Annual Report
2010-11

OCL INDIA LIMITED

growth

Growth is never by chance;
it is the result of forces working together.

Recently Commissioned Cross Country Belt Conveyor

Contents

Printed on Recycled Paper

Corporate Information

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

Centre of Gravity
OCL within the Industry

Every odyssey of inspiration has a beginning. OCL India Limited began with its incorporation as a cement manufacturing entity in 1949.

As Orissa Cement Limited, the company that had marked itself out distinctly from the competition from day one grew steadily - both in stature and span. Following a planned path of expansion and diversification it entered the field of refractory manufacture, where its chronicle of success continues, till date. Today, the Company boasts of one of the largest refractory plants in the country – one that produces a wide spectrum of high end quality products under the banner of OCL India Limited.

The Cement Division of OCL has posted a handsome growth in product range, productivity, output and profitability.

Moving in step with the times, OCL has traveled from milestone to milestone. Its adoption of state of the art technologies in its plant has resulted in smoother operations. Its in-house R and D facility – equipped with leading edge facilities and manned by the best talents is a hub of ideas, technology development and implementation.

Positioning the end-customer as driver, OCL differentiates from its competitors by a uniquely signature line of products, attitudes and services.

Moving in step with the times, OCL has traveled from milestone to milestone. Its adoption of state of the art technologies in its plant has resulted in smoother operations.

From the Desk of the President

IN PURSUIT OF INSPIRATIONS DRAWN ON WISDOM, WORTHY AND WISE. IN PURSUIT OF ACHIEVEMENTS INCITE MEN, MEANS AND METHODS.

Transliteration – Shloka 18 – Chapter 18 – Shrimad Bhagwat Gita

In matters of change, we have been flexible. In matter of progress, we have been consistent. It gives me great pleasure to state that this is a matter of principle that has paid happy dividends at OCL. The good performance of 2009-10 has spilled over to 2010-11 and the robust saga of multi-tiered growth continues despite very challenging market scenario. Indeed, *growth sans borders* has been an inspiration for all of us here. It's a credo that is reflected in our turnover which has shown an increase year on year and which, we are certain, will help us conquer greater heights in the coming time.

Growth, of course, has to be inclusive, not exclusive, to touch hearts and mould lives. Some issues, like the environment, remain close to us. As our planet struggles to balance human progress with the steady erosion of its resources, it is for each and every one of us to stand up and be counted in this fight, and quest, for a greener, better, and more sustainable future. Your company has taken the leadership role in several environmental domains. Reducing (i.e., cutting down its mis-use), recycling and reusing of resources takes top priority here. A related area is the threat from carbon emission, and here, OCL wears its concern on its sleeve by having recorded (during previous years) a Clinker Conversion Ratio of 2.6 – amongst the highest in the world, apart from having notched up significant international 'carbon-accreditations'. Several other carbon reduction projects are in the anvil : Upon implementation, they will contribute significantly towards reducing carbon emission, and cleansing our habitat. We have also put in place integrated sewage treatment plants, laying seeds for a community that is cleaner, greener and more in charge of its own future.

Growth, of course, has to be inclusive, not exclusive, to touch hearts and mould lives.

As a socially responsible corporate, it has always been the endeavor at OCL to prosper in tandem with the well being of the community at large. In a bid to ensure good health for all, your Company is running dispensaries and mobile healthcare units that reach deep into the interiors of our land, thus providing the healing touch to thousands hitherto starved of effective and timely health care. In the current year, these efforts will be continued and bolstered by many more.

It is said that, more important than where we stand, is the direction in which we are moving. As we take strong steps in bold new avenues designed to impact many at many levels, I thank each and every one of you for showing the faith in OCL. As we grow from strength to strength, let us raise our sights higher. And toast a future… without frontiers.

M.H. Dalmia
President

From the Desk of the Managing Director

“Knocking on the doors of change.”

OCL journey over the last six decades has been one of discovery, sharing and enrichment, where vision and passion have interwoven to create seamless teamwork and ahead-of-the-curve innovation.

This has also been a journey where people have played a central role - be it our shareholders, customers, employees, suppliers or the community at large. For our shareholders, we have meant growth in the toughest of times. For our employees, OCL has been an inspired rendezvous, where work and play have come together to sustain a culture of all-round performance and creative fulfillment. For the community, we have gone the green mile with zeal, with development activities, free medical treatments, livelihood enhancement programs and various environmental drives.

The cement industry went through the challenging times in financial year 2011 which made the industry grapple with rising input costs and declining selling prices alongside heightened competition which led to an overall decline in profitability. Government’s continued thrust on infrastructure development and an optimistic outlook for overall GDP growth, I have no doubt, will work as a catalyst to boost the demand for cement and your company will be benefited by optimizing capacity utilization. We expect this situation to turn in our favour in the next two years.

The captive power plants and a new grinding unit reaffirm our forward focus and blue-print for greater growth. Capacity enhancement and utilization is steadily on the rise, and will reach its full fruition in the coming two years, a time that will see your company at its peak. Our investments today are being made with that bigger picture and milestone in mind.

I believe that financial performance of a company should not be measured merely by the dividend payouts but by the overall wealth generation to all the stakeholders. In addition to the continuously incremental dividend payouts, your company has been deploying its retained earnings in the expansion projects for long term revenue generation and to cater the increased need of working capital. Average return on capital employed and return on equity for the last 5 years of your company has been 15.6% and 18.6% respectively, which is quite healthy.

In order to move up in scale and increase market presence, your company is in the process of creating new capacities in cement over a period of 2-3 years with an approximately Rs. 500 crores of capital outlay which will significantly add to the profitability of your company in long term. Additionally, it will generate direct as well as indirect employment and also improve the social and economic conditions of the surroundings.

Driven by urbanization and the multi-dimensional, pan-national thrust on infrastructure, Cement is a mature and moderately fast growing industry in India which has seen capacity addition from 166 MT to 305 MT during 2006 to 2011. The long term outlook of the Industry continues to be bright given the high trajectory of the Indian Economy and the growing demand for the infrastructure sector where the planned spend during 2010-17 is over US$ 1 Trillion.

Growth momentum witnessed in refractory division in the previous years has slowed down due to deferment of projects by user industries. Many of them are in commissioning stage and coming years are going to provide better opportunity apart from benefits from the new products introduced which are likely to continue in coming years.

We are utilizing capital more rationally, enhancing production, building competencies across-the-board, nurturing talent with an eye on the future and reaching out to new customers and markets with balance and aggression for inclusive growth. As we gear up for more action in the new financial year, these are also the buzzwords that will see us walk the golden mile tomorrow, together.

Gaurav Dalmia
Managing Director

We are utilizing capital more rationally, enhancing production, building competencies across - the - board, nurturing talent with an eye on the future and reaching out to new customers and markets with balance and aggression for inclusive growth.

Growth.... In Cement, and beyond.

India is on the fast-track to growth and is taking everyone along with her. With the national budget allocation of approximately 48.5% of its total plan outlay for the year 2011-12 (a staggering Rs 2.14 Lakh Crores) on infrastructure, the demand for cement understandably continues to be positive. Keeping pace with the rising demand, OCL has plans to grow by adding capacity by putting up more grinding units and utilize fully its new clinkering plant at Rajgangpur and contribute it's share in growth of the Country. To have energy security, 2X27 MW Coal based Captive Power Plants are being set-up, which are nearing completion and a coal block is co-owned to fully meet our future needs.

