

*Focussed and Committed*



## 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 Gaurav Dalmia – Managing Director  
Shri D. N. Davar  
Dr. S. R. Jain  
Dr. Ramesh C. Vaish  
Shri Puneet Yadu Dalmia  
Shri V. P. Sood  
Shri D. D. Atal – Whole Time Director  
& CEO

### 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

### AUDITORS

V. Sankar Aiyar & Co.  
Chartered Accountants

### CEMENT AND REFRACTORY WORKS & REGD. OFFICE

Rajgangpur-770 017 (Odisha)

### KAPILAS CEMENT WORKS

Cuttack-753 004 (Odisha)

### DELHI OFFICE

17th, Floor, Narain Manzil,  
23 Barakhamba Road,  
New Delhi-110 001

## Contents

Directors' Report	2-5
Management Discussion and Analysis	6-10
Annexures to the Directors' Report	11-26
Auditors' Report	27-29
Balance Sheet	30
Statement of Profit and Loss	31
Notes to the Balance Sheet and Statement of Profit and Loss	32-51
Cash Flow Statement	52

The Directors of your Company are pleased to present their Sixty Second Annual Report together with the audited accounts of the Company for the year ended March 31, 2012.

## I. WORKING RESULTS

	2011-12 (Rs./Lakhs)	2010-11 (Rs./Lakhs)
Net Sales	1,45,856.25	1,47,724.58
Operating Profit	24,049.28	33,840.37
Less: Interest	7,493.50	6,383.22
Depreciation	12,758.07	12,275.23
Profit before Taxation	3,797.71	15,181.92
Provision for Taxation		
Current tax	500.00	4,300.00
Deferred tax	611.35	-565.41
MAT Credit available for set off	-494.65	0.00
Profit after taxation	3,181.01	11,447.33
Add: Brought forward from previous year	19,186.17	11,857.75
	<b>22,367.18</b>	<b>23,305.08</b>
Transfer to General Reserve	1,200.00	1,200.00
Transfer to Debenture Redemption Reserve	273.65	273.67
Proposed Dividend	1,138.01	2,276.01
Tax on Dividend	184.61	369.23
Surplus carried to Balance Sheet	19,570.91	19,186.17
	<b>22,367.18</b>	<b>23,305.08</b>

## 2. DIVIDEND

The Directors recommend payment of dividend for the Financial Year ended March 31, 2012 of Rs. 2/- per paid up equity share of Rs. 2/- (i.e., 100%).

## 3. APPROPRIATIONS

It is proposed to transfer Rs. 1,200 Lakhs to the General Reserve while Rs. 19,570.91 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 a decrease of 1% in net sales and 29% and 75% in the operating profits and profit before tax, respectively. The said decline being due to higher input costs, particularly the non availability of clinker, on account of temporary suspension of mining of limestone at Lanjiberna and Dolomite mines of the Company.

For a detailed analysis of the performance of the Company for 2011-12 reference is invited to the chapter on Management Discussion and Analysis of this report.

## 5. EXPANSION AND FUTURE PLANS

Your Company has commissioned the first unit of 27 MW Coal based Captive Power Plant in the month of September 2011 and the second unit of 27 MW Coal based Captive Power Plant in the month of April 2012 leading the Company towards self sufficiency in power.

Your Company is in the process of setting up a Cement manufacturing unit in West Bengal and land acquisition of 153.84 acres for the project has been completed and the environment clearance and consent to establish has been obtained from the Ministry of Environment and Forests and State Pollution Control Board, West Bengal respectively. Also, approvals for water, power and rail connectivity at the proposed site are at advance stages of consideration. Orders for major plant and machinery have been finalized.

Your Company has also obtained environment clearance for production of 2.7 MnTPA cement at its Kapilas Cement Manufacturing Works, which currently has the installed capacity of 1.35 MnTPA.

Your Company is identifying the opportunities for manufacturing special refractories with the use of Japanese Technology for supplying the same to the Indian Steel Industry.

#### 6. PROGRESS UPON CAPTIVE COAL BLOCK

Radhikapur (West) Coal Mining Private Limited, the joint venture company incorporated for development of coal block at Radhikapur, District - Angul, Odisha is taking all necessary steps to bring the coal mines into operation at the earliest. The process of obtaining required statutory clearances is in progress. The land acquisition process is also progressing and the Company has already deposited the required advance money with the Orissa Industrial Infrastructure Development Corporation (IDCO) for the same.

#### 7. DIRECTORS

Shri P. K. Khaitan and Shri V. P. Sood, 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, 2012 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

There is no subsidiary of the Company.

#### 11. MANAGEMENT RELATIONS WITH EMPLOYEES AND LABOUR

Relations of the Management with Employees and Labour remained cordial during the year under review and the industrial peace and harmony was maintained in the organization.

#### 12. DEPOSITS

As on March 31, 2012 there were 24 deposits aggregating Rs. 17.53 Lacs which remained unclaimed beyond due dates, out of which deposits aggregating Rs. 4.90 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, ENVIRONMENT AND SAFETY PERFORMANCE

Your Company is conscious of the importance of environmentally clean and safe operations to ensure safety of all concerned, compliance of statutory and industrial requirements for environment protection and conservation of natural resources to the extent possible.

Your Company is pleased to state that its Cement Division has been awarded "Pollution Control Excellence Award" under the "Category Industry" by the State Pollution Control Board, Odisha.

Your Company has, during the current year, planted about 25,000 additional trees at plant, mines and colony at Rajgangpur and about 6,600 additional trees in and around factory premises at Kapilas Cement Manufacturing Works. Kapilas Cement Manufacturing Works has also sponsored tree plantation each at Sapan Pur Pahad, Chintamanipur Village School and Jagatpur Mahima Ashram which are located outside the plant.

Your Company has commissioned a Sewage Water Treatment Plant of capacity 1800 Cubic Meter per day to treat a part of Sewage water discharged through drains from Rajgangpur Municipality and the Company's own industrial township area at Rajgangpur. Your Company is using treated water of 1200 Cubic Meter per Day for gardening purposes.

To create environment awareness among school children, your Company has initiated "Environment Awareness Campaign" at various schools of Rajgangpur and Kapilas Cement Manufacturing Works. Various competitions were organized and about 1200 children from 4 schools of surrounding areas participated in the campaign. A painting competition among school boys on the subject of "Energy Conservation" was organized by Kapilas Cement Manufacturing Works. More such demands from other schools are pouring in and we shall continue this initiative.

### **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. UNCLAIMED SUSPENSE ACCOUNT**

As per clause 5A of the Listing Agreement, the details regarding unclaimed shares are given in Annexure - IV, which forms part of this Report.

### **18. CORPORATE SOCIAL RESPONSIBILITY**

Care for communities in the Company's immediate surroundings and environment is deeply ingrained in the Company's business philosophy. Community development initiatives of the Company focus on areas like Health, Education, Drinking Water, Community Development, Livelihood Training, Games & Sports, Plantation, etc.

During the Financial Year 2011-12, your Company has been involved in various CSR activities including (i) providing health care services to villagers free of cost at its dispensary and through mobile health units; (ii) improving infrastructure facilities in schools; (iii) sinking and repairing tube wells for drinking water; (iv) providing building to orphanage centre; (v) imparting livelihood training to women and unemployed youths; (vi) organizing village level tournaments in hockey and football, providing games materials to different youth clubs and repairing play grounds etc.; and (vii) planting trees on a sizeable scale to protect environment.

### **19. 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 the Auditors' Report are self-explanatory and therefore do not call for any further comments.

### **20. COST AUDIT**

The Company has received certificate from M/s R. J. Goal & Co., Cost Accountants, having office at 31, Community Center, Ashok Vihar, Phase - I, New Delhi - 110 052 and having firm registration no. 00026, to the effect that their re-appointment, if made, would be within the prescribed limits under Section 224(1B) read with Section 233B(2) of the Companies Act, 1956 and that they are not subject to

disqualifications specified in Section 226 of the said Act. The Cost Auditors have further certified that they are independent firm of Cost Accountants and are at arms length relationship with the Company.

The due date for filing of Cost Audit Report by the Cost Auditor was September 30, 2011 and the same was filed on August 16, 2011.

### 21. ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation of the 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 the Company's products and have patronized them.

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

---

For & on Behalf of the Board

Place: New Delhi  
Date: May 14, 2012

**(P. K. Khaitan)**  
Chairman

## I. Economic Scenario and Outlook

The year 2011-12 witnessed a gloomy scenario worldwide. However, the positive growth in India is still continuing albeit at a slow pace. During financial year 2011-12, the Indian economy saw reasonable growth due to a rebound in rural income with increase in agricultural production and a good service sector growth.

India's GDP growth has slowed down over the period due to various external and internal factors, including the adverse impact of crude oil prices, continuing inflationary pressures, high interest rates and a perception of slow down in economic decision making among investors leading to a decline in investment flows. An uncertain external environment, the sharp depreciation of the Rupee against the US Dollar in the last quarter and the decline in various indices of economic performance have also been cause of concern for policy makers and industries.

However, Government's efforts towards enhanced expenditure on infrastructure have helped in maintaining a positive demand for cement. There is enough liquidity in the system. Borrowing by consumers and businesses indicate firmness of business confidence and economy. The GDP growth projection for 2012-2013 is around 7.5%.

## 2. Financial Highlights

Net Sales of the Company during Financial Year 2011-12 were down from Rs. 1,47,724 Lakhs in FY 2010-11 to Rs. 1,45,856 Lakhs and EBITDA of the Company fell from Rs. Rs.33,840 Lakhs in FY 2010-11 to Rs. 24,049 Lakhs in FY 2011-12, depicting a fall of 29% mainly due to temporary suspension of mining of limestone at Lanjiberna and Dolomite mines of the Company pending renewal of forest clearance under Forest (Conservation) Act, 1980 and pressure on margin due to surplus supply scenario caused due to commissioning of new plants in neighbouring states of Chhatisgarh and Jharkhand as well as supply pressure from Southern India plants.

(Rs./ Lakhs)

Financial Highlights	2011-12	2010-11	Growth	% Mix 2011-12	% Mix 2010-11
<b>Net Sales</b>					
Cement	1,14,587	1,18,182	-3%	79%	80%
Refractory	31,269	29,542	6%	21%	20%
<b>EBITDA</b>					
Cement	21,347	31,646	-33%	89%	93%
Refractory	2,702	2,194	23%	11%	7%

The net sales of cement business fell by 3% to Rs. 1,14,587 Lakhs in FY 2011-12. However, net sales from the refractory business of the Company increased to Rs.31,269 Lakhs in FY 2011-12, up by 6%.

In the earnings before interest, tax and depreciation, substantial fall was witnessed in cement business in FY 2011-12 as compared to previous year. However, refractory EBITDA has increased by 20% during current year.

## 3. Cement Business

### a) Industry Structure and Developments

The financial year 2011-12 could not sustain the growth rate and profitability achieved in the previous year. Due to slow down effect of economy, capacity addition and ramping up of production, the Eastern region saw demand supply mismatch and a declining trend. The cement consumption on all India basis came down to 6%. Whereas, regional growth varied abnormally showing a negative growth of -3% in South, 16% in North, 8% in Central and 2.5% in East. However, by the end of the year there was slight improvement in the sentiments, which resulted in improvement in price.

New capacity built-ups in North East, which has been natural market for east; the surplus capacities in other 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, are expected to cause a continued surplus scenario in the next Financial Year too. The demand growth during 2012-13 is expected to be around 6% in the East as against previous year growth of 2.5%.

### b) Operations/Performance

The year 2011-12 was full of challenges. There was over supply situation in the market with low demand. This impacted the price adversely. However, 3rd and 4th quarter saw improvement in price. Continuous inflow of material from newly established plants at Chhattisgarh, Jharkhand and Andhra players disturbed the market conditions.

Nevertheless, by focusing all strength on maximizing volume and better cost management, your Company was successful in minimizing the impact of higher input costs and lower cement prices.

To mitigate the increase in energy costs and threat on availability of power, your Company has commissioned the first unit of 27 MW Coal based Captive Power Plant (CPP) at Rajgangpur, Odisha in the month of September 2011 and the second unit of 27 MW Coal based Captive Power Plant in the month of April 2012 leading the Company towards self sufficiency in power. This will ensure uninterrupted power supply to its plant at relatively lower cost. Further, your Company has taken steps to source at economical rates the coal of various types including washery midlings (rejects), high grade Meghalaya coal and imported coal from Korea, to maintain the energy cost at a reasonable level. Your Company also sourced clinker from other cement plants across the Country as well as imported the clinker from China and Vietnam.

## c) Opportunities and threats

The Company is hopeful that various stimulus packages announced by the Government for rural upliftment, e.g., NREGA as well as various other schemes being implemented like Pradhan Mantri Gram Sadak Yojna, Indira Awas Yojna, and Bharat Nirman, etc. and the announcement of infrastructure development plan for improvement of roads, power plants and low cost housing project will have positive impact on the industry.

Your Company is going to get full advantage by having its manufacturing facilities in the vicinity of market. Further, to mitigate the major wagon shortage for raw material movement as well as for cement/clinker dispatches as experienced by the industry, your Company has made arrangement for dedicated vehicles in Kapilas Cement Manufacturing Works and has safeguarded itself from the shortfall of road supply in the event of peak season demand for lorries. Similar arrangement is also being worked for Rajgangpur plant.

Further, with the commissioning of Cross Country Belt Conveyor (CCBC) for transportation of Limestone from LQ to new Kiln, the cost of transportation of limestone will come down substantially and demand of limestone for both the Kilns will be fully met.

During 2012-13, with the operation of 2X27 MW Captive Power plant in Rajgangpur, your Company will not only be saving on ever rising energy cost but will also be self sufficient in power requirement. It will also generate Fly Ash which will be gainfully utilized in making Portland Pozzolana Cement by replacing costly slag as well as be a step forward in achieving the Go Green Mission of the Company.

Increase in coal prices are likely to have a cascading effect on the cost of power, clinker and other processed input materials which are expected to rise adding to the cost pressures. Also, the changes in the regulatory environment, e.g., proposed Mines and Minerals (Development and Regulation) Bill, if enacted, will further add to the cost pressures as royalty burden will increase.

However, your Company is taking steps to take on the challenges and strengthen its brand image in neighboring states as well as in Odisha where the Company is already a brand leader.

Cement Grinding Unit project in West Bengal is gaining momentum with land acquisition, completion of registration and environment clearance formalities. Once this plant is commissioned, the Company will have better presence felt in West Bengal market which is the major market of East.

## d) Risks and Concerns

The impact of economy slow down will remain on the industry. Further, rising petroleum prices due to Geo political situation may affect the economy world over and may impact the Country's logistic cost adversely.

The cement prices are expected to be under pressure due to full scale operation of the new capacity additions and the mismatch of demand and supply. However, your Company is hopeful that because of logistic advantage it will be in a position to comfortably improve the volume despite tuff marketing scenario and demand supply mismatch.

High inputs cost such as coal, slag and rail/road freight will increase the cost of production and it will be difficult to pass entire cost increase to the market.

Worsening Power availability in Odisha may affect volume at Kapilas Cement Manufacturing Works as it will continue to depend upon grid power.

## e) Outlook

Your Company foresees a reasonably positive out look despite low demand growth scenario and low GDP growth, due to operational efficiency of its plants and logistic advantage of its presence in the market of Eastern region.

## 4. Refractory Business

### a) Industry Structure and Developments

Refractory Industry in India is now getting consolidated. Major manufacturers in terms of volume are foreign owned companies. The turnover of such companies was 60% of total turnover of the Industry. This has brought or is likely to bring several new products and technology in the country for refractories used in steel making.

