Superannuation which are charged to revenue. Contribution to gratuity fund and provision for leave encashment are made on the basis of actuarial valuation.

i. Research and Development

Revenue expenses are charged off in the year in which it is incurred under the natural heads of account. Capital expenditure, when incurred is added to the cost of fixed assets.

j. Foreign Currency Transactions

Foreign currency transactions are recorded at exchange rate prevailing on the date of transaction/realisation. Current assets/liabilities are restated at rates prevailing at the year end and resultant exchange difference are recognised in the Profit and Loss Account. In case of forward exchange contracts, the premium or discount arising at the inception of such contracts is amortised over the life of the contract as well as the exchange difference on such contracts i.e., differences between the exchange rates at

the reporting /settlement date and the exchange rate on the date of inception/last reporting date, is recognised in the Profit & Loss Account. Non-monetary items denominated in foreign currency are valued at the exchange rate prevailing on the date of transaction.

k. Deferred Tax

In accordance with Accounting Standard-22 "Taxes on Income, deferred tax is recognised, subject to consideration of prudence, being the difference between accounting and taxable income that originate in one year and are capable of reversal in subsequent year.

l. Impairment of Assets

At each balance sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount. If the carrying amount of the assets exceeds its recoverable amount, an impairment loss is recognised in the profit and loss account to the extent the carrying amount exceeds the recoverable amount.

m. Provisions and Contingencies

The Company creates a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure of contingent liability is made when there is a possible obligation or a present obligation that will probably not require outflow of resources or where a reliable estimate of the obligation can not be made.

	2009-10 Rs.Lakhs	2008-09 Rs.Lakhs
2 (Note no 1, Schedule 17)		
(i) Claims against the Company not acknowledged as debts	1,473.01	1,452.77
(ii) a) Guarantee given to Banks for loan/guarantees facilities on behalf of OCL Global Ltd an associate concern. (Previous Year USD 19.80 lakhs) (USD 32.28 Lakhs)	1,471.10	1,018.71
b) Guarantee given to Life Insurance Corporation for loan facilities on behalf of OCL Iron & Steel Ltd	-	3,500.00
3 (Note no 2, Schedule 17)		
Estimated amount of contracts remaining to be executed on capital account and not provided for	7,316.14	17,441.27

4 (Note no 9, Schedule 17)

The Supreme Court of India in April, 1996, upheld the validity of Jute Packing Materials (Compulsory use in Packing Commodities) Act, 1987. The Company has been legally advised that the Act is applicable to it only with effect from October, 1996. Under the Act, Cement Manufacturers are required to use Jute Packaging Material for supply or distribution upto 50% of their total production. The Calcutta High Court has granted stay against show cause notice received by the Company from the Jute Commissioner. The Union of India, through the Jute Commissioner have filed petition for transfer of all writ petitions along with other proceedings pending before various High Courts for hearing and disposal on merit by Supreme Court. The amount that may become payable, in case it is ultimately held that penalty is payable for non compliance of Act during the intervening period is presently not ascertainable. However, the Government has not notified the compulsory packing of Cement in jute packing materials for the period effective from 1st July, 1997.

5 (Note no 10, Schedule 17)

Disclosure of Sundry Creditors under Current Liabilities is based on the information available with the Company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006. Amount overdue as at 31 March, 2010, to Micro and Small Enterprises on account of interest is Rs 0.13 Lakhs (Previous year Rs. 34.40 Lakhs on account of principal and interest of Rs. 0.13 Lakhs)

NOTES TO THE ABRIDGED BALANCE SHEET AND THE ABRIDGED PROFIT AND LOSS ACCOUNT *(contd.)*

6 (Note no 14, Schedule 17)

Segment Disclosure (AS - 17)

Segment Revenue

External

Rs.Lakhs			
Cement	Refractory	Unallocable	Total
1,23,493.62	27,248.30		1,50,741.92
(96,442.89)	(29,774.16)		(1,26,217.05)
12.88	561.49		574.37
(3.44)	(508.49)		(511.93)

Inter-Segment

Segment Result

Profit / (Loss) before Tax and Interest

29,489.99	2,908.28	-1,876.62	30,521.65
(20,732.75)	(3,350.35)	-(2,526.46)	(21,556.64)

Less : Interest

5,066.76	5,066.76
(3,849.55)	(3,849.55)

Profit before Taxation

25,454.89
(17,707.09)