OCL has plans to grow by adding capacity by putting up more grinding units and utilize fully its new clinkering plant at Rajgangpur and contribute it's share in growth of the Country.

Growth.... In refractories, and more.

OCL set the national benchmark way back in 1994, when it became the first refractory company in India to be certified under ISO:9001 by TUVNORD, Germany. The journey of excellence continues to the present day. OCL's refractory plants delivered 83,000 MT of premium class refractories that serves a wide range of industries (both Ferrous & Non-Ferrous), making it one of the world's leading names in refractory manufacturing. New milestones achieved in R&D and new standards realized via its ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2001 endorsements make OCL a name one can spot... even in the dark.

New milestones achieved in R&D and new standards realized make OCL a name one can spot... even in the dark.

Technology and R&D

Growth…. A journey from invention, to innovation.

At OCL, growth at the front-end is synchronized by equal growth at the back-end. Realizing that R&D is the key to holistic growth, we set up an in-house R&D centre way back in 1983. The move proved historic, because today, it is R&D that fuels success on the world stage. Complementing it is our production infrastructure, which employs only the most advanced technology, and is manned by experts. 15 mega projects have been successfully completed till date, and more are in the pipeline. Some of the milestones reached so far are:

Boost in research aimed at green house gas reduction, with an allotment of over Rs 2 crore.

Intelligent use of water.

Waste utilization in both fuels and minerals.

Development of masonary cement using fly ash and other mine wastes.

Fly ash based concrete masonary blocks.

By setting up of the **Dalmia Institute of Scientific and Industrial Research** *that spearheads Application-Centric Research Projects in the field of cement and refractory manufacturing and has to its credit several patents and intellectual property rights.*

Development of new age Lime Refractories for Secondary Steel Making.

At OCL, growth at the front - end is synchronized by equal growth at the back -end .

Optimisation of Cost

Growth… beyond today.

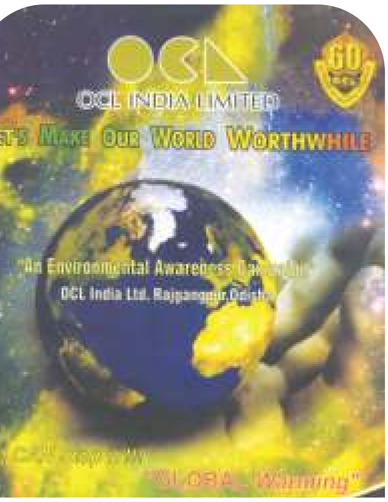
OCL is synonymous with growth, change and optimism. As we brace ourselves for the challenges of tomorrow, we lay special focus on areas like capacity enhancement and utilization, conservation of energy, optimization of cost, expansion into virgin markets, widening the radius of our operations, keeping our core competencies sharp at all times, tomorrow will be exciting at OCL, and we know that you will be a part of it, too.

With the putting up of a new clinkering line at RGP, the requirement of limestone went up and could not be met with the present narrow gauge rail transport (NGT) system.

OCL has replaced the NGT for transport of lime stone from its quarries at Lanjiberna with a 10 Km long cross country belt conveyor (CCBC) to meet its increased demand of limestone. The CCBC has a high capacity (1200 TPH), greater reliability, less energy consumption and environmentally cleaner system of transport

OCL is synonymous with growth, change and optimism.

Environment



Growth... that works for everyone.

[Carbon Reduction]
What's good for the environment is good for us. At OCL, we have proactively met the threat that green house gases pose to our beleagured planet by accomplishing higher clinker to cement conversion ratio, thereby reducing the power consumption and fuel consumption in slag cement. This has also led to sequestration of carbon equivalent to nearly one Tonne of CO_2 per Tonne of clinker substituted. OCL's slag cement project is registered with UNFCCC, and the accreditation of CERs' is on the anvil.

[Water]
Water is precious, because it is limited. OCL does its bit to REDUCE, RECYCLE and REUSE water in everything it does. We have installed a 2200 KL/day effluent treatment plant in it's colony which not only treats colony effluent but also part of Rajgangpur municipality effluent and the treated water is recycled. We have created water-bodies in mines and low-lying areas as major steps in our commitment towards harvesting rain water. OCL actively practices 100% water re-cycling and supports research and development in the area as well.

OCL actively practices 100% water re-cycling and supports research and development in the area as well.

Growing together

Growth… engineered by a few – for many, many more.

Growth comes from happiness. A motivated workforce lies at the heart of OCL. Opportunities for growth, seminars, trainings, green and self-contained housing with the finest of amenities, insurance and incentives all make OCL a preferred employer. With one of the lowest attrition rates in the industry, OCL is where proactive professionals converge to script a saga of success, together.

A motivated work force lies at the heart of OCL.

Corporate Social Responsibility

Growth... that builds lasting bridges with the future.

As we grow in strength, we grow in concern, too: *Concern for a greener planet, concern for a better world*. As a shrill advocate of the environment, OCL has planted about 4 lac 40 thousand trees, of which 25,000 have been planted in the current financial year. 'World Environment Day' (5 June 2010), 'Bana Mahotsava' (4 - 30 September 2010), 'Vehicle Free Day' (when employees come to work on foot) and 'Environment Awareness Campaigns' are occasions celebrated by the children, young and the old alike at OCL. To empower the tribal community we provide vocational training at our well equipped Dalmia Centre of Vocational Training (driver, mechanic, tailoring and mason training). With NGO's like Help Age India, we extend doorstep healthcare services to senior citizens.

We want the healing touch of primary and vocational education to reach the farthest end and lowest levels of our society, and have increased our budget allocations for the same. In the domain of health, OCL has set up field hospital and put into place mobile Healthcare Units that connect patients with care-givers quickly and conveniently. We have also tied-up with 'Jan Sadhna' - a Bhubaneshwar based NGO to explore possibilities of serving the community in newer and better ways.

We want the healing touch of primary and vocational education to reach the farthest end and lowest levels of our society.

Financial Performance

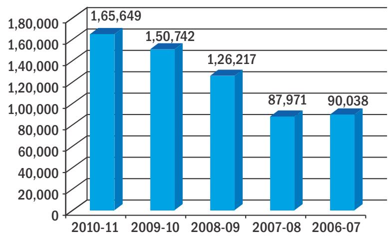
FIVE YEARS' FINANCIAL HIGHLIGHTS							
			2010-2011	2009-2010	2008-2009	2007-2008	2006-2007
SALES		(Rs. Lakhs)	1,65,649	1,50,742	1,26,217	87,971	90,038
PROFIT BEFORE TAXTION							
	Total Amount	(Rs. Lakhs)	15,182	25,455	17,707	17,702	11,757
	Return on Sales	%	9.17	16.89	14.03	20.12	13.06
PROFIT AFTER TAXATION							
	Total Amount	(Rs. Lakhs)	11,447	16,370	11,574	11,615	7,752
	Return on Sales	%	6.91	10.86	9.17	13.20	8.61
DIVIDEND							
	Total Amount	(Rs. Lakhs)	2,276	2,276	1,423	1,423	891
	On Ordinary Shares	%	200	200	125	125	100
ALL TAXES							
	Total Amount	(Rs. Lakhs)	48,338	40,505	34,266	29,405	24,925
FIXED ASSETS							
	Gross	(Rs. Lakhs)	1,92,908	1,80,838	1,58,883	1,23,735	89,017
	Net	(Rs. Lakhs)	1,29,210	1,30,878	1,21,776	93,072	58,945
CAPITAL AND RESERVES							
	Ordinary Shares	(Rs. Lakhs)	1,139	1,139	1,139	1,139	891
	Reserves & Surplus	(Rs. Lakhs)	87,303	78,496	64,780	54,172	35,903
NET WORTH							
	Total Amount	(Rs. Lakhs)	88,442	79,635	65,919	55,310	36,794
	Per Ordinary Share	(Rs.)	155	139.95	115.85	97.21	82.59
SHARE OWNERS							
	Share Holders	(Nos.)	13,232	13,982	14,053	13,878	10,940