In addition to this, some foreign companies which don't have manufacturing base in India, have started pushing the products manufactured overseas at competitive prices.

These two shifts in industry scenario have led to manufacture and use of technically suitable and economically viable products. Your Company has therefore taken up R&D in product and processes in all the production lines to meet the challenge.

The industry continues to be plagued by severe dependence on import of raw materials especially from China. Due to uncertainties in prices of Chinese raw materials many countries have taken up raw material beneficiation, sintering and fusion in big way in their countries, e.g., Turkey, Russia etc. This is expected to put pressure on Chinese prices and also make those countries self sufficient and reduce import. Your Company is exploring the possibilities of taking up beneficiation and fusion of raw materials through R&D and joint ventures.

Though overall refractory industry capacity utilization is around 65%, your Company expects better prospects in coming years due to its focus in chosen product.

The refractory industry is moving along with a mixed bag of project and maintenance requirement. The raw material pricing and supply continues to worry. However, the positive trend in projects is taking concrete shape, refractory installation activity is picking up and new facility is nearing completion in some upcoming steel projects. Looking forward to a growth filled 2012-13.

### b) Operations/Performance

In spite of increase in raw material costs, the performance of the division has been satisfactory.

Sales turnover has increased by 6%. Prestigious orders from domestic glass industry and export helped improve the bottom line compared to previous year.

Within the plant - automation, incentives and rationalization of work has helped in reducing the cost to make products competitive.

Exports have improved not only to our traditional market but also in new area of South East Asia and Scandinavia

### c) Opportunities and threats

- 1) Many steel plants which were under construction have now been commissioned. This has led to increase in the requirement of consumable refractories. As the products of the Company are well accepted, good growth is expected in future.
- 2) Japanese and European steel plants are looking at India for supply of cost effective refractories. This has opened new markets and the highly acknowledged performance of Company's products will definitely bring good business.
- 3) Govt. steel plants will be rebuilding the coke oven batteries in a planned manner, silica refractories of your Company will find good market in these rebuilding programmes.
- 4) Absence of clear cut policy on iron ore mining has led to closure of steel plants, specially those based on sponge iron as feed material. If this situation continues, the expected growth in steel may not materialize at desired pace.

### d) Risks and Concerns

- 1) Excluding silica refractories for which your Company has captive mines, the raw material to sales ratio is around 60%. With such high ratio, small increase in RM prices will change the bottom line severely in % terms. Majority of the raw materials are processed ones and procured from overseas suppliers. These are governed by local conditions and market dynamics, therefore uncertainty exists in prices.

In order to reduce the impact your Company has entered in to long term price contacts with many raw material vendors and has been developing products with alternate raw materials.

- 2) Fuel is yet another area of concern. Coal prices are on upward trend. This will also affect the cost of production. Innovations in firing techniques are being done to reduce the fuel consumption to the maximum possible extent.
- 3) Competition from overseas suppliers will grow up because of growth in steel production in India. Your company is increasing its product basket and it has already acquired the technology of manufacture of refractories for petrochemical industry. Technology of manufacture of many other products is being identified for acquiring in future.

### e) Outlook

- 1) Market outlook in future for refractory seems good. Per capita consumption of steel in India is being far below in comparison to the international standards. It is expected that the demand for increase of domestic steel production will be robust and this will have positive impact in refractory consumption.

- 2) Growth in real estate and consumer durable sector will lead to increase in cement, glass and special alloys production. This will also necessitate use of better quality refractories.
- 3) Though there is stiff competition in Euro market, the quality and delivery of the products of the Company has helped in creating a specific market. With this background and references of application, it will be possible to penetrate export markets by adding new customers and offering better products.
- 4) Your Company's effort to keep pace with changing technology which offer superior product will ensure not only retention of existing business but also increase the business volume wherever such products are used.

## 5. Financial Performance

The snapshot of the financial performance of the Company in FY 2011-12 vis-à-vis its performance in FY 2010-11 is presented below.

(Rs.Crores)

Financials	FY2011-12	FY2010-11	Growth
Net Sales from Operations	1459	1477	-1%
Other Income	45	32	40%
<b>Total Income</b>	<b>1504</b>	1509	-
Material Costs adjusted for change in stocks	535	435	23%
Salaries & Wages	76	71	7%
Other Expenses	727	729	-
<b>Total Expenditure</b>	<b>1338</b>	1235	8%
Profit before Depreciation and Tax (PBDT)	166	275	-40%
Depreciation	128	123	4%
Profit before Tax (PBT)	38	152	-75%
Taxes	6	37	-83%
<b>Profit After Tax</b>	<b>32</b>	115	-72%

Total Expenses before Depreciation and Tax for the Company are Rs.1338 crores, up from Rs. 1235 crores last year. In Financial Year 2011-12, Power and Fuel costs contributed Rs. 270 crores of expenditure. Raw Material costs at Rs.467 crores were close to 35% of the expenditure. Freight and transportation charges contributed another 9% to the costs. Salaries and Wages contributed 6% to the costs of the Company at Rs.76 crores. Interest cost was 6% of expenses.

Depreciation was higher at Rs.128 crores on account of addition in gross assets during the year.

## 6. Awards and recognition

### Awards and recognition - Cement Division

During the year the Cement Division of the Company bagged the following awards:-

- 1) OCL cement division received "Pollution control excellence award 2011" of State Pollution Control Board on 14th Sept 2011 for being adjudged as the best in the industry on matters of Environment management through control of Pollution for the year 2010-2011.
- 2) Quality Control (QC) Team ANNEVESAN has won the Excellent Award in the International Convention on Quality Concept Circles (ICQCC) - 2011, hosted by JUSE at Yokohama, Japan during 11 to 14 Sept'2011.
- 3) Lanjiberna Limestone and Dolomite mines received Best Overall performance award, Best plant & equipment award, Best general working award and Best publicity & Propaganda award among Limestone & Dolomite Mines of Odisha in 49th Annual Mines safety Celebration-2011.
- 4) Quality Control (QC) Teams, "PHONIX & SPARK" have won the Par Excellence category in the National Convention on Quality Concept Circles (NCQCC) - 2011 at Hyderabad.
- 5) Quality Control (QC) Team, "AARUSH" has won the Par Excellence award in the 19th Chapter Convention on Quality Circles held at Rourkela during 23-24 September, 2011.
- 6) Kapilas Cement Manufacturing Works (a unit of OCL India Limited) has been awarded a British Safety Council International Safety Awards 2012.

### Awards and recognition - Refractory Division

During the year the Refractory Division of the Company bagged the following awards:

- 1) CAPEXIL Export award (Ministry of Commerce & Industries) Certificate of Merit for excellence in Exports for year 2010-11 for the Sixth consecutive year.
- 2) Quality Circle (QC) Team, "MASHAL (PROD.);" bagged NALCO GOLD TROPHY in the 16th All Odisha Quality Circle Convention held at Bhubaneswar during 20-21 April, 2011.
- 3) Quality Circle (QC) Team, "PRERANA (PROD.);" bagged Gold Award in the 19th Chapter Convention on Quality Circles held at Rourkela during 23-24 September, 2011.
- 4) Quality Circle (QC) Team, "PRERANA (PROD.);" bagged Par Excellent Award in the 25th National Convention on Quality Circles held at Hyderabad during 9-12 December, 2011.
- 5) Quality Circle Team "CHUNOUTI" from Mould Shop (Ref. Engg.) bagged the GOLD AWARD in 19th Chapter Convention on Quality Circles held at Rourkela during 23-24 September, 2011.
- 6) Quality Circle Team "CHUNOUTI" from Mould Shop (Ref. Engg.) bagged the PAR EXCELLENT AWARD in 25th National Convention on Quality Circles held at Hyderabad during 09-12 December, 2011

### 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. The Internal Auditor of the Company conducts regular internal audit and ensures that responsibilities are executed effectively. The Audit Committee of the Board of Directors reviews the adequacy and effectiveness of internal control systems and points to improvement for strengthening them, from time to time.

### 8. Human Resource Development/Industrial Relations

Your Company continues to maintain a constructive, motivated and positive relationship with its employees to improve productivity and efficiency. Your Company is taking all steps to retain employees by improving facilities including self-contained housing with the finest of amenities, insurance, incentives and skill development and provide them with high performance environment. Attrition rate is low as compared to the industry trend.

### 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 your Company believes that its expectations are based on reasonable assumptions, these forward-looking statements may be influenced by numerous risks and uncertainties that could cause actual outcome 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'. Your Company takes no responsibility for any consequence of decisions made based on such statements and holds no obligation to update these in the future.*

**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 implemented**

- i) Reduction in idle running of equipments at mines through DCS
- ii) Coal mill bag filter fan inlet damper removal
- iii) Raw meal silo and control bin aeration with only one blower instead of original two
- iv) 90 KW motor of GCT pump replaced with 45 KW motor during compound mode operation of Line 1 kiln
- v) Continued utilization of waste hot gases from Kiln and cooler for drying of slag.
- vi) Continued daily monitoring of Section-wise energy consumption.
- vii) Continued monitoring of false air in circuit and arresting it.
- viii) Removal of venturi from Raw mill and coal mill circuits in Line-2
- ix) Removal of venturi from CVRM 2 and CVRM 3 circuits
- x) Installation of GRR for CVRM 1 and 2 Booster fans
- xi) Fine coal transfer from Line 2 to line 1
- xii) Compressed air optimization

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

- i) Sustained operation of both units of CPP
- ii) Installation of Energy Management System in Line 1
- iii) Usage of Alternate fuel to partly replace coal as an alternate fuel for kiln and CPP.
- iv) Utilization of additional waste heat from Line 2 Clinkerisation unit for slag drying during Cement manufacturing process
- v) Installation of Variable frequency drive for:
  - a) Higher capacity Waste gas fan for supplying hot air to CVRM's for slag drying and grinding.
  - b) Pre coal ESP fan
- vi) Cement grinding ball mills optimization
- vii) Optimisation of CVRM's for power and output through OEM
- viii) Study of kiln operations through NCB
- ix) Energy audit through CII
- x) Up gradation of CVRM 2 classifier AC drive
- xi) Optimization of Line 2 process fans after consistent running at full output
- xii) Reduction in specific heat consumption for clinkerisation
- xiii) Installation of AC drive for Ball mill 2 bag filter fan
- xiv) Installation of AC drive for cement ball mill 1 and 2 separator
- xv) Installation of electronic ear for cement ball mills
- xvi) Installation of AC drive for Rotopacker 4 bag filter fan
- xvii) Usage of only one blower instead of original two for multi compartment cement silos and control bins aeration
- xviii) Reduction in PH outlet temperature in Line 2.
- xix) Waste heat recovery system at Line 2 to generate potential 5 MW power.
- xx) Installation of 1 MW solar power plant at Line 2

**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) Reduction in consumption of electrical as well as thermal energy
- ii) Utilization of waste heat for drying moisture of slag
- iii) Creating extensive awareness on need of energy conservation
- iv) Reduction in Green House Gases thereby helping to control Global warming
- v) A step towards PAT implementation as laid down BEE

**d) Total energy consumption and consumption per unit of production as per 'Form A' is given below.**
**ENVIRONMENTAL IMPROVEMENT:**
**a) Environmental improvement measures taken:**

- a. Installation of higher capacity bag filters in TT-1, TT-3 & clinker extraction circuit.
- b. Installation of auxiliary bag filters at Comp.Silo-2 and Cement silo-2.

- c. Higher capacity Fan installed in auxiliary bag filter of cement silo bucket elevator.
- d. Installation of one air slid blower at Hopper building for reject clinker dust transportation to hopper.
- e. Mill extra reject belt remove from circuit due to modify in existing for eliminate fugitive dust during operation.
- f. Replacing clinker by slag to the maximizing percentage to produce PSC, thereby reducing the emission of Green House Gases (GHG).
- g. Maximizing recirculation of exhaust gas of CVRM bag filter to heat raw material and reduce emission.
- h. Storing of gypsum under covered shed.
- i. Online ambient air monitoring as per SPCB directive
- j. Installation of STP (1800kl/day) is completed.
- k. Commissioning of on line ambient air quality monitoring system at 4 locations as per the requirement of SPCB is under progress.
- l. Consent to Establish is obtained for OCL Bengal Cement Works.
- m. Installation of ducting system to utilize hot air gases of cooler from Line-2 to Line-1.

**b) Additional investments and proposals, if any, being implemented for Environmental improvement:**

- i) Water spray systems at TRUCK TIPPLER unloading points
- ii) Replacement of under capacity bag filters at packer
- iii) Utilization of fly ash (Waste product of Thermal Power Plant) to produce PPC
- iv) Installation of bag filters at TRUCK LOADER.
- v) Plantation of tree on about 10000/yr in next financial year.
- vi) Retrofitting of Line I kiln ESP with hybrid bag filter
- vii) Utilization of CPP fly ash in PPC manufacturing.
- viii) Development of raw mix using alternate waste raw material like bed ash of CPP and cinder of refractory plant.
- ix) To consider capex for conversion of Kiln & VRM ESP of Line-I in to Hybrid filters to meet stack emission as per SPCB.

**c) Impact of the measures for environmental improvement:**

- i) Conservation of water and natural resources by usage of industrial waste

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

**REFRACTORY:**

**a) Energy Conservation measures taken:**

- i) Loading pattern and firing process in silica Chamber Kiln no 5 has been modified to improve productivity and reduce fuel cost
- ii) Dolomite bricks firing in BTK3 @30 cars/day reduced fuel cost and sale% improvement.
- iii) Use of graded washed coal from the source is being used directly in Gas Producers. This reduces fines generation, there by reduces the cost of fuel.
- iv) Higher capacity booster fans of Bell kiln 4 connected to I-3 kiln to increase through put.
- v) Logic modification for Dust Filters operation with MH units, Mixers, Grinders, etc. to avoid any idling.
- vi) Use of Centrifugal Oil Cleaner with low vacuum Dehumidifier on-line in hydraulic presses.
- vii) Control system has been introduced to check idle running of second hydraulic pump motor in Basic Plant HSP 400T.
- viii) Control system has been introduced in silica-3 FSP 150T to check idle running of main motor.
- ix) Control system has been introduced to control the running of cooling tower pump motor of Silica plant 3 as per requirement depending on season.
- x) Stopping of dehumidifier & Air conditioner units of concast plant in winter season
- xi) In place of centralize compressor unit, screw compressor has been installed at user point at Gas producer

**b) Additional investment and proposals**

- i) Conversion to Gas firing in BTK-4,2
- ii) Fast cooling system in Chamber kilns to reduce cycle time.
- iii) Reduced pressure /volume of Gas for firing in Silica chamber kilns to reduce consumption.

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

- i) Reduction in energy consumption.
- ii) Improvement in throughput of silica chamber kilns.
- iii) Through put improvement in Silica millhouse.