Provision for Taxation - Current

6,500.00	6,500.00
----------	----------

- Deferred

(2,025.00)	(2,025.00)
------------	------------

- Fringe Benefit Tax

1,985.22	1,985.22
----------	----------

- Tax relating to earlier years

(4,132.81)	(4,132.81)
------------	------------

- MAT credit available for Reversed / (-) set off

-	-
---	---

(75.00)	(75.00)
---------	---------

500.00	500.00
--------	--------

(-)	(-)
-----	-----

100.00	100.00
--------	--------

-(100.00)	-(100.00)
-----------	-----------

Profit after Taxation

16,369.67
(11,574.28)

Other Information

Segment Assets

1,80,523.98	23,630.19	765.63	2,04,919.80
(1,46,059.70)	(24,222.00)	(1,147.91)	(1,71,429.61)

Segment Liabilities

21,664.57	3,690.01	99,930.68	1,25,285.26
(18,203.46)	(3,177.79)	(84,129.46)	(1,05,510.71)

Capital Expenditure including capital WIP

21,876.72	252.08	15.65	22,144.45
(35,264.83)	(313.58)	(33.39)	(35,611.80)

Depreciation

12,280.15	650.20	25.20	12,955.55
(6,152.10)	(648.83)	(34.51)	(6,835.44)

Non cash expenses other than depreciation :

Provision for Leave encashment

19.45	0.64	7.65	27.74
(28.73)	(7.24)	(0.69)	(36.66)

Figures in brackets are in respect of previous year.

Note a) As per practice consistently followed, inter segment transfers for capital jobs recognised at cost and for other jobs at estimated realisable value.

b) Business segment is considered as primary segment and there is only one geographical segment.

7 (Note no 15, Schedule 17)

Related Party Disclosures (AS-18)

a) Related parties and their relationship :

- Key management personnel : Shri. M H Dalmia, Shri. R H Dalmia, Shri. Y.H.Dalmia (upto 28.01.2010), Shri V P Sood (whole time director) Relatives : Shri A H Dalmia, Shri. V.H. Dalmia, Shri Gaurav Dalmia, Smt. Abha Dalmia, Smt. Padma Dalmia, Smt. Shripriya Dalmia Thirani, Smt. Kanupriya Somany, Smt. Anuradha Jatia, Shri. Puneet Dalmia, Shri.Vikas Sood.
- Associate concern : OCL Global Limited

NOTES TO THE ABRIDGED BALANCE SHEET AND THE ABRIDGED PROFIT AND LOSS ACCOUNT (contd.)



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- 3) Enterprises over which key management personnel are able to exercise significant influence : Hari Machines Limited, Dalmia Bharat Seva Trust, Satya Miners And Transporters Limited, Swank Services Pvt.Ltd., Konark Investments Limited, Marathwada Refractories Limited, Dapel Investments Pvt. Ltd, Dalmia Institute of Scientific & Industrial Research, Dalton International Ltd, Agrico Ltd., Dalmia Cement (Bharat) Ltd., Landmark Property Development Co.Ltd., OCL Iron & Steel Ltd. (up to 16.02.2010), Shree Natraj Ceramic & Chemical Industries Ltd., Chirawa Navyuvak Trust.

	2009-10 Rs. Lakhs	2008-09 Rs. Lakhs
b) Transactions with above in ordinary course of business:		
1) Transactions with parties referred in (1) above:		
a) Remuneration /Pension	718.55	683.63
b) Fixed Deposit received	1,329.05	11.00
c) Interest Expense	23.02	0.98
d) Service received	3.74	3.94
e) Sale of Shares	-	19.40
f) Purchase of Shares	-	19.40
g) Payable at the year end	1,355.07	14.25
2) Transactions with parties referred in (2) above:		
a) Purchase of goods and fixed assets	1,560.17	810.24
b) Sale of goods and fixed assets	146.31	-
c) Service rendered	37.17	37.53
d) Guarantee Provided (USD 32.28 Lakhs) (Previous year USD 19.80 lakhs)	1,471.10	1,018.71
e) Receivable at the year end	96.18	11.61
f) Payable at the year end	-	68.45
3) Transactions with parties referred in (3) above:		
a) Purchase of goods and fixed assets	436.38	438.07
b) Sale of goods and fixed assets	284.89	883.72
c) Service rendered	32.39	124.09
d) Service received	394.85	606.12
e) Inter corporate deposit received and repaid	638.00	621.50
f) Interest Expense	17.92	29.84
g) Fixed Deposit received	200.00	-
h) Interest Expense	8.63	-
i) Guarantee Provided	-	3,500.00
j) Security Deposits & Rent received and paid	-	0.20
k) Sale of Shares	-	21.45
l) Advance given and received	15.26	56.37
m) Receivable at the year end	61.74	445.92
n) Payable at the year end	335.72	187.86
c) Disclosure of Material transactions with Related Parties		
Remuneration		
Shri. M.H. Dalmia	290.04	295.30
Shri. R.H. Dalmia	216.78	242.88
Shri. V.P. Sood	140.60	80.45
Purchase of goods and fixed assets		
Dalmia Cement(Bharat) Ltd.	369.14	335.67
Sale of goods and fixed assets		
OCL Iron & Steel Ltd.	226.10	114.20
Dalton Intl. Ltd	-	763.95
Service rendered		
OCL Iron & Steel Ltd.	15.62	110.35
Hari Machines Ltd.	16.18	10.06