OCL INDIA LIMITED

Highlights

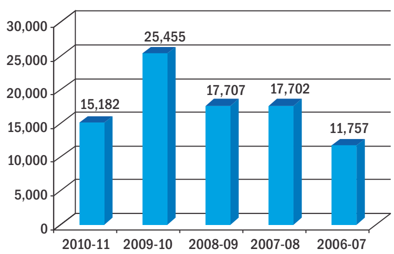
SALES

(₹ Lakhs)

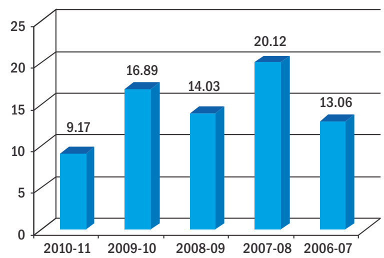


PROFIT BEFORE TAXATION

Total Amount (₹ Lakhs)

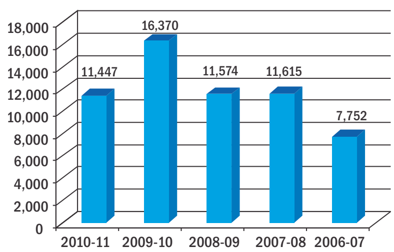


Return on Sales (%)

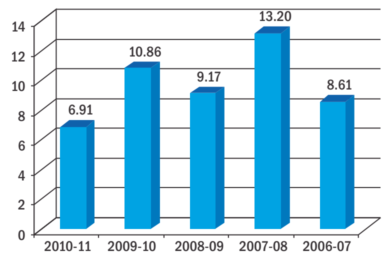


PROFIT AFTER TAXATION

Total Amount (₹ Lakhs)

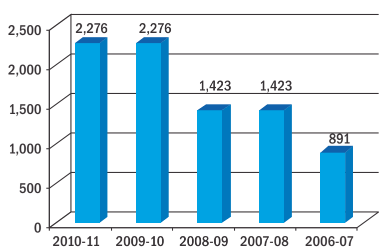


Return on Sales (%)

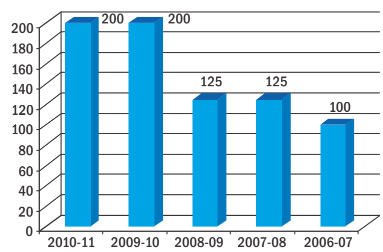


DIVIDEND

Total Amount (₹ Lakhs)

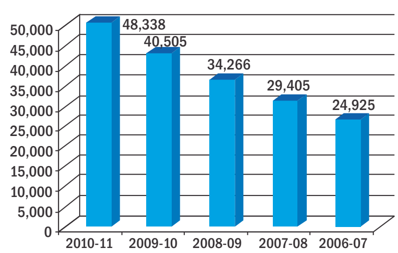


On Ordinary Shares (%)



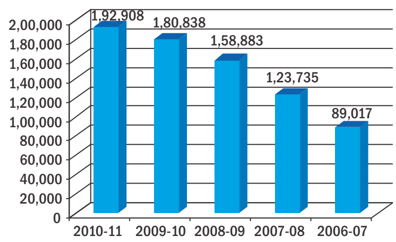
ALL TAXES

Total Amount (₹ Lakhs)

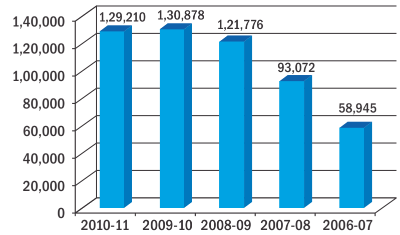


FIXED ASSETS

Gross (₹ Lakhs)

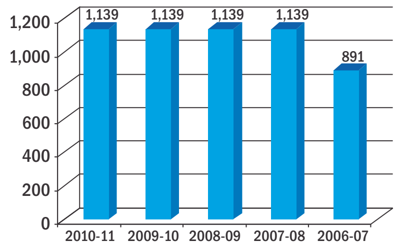


Net (₹ Lakhs)

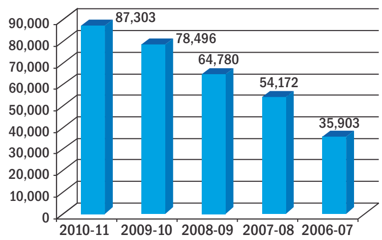


CAPITAL AND RESERVES

Ordinary Shares (₹ Lakhs)

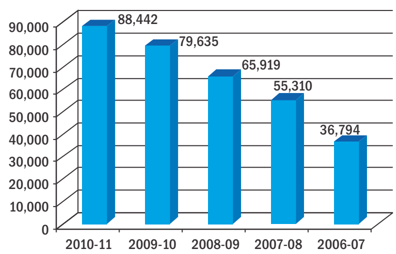


Reserve & Surplus (₹ Lakhs)

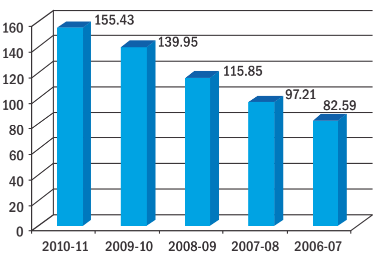


NET WORTH

Total Amount (₹ Lakhs)

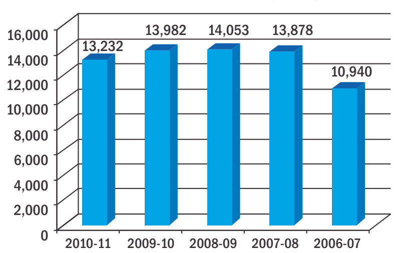


Per Ordinary Share (₹ Lakhs)



SHARE OWNERS

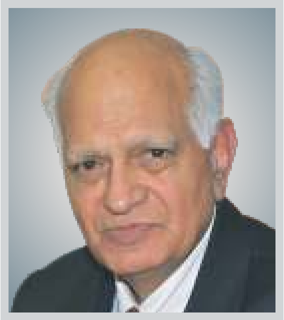
Share Holders (Nos.)