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

**FORM-A**  
**(PARTICULARS OF TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION)**

	2011-12		2010-11	
	CEMENT	REFRACTORY	CEMENT	REFRACTORY
<b>A POWER AND FUEL CONSUMPTION</b>				
<b>I Electricity</b>				
<b>a) Purchased</b>				
Units (in lacs kwh)	2126.80	141.50	2631.55	175.73
Total Amount (Rs. in lacs)	10970.49	779.15	10141.15	702.48
Rate/ Unit (Rs.)	5.16	5.51	3.85	4.00
<b>b) Own generation</b>				
<b>i) Through Diesel Generators</b>				
Unit (in lacs kwh)	10.72	0.86	61.84	5.10
Units per ltr. Of fuel (in Kwh)	2.95	2.96	3.18	3.18
Cost/Unit (Rs.)	14.55	14.45	8.81	8.79
<b>ii) Through Steam turbine/Generator</b>				
Unit (in lacs)	162.26	11.75	-	-
Units per ltr. of fuel oil /gas			-	-
Cost /Unit (Rs.)	5.40	5.44	-	-
<b>2 Coal (Grade B to F Wash Coal in Kiln and CVRM, Grade A,B &amp; E - Refractory Kilns)</b>				
Quantity (in lac Tonnes)	3.22	0.30	3.91	0.43
Total Cost (Rs. in lacs)	11480.85	1492.27	12633.75	1730.03
Average rate (Rs./MT)	3560.70	4938.86	3229.66	3987.27
<b>3 Furnace Oil</b>				
Quantity (K.ltr)	1917.11	2217.75	3479.91	1866.20
Total amount (Rs. in lacs)	615.31	695.29	864.89	465.20
Average rate (Rs./K.ltr.)	32095.77	31351.11	24853.85	24927.76
<b>4 Others / Internal Generation</b>				
<b>a) Light Diesel Oil for PG Sets</b>				
Quantity (K.ltr.)	-	-	-	-
Total Cost (Rs.in lacs)	-	-	-	-
Rate/Unit (Rs./kl ltr.)	-	-	-	-
<b>b) Light Diesel Oil for KHD Kiln</b>				
Quantity (K.ltr)	-	-	-	-
Total cost (Rs.in lacs)	-	-	-	-
Rate/Unit (Rs./K.ltr)	-	-	-	-
<b>c) Light Diesel Oil for CVRM</b>				
Quantity (K.ltr)	-	-	-	-
Total cost (Rs.in lacs)	-	-	-	-
Average Rate/Unit (Rs./K.ltr)	-	-	-	-
<b>d) HSD Oil for DG Sets</b>				
Quantity (K.ltrs)	2.00	-	1.40	-
Total Cost(Rs. in lacs)	0.92	-	0.55	-
Rate per Unit (Rs./K.ltr)	46191.98	-	39555.00	-

e)	<b>High Speed Diesel Oil etc. for Payloaders &amp; Tippers at Factory</b>			
	Quantity (K. Ltrs)	247.22	-	273.87
	Total Cost(Rs. in lacs)	106.71	-	108.08
	Rate per Unit (Rs./K.ltr)	43163.75	-	39463.66
f)	<b>HSD Oil for Diesel Locos</b>			
	Quantity (K.ltr.)	103.16	-	110.63
	Total cost (Rs.in lacs)	41.95	-	39.19
	Rate/Unit (Rs./MT)	40664.76	-	35429.10
g)	<b>Dynamics F for Kilns</b>			
	Quantity (K.ltr.)	-	1.82	-
	Total cost (Rs. in lacs)	-	4.98	-
	Rate / Unit (Rs.)	-	273835.71	-
<b>B</b>	<b>CONSUMPTION PER UNIT OF PRODUCTION (PER MT)</b>	<b>Standards (if any)</b>	<b>2011-12</b>	<b>2010-11</b>
a)	<b>Cement</b>			
	Electricity (KWH)		73.29	78.71
	Furnace Oil (litres)		0.508	0.45
	Coal for Kiln and CVRM (grades B to F - wash coal)(Kgs.)		106.00	114.00
	Others - L.D. Oil (litres.)			
	For KHD Kiln and CVRM		-	-
	HSD Oil for Pay loaders and tippers(ltrs.)		0.080	0.080
	HSD Oil for CVRM		-	-
b)	<b>Refractory</b>			
	Electricity (KWH)		320	326.00
	Furnace Oil (K. litres)			
	For Oil Fired Bricks		0.232	0.185
	For Mixed Fire Bricks		0.056	0.029
	Coal (MT) for Refractory Kilns (grades A, B and E)			
	For Gas fired bricks		1.045	1.110
	For Mixed fire bricks		0.413	0.626
	Dynamics F			
	For oil fired bricks		0.00020	0.00019

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

**CEMENT:**

- 1) Power and coal consumption per tonne of cement in 2011-12 is low compared to 2010-11 due to consumption of purchased clinker during January 2012 to March 2012.
- 2) Oil consumption is high in 2011-12 as compared to 2010-11 due to following reasons:
  - Kilns are running at lower output due to constraints in supply of limestone from mines.
  - Limestone quality variation is high due to operational problems of Stacker & Reclaimer at Quarry.
  - HAGs are running as per requirement during January 2012 to March 2012 for drying slag moisture as kiln hot gas was not available.

**REFRACTORY:**

- 1) Furnace Oil: Furnace Oil consumption is higher due to running of intermittent and low volume production of High Temperature product viz Dolomite Bricks, mullite bricks and basic bricks in FY 2011-12 against FY10-11
- 2) Coal: Coal Consumption is lower due to increase of output of silica bricks per kiln by increasing payload/bench from 5.8mt-8mt inch kiln 5 and also in concast by increasing payload/cycle. With same grade washed Coal in 11-12 against 10-11)
- 3) The electricity consumption kwh/Mt has come down from 326 to 320 as coke screening plant was stopped for eight months due procurement of sized coal and feeding directly to gas producer plant.

**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 high grade Masonary cement.
2. Investigations to upgrade the quality of phospho gypsum from Paradeep and Corromandal Fertilizer plants for use as set controller in cement.
3. Usage of plant waste (bed ash and cinder) and mines waste (reject stone) in manufacturing of cement.
4. Identification and usage of various alternate fuels available in surrounding areas.
5. Fly ash polishing in ball mills to improve its reactivity
6. Reduction in limestone stripping ratio by improving predictability of deposit data manufacturing of PPC conforming to the strength requirement of OPC 53 grade with low alkali specifically for NHPC.

**REFRACTORY:**

1. Zero expansion silica bricks for coke oven repair
2. Ladle Shroud for basic slag
3. Ladle Shroud for higher life (15 hts)
4. Tundish flow modifier.
5. Alumina carbon Tundish nozzle
6. Development of Dolomite fettling mass
7. Development of Resin bonded dolomite bricks
8. Development of Alumina-Chrome(A85CRZ) Chimney block Glass plant Regenerator
9. Development of High spall resistance Mag-chrome brick for Cement rotary kiln upper transition zone (MCRK-3 SPL)
10. Introduction of ASC bricks in place of high alumina bricks for higher life in HOT Metal ladle at VSP

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

**CEMENT:**

1. Optimized addition of fly ash in PPC.
2. Optimized addition of phospho gypsum and corresponding reduction in mineral gypsum thus reducing its cost.
3. Increase in mines life and conservation of natural resources.
4. Use of industrial waste in cement manufacturing.
5. Development of cement for specific requirement.

**REFRACTORY:**

1. Import substitution product. New business opportunity in coke oven repairs.
2. Increased business opportunity for CC products.
3. Business opportunity for future.
4. Increase business in tundish refractories.
5. Enabled to enter into Tundish management business.
6. Increase of revenue for introduction of new products.
7. Enable to market dolomite bricks in package.
8. Increase of revenue for introduction of new products.
9. Increase of business in cement rotary kiln.
10. Increase of business volume in hot metal transfer area of steel plant.

**3. Future Plan of Action**

**CEMENT:**

1. Waste heat recovery based Power plants.
2. Installation of Solar power plant.

**REFRACTORY:**

1. Development of Snorkel refractories for RH Degasser.
2. Development of low cost Dolomite bricks for AOD/Ladle.
3. Development of Magnesia - hercyanite and Magnesia - Galaxite bricks for cement rotary kiln.

**4. Expenditure on R&D**

a) Capital	Rs. 0.16 Lacs
b) Recurring	Rs. 176.10 Lacs
c) Total	Rs. 176.26 Lacs
d) Total R&D expenditure as a Percentage of total turnover	0.11 %

**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. The technology has been fully assimilated.

**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 has made improvement in the product quality after practical use of products.

**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 and is under operating at Bhushan Steel TN 80 machine manufactured & established at ISP & VSP.**
- 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 2011-12 showed a substantial growth over the year 2010-11. That was due to the strategy to focus on Refractories required for operational requirements, expanding product base, add new markets & customers in Gulf, South East Asia & retain the traditional customers in Iran, Italy etc.

However, capital projects in Steel & Glass which consumes most of the Silica Refractories are still getting deferred due to continuing downturn in the economy. The Chinese Refractory companies have become very aggressive & now offering better quality products with very competitive pricing difficult to beat. Europeans Refractory companies are now promoting aggressively Refractories from their Chinese plants with very competitive pricing.

This year the Company received a prestigious order despite stiff competition from Europeans and Chinese refractory companies for supply of Basic and Silica bricks for Glass plant from Russia worth approximately Rs. 14 Crores with opportunity of repeat order for subsequent 2 years.

During the year your Company has taken aggressive steps to increase business by entering into new areas for next years by deputing its senior techno-commercial teams to understand the customers' pain areas and also to venture into new areas like Ladles & Converters. The steps taken by the Company in this regard looks promising.

**Total Foreign Exchange used: Rs. 1,14,29.37 Lakhs**

**Total Foreign Exchange earned: Rs. 42,56.10 Lakhs**

## 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.

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#	
							Membership	Chairmanship
1.	Shri Pradip Kumar Khaitan	Chairman	Non-executive and Non-Independent	Nil	3	14	3	0
2.	Shri Gaurav Dalmia	Managing Director	Promoter, Executive and Non - Independent	Nil	5	7	4	1
3.	Shri D. D. Atal	Whole Time Director	Executive and Non - Independent	Nil	4	1	0	0
4.	Shri D. N. Davar	Director	Non-executive and Independent	Nil	5	13	5	5
5.	Shri Puneet Yadu Dalmia	Director	Promoter, Non-executive and Non Independent	Nil	5	8	2	0
6.	Dr. S. R. Jain	Director	Non-executive and Independent	Nil	5	2	3	1
7.	Dr. R. C. Vaish	Director	Non Executive and Independent	Nil	5	7	3	1
8.	Shri V. P. Sood	Director	Non-executive and Non- Independent	33,000	4	0	1	0

Notes:

- Five Board meetings were held during the Financial Year 2011-12 on May 19, 2011, August 03, 2011, October 10, 2011, October 31, 2011 and February 02, 2012.
- Other Directorships include only the Directorships in public limited companies.
- The chairmanship/membership of the committees reported above includes the chairmanship/membership of the committees of the Company.
- The Annual General Meeting was held on September 27, 2011 and was attended by Shri Gaurav Dalmia, Managing Director, Shri D. D. Atal Whole Time Director and Shri D. N. Davar, Chairman of the Audit Committee.
- 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, information in Annexure IA 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 Yadu Dalmia and Dr. R. C. Vaish, members of the Committee. A Committee Meeting was held on March 01, 2012 under the chairmanship of Shri D. N. Davar and was attended by all the members of the Committee except Shri Puneet Yadu Dalmia.

**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 Members, Shri D. N. Davar as its Chairman and Dr. S. R. Jain and Dr. R. C. Vaish, all of whom are Independent Directors.
- 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 2011-2012 and the attendance of the members are as follows:

Date of Audit Committee meeting	Shri D. N. Davar	Dr. S. R. Jain	Dr. R. C. Vaish
19.05.2011	Present	Present	Present
03.08.2011	Present	Present	Present
31.10.2011	Present	Present	Present
02.02.2012	Present	Present	Present

### IV REMUNERATION OF DIRECTORS

The remuneration of Directors is fixed by the Board of Directors subject to approval of the shareholders.

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 particulars of Remuneration Committee meetings held during the year 2011-2012 and the attendance of the members are as follows:

Date of Remuneration Committee meeting	Shri D. N. Davar	Dr. S. R. Jain	Dr. R. C. Vaish
03.08.2011	Present	Present	Present

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. However, the sitting fee for attending the Audit Committee meetings has been increased to Rs. 20,000/- per meeting by the Board of Directors at its meeting held on 2nd February 2012.

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 2011-12 are as under:

(Amount in Rs.)

S. No.	Name of Director	Sitting Fees	Commission	Total
1.	Shri Pradip Kumar Khaitan	60,000	7,00,000	7,60,000
2.	Shri D. N. Davar	1,60,000	5,50,000	7,10,000
3.	Dr. S. R. Jain	1,70,000	4,50,000	6,20,000
4.	Shri Puneet Yadu Dalmia	1,10,000	4,00,000	5,10,000
5.	Dr. R. C. Vaish	1,60,000	4,00,000	5,60,000
6.	Shri V. P. Sood	90,000	4,00,000	4,90,000

During the year, the Company has paid Rs. 56,08,496/- 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 Shri Gaurav Dalmia, Managing Director are given below:

#### Shri Gaurav Dalmia

- a) Tenure : 21st July 2010 to 31st March 2015
- b) Remuneration : Salary and Allowances – Rs. 87,75,000/-  
Value of perquisites – Rs. 4,43,388/-  
Contribution to PF and other Funds – Rs. 10,71,996/-
- 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.

The terms of appointment and remuneration paid to Shri D. D. Atal, Whole Time Director, are given below:

#### Shri D. D. Atal

- a) Tenure : 1st April 2010 to 31st March 2015
- b) Remuneration : Salary and Allowances – Rs. 99,68,724/-  
Variable Pay (for the FY 2010-11) – Rs. 38,82,241/-  
Value of perquisites – Rs. 12,25,183/-  
Contribution to PF and other Funds – Rs. 7,19,196/-

Shri D. D. Atal will also be paid variable portion of his pay for the year 2011-12 in the year 2012-13 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 Yadu Dalmia as its members.

The particulars of Shareholders/Investors Grievance Committee meetings held during the year 2011-2012 and the attendance of the members are as follows:

Date of Shareholders/ Investor Grievance Committee meeting	Dr. S. R. Jain	Shri Puneet Yadu Dalmia	Shri V. P. Sood
19.05.2011	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.	1	1	0
2.	Dividend	2	2	0
3.	Forfeiture of shares	0	0	0
4.	Miscellaneous (change of address, name deletion/non receipt of Annual Report, etc.,)	3	3	0
	<b>TOTAL</b>	<b>6</b>	<b>6</b>	<b>0</b>

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.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
59th AGM	25th September 2009 at 4.30 P.M.	Company's Rest House at Rajgangpur- 770 017 (Odisha)	No Special Resolution was passed.
60th AGM	17th September 2010 at 4.30 P.M.	Company's Rest House at Rajgangpur- 770 017 (Odisha)	a) Special resolution was passed pursuant to sections 198, 269 309 read with Schedule XIII of the Companies Act, 1956 for appointment of Shri D. D. Atal as Whole Time Director for the period from April 01, 2010 to March 31, 2015. b) Special resolution was passed pursuant to sections 198, 269 309 read with Schedule XIII of the Companies Act, 1956 for appointment of Shri Gaurav Dalmia as Managing Director for the period from July 21, 2010 to March 31, 2015.
61th AGM	27th September 2011 at 4.30 P.M.	Company's Rest House at Rajgangpur- 770 017 (Odisha)	No Special Resolution was passed

The previous Annual General Meeting of the Company was held on 27th September 2011 at 4.30 p.m. at the Company's rest house at: Rajgangpur-770 017, District: Sundargarh (Odisha). In the absence of Chairman of the Board of Directors, the meeting was chaired by Shri Gaurav Dalmia, Managing Director of the Company. Shri D. D. Atal, Whole Time Director and Shri D. N. Davar, Chairman of the Audit Committee also attended the Annual General Meeting.

B) **Resolutions passed by Postal Ballot**

During the financial year 2011-12 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 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**

The Company has not entered into any contract in which any of the Directors is interested except that the Company has availed legal professional services of Khaitan & Co., in which Shri Pradip K. Khaitan is a Partner.