NOTES TO THE ABRIDGED BALANCE SHEET AND THE ABRIDGED PROFIT AND LOSS ACCOUNT *(contd.)*

	2009-10 Rs.Lakhs	2008-09 Rs.Lakhs
Service received		
OCL Iron & Steel Ltd.	70.17	338.61
DISIR	101.85	79.31
Dalton Intl. Ltd	135.30	101.26
Dapel Investment (P) Ltd	81.00	74.25
Guarantee Provided		
OCL Iron & Steel Ltd.	-	3,500.00
Inter corporate deposit received and repaid		
Satya Miners and Transporters Ltd.	608.00	591.50
Interest Expense		
Satya Miners and Transporters Ltd.	16.72	28.91
Advance given and received		
Landmark Property Development Co. Ltd	3.27	14.12
OCL Iron & Steel Ltd.	11.99	42.25
Sale of Investments		
Mridu Hari Parivar Trust	-	21.45
Shri R.H. Dalmia	-	19.40
Purchase of Shares		
Syt. R.H. Dalmia	-	19.40
Fixed Deposit received		
Shri. V.P. Sood	47.05	11.00
Shri. R.H. Dalmia	1,250.00	-
Chirawa Navyuvak Trust	200.00	-
Receivable at the year end		
Dalton Intl. Ltd	-	391.80
OCL Iron & Steel Ltd.	20.90	-
Hari Machines Ltd.	37.54	-
Payable at the year end		
Dalton Intl. Ltd	-	154.88
Dalmia Cement (Bharat) Ltd.	-	30.09
Chirawa Navyuvak Trust	208.63	-
Shri. R.H. Dalmia	1,266.74	-
8 (Note no 16, Schedule 17)		
Earning per share (EPS) AS - 20		
Profit after tax	16,369.67	11,574.28
Weighted Average No. of equity shares of Rs.2 each as on 31.03.2010		
Basic & Diluted	569.00	569.00
EPS (Rs.)		
Basic & Diluted	28.77	20.34

NOTES TO THE ABRIDGED BALANCE SHEET AND THE ABRIDGED PROFIT AND LOSS ACCOUNT (contd.)



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9 (Note no 26, Schedule 17)

Employee Benefits - AS 15 (Revised)

		2009-10		2008-09	
		Gratuity	Leave	Gratuity	Leave
		(Funded)	Encashment	(Funded)	Encashment
		(Funded)	(Unfunded)	(Funded)	(Unfunded)
		Rs in Lakhs	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs
a) Following information are based on report of Actuary.					
Defined benefit plans as at March 31, 2010					
A	Break-up of expenses				
1	Current Service Cost	89.32	83.06	79.36	33.82
2	Interest cost	78.76	10.24	68.13	7.70
3	Expected return on plan assets	81.13	-	75.37	-
4	Net Actuarial (gain) / loss recognised during the year	-21.79	14.18	-48.69	52.85
5	Total expense	65.16	107.48	23.43	94.37
B	Actual return on plan assets				
1	Expected return on plan assets	81.13		75.37	
2	Actuarial gain / (loss) on plan assets	-4.03		37.38	
3	Actual return on plan assets	77.10		112.75	
C	Reconciliation of obligation and fair value of assets				
1	Present value of the obligation	1,098.69	195.67	1,012.62	167.93
2	Fair value of plan assets	1,108.96	-	1,014.05	-
3	Funded status [surplus / (deficit)]	10.27	-195.67	1.43	-167.93
D	Change in present value of the obligation during the year ended March 31, 2010				
1	Present value of obligation as at April 1, 2009	1,012.62	167.93	940.33	131.27
2	Current Service Cost	89.32	83.06	79.36	33.82
3	Interest cost	78.76	10.24	68.13	7.70
4	Benefits paid	-56.19	-79.75	-63.89	-57.71
5	Actuarial (gain) / loss on plan assets	-25.82	14.18	-11.31	52.85
6	Present value of obligation as at March 31, 2010	1,098.69	195.66	1,012.62	167.93
E	Change in Assets during the year ended March 31, 2010				
1	Fair value of plan assets as at April 1, 2009	1,014.05		942.09	
2	Expected return on plan assets	81.13		75.37	
3	Contribution made	74.00		23.10	
4	Benefits paid	-56.19		-63.89	
5	Actuarial gain / (loss) on plan assets	-4.03		37.38	
6	Fair value of plan assets as at March 31, 2010	1,108.96		1,014.05	
F	The major category of plan assets as a percentage of total plan				
	Gratuity : 87% invested with Central Govt/State				
	govt/State Govt. Sec-urities/Public sector				
	bonds/Fixed Deposit with PSU Banks				
	Leave Encashment : Unfunded				
G	Actuarial Assumptions				
1	Discount rate	8.00%		7.50%	
2	Expected rate of return on plan assets	8.00%		8.50%	
3	Mortality	LIC 1994-96		LIC 1994-96	
4	Salary escalation	5.00%		5.00%	