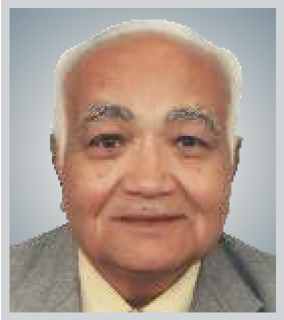
Board of Directors

Shri Pradip Kumar Khaitan
Chairman

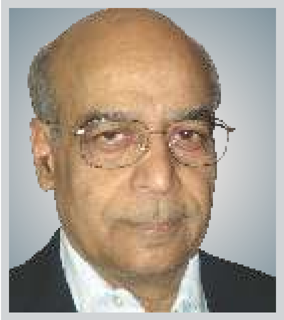
Shri Gaurav Dalmia
Managing Director



Shri D. N. Davar
Director



Dr. S. R. Jain
Director



Dr. Ramesh C. Vaish
Director

Shri Puneet Yadu Dalmia
Director

Shri V. P. Sood
Director

Shri D. D. Atal
Whole time Director & CEO

Directors' Report
for the Year Ended March 31, 2011

The Directors of your Company are pleased to present their Sixty First Annual Report together with the audited accounts of the Company for the year ended March 31, 2011.

1. WORKING RESULTS

	2010-11 (Rs./Lakhs)	2009-10 (Rs./Lakhs)
Net Sales	**1,47,444.94**	1,37,420.47
Operating Profit	**33,701.81**	41,971.38
Less: Interest	**6,244.66**	5,066.76
Depreciation	**12,275.23**	11,449.73
Profit before Taxation	**15,181.92**	25,454.89
Provision for Taxation		
Current tax	**4,300.00**	6,500.00
Deferred tax	**-565.41**	1,985.22
Provision for Taxation relating to earlier years	**0.00**	500.00
MAT Credit available for set off	**0.00**	100.00
Profit after taxation	**11,447.33**	16,369.67
Add: Brought forward from previous year:	**11,857.75**	7,665.76
	23,305.08	24,035.43
Transfer to General Reserve	**1,200.00**	10,000.00
Transfer to Debenture Redemption Reserve	**273.67**	-476.35
Proposed Dividend	**2,276.01**	2,276.01
Tax on Dividend	**369.23**	378.02
Surplus carried to Balance Sheet	**19,186.17**	11,857.75
	23,305.08	24,035.43

2. DIVIDEND

The Directors recommend payment of dividend for the financial year ended March 31, 2011 of Rs. 4/- per paid up equity share of Rs. 2/- (i.e., 200%).

3. APPROPRIATIONS

It is proposed to transfer Rs. 1200 Lakhs to the General Reserve while Rs. 19186.17 Lakhs are proposed to be retained in the Profit and Loss Account and carried to the Balance Sheet.

4. OPERATIONS

The operational results of the current year in relation to the corresponding operations of the previous year have registered an increase of 7% in net sales, but the operating profits and PBT have decreased due to lower sales realization per tonne of cement and higher input costs.

For a detailed analysis of the performance of the Company for 2010-11 reference is invited to the chapter on Management Discussion and Analysis of this report.

5. EXPANSION AND FUTURE PLANS

Your Company is taking all steps for earliest setting up of 2X27 MW Coal based Captive Power Plant, which is expected during the first half of financial year 2011-12.

Your Company has initiated steps for setting up a Cement manufacturing unit in West Bengal. In that regard, acquisition of 153.84 acres of Land through West Bengal Industrial Development Corporation has been completed and possession obtained by the Company. Also, studies have been undertaken as regards infrastructure required for availability of water, power and rail connectivity at the proposed site. Construction of boundary wall has started.

Your Company is in the process of getting Environment Clearance for permission to produce cement up to its full installed capacity of 1.35 MnTPA from its existing Kapilas Cement Manufacturing Works. Public hearing for the same has been completed successfully. The matter is in process.

6. ALLOTMENT OF CAPTIVE COAL BLOCK AND PROGRESS THEREUPON

Work for development of coal block at Radhikapur is progressing well. The new Joint Venture Company named "Radhikapur (West) Coal Mining Private Limited" has initiated action for obtaining required statutory clearances like Mining Plan Approval, Environment Clearance and has also started the process of land acquisition. The Joint Venture Company has also appointed Project Head and other required staff. All other necessary steps are being initiated by the Joint Venture Company for bringing the allotted captive coal mines into operation at the earliest.

Your Company and OCL Iron and Steel Limited (OISL) are jointly following-up with the Ministry of Coal, Government of India for inclusion of the name of OISL as one of the allocatees of Radhikapur (West) Captive coal Block with proportionate share of coal allocation for its steel making operations which is still under consideration of the Ministry of Coal.

7. DIRECTORS

Shri Gaurav Dalmia was appointed as Additional Director and Managing Director by the Board of Directors at its meeting held on July 21, 2010 and thereafter his appointment was approved by the shareholders at their sixtieth Annual General Meeting held on September 17, 2010.

Shri D. N. Davar and Dr. Ramesh Vaish, 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, 2011 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, 2011 there were 19 deposits aggregating Rs. 13.91 Lacs which remained unclaimed beyond due dates, out of which deposits aggregating Rs. 4.95 Lacs have since been renewed/repaid.

13. PARTICULARS OF EMPLOYEES

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

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

14. RESUME OF HEALTH AND SAFETY PERFOMRNACE

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

Environment Control Measures:

a. Environment Management System (ISO 14001:2004) has been implemented in both Cement and Refractory Divisions including Kapilas Cement Manufacturing Works.

b. An "Engineering Secured Landfill", for disposal of hazardous waste by burying it, has been put in operation after getting it approved by Orissa State Pollution Control Board, Bhubaneswar. Your Company is proud to be the 2nd Company in Orissa having own Landfill.

c. Your Company has so far planted about 4 Lac 40 Thousand trees (25,000 trees during the current Financial Year) in and around its factory premises and mines area at Rajgangpur and 29 thousand trees (2000 trees during the current Financial Year) in and around factory premises at Kapilas Cement Manufacturing Works.

d. Your Company celebrated "World Environment Day" at Rajgangpur and Lanjiberna on June 05, 2010 and "Bana Mahostav" between 4^{th} to 30^{th} September, 2010 and conducted environment promotional activities and tree plantation which the Company will continue to observe in future also.

e. Your Company is installing a Sewage water Treatment Plant to treat a part of Sewage water discharged through drains from Rajgangpur Municipality and the Company's own industrial township area at Rajgangpur. Your Company proposes to use this treated water for gardening purposes. The civil work has been completed and erection and commissioning work is in progress. The plant will be operational in 1^{st} quarter of the Financial Year 2011-12.

f. Your Company observes every Saturday as 'vehicle-free-day' to save the environment. On this day, all employees come to plant by walk.

g. To create environment awareness among school children, your Company has conducted "Environment Awareness Campaign" at Rajgangpur. Various competitions were organized and about 200 children from 36 schools of surrounding areas participated in the campaign. A fruit bearing tree was given to all who attended this awareness program as a token of our expression of respect and care for environment. A brochure titled "Let's Make Our World Worthwhile" was also published and distributed to all participants and sent to all school libraries.

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

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

Your Company has started two new schemes for training of tribal youths of surrounding areas. One is "Driver cum Mechanic Training" and another is "Masons Training". In the first scheme, Driving License is also issued to the student after completion of training course. So far 3 batches of 16 each have been trained as Driver Cum Mechanic and 6 of Masons. Some of them are already employed. Another popular program of Tailoring of Tribal Ladies of surrounding area has been further extended to Embroidery Training also and sale of their stitched cloth is arranged through an NGO of National repute "BISWA" (Bharat Integrated Social Welfare Agency). Your Company pledges to continue its efforts in this direction more vigorously in future.