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 2011-12. 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.oclindia.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) **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.  
A Remuneration Committee of the Board is in place. Details of the Remuneration Committee have been provided under the section IV "Remuneration of Directors".
- F) **Trading in the Company's shares by Directors and Designated Employees**  
As per the SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time, 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 Goria, Company Secretary, is the compliance Officer in respect of compliance of the 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.oclindia ltd.in](http://www.oclindia ltd.in) and [www.ocl.in](http://www.ocl.in).

### IX. SHAREHOLDERS INFORMATION

#### A) General information

- Registered Office : Rajgangpur - 770 017, (Odisha)
- Corporate Office : 17th Floor, Narain Manzil, 23, Barakhamba Road  
New Delhi-110 001
- Details of Plant location : CEMENT and REFRACTORY  
At: Rajgangpur- 770 017  
Dist.: Sundargarh (Odisha)
- KAPILAS CEMENT MANUFACTURING WORKS  
Cuttack-753 004 (Odisha)
- Financial year : 1st April to 31st March
- Annual General Meeting : 17th September, 2012 at 4.30 PM  
Date, time and Venue : Rest House of the Company at Rajgangpur-770017,  
Dist. Sundargarh (Odisha State)
- Book Closure : 10th September 2012 to 17th September 2012 (both days inclusive).
- Dividend payment : Dividend will be paid after 17th September, 2012 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.oclindia ltd.in](http://www.oclindia ltd.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 2011-12 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

**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 2011	124.95	105.30	117.45	105.30
May 2011	109.00	94.35	108.95	94.65
June 2011	109.85	100.00	113.00	98.20
July 2011	105.70	96.10	109.00	97.00
August 2011	105.00	83.05	100.00	84.00
September 2011	103.50	89.05	103.80	89.05
October 2011	99.00	88.10	98.85	88.00
November 2011	96.95	86.00	95.50	89.40
December 2011	94.90	83.80	95.95	84.00
January 2012	98.85	84.90	97.60	85.05
February 2012	118.45	90.15	118.50	89.65
March 2012	106.50	96.90	107.70	97.05

**G) Share holding pattern as on 31st March, 2012**

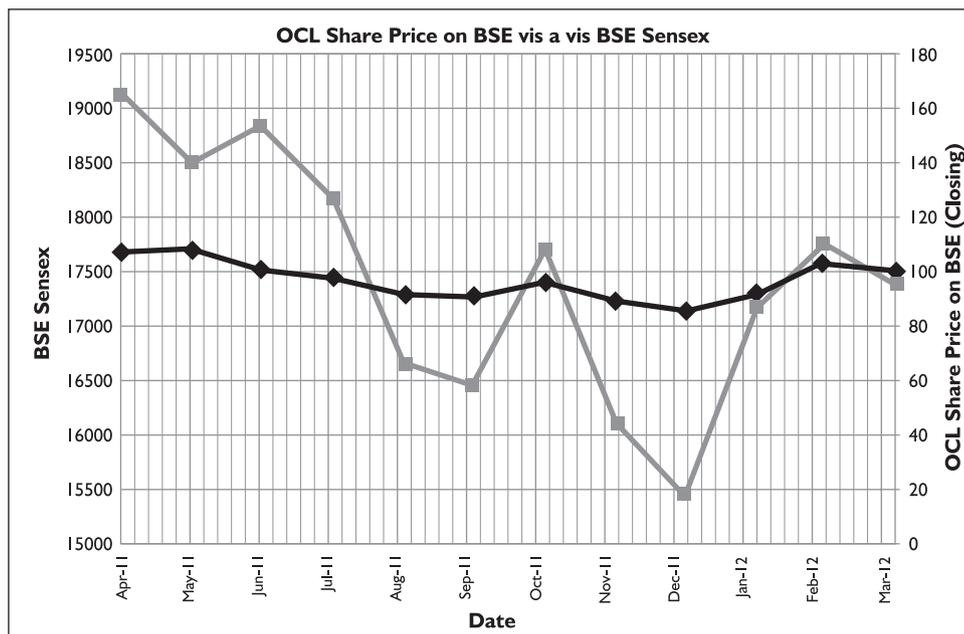
Category	Physical	NSDL	CDSL	Total
Resident Individuals	1591327	5734659	1269412	8595398
Financial Institutions	18000	-	-	18000
Foreign Institutional Investors	300	231668	-	231968
Foreign Nationals	18080	-	-	18080
Non Resident Indians	21535	2520530	12123	2554188
Bodies Corporate	1381539	32119371	114513	33615423
Clearing Member	-	68417	28211	96628
Mutual Funds	-	-	-	-
Trusts	-	11708035	-	11708035
Banks	32245	26555	3700	62500
Overseas Corporate Body	-	-	-	-
Insurance Companies	-	-	-	-
Total	3063026	52409235	1427959	56900220

## H) Distribution of Shareholding as on 31st March 2012

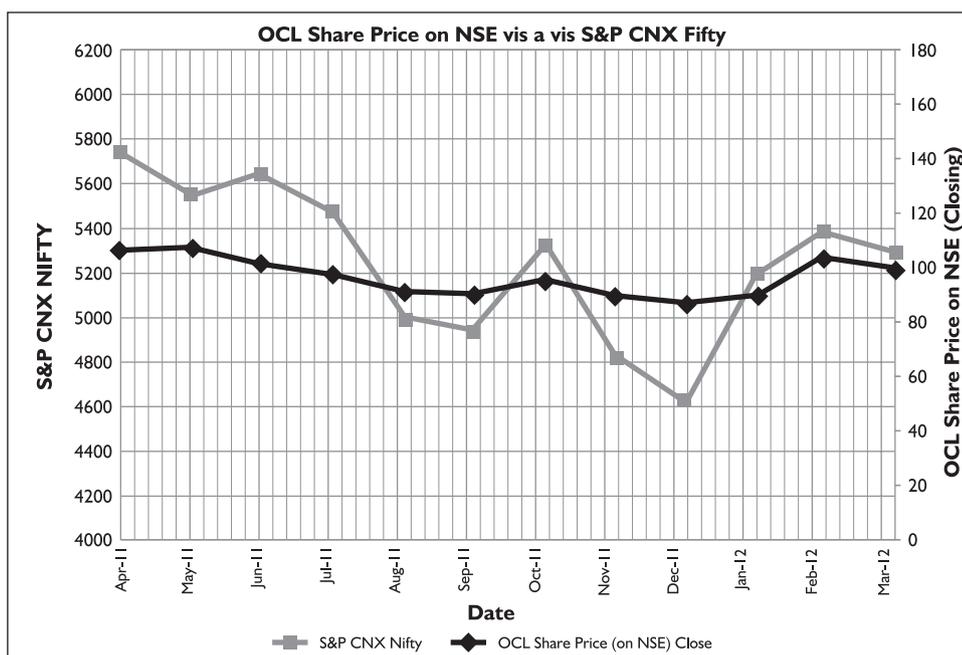
Range	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
1-100	6391	49.47	306394	0.54
101-250	2146	16.61	389842	0.69
251-500	1637	12.67	656083	1.15
501-1000	1256	9.72	968134	1.70
1001-2000	756	5.85	1088639	1.91
2001-3000	260	2.01	658049	1.16
3001-4000	116	0.90	410187	0.72
4001-5000	77	0.60	353805	0.62
5001-10000	146	1.13	1007677	1.77
10001 & ABOVE	135	1.04	51061410	89.74
TOTAL	12920	100.00	56900220	100.00

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

OCL Share Price on BSE vis a vis BSE Sensex April 2011 - March 2012				
Months	BSE Sensex Close	OCL Share Price (on BSE)		
		High Rs.	Low Rs.	Close Rs.
April 2011	19,135.96	124.95	105.30	107.10
May 2011	18,503.28	109.00	94.35	108.25
June 2011	18,845.87	109.85	100.00	100.80
July 2011	18,197.20	105.70	96.10	98.10
August 2011	16,676.75	105.00	83.05	91.80
September 2011	16,453.76	103.50	89.05	90.85
October 2011	17,705.01	99.00	88.10	96.50
November 2011	16,123.46	96.95	86.00	89.50
December 2011	15,454.92	94.90	83.80	86.05
January 2012	17,193.55	98.85	84.90	91.85
February 2012	17,752.68	118.45	90.15	103.45
March 2012	17,404.20	106.50	96.90	100.30



OCL Share Price on NSE vis a vis S&P CNX Nifty April 2011 - March 2012				
Months	S & P CNX Nifty Close	OCL Share Price (on NSE)		
		High Rs.	Low Rs.	Close Rs.
April 2011	5749.50	117.45	105.30	106.75
May 2011	5560.15	108.95	94.65	107.90
June 2011	5647.40	113.00	98.20	102.05
July 2011	5482.00	109.00	97.00	97.95
August 2011	5001.00	100.00	84.00	91.75
September 2011	4943.25	103.80	89.05	90.50
October 2011	5326.60	98.85	88.00	95.95
November 2011	4832.05	95.50	89.40	90.00
December 2011	4624.30	95.95	84.00	87.00
January 2012	5199.25	97.60	85.05	90.10
February 2012	5385.20	118.50	89.65	103.95
March 2012	5295.55	107.70	97.05	100.20



**COMPLIANCE CERTIFICATE FROM AUDITORS****Auditors' Report 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 31, 2012 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  
ICAI FRN: 109208W

Place: New Delhi  
Date: May 14, 2012

(R. Raghuraman)  
Partner  
Membership No. 81350

---

**Declaration by Mr. D. D. Atal, CEO & Whole Time Director**

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 & Whole Time Director

Dated: May 14, 2012

### **Disclosure regarding shares in Unclaimed Suspense Account**

In terms of clause 5A of the Listing Agreement, as amended by SEBI circular no. CIR/CFD/DIL/10/2010 dated December 16, 2010, the Company is required to give details regarding its shares which are in the Unclaimed Suspense Account.

In terms of the said circular, the Company had, on June 27, 2011 and November 25, 2011, sent the 2nd and 3rd reminders, respectively, to the shareholders whose shares were lying unclaimed with the Company.

The Company is still receiving response to the said reminders from the shareholders and is in the process of corresponding with them regarding the same. The Company will transfer the unclaimed shares to Unclaimed Suspense Account after fully dealing with the shareholders responses. The Company has, accordingly, not opened folio/demat account in the name and style of Unclaimed Suspense Account as of March 31, 2012.

1. We have audited the attached Balance Sheet of OCL INDIA LIMITED as at 31<sup>st</sup> March, 2012 and also the Statement of Profit & Loss and the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted the audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis of our opinion.
3. We report that
  - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of these books;
  - (c) The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of Account;
  - (d) In our opinion, the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in section 211 (3C) of the Companies Act, 1956 to the extent applicable
  - (e) On the basis of information obtained, none of the directors are prima facie, disqualified under section 274(1)(g) of the Companies Act, 1956 as on 31<sup>st</sup> March, 2012 from being appointed as a director of the Company.
  - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2012;
    - ii. in the case of the Statement of Profit & Loss, of the Profit for the year ended on that date; and
    - iii. in the case of cash flow statement, of the cash flows for the year ended on that date.
4. As required by the Companies (Auditors Report) Order, 2003 (as amended) issued by the Department of Company Affairs, Govt. of India in terms of Section 227 (4A) of the Companies Act, 1956, and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we further report on the matters specified in the paragraphs 4 and 5 of the said Order as under:
  - i
    - a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
    - b) As explained to us, an outside agency has carried out physical verification of the fixed assets during the year and have covered a substantial value of the assets. According to the information and explanations given to us, no material discrepancies have been noticed to the extent of such verification. A detailed report of verification is awaited. In our opinion, the frequency of verification is reasonable in relation to the size of the Company
    - c) Since there is no substantial disposal of fixed assets during the year, the preparation of financial statements on a going concern basis is not affected on this account.
  - ii
    - a) The stock of finished goods, stores, spare parts and raw materials, except those held by consignees and stored in customer premises, have been physically verified by the management at reasonable intervals. In respect of stock with consignees, confirmation certificates have been received.
    - b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
    - c) In our opinion, the Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
  - iii
    - a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties required to be covered in the register maintained under section 301 of the Companies Act, 1956.
    - b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties required to be covered in the register maintained under section 301 of the Companies Act, 1956.

- iv In our opinion and according to the information and explanations given to us and having regard to the explanations in respect of the manner in which the purchase price of some of the items are determined or where alternate quotations are not available, there are adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. To the best of our knowledge, no major weaknesses in internal control system were either reported or noticed by us during the course of our audit.
- v a) According to the information given to us, the particulars of contracts or arrangements that need to be entered into a register in pursuance of section 301 of the Companies Act, 1956 have been so entered.
- b) There were transactions exceeding Rs. five lakhs made in pursuance of such contracts or arrangements relating to professional services rendered during the year by a legal firm, for which comparison with prevailing market prices is not feasible.
- vi In our opinion and according to information and explanations given to us, the Company has complied with the provisions of sections 58A and 58AA or any other relevant provisions of the Act and the rules made there under, where applicable, with regard to deposits accepted from the public.
- vii The Company has an internal audit system, which in our opinion, is commensurate with its size and nature of its business.
- viii We have broadly reviewed the books of accounts maintained by the Company, pursuant to the rules made by the Central Government for the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate and complete.
- ix a) According to the records of the Company, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and any other statutory dues with the appropriate authorities. There were no arrears of undisputed statutory dues as at 31<sup>st</sup> March, 2012, which were outstanding for a period of more than six months from the date they became payable.
- b) The disputed dues of different years, which have remained unpaid as on 31<sup>st</sup> March, 2012, for which appeals are pending as under:

Nature of dues	Year	Amount (Rs. in lacs)	Forum where pending
Orissa Sales Tax	1995-96 and 1997-98 to 2000-01	162.63	Orissa Sales Tax Tribunal
Central Sales Tax	2006-07	30.69	Addl. Commissioner of Sales Tax, cuttack
Central Sales Tax	2007-08 to 2009-10	105.00	Addl. Commissioner of Sales Tax, (North Zone) Odisha
Orissa VAT	2005-06	361.26	Commissioner of Sales Tax
West Bengal Sales Tax	1996-97, 1999-00 and 2004-05	47.49	West Bengal Commercial Taxes Appellate & Revisional Board
Cenvat Credit	01.12.2006 to 30.06.2008	3,980.67	CESTAT, Kolkata
Income Tax	A.Y.2003-2004	3.47	ITAT Delhi
Income Tax	A.Y.2007-2008 to 2009-10	673.06	CIT (A) Delhi

- x The Company has no accumulated losses and has not incurred cash losses during the financial year covered by our audit or in the immediately preceding financial year.
- xi On the basis of the verification of records and information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions or banks or debenture holders.
- xii The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii The Company is not a chit fund / nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditors Report) Order are not applicable.
- xiv The Company is not dealing or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause 4(xiv) of the Companies (Auditors Report) Order are not applicable

- xv In our opinion and according to the information and explanation given to us, the terms and condition on which the company has given guarantees for the loans taken by others from banks, are not, prima facie, prejudicial to the interest of the Company.
- xvi According to the records of the Company, the Company has not taken term loans during the year.
- xvii According to the information and explanations given to us, the Cash Flow statement examined by us and on an overall examination of the balance sheet of the Company, we report that funds raised on short-term basis have not been used for long term investment.
- xviii During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.
- xix The Company has not issued any debentures during the year. Therefore, the question of creating security / charge does not arise.
- xx Since there were no public issue of securities during the year, verification of the end use of money does not arise.
- xxi Based on the audit procedure performed and the representation obtained from the management, we report that no case of fraud on or by the Company has been noticed or reported during the year under audit.