NOTES TO THE ABRIDGED BALANCE SHEET AND THE ABRIDGED PROFIT AND LOSS ACCOUNT *(contd.)*

	2009-10		2008-09	
	Gratuity	Leave	Gratuity	Leave
	(Funded)	Encashment (Unfunded)	(Funded)	Encashment (Unfunded)
	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs
b) Gratuity is administered by an approved gratuity fund trust				
c) Amount recognised as an expense in respect of defined benefits plan as under :				
1 Contribution to Gratuity Fund	74.00		23.10	
2 Gratuity paid directly	19.22		6.97	
3 Leave encashment	107.49		94.76	
	<u>200.71</u>		<u>124.83</u>	
d) Defined Contribution plan:				
Contribution to Defined Contribution Plan, recognised as expense for the year as under:				
1 Employer's contribution to Government Provident Fund	568.93		365.53	
2 Employer's contribution to Superannuation Fund	78.58		76.75	
3 Farewell gift to Retired Employees	0.73		0.32	
4 Medical insurance premium to Retired Employees	6.76		6.46	
	<u>655.00</u>		<u>449.06</u>	

		2009-10	2008-09
		Rs.Lakhs	Rs.Lakhs
10 (Schedule 5)			
DEFERRED TAX			
Liabilities :			
Depreciation		12,550.32	10,747.14
Exchange gain of Capital Nature		217.47	
Assets :			
Difference of value of Stock u/s 145A of the Income Tax Act, 1961		198.83	206.67
Expenses allowable in computing taxable income on payment basis		237.17	202.84
MTM on interest Derivatives		21.78	41.15
Provision for Doubtful Debts & obsolescence		309.15	280.60
Voluntary Retirement Expenses			0.24
		<u>766.93</u>	<u>731.50</u>
Net Liability		<u>12,000.86</u>	<u>10,015.64</u>
11 IMPORTANT RATIOS :			
Sales / Total Assets		67.06%	65.26%
Operating Profit / Capital Employed		24.32%	19.07%
Return / Net Worth		20.56%	17.56%
Net Profit / Sales		11.91%	10.35%
12 INFORMATION IN RESPECT OF GOODS MANUFACTURED :			
Installed Capacity (per annum)	000 Tonnes	Cement	5,350
	000 Tonnes	Refractory	106
Production	000 Tonnes	Cement	2,687
	000 Tonnes	Refractory	87
13 Previous year figures have been regrouped where necessary to correspond with current year figures.			

NOTES TO THE ABRIDGED BALANCE SHEET AND THE ABRIDGED PROFIT AND LOSS ACCOUNT *(contd.)*



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ANNEXURE

SALIENT FEATURES OF ADDITIONAL INFORMATION ON THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	2009-10		2008-09	
	000 Tonnes	Rs.Lakhs	000 Tonnes	Rs.Lakhs
Sales				
Cement	2,985	1,23,465.19	2,673	96,325.23
Refractories	73	27,230.54	82	29,747.98
Others		46.19		143.84
		1,50,741.92		1,26,217.05
Self Consumption				
Cement	23	416.58	25	466.10
Refractories	4	996.85	5	942.09
		1,413.43		1,408.19
		1,52,155.35		1,27,625.24
Less : Excise Duty on Sales		14,734.88		15,756.11
		1,37,420.47		1,11,869.13

for **OCL INDIA LIMITED,**

Annexure to our Report of Date
for **V Sankar Aiyar & Co.**
Chartered Accountants