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

20. COST AUDIT

M/s R. J. Goel & Co., Cost Accountants, New Delhi was appointed Cost Auditors for the financial year 2010-11. The Company has received certificate from M/s R. J. Goal & Co., Cost Accountants, Delhi, to the effect that their re-appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not subject to disqualifications specified in Section 233-B(5) of the said Act.

21. ACKNOWLEDGEMENTS

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

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

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

For & on Behalf of the Board

Place: New Delhi
Date: May 19, 2011

(**D. N. Davar**)
Chairman

Management Discussion and Analysis

1. Economic Scenario and Outlook

The year 2010-11 witnessed a steady growth however higher input costs remained a cause of concern. As the Country's growth has relatively strong domestic underpinnings, the fundamentals of our economy remained strong. While the year witnessed a firm growth through out, second half of the year was more encouraging.

Confidence in the global markets is restoring and economic activity in India is rebounding. Fiscal and monetary measures by the Central Government and by the Reserve Bank of India have helped in sustainable growth of the economy.

Government's efforts towards enhanced expenditure on infrastructure have helped in boosting demand for cement. There is enough liquidity in the system. Borrowing by consumers and businesses indicate firmness of business confidence and economy.

The world economy is gradually coming out of the downturn. The robust growth in India and China has provided an impetus to the ongoing recovery of the world economy. During financial year 2010-11, the Indian economy saw acceleration in the pace of its growth due to a rebound in rural income with increase in agricultural production and a good industrial and service sector growth. With strong demand, robust consumption, savings and investment rates set to continue in 2011-12, the GDP growth projection for 2011-2012 is 9%.

2. Financial Highlights

Cement operations scaled further to higher levels in terms of volumes. The success story of the Company continued this year with the robust all round performance in its operations. However, the higher input costs remained cause of concern.

(Rs./Lakhs)

Financial Highlights	**2010-11**	2009-10	Growth	**% Mix 2010-11**	% Mix 2009-10
Net Sales					
Cement	1,18,118	1,10,979	6%	80%	81%
Refractory	29,327	26,442	11%	20%	19%
EBITDA					
Cement	32,792	40,155	-18%	93%	92%
Refractory	2,418	3,523	-31%	7%	8%

Net Sales in FY 2010-11 were up from Rs.1,37,420 Lakhs in FY 2009-10 to Rs.1,47,445 Lakhs for the Company. However, EBITDA for the Company fell from Rs.41,971 Lakhs in FY 2009-10 to Rs.33,702 Lakhs in FY 2010-11, depicting a fall of 20% mainly on high input cost and pressure on margin caused by surplus scenario in coastal Odisha due to movement of cement from Andhra Pradesh. The Kaplias Cement Manufacturing Works, which has major market in coastal districts of Odisha, was worst affected due to this.

The net sales of cement business grew by 6% to Rs. 1,18,118 Lakhs in FY 2010-11. Net sales from the refractory business of the Company increased to Rs.29,327 Lakhs in FY 2010-11, up by 11%.

In the earnings before interest, tax and depreciation, substantial fall was witnessed in cement business in FY 2010-11 as compared to previous year. Compared to 2009-10, Cement EBIDTA during current year has dropped in spite of higher volumes mainly due to lower cement prices in the market and higher input costs.

3. Cement Business

a) Industry Structure and Developments

The financial year 2010-11 could not sustain the growth rate and profitability achieved in the previous year.

Surplus scenario caused pressure on cement prices in southern region to a historical low of Rs. 140/bag. This prompted southern players more particularly manufactures of Andhra Pradesh for a need to desperately search for unconventional markets to push volumes in the neighboring states in the eastern region, which had relatively better prices causing sharp fall in prices in eastern markets especially coastal Odisha.

Capacity additions in the east could not take place fully as planned hence the current year did see a balanced demand supply scenario. However, 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 surplus scenario in the next Financial Year. Despite likely demand growth of 8 to 10% on all India basis and almost similar growth in east, production will be more and there is likely hood of over supply situation. Eastern market is also not likely to remain insulated and prices are likely to be under pressure.

b) Operations/Performance

Cement operations contribute 81% to the revenues of the Company. The plants are currently at Rajgangpur and at Kapilas Road, Odisha, which fall in the eastern region of India where growth in cement demand during Financial Year 2010-11 has been higher compared with the national growth rate.

('000 MT')

Production and Sales quantity	2010-11	2009-10	Growth
Clinker Production	1639	1175	40%
Cement Production	3409	3035	12%
Cement Sales & Self Consumption	3344	3006	11%

The ability of your Company to react to growth opportunities and efficiently executing the plans has helped it deliver a performance superior to others on a continuous basis. There has been a notable growth in the volume of cement business of the Company which has increased to 3.4 Million tons in FY 2010-11 which is in line with the growth witnessed by east zone. The year was full of challenges especially in regard to volume push by Andhra Pradesh and other new players in the region apart from limited availability of slag and rising input costs. Nevertheless, by focusing all strength on maximizing volume and better management of cost and resources, 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 in the years to come, your Company is in process of setting up 2x27 MW Captive Thermal Power Plant (CPP) at Rajgangpur, Odisha. This will ensure un-interrupted captive power supply to its plants at relatively lower cost. Your Company is taking all necessary steps to install CPP in the first half of 2011-12.

c) Opportunities and threats

Kapilas Cement Manufacturing Works has been fully functional for last two years and has operated almost at its full capacity through out the year barring rainy season.

Your Company is going to get full advantage by having its manufacturing facilities in the vicinity of market over manufacturers who have to depend upon rail supply. Industry is experiencing major wagon shortage both for input raw material movement as well as for cement/clinker dispatches. The Company has made arrangement for dedicated vehicles in Kapilas Cement Manufacturing Works to mitigate this risk and has safeguarded itself from the shortfall of road supply in the event of peak season demand for lorries. Similar arrangement is also being planned for Rajgangpur plant. The Company has planned more than 50% of its additional dispatches for the coming year through road transport without being dependent on rail supply.

Scarcity of slag was felt both at Kapilas Cement Manufacturing Works and at Rajgangpur Works. The Company is looking into various options to find optimum use of available clinker for making cement blended with slag or fly Ash. During 2011-12, 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. In view of adequate availability of clinker after full operation of both Clinkerisation plants at Rajgangpur, the Company will have leverage of resorting to maximizing cement volumes by producing other types of cements like Ordinary Portland Cement of Sleeper grade (53S) and Portland Pozzolana Cement, etc. apart from manufacturing Portland Slag Cement. Steps are being taken to launch a new type of cement, i.e., 'Masonry cement' which is a better alternative cement for plaster, masonry and other similar usages except for Roller Compacted Concrete.

The Company is proud to claim that it is the first in the Country to have developed PPC 53 grade with low Alkali content of 0.8% to meet the challenging requirement of Hydel Project at Arunachal Pradesh where the Company could beg order for almost one lakh Mt of cement in stiff competition. This prestigious order is likely to be executed by the Company soon and the Company shall endeavour to compete again to grab the opportunities in future.