**For V. Sankar Aiyar & Co.**  
Chartered Accountants  
Firm's Regn.no. I09208W

Place : New Delhi  
Dated : May 14, 2012

**R. Raghuraman**  
Partner  
Membership No. 81350

	Note no	2011-12 Rs. Lakhs	2010-11 Rs. Lakhs
<b>I. EQUITY &amp; LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	1,138.50	1,138.50
Reserves and Surplus	3	89,164.52	87,303.13
		<b>90,303.02</b>	<b>88,441.63</b>
<b>Non Current Liabilities</b>			
Long-term borrowings	4	53,244.68	65,679.91
Deferred tax liabilities (Net)	5	12,046.80	11,435.45
Other long term liabilities	6	1,983.33	1,722.10
Long- term provisions		-	-
		<b>67,274.81</b>	<b>78,837.46</b>
<b>Current Liabilities</b>			
Short-term borrowings	7	7,956.94	8,454.14
Trade payables	8	11,042.29	11,823.33
Other current liabilities	9	25,121.02	24,904.21
Short- term provisions	10	1631.44	3,008.23
		<b>45,751.69</b>	<b>48,189.91</b>
Total		<b>2,03,329.52</b>	<b>2,15,469.00</b>
<b>II. ASSETS</b>			
<b>Non-current Assets</b>			
Fixed assets	11		
Tangible assets		1,06,253.84	99,751.15
Intangible assets		103.38	94.12
Capital work-in-progress		14,818.42	27,113.13
Intangible assets under development		39.60	31.03
Non-current investments	12	4,885.82	758.86
Long-term loans and advances	13	899.55	2,405.28
Other non-current assets	14	45.99	39.57
		<b>1,27,046.60</b>	<b>1,30,193.14</b>
<b>Current Assets</b>			
Current investments	15	12,742.80	-
Inventories	16	26,025.17	25,405.51
Trade receivables	17	12,068.78	13,143.37
Cash & bank balances	18	13,281.71	39,018.90
Short -term loans and advances	13	11,490.16	7,514.45
Other current assets	19	674.30	193.63
		<b>76,282.92</b>	<b>85,275.86</b>
Total		<b>2,03,329.52</b>	<b>2,15,469.00</b>
Significant Accounting Policies	1		
Other notes forming part of the financial statements	28		

The accompanying notes form an integral part of the financial statements

for **OCL INDIA LIMITED,**  
On behalf of the Board,

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

**Rachna Gorla**  
Company Secretary

**Gaurav Dalmia**  
Managing Director

Place : New Delhi  
Date : 14.05.2012

**R. Raghuraman**  
Partner  
M No. 81350

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

**D.N. Davar**  
Director

# Statement of Profit and Loss

for the year ended 31st March, 2012



	Note no	2011-12 Rs.Lakhs	2010-11 Rs.Lakhs
<b>INCOME</b>			
Revenue from operations	20	<b>1,47,043.50</b>	1,48,502.41
Other income	21	<b>3,315.14</b>	2,430.13
		<b>1,50,358.64</b>	1,50,932.54
<b>EXPENDITURE</b>			
Cost of materials consumed	22	<b>46,647.02</b>	44,212.96
Purchases of stock in trade	23	<b>2,367.81</b>	2,401.19
Freight, clearing & handling on own clinker		<b>1,307.07</b>	1,581.76
Changes in inventories of finished goods & work in progress & Stock in Trade	24	<b>4,437.07</b>	-3,156.48
Employee benefits expense	25	<b>7,608.40</b>	7,114.83
Power and fuel		<b>26,955.62</b>	26,542.78
Finance costs	26	<b>7,493.50</b>	6,383.22
Depreciation & amortization expense		<b>12,758.07</b>	12,275.23
Other expenses	27	<b>36,986.37</b>	38,395.13
		<b>1,46,560.93</b>	1,35,750.62
<b>PROFIT BEFORE TAXATION</b>		<b>3,797.71</b>	15,181.92
Tax Expense - Current (MAT)		<b>500.00</b>	4,300.00
Less: MAT credit entitlement		<b>-494.65</b>	-
- Deferred		<b>611.35</b>	-565.41
<b>PROFIT/ (LOSS) FOR THE YEAR AFTER TAX</b>		<b>3,181.01</b>	11,447.33
<b>EARNING PER EQUITY SHARE (Face Value of Rs 2/- each)</b>			
1) Basic (Rs)		<b>5.59</b>	20.12
2) Diluted (Rs)		<b>5.59</b>	20.12
Significant Accounting Policies	1		
Other notes forming part of the financial statements	28		
The accompanying notes form an integral part of the financial statements			

for **OCL INDIA LIMITED,**  
On behalf of the Board,

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

**Rachna Gorla**  
Company Secretary

**Gaurav Dalmia**  
Managing Director

Place : New Delhi  
Date : 14.05.2012

**R. Raghuraman**  
Partner  
M No. 81350

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

**D.N. Davar**  
Director

## I SIGNIFICANT ACCOUNTING POLICIES

### I.1. 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.

### I.2. 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

### I.3. Fixed Assets including intangible 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. Intangible assets are recorded at consideration paid for acquisition of such assets and are carried at cost less accumulated amortisation. Capital Work in Progress & Intangible Assets under development are shown at cost.

### I.4. Depreciation and Amortisation

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, Clinkerisation Unit at Rajgangpur (Line-II) & Captive Power Plant 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. An intangible asset is measured at cost and amortised so as to reflect the pattern in which the asset's economic benefits are consumed. The useful life has been estimated as five years in case computer software.

### I.5. 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 Investments are valued at cost or fair value which ever is lower.

### I.6. 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.

### I.7. Revenue Recognition and Accounting for Sales & Services

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 crystallization. Income from services are accounted for when becomes due. Interest income is recognised on time proportionate basis. Dividend income is accounted for, when the right to receive the same is established.

### I.8. 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.9. 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.

### I.10. 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 Statement of Profit and Loss. 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 Statement of Profit & Loss. Non-monetary items denominated in foreign currency are valued at the exchange rate prevailing on the date of transaction.

### 1.11. 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.

### 1.12. 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.

### 1.13. Provisions, Contingent Liability and Contingent Assets

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. Contingent Assets neither recognised nor disclosed in the financial statement.

	2011-12 Rs.Lakhs	2010-11 Rs.Lakhs
<b>2. SHARE CAPITAL</b>		
<b>Authorised Shares</b>		
1,00,000 (Previous Year: 1,00,000) Shares of Rs. 100 each	100.00	100.00
7,00,00,000 (Previous Year: 7,00,00,000) Shares of Rs. 2 each	1,400.00	1,400.00
	<b>1,500.00</b>	<b>1,500.00</b>
<b>Issued Shares</b>		
6,36,31,805 (Previous Year 6,36,31,805) Ordinary Shares of Rs.2 each	1,272.64	1,272.64
<b>Subscribed &amp; paid up shares</b>		
5,69,00,220 (Previous Year 5,69,00,220) Ordinary Shares of Rs.2 each, fully paid up	1,138.00	1,138.00
Add :Shares Forfeited Account	0.50	0.50
<b>Total Subscribed &amp; Paid up Share Capital</b>	<b>1,138.50</b>	<b>1,138.50</b>

- a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	31st March 2012		31st March 2011	
	No of Shares (in Lakhs)	(in Rs.Lakhs)	No of Shares (in Lakhs)	(in Rs.Lakhs)
Ordinary Shares outstanding at the beginning of the year	569.00	1,138.00	569.00	1,138.00
Ordinary Shares issued during the year	-	-	-	-
Ordinary Shares bought back during the year	-	-	-	-
Ordinary Shares outstanding at the end of the year	569.00	1,138.00	569.00	1,138.00

- b) **Terms/ rights attached to ordinary shares**

The Company has issued only one class of ordinary shares having a par value of Rs. 2/- per share. Each holder of ordinary shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March 2012, the amount of dividend per share recognised for distribution to ordinary shareholders is Rs. 2/- ( Previous year: Rs. 4/- per share).

In event of liquidation of the company, the holders of ordinary shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts.

The distribution will be in proportion to the number of ordinary shares held by the shareholders.

c) **Details of shareholders holding more than 5% shares in the Company**

Sl No	Name of the Shareholders	As at 31 March 2012		As at 31 March 2011	
		No. of Shares held (in Lakhs)	% of Holding	No. of Shares held (in Lakhs)	% of Holding
1	Mridu Hari Dalmia (C/o M H Dalmia Parivar Trust)	116.87	20.54%	93.50	16.43%
2	Dalmia Cement (Bharat) Limited	258.15	45.37%	258.15	45.37%
3	Dharti Investments and Holdings Limited	35.06	6.16%	35.06	6.16%

d) Aggregate number of bonus shares issued and shares bought back during the period of five years immediately preceding the reporting date: Nil.

In respect of shares issued for consideration other than cash, 1,23,52,500/- ordinary shares of Rs. 2/- each fully paid up where allotted during the year 2007-08 to the shareholders of erstwhile Dalmia Cement (Meghalaya) Limited pursuant to a scheme of arrangement for merger.

	2011-12 Rs.Lakhs	2010-11 Rs.Lakhs
<b>3. RESERVES AND SURPLUS</b>		
<b>Capital Reserve</b>		
Balance as per the last Financial Statements	162.06	157.06
Add: Capital Subsidy received during the year	3.00	5.00
<b>Closing Balance</b>	<b>165.06</b>	<b>162.06</b>
<b>Securities Premium Reserve</b>		
Balance as per the last Financial Statements	19,600.00	19,600.00
<b>Debenture Redemption Reserve</b>		
Balance as per the last Financial Statements	1,129.03	855.36
Add: Transfer from Surplus balance	273.65	273.67
<b>Closing Balance</b>	<b>1,402.68</b>	<b>1,129.03</b>
<b>General Reserve</b>		
Balance as per the last Financial Statements	47,225.87	46,025.87
Add: Transfer from Surplus balance	1,200.00	1,200.00
<b>Closing Balance</b>	<b>48,425.87</b>	<b>47,225.87</b>
<b>Surplus/(Deficit)</b>		
Balance as per the last Financial Statements	19,186.17	11,857.75
Add: Profit for the year as per the Statement of Profit and Loss	3,181.01	11,447.33
Less: Appropriations		
Proposed Dividend (Amount per share Rs.2/- (Previous Year Rs .4/-)	1,138.01	2,276.01
Tax on proposed dividend	184.61	369.23
Transfer to Debenture Redemption Reserve	273.65	273.67
Transfer to General Reserve	1,200.00	1,200.00
Total Appropriations	2796.27	4,118.91
<b>Closing Balance</b>	<b>19,570.91</b>	<b>19,186.17</b>
<b>Total</b>	<b>89,164.52</b>	<b>87,303.13</b>

## 4. LONG TERM BORROWINGS

	Non Current		Current	
	2011-12 Rs.Lakhs	2010-11 Rs.Lakhs	2011-12 Rs.Lakhs	2010-11 Rs.Lakhs
<b>Secured</b>				
<b>1) Redeemable Non-Convertible Debentures</b>				
Syndicate Bank @ 9.40% (Redeemable during 2014-15 to 2016-17)	1,100.00	1,100.00	-	-
Life Insurance Corporation of India @ 10.80% (Redeemable during 2014-15 to 2016-17)	6,000.00	6,000.00	-	-
Indian Overseas Bank @ 10.50% (Redeemable during 2012-13)	-	500.00	500.00	-
	<b>7,100.00</b>	<b>7,600.00</b>	<b>500.00</b>	<b>-</b>
Less: Shown under other current liabilities (Refer note no 9)	-	-	<b>-500.00</b>	-
	<b>7,100.00</b>	<b>7,600.00</b>	<b>-</b>	<b>-</b>

The debentures are secured by way of first pari passu charge over fixed assets (present and future) of Cement Division of the Company except those to Syndicate Bank are additionally secured by way of first pari-passu charge on Fixed Assets of Refractory Division of the Company.

## 2) Term Loans

**From Banks**

State Bank of India # (Repayable in 32 quarterly installments from Dec, 10)	5,219.49	5,932.00	712.00	692.00
Punjab National Bank # (Repayable in 32 quarterly installments from Dec, 10)	5,207.08	5,921.04	712.00	712.00
Export Import Bank of India # (Repayable in 27 quarterly installments from June, 10)	2,552.78	3,233.52	680.74	680.74
Export Import Bank of India (Foreign Currency Loan) # (Repayable in 27 quarterly installments from June, 10)	3,050.28	3,384.58	813.41	712.54
Axis Bank Limited # (Repayable in 20 quarterly installments from Mar, 10)	3,499.99	5,499.99	2,000.00	2,000.00
United Bank of India \$ (Repayable in 24 quarterly installments from Apr, 11)	3,333.36	4,166.68	833.32	833.32
United Bank of India \$ (Repayable in 32 quarterly installments from Apr, 11)	7,274.97	8,487.48	1,212.52	1,212.52

**From Others**

International Finance Corporation @ (Repayable in 13 half yearly installments from Oct, 10)	12,627.70	15,784.62	3,156.92	3,156.92
PTC India Financial Services Limited # (Repayable in 32 quarterly installments from Jan, 11)	2,867.50	3,237.50	370.00	370.00
	<b>45,633.15</b>	<b>55,647.41</b>	<b>10,490.91</b>	<b>10,370.04</b>
Less: Shown under other current liabilities (Refer note no 9)	-	-	<b>-10,490.91</b>	<b>-10,370.04</b>
	<b>45,633.15</b>	<b>55,647.41</b>	<b>-</b>	<b>-</b>

# Secured by First pari passu charge by way of mortgage and hypothecation over all immovable properties and moveable fixed assets of Cement Division, (both present and future) and further secured by second pari passu charge on all current assets of the Company.

\$ Secured by First charge on fixed assets of the Cement Division of Company, both present and future to be shared pari passu with the providers of the other debt and existing lenders, further secured by way of second pari passu charge on current assets of cement division.

@ Secured by First ranking mortgage on all immovable & movable, present & future assets related to the Cement Division (excluding Current Assets) to be shared pari passu with other lenders in respect of other debts and existing secured lenders to the Cement Division in respect of the existing debt.

**4. LONG TERM BORROWINGS (Contd...)**

	Non Current#		Current	
	2011-12 Rs.Lakhs	2010-11 Rs.Lakhs	2011-12 Rs.Lakhs	2010-11 Rs.Lakhs
<b>Unsecured</b>				
Public Deposits				
- Related Parties (Refer note no 28.11)	15.00	1,200.00	35.00	250.00
- Others	496.53	1,232.50	725.14	473.59
	511.53	2,432.50	760.14	723.59
Less: Shown under other current liabilities	-	-	-760.14	-723.59
(Refer note no 9)	511.53	2,432.50	-	-

# (Repayable in 2013-14 & 2014 -15)

	2011-12 Rs.Lakhs	2010-11 Rs.Lakhs
<b>5. DEFERRED TAX LIABILITIES (NET)</b>		
<b>Liabilities :</b>		
Depreciation	13,885.06	12,109.69
Exchange gain on loan for capital expenditure	-	13.70
<b>Assets :</b>		
Difference of value of Stock u/s 145A of the Income Tax Act, 1961	229.65	216.82
Expenses allowable in computing taxable income on payment basis	192.87	115.29
Exchange loss on loan for capital expenditure	155.45	-
Unabsorbed depreciation under Income Tax Act, 1961	913.97	-
MTM on interest Derivatives	-	33.61
Provision for Doubtful Debts & obsolescence	346.32	322.22
	1,838.26	687.94
<b>Net Liability</b>	12,046.80	11,435.45
<b>6. OTHER LONG TERM LIABILITIES</b>		
Trade Payables (Due to micro & small enterprises - Nil)	1,927.40	1,613.71
Accrued interest on public deposits	55.93	108.39
	1,983.33	1,722.10
<b>7. SHORT TERM BORROWINGS</b>		
<b>Secured</b>		
Loans repayable on demand		
Cash Credits from Banks	7,782.02	8,200.94
<b>Unsecured</b>		
Public Deposits		
- Other than Related Parties	174.92	253.20
	7,956.94	8,454.14

Working capital facilities (fund based & non fund based limits) are secured by first pari passu charge over stocks, stores, raw materials, inventories, work in progress, finished goods and also book debts, bills and moneys receivable of the Company by way of hypothecation. These facilities are further secured by second charge over the fixed assets of the Cement Division of the Company.