Rachna Gorla
Company Secretary

On behalf of the Board,

Pradip Kumar Khaitan

Place : New Delhi
Date : 10.05.2010

R Raghuraman
Partner
Membership No. 81350

D N Singh
Executive Director (Finance)
& Chief Financial Officer

D D Atal
Directors

CASH FLOW

FOR THE YEAR ENDED 31ST MARCH, 2010

	2009-10 Rs.Lakhs	2008-09 Rs.Lakhs
A. CASHFLOW FROM OPERATING ACTIVITIES		
Net profit before Taxes	25,454.89	17,707.09
Adjustment for :		
Depreciation	12,955.55	6,835.44
Interest	5,066.76	3,849.55
Interest Received	-433.15	-162.58
Profit on sale of Investment	-340.06	-30.86
Dividend on Investment	-250.72	-3.22
Effect of Exchange Rate difference (Including MTM of Interest Derivatives)	-768.25	1,320.20
Profit / Loss on sale/write off of Fixed Assets (Net)	1.32	21.21
	<u>16,231.45</u>	<u>11,829.74</u>
Operating profit before working capital changes	41,686.34	29,536.83
Adjustments for Working Capital changes		
Decrease/(-)Increase in Inventories	-2,931.59	-3,399.05
Increase in Trade and other payables	3,430.32	1,062.51
Decrease / (-) Increase in Trade and other Receivables	2,563.83	-175.83
	<u>3,062.56</u>	<u>-2,512.37</u>
Cash generated from Operations	44,748.90	27,024.46
Tax Paid (Net)	-5,334.82	-3,745.69
Net Cash from Operating Activities	<u>39,414.08</u>	<u>23,278.77</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-22,144.45	-35,611.80
Sale/write off of Fixed Assets	85.57	50.84
Interest Received	433.15	162.58
Profit on sale of Investment	340.06	30.86
Sale/ (-) Purchase of Investment (Net)	23.53	-453.37
Dividend on Investments	250.72	3.22
Decrease / (-) Increase in Loans given	7.84	-6.19
Net Cash generated / (-) used in Investing Activities	<u>-21,003.58</u>	<u>-35,823.86</u>
C. CASHFLOW FROM FINANCING ACTIVITIES		
Increase in Secured Loans	11,284.92	18,961.85
Effect of Exchange Rate difference	768.25	-1,320.20
Increase/Decrease in Unsecured Loans	-210.39	2,607.13
Dividend Paid	-1,422.51	-1,422.51
Taxes on Dividend Paid	-241.75	-241.76
Interest	-5,066.76	-3,849.55
Net Cash from Financing Activities	<u>5111.76</u>	<u>14,734.96</u>
Net changes in Cash and Cash equivalents	<u>23,522.26</u>	<u>2,189.87</u>
Net Increase / (-)Decrease in Cash and Cash equivalents		
Balance at the end of the year	35,376.72	11,854.46
Balance at the beginning of the year	11,854.46	9,664.59
	<u>23,522.26</u>	<u>2,189.87</u>

for **OCL INDIA LIMITED,**

Annexure to our Report of Date
for **V Sankar Aiyar & Co.**
Chartered Accountants

Rachna Gorla
Company Secretary

On behalf of the Board,

Pradip Kumar Khaitan

Place : New Delhi
Date : 10.05.2010

R Raghuraman
Partner
Membership No. 81350

D N Singh
Executive Director (Finance)
& Chief Financial Officer

D D Atal
Directors

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE



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I. Registration Details

Registration No. 000185	State Code.15
Balance Sheet Date	31.03.2010

II. Capital raised during the year (Rs.Lakhs)

Public Issue	Nil
Rights Issue	Nil
Bonus Issue	Nil
Private Placement	Nil

III. Position of Mobilisation & Deployment of Funds (Rs.Lakhs)

Total Liabilities	2,04,919.80
Total Assets	2,04,919.80

Sources of Funds

Paid up Capital	1,138.50
Reserve and Surplus	78,496.04
Deferred Tax Balance	12,000.86
Secured Loans	79,473.87
Unsecured Loans	3,093.95