Demand supply imbalance will remain a cause of concern for coming year as 2011-12 will further see addition in new capacities in the East as well as in its neighbouring states which will have impact on prices. However, your Company is taking steps to take on the challenges and strengthen its brand image in neighbouring 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 and starting of work on boundary wall. 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 demand of cement is likely to be good. However, the cement prices would be under pressure due to full scale operation of the new capacity additions and the mismatch of demand and supply.

High inputs cost will affect all round increase in cost of production as well as dispatches of finished product and it will be difficult to pass entire cost increase to the market. Petroleum prices due to Geo political situation are also on rise and may affect the entire economy world over and may impact the Country's logistic cost adversely.

Availability of Slag both at Kapilas Cement Manufacturing Works and at Rajgangpur works has come under pressure because of new cement manufacturing capacities put up by other manufacturers with no corresponding increase of slag availability and hence availability of slag has become a constraint having adverse impact on cost. As an alternative to PSC, Company has resorted to manufacture of PPC utilizing fly ash and it will be continued this year also.

Increased Rail transportation is putting pressure on rake availability and its movement. Rake availability for transportation of cement as well as clinker is constrained by shortage of rake supply from the Railways. The Company has hired dedicated fleet of trucks to bolster road dispatches. The Company is also looking at appropriate announcement of the Wagon Investment Scheme which is still at the draft stage to apply for the same in order to mitigate the risk of non-movement of clinker as well as cement to market.

Worsening Power availability in Odisha may affect volume both at Kapilas Cement Manufacturing Works and Rajgangpur Works. However, the situation at Rajgangpur will improve with commissioning of Captive Power Plants in first half of Financial Year 2011-2012. However, Kapilas Cement Manufacturing Works will continue to depend upon grid power which may affect plant operations during peak season.

e) Outlook

Backed on the projected GDP growth numbers of around 9%, cement demand growth in the Country is likely to be in the range of 8 to 10% which is mainly due to increasing cement consumption in the ongoing large infrastructure projects. Despite likely good demand growth, due to additions in cement capacity and additions of Grinding Units in the market or near to the source of availability of Fly Ash/slag, there is going to be a surplus scenario in cement and thus there will be pressure on demand supply situation where supply is likely to exceed demand in most part of the Country and Eastern Region will not be any exception. Hence prices are likely to come under pressure. Despite all above, the Company is geared up to maintain profitability by way of operational efficiencies, enhancement of sales volume and advantage of close proximity with market.

4. Refractory Business

a) Industry Structure and Developments

The refractory industry is dependent on growth of steel industry as approximately 70% of its output is consumed therein. There has been a constant production growth of approximately 6 to 7% in steel. However, many announcements of increase in steel capacities in eastern India and southern India have yet to take physical shape.

There is trend of consolidation in steel industry through mergers and acquisitions, e.g., JSW-ISPAT, Kalyani-Geradau, Wellspun-Remimetal. This gives a very big leverage to buyer with respect to prices. Such consolidations in steel industry and intense competition among the refractory manufacturers led to drop in prices this year as the capacities were not being utilized fully especially in continuous casting refractory segment.

It has been estimated that the capacity utilization of refractory industry in the Country stands at around 60%. However, with the Government aiming to increase infrastructure development, the steel production capacity in the Country is stated to grow to possibly 120 million tones or even 150 million tones by 2015. Likely, the cement, aluminum & other industries will grow to unprecedented heights. This will give ample opportunity to Indian refractory industry to book the capacities in future.

For high value segments like Basic, High Alumna and Alumino Graphite, refractories industry is dependent on imported raw materials. There has been continuous north ward increase in raw material prices this year. In many cases price validity to stay just for a week. This has affected the bottom line of industry in general.

Steel industry has started ordering refractories on a very short notice and for quick delivery. With unutilized capacity in hand this purchase practice has led to severe competition as none of the refractory manufacturers had comfortable order book position.

b) Operations/Performance

The year 2010-11 has been a very challenging year with respect to performance. Increasing raw material prices and reducing product prices has put tremendous pressure on operations. Severe cost reduction measures by way of innovations in process, e.g., Total Productive Maintenance in Concast plant, change in method of firing silica bricks, revision of incentive schemes and search for alternative raw materials, were taken and this helped in offsetting the increased cost of raw materials.

To ensure a fixed customer base the Company has focused on total refractory management and in this year the Company could succeed in starting total refractory management in two plants in Eastern India. Advance level discussions are taking place with other companies as well.

The suspension of expansion of Vedanta aluminium refinery in Odisha had effect on their Balco plant expansion as well and the supply of 4500 Mt inspected material of the Company which led to inventory blockade of finished goods in addition to raw material. Your Company looked for ways and means to consume the raw materials but the inventory of finished goods is being gradually liquidated to Balco against repair requirement.

In spite of all uncertainties, the Company took up the challenge in this changed business scenario and maintained almost similar NSR as that of previous year.

('000'MT)

Production and Sales quantity	2010-11	2009-10	Growth
Refractory Production	77	72	7%
Refractory Sales & Self Consumption	83	77	8%

Refractory production in terms of tonnage has increased in 2010-11 as compared to the FY 2009-10.

On export front, this year the Company has achieved sales of Rs.36.80 crores against Rs.34.04 crores in previous year registering a growth of 8%.

c) Opportunities and threats

1) By virtue of long experience in refractory business the Company is confident that it will benefit from the rising demand because of its vast product portfolio.
2) The beginning of Total Refractory Management model of supply/contracts will give dedicated customer base.
3) Addition of Dolomite bricks in the product range has opened up stainless steel production segment.
4) Many new cement clinker capacities with high throughput kilns have come up/are coming up. There is a trend of using basic bricks in such kilns. Till now these refractories are imported. The Company developed many products for cement kilns and after establishing performances in last two years it will be marketing the products aggressively to such cement plants.

d) Risks and Concerns

1) Overseas refractory manufacturers who had only general representation are now trying to consolidate their base by acquiring manufacturing facilities. Latest reported is acquisition of 51% share holding of Tata steel in Tata Refractories by Krosaki Harima of Japan. This is giving them the advantages of introduction of world vide proven technologies to Indian consumers. To mitigate this concern your Company is looking for technologies to manufacture products which can improve its selling points by increasing the product basket.
2) Raw material prices have once again become unpredictable. There has been increase in prices between 25-35% in some of the key raw materials. Your Company was benefited last year by freezing the prices of some of the raw materials and will continue to have the strategy in place for some more raw materials.
3) Deferment of projects had put pressure on working capital last year. The trend is likely to continue this year also.
4) Coal price increase has affected the fuel cost substantially. There is resistance from industry to bear the additional cost on existing orders. It is expected that the cost will be passed on orders from 2nd quarter of this FY.

e) Outlook

1) Even with very conservative outlook, India is going to add at least 30 Mn TPA of steel capacities. This will give boost to the consumption of refractories. As all the additions are in organized sector, it is expected that your Company will have favourable order book position in coming years.
2) As is well known the per capita consumption of Al Copper is low in India, the consumption of these metals will necessitate smelting of these in India to grow. Your Company has well established products for this segment and therefore the outlook appears good for growth in sale.
3) Construction Industry is on revival path. This has led to growth in glass and cement segments. Hitherto the major basic refractories for cement were imported. New products for these applications have been developed by your Company. These have been successfully tried and accepted by customers. It is expected that good growth will come from these segments as well.
4) As far as glass segment is concerned there is spurt in growth in India and in Europe - particularly in Eastern Europe including Russia. Your Company has established refractories for glass long back and now exporting to above countries. Combined with increasing demand from domestic consumers glass segment will also be a very attractive segment in coming years.
5) Thus based on above growth potentials refractory business is on threshold of growth and your Company is confident of taking advantage of these opportunities.