	2011-12 Rs.Lakhs	2010-11 Rs.Lakhs
<b>8. TRADE PAYABLES</b>		
Micro & Small Enterprises	48.73	33.94
Others	10,993.56	11,789.39
	<b>11,042.29</b>	<b>11,823.33</b>

Disclosure as per Section 22 of "The Micro, Small and Medium Enterprises Development Act 2006":

Particulars	As at 31st March, 2012	As at 31st March, 2011
(i) The principal amount and the interest due thereon remaining unpaid to any supplier		
- Principal Amount	-	0.92
- Interest thereon	-	0.02
(ii) The amount of interest paid by the buyer in terms of Section 16, along with the amounts of the payment made to the supplier beyond the appointed day	27.54	-
(iii) The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	0.18	-
(iv) The amount of interest accrued and remaining unpaid	0.20	0.02
(v) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

	2011-12 Rs.Lakhs	2010-11 Rs.Lakhs
<b>9. OTHER CURRENT LIABILITIES</b>		
Current maturities of long-term debts (Refer note no 4)	11,751.05	11,093.63
Interest accrued but not due on borrowings	1,182.00	1,305.07
Unpaid dividends #	74.83	66.23
Unpaid matured deposits and interest accrued thereon #	21.84	16.83
On Capital Account	1,949.72	2,499.29
Security Deposits	6,330.07	6,037.43
Advance payments from customers	2,628.82	2,450.37
Other payables		
- Statutory dues	1,112.60	1,377.19
- Directors commission	26.10	20.70
- Recoveries from employees on behalf of others	43.99	37.47
	<b>25,121.02</b>	<b>24,904.21</b>

# There are no amount due & outstanding to be credited to the Investor Education & Protection Fund

	2011-12 Rs.Lakhs	2010-11 Rs.Lakhs
<b>10. SHORT TERM PROVISIONS</b>		
<b>Employee benefits</b>		
Leave encashment (unfunded)	291.00	232.07
Superannuation (funded)	15.23	15.64
<b>Others</b>		
Mark to market on derivative contract	-	103.58
Exchange fluctuation - forward contracts	2.59	11.70
Proposed dividend	1,138.01	2,276.01
Tax on proposed dividend	184.61	369.23
	<b>1631.44</b>	<b>3,008.23</b>

**I FIXED ASSETS**

(Amount in Rs. Lakhs)

Fixed Assets	Gross Block			Depreciation / Amortization			Net Block			
	As at 01.04.2011	Additions	Disposals/ Adjustments	As at 31.03.2012	Up to 31.03.2011	For the year	On disposals	Up to 31.03.2012	As at 31.03.2012	As at 31.03.2011
<b>Tangible Assets</b>										
a										
Land	602.59	19.22	-	621.81	-	-	-	-	621.81	602.59
Land under lease	520.76	1,271.50	-	1,792.26	4.43	20.41	-	24.84	1,767.42	516.33
Buildings	7,983.66	1,606.69	40.94	9,549.41	2,941.44	426.66	-	3,368.10	6,181.31	5,042.22
Plant and Equipment	1,43,922.29	18,584.85	160.64	1,62,346.50	55,852.83	13,664.96	24.60	69,493.19	92,853.31	88,069.46
Plant & Equipment under lease	574.06	-	-	574.06	362.84	27.27	-	390.11	183.95	211.22
Furniture and Fixtures	351.80	71.71	8.40	415.11	197.03	36.87	6.78	227.12	187.99	154.77
Vehicles	3,479.11	47.10	16.04	3,510.17	2,129.56	410.36	11.51	2,528.41	981.76	1,349.55
Office equipments	1,341.45	257.95	22.37	1,577.03	903.39	181.47	19.59	1,065.27	511.76	438.06
Railway Line	4,511.71	86.15	-	4,597.86	1,153.57	490.16	-	1,643.73	2,954.13	3,358.14
Live Stock	8.81	1.59	-	10.40	-	-	-	-	10.40	8.81
<b>Total</b>	<b>1,63,296.24</b>	<b>21,946.76</b>	<b>248.39</b>	<b>1,84,994.61</b>	<b>63,545.09</b>	<b>15,258.16</b>	<b>62.48</b>	<b>78,740.77</b>	<b>1,06,253.84</b>	<b>99,751.15</b>
<b>Intangible Assets</b>										
b										
Computer software	247.23	40.65	-	287.88	153.11	31.39	-	184.50	103.38	94.12
<b>Total</b>	<b>247.23</b>	<b>40.65</b>	<b>-</b>	<b>287.88</b>	<b>153.11</b>	<b>31.39</b>	<b>-</b>	<b>184.50</b>	<b>103.38</b>	<b>94.12</b>
<b>Total a &amp; b</b>	<b>1,63,543.47</b>	<b>21,987.41</b>	<b>248.39</b>	<b>1,85,282.49</b>	<b>63,698.20</b>	<b>15,289.55</b>	<b>62.48</b>	<b>78,925.27</b>	<b>1,06,357.22</b>	<b>99,845.27</b>
Previous Year	1,47,725.79	16,287.53	469.85	1,63,543.47	49,959.83	14,029.76	291.40	63,698.19	99,845.28	97,765.96
<b>Capital Work in Progress</b>										
c										
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,818.42</b>	<b>27,113.13</b>
<b>Intangible assets under Development</b>										
d										
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>39.60</b>	<b>31.03</b>

**Notes**

- Gross Block includes amount added in 1985 on revaluation of Land **Rs. 132.31 Lakhs**, Buildings **Rs. 1,200.64 Lakhs** and Plant and Machinery **Rs. 1,917.55 Lakhs** as carried out by an external independent valuer. Since the valuation was carried out long back the indices applied by the valuer is not available.
- Additions to Fixed Assets and Capital work-in-progress include net borrowing cost of **Rs. 1,519.36 Lakhs** capitalised during the year (Previous Year **Rs.2,061.72 Lakhs**).
- Addition to Fixed Asset & Capital WIP includes Pre operative expenses/income as detailed under Note 28.20.
- There has been no impairment loss on assets during the year.
- In respect of additions to lease hold land, conveyance deed is pending execution

## 12. NON CURRENT INVESTMENTS

TRADE - Unquoted - At Cost	Face Value	No. of Shares/Units		Amount (in Rs Lakhs)	
		2011-12	2010-11	2011-12	2010-11
<b>Equity Instruments - Fully paid up</b>					
Associates					
OCL Global Ltd (Face Value in USD)	1	50,000	50,000	22.40	22.40
Joint Venture					
Radhikapur (West) Coal Mining Pvt Ltd (Note 28.7)	10	29,39,200	14,69,600	293.92	146.96
Others					
First Capital India Limited	6	166	166	0.01	0.01
India Information Technology Limited (Rs.10/-)	10	1	1	-	-
<b>Preference Shares - Fully paid up</b>					
Associates					
OCL Global Ltd (Face Value in USD)* (5% non-cumulative redeemable)	1	13,65,000	13,65,000	587.51	587.51
<b>Total (A)</b>				<b>903.84</b>	<b>756.88</b>

\* Redeemable at the option of the company in trenches of the company's choice but not later than 10 years from the date of issue.

NON TRADE - Unquoted (Unless otherwise stated) At Cost	Face Value	No. of Shares/Units		Amount (in Rs Lakhs)	
		2011-12	2010-11	2011-12	2010-11
<b>Equity Instruments - Fully paid up</b>					
Others					
Crescent Finstock Limited	10	1,400	1,400	-	-
Gujarat Composite Limited	10	16	16	-	-
Ispat Profiles India Limited (Rs. 75/-)	10	50	50	-	-
Bagalkot Udyog Limited	1	100	100	0.01	0.01
Orissa Industries Limited	10	73,450	73,450	1.40	1.40
The Scindia Steam Navigation Company Ltd	20	504	504	0.06	0.06
The Travancore Cements Limited	10	100	100	0.01	0.01
Digvijay Finlease Limited	10	25	25	-	-
Indo Flogates Limited	10	100	100	0.01	0.01
Bagalkot Cement & Industries Ltd	10	1	1	-	-
Kanoria Sugar & General Mfg.Co Ltd(Rs.183/-)	10	25	25	-	-
Magnesite & Minerals Limited	10	100	100	0.01	0.01
Usha Ispat Limited	10	100	100	0.01	0.01
Orind Exports Limited (Rs. 201/-)	10	100	100	-	-
<b>Debentures or Bonds</b>					
Non-convertible Secured - Fully paidup					
8% - Indian Chamber of Commerce	100	12	12	0.01	0.01
Non-convertible Secured - Partly paidup					
8% - Indian Chamber of Commerce - Fractional (Rs. 50/-)	25	2	2	-	-
<b>Units of Mutual Funds - Quoted, Fully Paid up</b>					
Birla Sun Life Fixed Term Plan Series FC Growth		1,98,00,000	-	1,980.00	-
ICICI Prudential FMP Series 63 - 370 Days Plan D Cumulative		2,00,00,000	-	2,000.00	-
<b>Others - Fully Paid up</b>					
Co-operative Society	100	50	50	0.05	0.05
Property Rights in Holiday Resort		4	4	0.41	0.41
<b>Total (B)</b>				<b>3,981.98</b>	<b>1.98</b>
<b>Total (A + B)</b>				<b>4,885.82</b>	<b>758.86</b>
Quoted Investments				<b>3,980.00</b>	-
Unquoted Investments				<b>905.82</b>	758.86
				<b>4,885.82</b>	758.86
Market value of quoted investments				<b>3,983.01</b>	-

Note: Cost below Rs. 400/- are given in brackets

**13 LOANS AND ADVANCES**

	Non Current		Current	
	2011-12 Rs.Lakhs	2010-11 Rs.Lakhs	2011-12 Rs.Lakhs	2010-11 Rs.Lakhs
<b>Capital Advances</b>				
Secured - considered good	81.54	182.75	-	-
Unsecured - considered good	262.94	2,040.37	-	-
Unsecured - considered doubtful	-	0.03	-	-
Less: Provision for doubtful advances	-	0.03	-	-
<b>Security Deposits</b>				
Unsecured, considered good	83.10	132.79	2,443.03	1,929.51
<b>Loans and advances to related parties</b>				
Unsecured, considered good (Refer note no 28.11)	-	-	1,041.00	31.60
<b>Other loans and advances</b>				
Secured, considered good	-	-	-	-
Loan to employees	1.68	2.66	0.97	1.05
Advances recoverable in cash or in kind	-	-	0.89	103.23
Unsecured, considered good				
Balances with govt authorities	-	-	2,108.33	2,149.43
Advance for allotment of shares	440.88	-	-	-
Loan/ Advances recoverable in cash / kind	27.26	44.08	2,852.44	2,898.44
Loans / advances to employees*	2.15	2.63	63.61	42.48
Mat credit entitlement	-	-	494.65	-
Advance income tax (net of provision for taxation)	-	-	2,485.24	358.71
Unsecured - considered doubtful	-	-	67.47	43.48
Less: Provision for doubtful advances	-	-	67.47	43.48
	<b>899.55</b>	<b>2,405.28</b>	<b>11,490.16</b>	<b>7,514.45</b>
<b>Loan due by director or other officers etc</b>				
* Other officers of the Company			1.00	0.33
<b>14 OTHER NON CURRENT ASSETS</b>				
Unsecured, considered good				
Accrued Interest			45.99	39.57
			<b>45.99</b>	<b>39.57</b>

**15 CURRENT INVESTMENTS**

NON TRADE - Unquoted - At Cost or NAV whichever is lower	Face Value	No. of Shares/Units		Amount (in Rs Lakhs)	
		2011-12	2010-11	2011-12	2010-11
<b>Units of Mutual Funds - Fully Paid up</b>					
UTI Treasury Advantage Fund - Inst Plan (DDP) - Reinvest		5,38,222.53	-	5,383.38	-
Birla Sunlife Saving Fund - Instl. - DD - Reinvest		31,39,893.16	-	3,142.03	-
Birla Sunlife Dynamic Bond Fund- Retail Plan - Monthly Divd - Reinvest		8,95,754.95	-	94.03	-
IDFC SSIF - ST Plan C - Fortnightly Dividend		1,07,59,075.85	-	1,087.58	-
IDFC Money Manager Fund - Treasury Plan - Super Inst Plan C - D D		1,91,55,720.34	-	515.86	-
ICICI Prudential Flexible Income Plan Premium - Daily Dividend		18,67,878.22	-	1,975.00	-
ICICI Prudential Inst Short term Plan - Divd Reinvestment Fortnight		5,85,653.08	-	71.63	-
SBI - SHF - Ultra Short term Fund - Institutional Plan - DD		47,300.79	-	473.29	-
Total				<b>12,742.80</b>	-
Net Asset Value				<b>12,744.93</b>	-

	2011-12 Rs.Lakhs	2010-11 Rs.Lakhs
<b>16 INVENTORIES (Refer Note 1.6 for mode of valuation)</b>		
Raw Materials and components		
- In Stock	7,036.23	5,914.46
- In Transit	2,805.92	865.72
Work-in-progress		
- In Stock	1,252.78	2,239.61
Finished goods		
- In Stock	3,213.49	6,254.61
- In Transit	56.43	783.07
Stock-in-trade		
- In Stock	380.24	62.72
Stores, spares, fuel & packing material		
- In Stock	10,859.56	8,277.33
- In Transit	392.02	985.94
Loose Tools		
- In Stock	28.50	22.05
<b>Total</b>	<b>26,025.17</b>	<b>25,405.51</b>
<b>17 TRADE RECEIVABLES</b>		
Outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	2.14	1.94
Unsecured, considered good	746.58	751.88
Unsecured, considered doubtful	699.79	649.76
	1,448.51	1,403.58
Less: Provision for doubtful debts	699.79	649.76
	748.72	753.82
Others		
Secured, considered good	2,084.62	2,191.48
Unsecured, considered good	9235.44	10198.07
	11,320.06	12,389.55
<b>Total</b>	<b>12,068.78</b>	<b>13,143.37</b>
<b>18 CASH &amp; BANK BALANCES</b>		
<b>Cash &amp; Cash Equivalents</b>		
Balance with banks:		
- In current accounts	2,468.03	4,735.77
- In deposit with original maturity of less than 3 months	4,800.00	27,000.00
- In unpaid dividend account	74.83	66.23
Cheques, drafts on hand	583.49	191.25
Funds in transit	180.25	6.10
Cash on hand	25.07	19.52
Stamps on hand	0.04	0.03
<b>Other Bank Balances</b>		
Deposits with original maturity of more than 12 months	5,000.00	5000.00
Deposits Earmarked (Against Public Deposits)	150.00	-
Deposits with original maturity of more than 3 months but less than 12 months	-	2,000.00
	13,281.71	39,018.90