Application of Funds

Net Fixed Assets	1,30,878.45
Investments	611.96
Net Current Assets	42,712.81
Misc. Expenditure	Nil
Accumulated Losses	Nil

IV. Performance of Company (Rs.Lakhs)

Turnover	1,52,155.35
Total Expenditure	1,30,674.82
Profit Before Tax	25,454.89
Profit After Tax	16,369.67
Earning per Share (Basic) in Rs.	28.77
Dividend Rate %	200

V. Generic Names of Principal Products/Services

of the Company (as per monetary terms)

Item Code No. (ITC Code)	6902 & 6903
Product Description	Refractory
Item Code No. (ITC Code)	2523
Product Description	Cement

for **OCL INDIA LIMITED,**

Rachna Gorla
Company Secretary

On behalf of the Board,
Pradip Kumar Khaitan

Place : New Delhi
Date : 10.05.2010

D N Singh
Executive Director (Finance)
& Chief Financial Officer

D D Atal
Directors

FINANCIAL PERFORMANCE

FIVE YEARS' FINANCIAL HIGHLIGHTS

		2009-2010	2008-2009	2007-2008	2006-2007	2005-2006
SALES	(Rs. Lakhs)	1,50,742	1,26,217	87,971	90,038	69,339
PROFIT BEFORE TAXATION						
Total Amount	(Rs. Lakhs)	25,455	17,707	17,702	11,757	5,557
Return on Sales	(%)	16.89	14.03	20.12	13.06	8.01
PROFIT AFTER TAXATION						
Total Amount	(Rs. Lakhs)	16,370	11,574	11,615	7,752	3,779
Return on Sales	(%)	10.86	9.17	13.20	8.61	5.45
DIVIDEND						
Total Amount	(Rs. Lakhs)	2,276	1,423	1,423	891	382
On Ordinary Shares	(%)	200	125	125	100	50
ALL TAXES						
Total Amount	(Rs. Lakhs)	40,505	34,266	29,405	24,925	18,814
FIXED ASSETS						
Gross	(Rs. Lakhs)	1,80,838	1,58,883	1,23,735	89,017	73,199
Net	(Rs. Lakhs)	1,30,878	1,21,776	93,072	58,945	46,535
CAPITAL AND RESERVES						
Ordinary Shares	(Rs. Lakhs)	1,139	1,139	1,139	891	764
Reserves & Surplus	(Rs. Lakhs)	78,496	64,780	54,172	35,903	21,759
NET WORTH						
Total Amount	(Rs. Lakhs)	79,635	65,919	55,310	36,794	22,524
Per Ordinary Share	(Rs.)	139.95	115.85	97.21	82.59	58.99
SHARE OWNERS						
Share Holders	(Nos.)	13,982	14,053	13,878	10,940	8,786

OCL INDIA LIMITED

Registered Office: Rajgangpur, Dist. Sundargarh, Orissa – 770 017

PROXY FORM

Folio No.....	No. of shares held
DP ID *	CLIENT ID *

I/We.....of.....being a member/members of OCL India Limited hereby appointofor failing him/her.....as my/our proxy to vote for me/us and on my/our behalf as indicated below at the Sixtieth Annual General Meeting of the Company to be held at 4.30 p.m. on Friday, September 17, 2010 and at any adjournment thereof.

Agenda Item No.	Vote in favour #	Vote Against #	Agenda Item No.	Vote in favour #	Vote Against #
1.			6.		
2.			7.		
3.			8.		
4.			9.		
5.			10.		

Signed this _____ day of _____ 2010

Signature

Affix a
One Rupee
Revenue
Stamp

* Applicable for investors holding shares in demat form.

Please Tick (✓)

Note: Proxy form, duly completed, must reach the Company's Registered Office at least 48 hours before the commencement of the Meeting.

OCL INDIA LIMITED

Registered Office: Rajgangpur, Dist. Sundargarh, Orissa – 770 017

ADMISSION SLIP

Folio No.....	No. of shares held
DP ID *	CLIENT ID *

NAME OF THE MEMBER/
AUTHORISED REPRESENTATIVE

NAME OF THE PROXY

I hereby record my presence at the 60th Annual General Meeting of the Company being held on Friday, September 17, 2010 at 4.30 P.M. at Company's Rest House at Rajgangpur – 770 017 (District Sundargarh, Orissa State)

Signature of Member/Authorized Representative

Signature of the Proxy

* Applicable for investors holding shares in demat form.

Note: A member/proxy/authorized representative wishing to attend the meeting must complete this Admission Slip before coming to Meeting and hand it over at the entrance.