5. Financial Performance

The overall financial position of the Company continued to be healthy and promising. The snapshot of the financial performance of the Company in FY 2010-11 vis-à-vis its performance in FY 2009-10 is presented below.

(Rs.Crores)

Financials	FY2009-10	FY2010-11	Growth
Net Sales from Operations	1374	1475	7%
Other Income	35	34	-3%
Total Income	**1409**	**1509**	**7%**
Material Costs adjusted for change in stocks	389	435	12%
Salaries & Wages	71	71	0%
Other Expenses	579	728	26%
Total Expenditure	**1039**	**1234**	**19%**
Profit before Depreciation and Tax (PBDT)	370	275	-26%
Depreciation	115	123	7%
Profit before Tax (PBT)	255	152	-40%
Taxes	91	37	-59%
Profit After Tax (PAT)	**164**	**115**	**30%**

The Company witnessed increased turnover on account of growth in volumes in Cement & Refractory business.

Total Expenses before Depreciation and Tax for the Company are Rs.1234 crores, up from Rs.1039 crores last year. Power and Fuel costs are the highest contributor to the expenses of the Company in FY 2010-11, at Rs.265 crores. Raw Material costs at Rs.442 crores are close to 33% of the expenditure. Freight & transportation charges contributed another 11% to the costs. Salaries and Wages contribute only 6% to the costs of the Company at Rs.71 crores. Interest cost was 5% of expenses.

Depreciation was higher at Rs.123 crores on account of addition in gross assets during the year and depreciation on assets of Kapilas Cement Manufacturing Works & clinkerisation unit (Line-2) was provided on written down value method.

6. Awards and recognition

Awards and recognition - Cement Division

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

1) Quality Control (QC) Teams, "ANNEVESHAN & SPARK" have won the Gold Trophy in the 18th Chapter Convention on Quality Circles organized by Chapter Convention on Quality Circle (CCQC), Rourkela Chapter from 10-11 Sept.'2010. The QC team ANNEVESHAN has also won the first prize in Quiz competition.

2) Quality Control (QC) Team ANNEVESAN has won the Gold Award (highest one among three categories) in the International Convention on Quality Concept Circles (ICQCC) – 2010, hosted by Quality Circle Forum of India, at Hydrabad.

3) Quality Control (QC) Teams, "ANNEVESHAN & SPARK" are placed in the Par Excellence category (highest one among four categories) in the National Convention on Quality Concept Circles (NCQCC) – 2010, hosted by Quality Circle Forum of India (QCFI)- Visakhapatnam Chapter.

4) Quality Control (QC) Team "PHOENIX" from C & I – Clinkerisation won the 2nd Prize in the 23rd State Level Convention on QC Circles – 2010, hosted by Confederation of Indian Industry (CII) Bhubaneswar.

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 2009-10 for the fifth consecutive year.

2) Quality Control (QC) Team, "BASUNDHARA (PROD.)" bagged Silver Plaque Award in the 15th All Orissa Quality Circle Convention held at Bhubaneswar during 21-22 April, 2010.

3) Quality Control (QC) Team, "LAKSHYA (PROD)" bagged Gold Award in the 18th Chapter Convention on Quality Circles held at Rourkela during 10-11 September, 2010.

4) Quality Control (QC) Team, "ANWESHAN (ENGG.)" Division bagged Silver Award in the 18th Chapter Convention on Quality Circles held at Rourkela during 10-11 September, 2010.

5) Quality Control (QC) Team, "LAKSHYA (PROD.)" & "VISWAKARMA (ENGG.)" bagged Gold Awards in the International Convention on Quality Concepts Circles held at Hyderabad during 12-14 October, 2010.

6) Quality Control (QC) Team, "LAKSHYA (PROD.)" bagged Par Excellent Award in the 24th National Convention on Quality Circles held at Vishakhapatnam during 27-30 December, 2010.

7. Internal Control Systems

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

8. Human Resource Development/Industrial Relations

Your Company continues to maintain a constructive, 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 very low as compared to the industry trend. Schemes like Performance Linked Variable Pay have been introduced to attract and retain talent.

9. Cautionary Statement

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

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

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

A. CONSERVATION OF ENERGY

CEMENT:

a) Energy Conservation measures taken

i) Coal Mill Bag filter fan (300kW) MV drive installation.
ii) CVRM-3 Bag filter fan (2500kW) MV drive installation.
iii) Upgradation of CVRM classifier AC drives.
iv) CVRM-3 Clinker grinding Fuzzy Logic control.
v) Coal Mill classifier operation Fuzzy Logic control.
vi) Continued utilization of waste hot gases from Kiln and cooler for drying of slag.
vii) Continued daily monitoring of Section-wise energy consumption.
viii) Continued monitoring of false air in circuit and arresting it.
ix) Control of idle running of equipments by way of logic modification through DSC.
x) Monitoring of differential pressure across major bag filters on daily basis.
xi) GRR installation in CVRM-1 Bag filter fan.
xii) Removal of venturi from HAG 2 and 3 CA fan outlet.

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

i) Utilization of additional waste heat from Line 2 Clinkerisation unit for slag drying during Cement manufacturing process.
ii) Installation of Variable frequency drive for:
   a) Waste gas fan
   b) Pre coal ESP fan.
iii) Swapping of Motors to improve efficiency by replacing Under Loaded motor by proper size motors.
iv) Study of Ball mill circuit to improve efficiency of grinding completed and improvement actions will be initiated on receipt of report from consultant.
v) Modification of hot air conveying ducts for optimum utilization of waste heat for slag grinding in CVRMs.
vi) Installation of GRR for Booster fan 1 and 2 in CVRM
vii) Installation of GRR for VRM cyclone fan.
viii) Study, finalization and installation of a suitable system for alternate fuel for kiln.
ix) Optimization of Line 2 process fans after consistent running at full output.
x) Reduction in specific heat consumption for clinkerisation.
xi) Installation of AC drive for Ball mill 2 bag filter fan.

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 intensive awareness on need of energy conservation.
iv) Reduction in Green House Gases thereby helping to control Global warming.

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

ENVIRONMENTAL IMPROVEMENT:

a) Environmental improvement measures taken:

i) Continued use of Road sweeping machine to control fugitive dust emission.
ii) Continued development of green belt at new locations in plant and township.
iii) Continued Rain water harvesting at new locations in plant and township.
iv) Continued usage of own manufactured Fly Ash Brick blocks for construction activities in Plant and Township.
v) Covering of limestone, Coal, slag and gypsum Stacker Reclaimers is nearing completion.
vi) Covering of all yard belt conveyors is completed.
vii) Auditing of Plant Water System.
viii) Wagon tippler for Coal/Slag/Gypsum for mechanized unloading has been commissioned.
ix) No discharge of water to outside the plant is continued to be resorted to, as being treated for reuse.
x) Recirculation of cooling water after cooling through cooling towers.
xi) Utilization of Gypsum (Waste product of Fertilizer industry) and utilization of Slag (Waste product of Steel Industry).
xii) Installation of cross country belt conveyor for transportation of limestone from mines to plant. Load trial runs have been completed in presence of Mines officials. However, permission to run the system is awaited from Director of Mines for full fledged operation of the system.
xiii) New bag filters for CVRM section to further reduce the fugitive dust emission.
xiv) Installation of Dry Fogging System on limestone and clinker conveying circuits is completed.