	2011-12 Rs.Lakhs	2010-11 Rs.Lakhs
<b>19 OTHER CURRENT ASSETS</b>		
Interest accrued but not due	626.39	142.62
Claims & other receivable		
Considered good	44.10	39.68
Considered doubtful	11.36	11.06
Assets held for sale (At lower of written down value and net realisable value)	0.01	9.58
Others	3.80	1.75
	<b>685.66</b>	204.69
Less : Set off from Provision for doubtful debts	11.36	11.06
	<b>674.30</b>	193.63
<b>20 REVENUE FROM OPERATIONS (Refer note no 1.7 on revenue recognition)</b>		
<b>Sale of Products</b>		
Cement	1,31,032.40	1,35,410.17
Refractories	29,746.34	27,804.98
Others - Dolomite	63.24	79.58
<b>Self Consumption of Products</b>		
Cement	262.67	256.12
Refractories	1,419.40	1,418.77
<b>Sale of Traded Products</b>		
Slag	44.69	-
Refractories	1,974.46	2,354.33
<b>Sale of Services</b>		
Marketing Services	544.80	214.88
Business Auxiliary Services	11.97	64.76
<b>Other Operating Revenue</b>	1,187.26	777.83
	<b>1,66,287.23</b>	1,68,381.42
<b>Less: Excise Duty</b>	19,243.73	19,879.01
	<b>1,47,043.50</b>	1,48,502.41
<b>21. OTHER INCOME</b>		
Interest Receipt - On Deposits, Tax refunds and from Customers etc.	914.02	469.93
Profit on sale of assets	4.20	22.56
Gain due to Exchange Difference other than considered as finance cost (Net)	-	34.92
MTM gain on interest derivative	103.58	-
Dividends on long term investment -other than trade	-	0.04
Dividends from investments in mutual funds-current	1,424.77	1,174.43
Profit on sale of long term investment	-	18.70
Profit on sale of current investments	20.50	0.10
Other Non Operating Income	848.07	709.45
	<b>3,315.14</b>	2,430.13

	2011-12 Rs.Lakhs	2010-11 Rs.Lakhs
<b>22. COST OF MATERIALS CONSUMED</b>		
i) Limestone (Own Quarry) - See note below	8,384.25	7,606.03
ii) Slag	11,755.17	14,251.46
iii) Purchased Clinker	9,233.92	5,005.94
iv) Others #	17,273.68	17,349.53
	<b>46,647.02</b>	<b>44,212.96</b>
a) # None of these individually account for more than 10% of the total cost of material consumed		
b) <b>Expenses included in the cost of raw materials</b>		
Salaries and Wages	472.79	384.66
Contribution to Provident and Other Funds	48.44	47.43
Workmen and Staff Welfare Expenses	39.22	33.40
Payment to Contractors for Services	1,864.84	2,730.83
Power and Fuel	516.95	493.41
Consumption of Stores and Spare Parts	1,459.96	1,257.70
Repairs to Machinery	1,232.68	709.45
Repairs to Buildings	8.56	3.08
Royalty and Cess	1,216.44	1,543.30
Rent	20.25	0.49
Rates and Taxes	42.76	46.14
Insurance	30.48	15.69
Commission to Other Agents	5.45	5.94
Depreciation	2,529.04	1,754.54
Sundry Sales/Income	-186.03	-197.71
	<b>9,301.83</b>	<b>8,828.35</b>
<b>23. PURCHASE OF GOODS TRADED</b>		
Slag	44.69	-
Refractories	2,323.12	2,401.19
	<b>2,367.81</b>	<b>2,401.19</b>
<b>24. CHANGES IN INVENTORIES OF FINISHED GOODS , WORK IN PROGRESS &amp; STOCK IN TRADE</b>		
Stocks at the beginning of the year		
Finished Goods	7,037.68	4,916.70
Traded Goods	62.72	0.65
Partly Finished Goods	2,239.61	1,266.18
	<b>9,340.01</b>	<b>6,183.53</b>
Less: Stocks at the end of the year		
Finished Goods	3,269.92	7,037.68
Traded Goods	380.24	62.72
Partly Finished Goods	1,252.78	2,239.61
	<b>4,902.94</b>	<b>9,340.01</b>
	<b>4,437.07</b>	<b>-3,156.48</b>
<b>Stock in Trade</b>		
Finished Goods		
Cement	187.89	3,211.50
Refractories	3,082.03	3,826.18
	<b>3,269.92</b>	<b>7,037.68</b>
Traded Goods		
Refractories	380.24	62.72
Semi Finished Goods		
Cement	168.01	1,249.16
Refractories	1,084.77	990.45
	<b>1,252.78</b>	<b>2,239.61</b>

	2011-12 Rs.Lakhs	2010-11 Rs.Lakhs
<b>25. EMPLOYEE BENEFITS EXPENSE</b>		
<b>(Refer note 1.8 on employee benefits)</b>		
Salaries, Wages, Bonus and Gratuity	6,440.96	5,919.23
Contribution to Provident and Other Funds	532.90	508.35
Contribution to Provident and Other Funds - Contractors employees	229.80	242.49
Workmen and Staff Welfare Expenses	404.74	444.76
	<b>7,608.40</b>	<b>7,114.83</b>
<b>26. FINANCE COSTS</b>		
Interest Expense		
On Term Loans, Debentures and Deposits	7,063.45	5,985.56
To Banks and Others	109.38	259.10
Other Borrowing Cost	171.14	138.56
Applicable net gain/loss on foreign currency transactions and translation	149.53	-
	<b>7,493.50</b>	<b>6,383.22</b>
<b>27. OTHER EXPENSES</b>		
Consumption of Stores, Spare parts and Packing materials	7,807.43	7,640.88
Repairs and Maintenance		
Machinery	5,067.27	4,750.21
Buildings	699.84	691.75
Others	109.56	112.95
Payments to Contractors for Services	3,870.77	4,338.68
Royalty and Cess	19.80	15.78
Rent	531.13	560.35
Rates and Taxes	418.08	666.21
Excise Duty on Stock and Others	-574.12	373.54
Freight, Transportation and Handling	11,622.26	13,993.56
Commission to Selling Agents	605.73	491.75
Rebates, Discounts and Allowances	693.19	489.34
Insurance	250.06	244.12
Travelling	408.53	303.58
Advertisement and Publicity	1,016.46	302.54
Legal	192.36	78.81
Directors' Travelling and Conveyance	13.74	15.54
Directors' Fees	7.50	6.00
Commssion to Non Executive Directors	29.00	23.00
Charity and Donations	458.68	411.07
Loss on sale of Current Investments	9.97	38.41
Assets Written off and Loss on Sale of Assets	22.65	6.53
Loss due to Exchange fluctuation other than finance cost (Net)	392.60	-
MTM on derivatives Contracts	-	39.50
Provision for Doubtful Debts	74.29	83.58
Bad Debts Written Off	15.12	0.79
Miscellaneous Expenses	3,224.47	2,716.66
	<b>36,986.37</b>	<b>38,395.13</b>

	2011-12 Rs.Lakhs	2010-11 Rs.Lakhs
<b>28. OTHER NOTES FORMING PART OF THE FINANCIAL STATEMENTS</b>		
28.1 Contingent liabilities not provided for in respect of :		
(i) Claims against the Company not acknowledged as debts		
(a) Disputed liability relating to ESI Contribution on over time wages and other allowances	72.59	70.58
(b) Disputed liability relating to PF Contribution on certain allowances	94.97	94.97
(c) Disputed liability relating to payment of premium on forest land used for Mining purpose	154.13	154.13
(d) For Pollution Control Board, Orissa	11.82	11.82
(e) Disputed claim for supply of Refractories	156.30	156.30
(f) Disputed liabilities relating to Railway for enhanced Godown rent and over loading penal charges	123.19	115.51
(g) Disputed Sales Tax demand(including interest & penalty)-matter under appeal	707.07	636.48
(h) Disputed Entry Tax demand-matter under appeal	122.73	12.76
(i) Disputed Excise matters	3,980.67	56.72
(j) Disputed counterclaim in Arbitration Proceeding arising out of claim of Rs. 214.19 Lakhs by the company	468.26	468.26
(k) Others	221.18	102.98
	<b>6,112.91</b>	<b>1,880.51</b>
(ii) Other monies for which the Company is contingently liable :		
(a) Disputed liability relating to labour matters-pending in Courts	4.57	6.17
(b) Disputed liability relating to Land matters-pending in Courts	62.01	39.51
(c) Others	78.50	78.50
Total	<b>145.08</b>	<b>124.18</b>
(iii) Disputed liability in respect of Income Tax demands	<b>855.46</b>	<b>654.47</b>
In respect of items above, future cash outflows in respect of contingent liabilities are determinable only on receipt of judgements / decisions pending at various forums / authorities.		
(iv) (a) Guarantee given to Banks for loan facilities on behalf of OCL Global Ltd (USD 15.88 Lakhs) an associate concern. (Previous Year USD 20.74 Lakhs)	818.30	936.20
(b) Guarantee given to Banks on behalf of OCL China Ltd (USD 15.00 Lakhs)	772.95	677.10
(c) Guarantee given to Banks on behalf of Radhikapur (West) Coal Mining Private Limited against which counter gurantee of Rs.561.00 Lakhs has been received from OISL	1,076.00	1,076.00
28.2 Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	<b>1,184.80</b>	<b>2,695.99</b>
28.3 Remuneration to Auditors and Expenses		
Auditors		
Audit Fee	13.00	10.00
Tax Audit Fee	2.50	4.00
In Other Capacities		
Certification of Quarterly Limited Review	4.20	3.00
Certification of other Statements	2.50	4.60
Expenses including Boarding and Lodging	6.54	5.42
Cost Auditor		
Audit Fee	0.60	0.60
Expenses including Boarding and Lodging	0.18	0.14
28.4 In the opinion of the Board and to the best of their knowledge and belief, the valuation on realisation of current assets, loans and advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet.		
28.5 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 Transfer Petition filed by the Union of India before the Hon'ble Supreme Court was dismissed by the Hon'ble court due to default and as a result of which the pending writ of the Company will be heard by the Hon'ble Kolkata High Court on merits. The amount that may become payable, 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.		

## 28. OTHER NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd...)

- 28.6 During the year an amount of Rs.10.00 Lakhs has been donated to "Rashtriya Ahinsa Manch" a registered Political party under section 29A of the Representation of the People Act, 1951 having its registered office at 132/1, Mahatma Gandhi Road, Kolkata-700007.
- 28.7 In respect of licence granted for captive mining Block at Radhikapur mines, a Joint Venture company Radhikapur (West) Coal Mining Private Limited has been incorporated on 29th March 2010 in which the Company's interest jointly with OCL Iron & Steel Limited is 14.696%. The Company has invested Rs. 293.92 Lakhs (Rs. 146.96 Lakhs) in equity shares of the JV Company & paid Rs. 440.88 Lakhs as application money pending allotment which includes Rs. 383.35 Lakhs (Rs. 76.67 lakhs) being proportionate value of shares to be transferred to OISL after the receipt of approval from the Ministry of Coal, Govt of India and other Joint Venture Partners.
- 28.8 Bank balances includes Rs. 0.49 (PY Rs. 60.10 Lakhs) Lakhs lying in a current account with a nationalised bank, to be operated jointly by the authorised signatories of the Company and OISL in respect of Coal Block Operations as mentioned in note 28.7 above.
- 28.9 Pursuant to letter dated December 27, 2011 from the Office of the Deputy Director of Mines, Rourkela, the mining of limestone at Lanjiberna Limestone and Dolomite Mines of the Company were suspended from January 07, 2012 till March 31, 2012.
- 28.10 Segment Disclosure (AS - 17)

	Rs.Lakhs				Total
	Cement	Refractory	Others	Unallocable	
<b>Segment operating Revenue</b>					
External	<b>1,31,077.09</b> (1,35,412.91)	<b>31,784.04</b> (30,236.15)	-	-	<b>1,62,861.13</b> (1,65,649.06)
Inter-Segment	<b>7.01</b> (13.19)	<b>778.01</b> (810.32)	-	-	<b>785.02</b> (823.51)
<b>Segment Result</b>					
Profit / (Loss) before Tax and Interest	<b>10,063.19</b> (21,365.37)	<b>2,329.04</b> (1,829.98)		<b>-1,101.02</b> -(-1,630.21)	<b>11,291.21</b> (21,565.14)
Less : Interest				<b>7,493.50</b> (6,383.22)	<b>7,493.50</b> (6,383.22)
Profit before Taxation					<b>3,797.71</b> (15,181.92)
Provision for Taxation - Current				<b>500.00</b> (4,300.00)	<b>500.00</b> (4,300.00)
Less : MAT Credit entitlement				<b>-494.65</b>	<b>-494.65</b>
- Deferred				<b>611.35</b> -(-565.41)	<b>611.35</b> -(-565.41)
Profit after Taxation					<b>3,181.01</b> (11,447.33)
<b>Other Information</b>					
Segment Assets	<b>1,68,270.81</b> (1,87,852.66)	<b>26,605.10</b> (26,275.25)		<b>8,453.61</b> (982.38)	<b>2,03,329.52</b> (2,15,110.29)
Segment Liabilities	<b>20,853.73</b> (21,600.11)	<b>4,504.67</b> (4,595.21)		<b>87,668.10</b> (1,00,473.34)	<b>1,13,026.50</b> (1,26,668.66)
Capital Expenditure including capital WIP	<b>9,597.39</b> (12,402.26)	<b>91.79</b> (115.79)		<b>12.09</b> (21.49)	<b>9,701.27</b> (12,539.54)
Depreciation	<b>14,635.72</b> (13,349.83)	<b>635.05</b> (657.32)		<b>18.78</b> (22.61)	<b>15,289.55</b> (14,029.76)
Non cash expenses other than depreciation :					
Provision for Leave encashment	<b>43.43</b> (29.54)	<b>8.34</b> (1.98)		<b>7.16</b> (4.89)	<b>58.93</b> (36.41)

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.

**28. OTHER NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd...)****28.11 Related Party Disclosures (AS-18)**

## a) Related parties and their relationship :

- 1) Key management personnel : Shri M H Dalmia, Shri R H Dalmia, Shri. Gaurav Dalmia (Managing Director), Shri D.D. Atal (Wholetime Director)  
Relatives : Shri. A.H. Dalmia, Shri. V.H. Dalmia, Shri Y.H Dalmia, Smt. Abha Dalmia, Smt. Padma Dalmia, Smt. Shripriya Dalmia Thirani, Smt. Anuradha Jatia, Smt. Kanupriya Somany, Smt. Sharmila Dalmia, Shri. Puneet Yadu Dalmia, Smt. Kiran Atal.
- 2) Associate concern (Joint Venture) : OCL Global Limited
- 3) Enterprises over which key management personnel are able to exercise significant influence : Hari Machines Limited, Dalmia Bharat Seva Trust, Dapel Investments Pvt. Ltd, Dalmia Institute of Scientific & Industrial Research (DISIR), Dalton International Ltd, Agrico Ltd., Dalmia Cement (Bharat) Ltd., Landmark Property Development Co. Ltd, Shree Natraj Ceramic & Chemical Industries Ltd, Chirawa Navyuvak Trust, Astir Properties Pvt. Ltd, Dalmia Shiksha Pratishthan, Landmark Landholdings Pvt. Ltd, Dalmia Bharat Sugar & Industries Ltd, Dalmia Bharat Entrprises Ltd, DCB Power Ventures Ltd, Calcom Cement India Ltd, Debikay Systems Limited

## b) Transactions with above in ordinary course of business :

	2011-12 Rs.Lakhs	2010-11 Rs.Lakhs
1) Transactions with parties referred in (1) above:		
a) Remuneration /Pension	455.63	761.19
b) Fixed Deposit received	-	41.00
c) Interest Expense	80.07	125.58
d) Service received	10.73	3.63
e) Rent Paid	27.52	14.56
f) Payable at the year end	60.03	1,379.16
2) Transactions with parties referred in (2) above:		
a) Purchase of goods and fixed assets	1,350.94	2,781.48
b) Sale of goods and fixed assets	350.70	88.59
c) Service rendered	140.29	71.69
d) Loan given & received	-	255.31
e) Interest income	1.05	13.82
f) Guarantee Provided (USD 15.88Lakhs) (Previous year USD 20.74 Lakhs)	818.30	936.20
g) Receivable at the year end	242.53	78.38
h) Payable at the year end	143.92	5.94
3) Transactions with parties referred in (3) above:		
a) Purchase of goods and fixed assets	2,406.19	3,271.33
b) Sale of goods and fixed assets	817.24	816.25
c) Service rendered	5.06	9.87
d) Service received	252.37	157.61
e) Inter corporate deposit made	1,000.00	-
f) Interest Income	88.16	-
g) Interest Expense	6.09	14.35
h) Rent Paid	26.84	113.84
i) Receivable at the year end	1,763.20	720.98
j) Payable at the year end	56.77	201.96

**28. OTHER NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd...)**

## c) Disclosure of Material transactions with Related Parties

	2011-12 Rs.Lakhs	2010-11 Rs.Lakhs
<b>Remuneration</b>		
Syt.M.H.Dalmia	22.41	187.03
Syt.R.H.Dalmia	102.63	102.15
Shri.D.D.Atal	157.95	216.72
Shri.Gaurav Dalmia	102.90	87.06
<b>Purchase of goods and fixed assets</b>		
Dalmia Cement(Bharat) Ltd.	1,483.86	2,674.60
DCB Power Ventures Ltd	181.13	-
Dalmia Bharat Sugar & Industries Ltd	452.53	299.26
Dalmia Bharat Enterprises Ltd	281.18	245.01
<b>Sale of goods and fixed assets</b>		
Dalton International. Ltd	716.76	675.08
Hari Machines Ltd.	52.32	69.88
<b>Service rendered</b>		
Hari Machines Ltd.	3.97	8.66
<b>Service received</b>		
DISIR	103.22	102.01
Dalton International. Ltd	118.65	44.61
Dapel Investment (P) Ltd (Rent)	-	96.88
Astir Properties Pvt. Ltd.(Rent)	26.84	-
<b>Inter corporate deposit Given</b>		
Calcom Cement India Limited	1,000.00	-
<b>Interest Income</b>		
Calcom Cement India Limited	88.16	-
<b>Fixed Deposit received</b>		
Shr. V.H. Dalmia	-	26.00
<b>Receivable at the year end</b>		
Dalton International. Ltd	716.76	668.52
Hari Machines Ltd.	29.80	49.33
Calcom Cement India Limited	1,000.00	-
<b>Payable at the year end</b>		
Dalton International. Ltd	33.91	18.83
Dalmia Cement (Bharat) Ltd.	7.54	26.32
Chirawa Navyuvak Trust	-	150.85
Syt. R.H. Dalmia	-	1,255.49
<b>28.12 Earning per share (EPS) AS - 20</b>		
Profit after tax (in Rs Lakhs)	3,181.01	11,447.33
Weighted Average No. of equity shares of Rs. 2 each as on 31.03.2012		
Basic & Diluted (No in Lakhs)	569.00	569.00
EPS (Rs.)		
Basic & Diluted	5.59	20.12

	2011-12		2010-11	
	%	Rs.Lakhs	%	Rs.Lakhs
<b>28.13 Value of imported and indigenous</b>				
Raw Materials and Spareparts Consumed				
i) Raw Materials				
Imported	16.17	7,543.60	19.11	8,450.92
Others	83.83	39,103.41	80.89	35,762.04
ii) Spareparts				
Imported	20.66	817.01	13.85	491.65
Others	79.34	3,136.92	86.15	3,058.42

## 28. OTHER NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd...)

	2011-12		2010-11	
	%	Rs.Lakhs	%	Rs.Lakhs
28.14 Imports (C.I.F. Value)				
i) Raw Materials		<b>6,914.56</b>		5,807.10
ii) Components and Spareparts		<b>865.86</b>		822.45
iii) Capital Goods		<b>185.40</b>		100.76
28.15 Expenditure in foreign currency:				
i) Royalty and know how fees		<b>18.93</b>		5.72
ii) Interest on Foreign Currency Loans		<b>31.89</b>		3.98
iii) Professional/ Consultation fee		<b>73.44</b>		80.38
iv) Commission		<b>263.92</b>		90.42
v) High Sea Purchase		<b>2,996.44</b>		4,698.78
vi) Other Matters		<b>78.93</b>		193.34
28.16 Earnings in Foreign Exchange				
i) Goods exported (F.O.B. Value)		<b>4,122.52</b>		3,040.26
ii) Interest receipt		-		13.82
iii) Service charges		<b>133.26</b>		99.28
iv) UK Vat refund		<b>0.32</b>		0.18

28.17 The Company has not paid dividends in foreign currency during the year in respect of shares held by non-residents. The amount payable to non-resident shareholders has been paid to their mandatee banks. The amount of dividend so paid to non resident shareholders during the year is as follows:

Particulars	2011-12	2010-11
A) No.of non-resident share holders	<b>189</b>	191
B) No. of equity shares held by them	<b>30,33,569</b>	6,25,398
C) Amount of dividend paid (In Rs Lakhs)	<b>121.34</b>	25.02
D) Year to which the dividend relates	<b>2010-11</b>	2009-10

28.18 Foreign Currency Exposure		2011-12	2010-11	
i) Hedged - Forward Contracts for imports (USD)	USD	<b>2.87</b>	4.69	
	Term Loan	<b>3.95</b>	19.73	
ii) Not Hedged Debtors	USD	<b>7.12</b>	2.71	
	Euro	<b>17.40</b>	5.03	
	Yen	<b>0.08</b>	0.08	
	GBP	<b>9.06</b>	9.42	
	Creditors	USD	<b>0.11</b>	0.30
		Euro	<b>2.43</b>	2.74
		JPY	<b>7.32</b>	6.67
Cash & Bank Balance	GBP	<b>0.04</b>	0.02	
	USD	<b>0.01</b>	0.02	
	GBP (CY GBP 38.2 & PY 18.2)	-	-	
	Euro	<b>0.01</b>	0.01	
	RMB	<b>0.01</b>	0.02	
	JPY (CY & PY JPY 220)	-	-	
Term Loan	USD	<b>71.03</b>	71.03	
PCFC LOAN	USD	<b>2.46</b>	7.76	
	EURO	<b>2.34</b>	4.38	
	GBP	<b>8.41</b>	-	

## 28. OTHER NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd...)

### 28.19 Employee Benefits - AS 15 (Revised)

- a) The Company has determined the liability for Employee benefits as at March 31, 2012 in accordance with revised Accounting Standard 15 issued by ICAI - Employee defined benefits.
- b) Following information are based on report of Actuary. Defined benefit plans as at March 31, 2012

	2011-12		2010-11	
	Gratuity (Funded) Rs.Lakhs	Leave Encashment (Unfunded) Rs.Lakhs	Gratuity (Funded) Rs.Lakhs	Leave Encashment (Unfunded) Rs.Lakhs
<b>A Break-up of expenses</b>				
1 Current Service Cost	111.60	53.86	95.15	84.10
2 Interest cost	87.62	14.90	83.74	11.87
3 Expected return on plan assets	91.08	-	88.72	-
4 Net Actuarial (gain) / loss recognised during the year	-46.21	81.68	-22.74	35.02
5 Total expense	61.93	150.44	67.43	130.99
<b>B Actual return on plan assets</b>				
1 Expected return on plan assets	91.08		88.72	
2 Actuarial gain / (loss) on plan assets	-17.10		-12.83	
3 Actual return on plan assets	73.98		75.89	
<b>C Reconciliation of obligation and fair value of assets</b>				
1 Present value of the obligation	1,188.28	291.00	1,138.17	232.08
2 Fair value of plan assets	1,188.69	-	1,138.51	
3 Funded status [surplus / (deficit)]	0.41	-291.00	0.34	-232.08
<b>D Change in present value of the obligation during the year ended March 31, 2012</b>				
1 Present value of obligation as at April 1, 2011	1,138.17	232.08	1,098.69	195.67
2 Current Service Cost	111.60	53.86	95.15	84.10
3 Interest cost	87.62	14.90	83.74	11.87
4 Benefits paid	-85.80	-91.52	-103.84	-94.58
5 Actuarial (gain) / loss on plan assets	-63.31	81.68	-35.57	35.02
6 Present value of obligation as at March 31, 2012	1,188.28	291.00	1,138.17	232.08

	2011-12 Rs.Lakhs	2010-11 Rs.Lakhs
<b>E Change in Assets during the year ended March 31, 2012</b>		
1 Fair value of plan assets as at April 1, 2011	1,138.51	1,108.96
2 Expected return on plan assets	91.08	88.72
3 Contribution made	62.00	57.50
4 Benefits paid	-85.80	-103.84
5 Actuarial gain / (loss) on plan assets	-17.10	-12.83
6 Fair value of plan assets as at March 31, 2012	1,188.69	1,138.51

- F The major category of plan assets as a percentage of total plan**
- Gratuity : 93% invested with Central Govt / State Govt / State Govt. Securities / Public sector bonds / Fixed Deposit with PSU Banks.
- Leave Encashment : Unfunded

**G Actuarial Assumptions**

1 Discount rate	8.00%	8.00%
2 Expected rate of return on plan assets	8.00%	8.00%
3 Mortality	LIC 1994-96	LIC 1994-96
4 Salary escalation	5.00%	5.00%

## 28. OTHER NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd...)

	2011-12 Rs.Lakhs	2010-11 Rs.Lakhs
c) Gratuity is administered by an approved gratuity fund trust		
d) Amount recognised as an expense in respect of defined benefits plan as under :		
1 Contribution to Gratuity Fund	62.00	57.50
2 Gratuity paid directly	23.03	154.47
3 Leave encashment	150.45	130.99
	<b>235.48</b>	<b>342.96</b>
e) Defined Contribution plan:		
Contribution to Defined Contribution Plan, recognised as expense for the year as under:		
1 Employer's contribution to Government Provident Fund	553.34	531.49
2 Employer's contribution to Superannuation Fund	60.46	70.54
3 Farewell gift to retired employees	1.48	1.84
4 Medical insurance premium to retired employees	9.39	8.26
	<b>624.67</b>	<b>612.13</b>
28.20 Capital Work-In-Progress at Kapilas Cement Works, Clinkerisation Unit (Line - II) & Captive Power Plant at Rajgangpur includes the following expenses / income		
Salary & Wages	5.64	108.72
Rent	0.95	-
Insurance	3.45	11.66
Others	231.40	391.07
28.21 Research & Development Expenses		
a) The Company has in-house R & D Centre, approved by the Department of Scientific and Industrial Research (DISIR), Ministry of Scientific & Technology, Govt of India. The details of revenue/capital expenditure incurred by the said R&D Centre during the year is as under :-		
1) Revenue Expenditure charged to Profit & Loss Account		
i) Salary and other Benefits	121.01	128.30
ii) Raw Material & Stores	28.28	44.45
iii) Others	26.81	14.45
Total	<b>176.10</b>	<b>187.20</b>
2) Capital expenditure shown under Fixed assets schedule	0.16	18.70
Grand Total	<b>176.26</b>	<b>205.90</b>

28.22 Previous year figures have been regrouped where necessary to correspond with current year figures including those on account of adoption of revised schedule VI of the Companies Act, 1956 effective from 01.04.2011.

for **OCL INDIA LIMITED**,  
On behalf of the Board,

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

**Rachna Gorla**  
Company Secretary

**Gaurav Dalmia**  
Managing Director

Place : New Delhi  
Date : 14.05.2012

**R. Raghuraman**  
Partner  
M No. 81350

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

**D.N. Davar**  
Director

(Rs.Lakhs)

	2011-12	2010-11
<b>A. CASHFLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax from continuing operations	<b>3,797.71</b>	15,181.92
Adjustment for :		
Depreciation & Amortization Expenses	15,287.11	14,029.77
Loss/(Profit) on sale of fixed assets	18.45	-16.03
Effect of Exchange Rate difference	438.55	4.58
Profit on sale of Investment	-20.50	-18.80
Interest expense	7,172.83	6,244.66
Interest receipt on investment	-688.77	-250.71
Dividend on Investment	-1,424.77	-1,174.47
	<b>20,782.90</b>	<b>18,819.00</b>
Operating profit before working capital changes	<b>24,580.61</b>	<b>34,000.92</b>
Adjustments for Working Capital changes		
Increase/(decrease) in trade payables	-781.04	2,105.29
Increase/(decrease) in short term provisions	-54.16	84.83
Increase/(decrease) in other current liabilities	-440.62	-1,828.10
Increase/(decrease) in other long term liabilities	261.23	614.26
Decrease/(increase) in trade receivables	1,074.59	-2,694.93
Decrease/(increase) in inventories	-619.66	-5,117.39
Decrease/(increase) in long term loans and advances	67.97	-35.21
Decrease/(increase) in short term loans and advances	-354.53	-154.18
Decrease/(increase) in other current assets	-480.67	-49.75
Decrease/(increase) in other non current assets	-6.42	-14.10
	<b>-1,333.31</b>	<b>-7,089.28</b>
Cash generated from Operations	<b>23,247.30</b>	<b>26,911.64</b>
Tax Paid (Net)	<b>-2,626.53</b>	<b>-5,979.57</b>
Net Cash from Operating Activities	<b>20,620.77</b>	<b>20,932.07</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	-7,822.63	-12,540.92
Sale/write off of Fixed Assets	169.90	194.48
Interest receipt on investment	688.77	250.71
Profit on sale of Investment	20.50	18.80
Purchase of non current Investment (Net)	-4,126.96	-146.90
Purchase of current Investment (Net)	-12,742.80	
Advance for allotment of shares	-440.88	
Loans given	-1,000.00	
Dividend on Investments	1,424.77	1,174.47
Net Cash generated / (-) used in Investing Activities	<b>-23,829.33</b>	<b>-11,049.36</b>
<b>C. CASHFLOW FROM FINANCING ACTIVITIES</b>		
Increase/(decrease) in long term borrowings	-11,777.81	1,896.51
Increase/(decrease) in short term borrowings	-497.20	763.34
Effect of Exchange Rate difference	-438.55	-4.58
Capital Subsidy Received	3.00	5.00
Dividend Paid	-2,276.01	-2,276.01
Taxes on Dividend Paid	-369.23	-378.02
Interest expense	-7,172.83	-6,244.66
Net Cash from Financing Activities	<b>-22,528.63</b>	<b>-6,238.42</b>
Net changes in Cash and bank balances	<b>-25,737.19</b>	<b>3,644.29</b>
Net Increase / (-)Decrease in Cash and Bank balances		
Balance at the end of the year	13,281.71	39,018.90
Balance at the beginning of the year	39,018.90	35,374.61
	<b>-25,737.19</b>	<b>3,644.29</b>

for **OCL INDIA LIMITED**,  
On behalf of the Board,

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

**Rachna Gorla**  
Company Secretary

**Gaurav Dalmia**  
Managing Director

Place : New Delhi  
Date : 14.05.2012

**R. Raghuraman**  
Partner  
M No. 81350

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

**D.N. Davar**  
Director



ORISSA

Pollution Control  
Excellence Award  
2011

In the  
Category of  
Industry

*Awarded to*

OCL India Ltd. (Cement Unit)  
Rajgangpur, Sundergarh

State Pollution Control Board  
Orissa



Designed by Sobhagya & Printed at IPP/www.ippindia.com



OCL INDIA LIMITED

Registered Office : Rajgangpur - 770017 (Odisha)