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

i) On line ambient air quality monitoring system at 4 locations as per the requirement of SPCB.
ii) Installation of opacity meters in cooler, coal mill and CVRM I stacks.
iii) Implementation of recommendations of Plant water audit Study.
iv) Development of green belt.
v) Rain water harvesting.
vi) Water spray/Dry fog systems at hopper unloading points and transfer points.
vii) Concreting of roads/flooring.
viii) Development and launching Masonry Cement utilizing low grade lime stone and fly ash.
ix) Manufacturing of PPC conforming to the strength requirement of OPC 53 grade.

c) Impact of the measures at (a) and (b) above for environmental improvement:

i) Compliance of stack and fugitive dust emission as per norms of CPCB.
ii) Contribute to reduction in Global warming by way of development of green belts.
iii) Recharging of water table through rain water harvesting.
iv) Reduction in Green House Gases thereby contributing to control Global warming.
v) Conservation of water.
vi) Conservation of natural resources.
vii) Fruitful usage of industrial waste/reject resources.

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

REFRACTORY:

a) Energy Conservation measures taken:

i) Optimized loading pattern and firing process in Chamber Kilns to get higher output as well as higher saleable %.
ii) Gainful utilization of oil heating system of Tar Plant for FO, thereby avoided use of high cap Boiler.

iii) Logic modification for Dust Filters operation with MH units, Mixers, Grinders, etc. to avoid any idling.

iv) Use of Centrifugal Oil Cleaner with low vacuum Dehumidifier on-line in hydraulic presses.

b) Additional investment and proposals

i) Gas firing in BTK-4, higher cap Booster Fan in Bell Kilns (5 Nos.), Screw Compressors, etc.

ii) Fast cooling system in Chamber kilns.

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)

	2010-11		2009-10	
	CEMENT	REFRACTORY	CEMENT	REFRACTORY
A POWER AND FUEL CONSUMPTION				
1 Electricity				
a) Purchased				
Units (in lacs kwh)	2631.55	175.73	2154.91	170.30
Total Amount (Rs. in lacs)	10141.15	702.48	7166.13	567.67
Rate/ Unit (Rs.)	3.85	4.00	3.33	3.33
b) Own generation				
i) **Through Diesel Generators**				
Unit (in lacs kwh)	61.84	5.10	117.73	10.06
Units per ltr. Of fuel (in Kwh)	3.18	3.18	3.34	3.34
Cost/Unit (Rs.)	8.81	8.79	7.69	7.68
ii) **Through Steam turbine/Generator**				
Unit (in lacs)	-	-	-	-
Units per ltr. of fuel oil /gas	-	-	-	-
Cost /Unit (Rs.)	-	-	-	-
2 Coal (Grade B to F Wash Coal in Kiln and CVRM, Grade A,B & E – Refractory Kilns)				
Quantity (in lac Tonnes)	3.91	0.43	3.14	0.44
Total Cost (Rs. in lacs)	12633.75	1730.03	8464.44	1965.79
Average rate (Rs./MT)	3229.66	3987.27	2695.73	4501.84
3 Furnace Oil				
Quantity (K.ltr)	3479.91	1866.20	5924.79	1517.04
Total amount (Rs. in lacs)	864.89	465.20	1340.59	340.76
Average rate (Rs./K.ltr.)	24853.85	24927.76	22626.73	22462.03
4 Others / Internal Generation				
a) **Light Diesel Oil for PG Sets**				
Quantity (K.ltr.)	-	-	-	-
Total Cost (Rs.in lacs)	-	-	-	-
Rate/Unit (Rs./kl ltr.)	-	-	-	-
b) **Light Diesel Oil for KHD Kiln**				
Quantity (K.ltr)	-	-	-	-
Total cost (Rs.in lacs)	-	-	-	-
Rate/Unit (Rs./K.ltr)	-	-	-	-
c) **Light Diesel Oil for CVRM**				
Quantity (K.ltr)	-	-	-	-
Total cost (Rs.in lacs)	-	-	-	-
Average Rate/Unit (Rs./K.ltr)	-	-	-	-
d) **HSD Oil for DG Sets**				
Quantity (K.ltrs)	1.40	-	0.955	-
Total Cost (Rs. in lacs)	0.55	-	0.25	-
Rate per Unit (Rs./K.ltr)	39555.00	-	26323.79	-
e) **High Speed Diesel Oil etc. for Payloaders & Tippers at Factory**				
Quantity (K.Ltrs)	273.87	-	324.39	-
Total Cost(Rs. in lacs)	108.08	-	107.13	-
Rate per Unit (Rs./K.ltr)	39463.66	-	33025.35	-

f) **HSD Oil for Diesel Locos**				
Quantity (K.ltr.)	110.63	-	79.615	-
Total cost (Rs.in lacs)	39.19	-	24.30	-
Rate/Unit (Rs./MT)	35429.10	-	30521.75	-
g) **Dynamics F for Kilns**				
Quantity (K.ltr.)	-	1.58	-	1.30
Total cost (Rs. in lacs)	-	4.40	-	3.51
Rate / Unit (Rs.)	-	278699.37	-	269969.23

B CONSUMPTION PER UNIT OF PRODUCTION (PER MT)	**Standards (if any)**	**2010-11**	**2009-10**
a) **Cement**			
Electricity (KWH)		78.71	76.00
Furnace Oil (litres)		0.45	0.81
Coal for Kiln and CVRM (grades B to F - wash coal)(Kgs.)		114.00	106.00
Others - L.D. Oil (litres.)			
For KHD Kiln and CVRM		-	-
HSD Oil for Pay loaders and tippers(ltrs.)		0.080	0.11
HSD Oil for CVRM		-	-
b) **Refractory**			
Electricity (KWH)		326.00	306.00
Furnace Oil (K. litres)			
For Oil Fired Bricks		0.185	0.130
For Mixed Fire Bricks		0.029	0.021
Coal (MT) for Refractory Kilns (grades A, B and E)			
For Gas fired bricks		1.110	1.028
For Mixed fire bricks		0.626	1.027
Dynamics F			
For oil fired bricks		0.00019	0.00014

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

CEMENT:

Specific coal and power consumption per tonne of cement is on higher side due to:-

i) Higher clinker percentage in cement.

ii) Usage of high ash link coal.

iii) Line-2 kiln not running at full output and frequent stoppage due to limestone transportation constraint from mines to plant in absence of CCBC and limited road transportation capacity.

REFRACTORY:

i) Furnace Oil: Furnace Oil Consumption is higher due to production of High Temperature product viz Dolomite Bricks which is 4 times more in FY-11 against FY-10.

ii) Coal: Coal Consumption is higher due to more consumption of low grade Coal (B:E grade coal ratio is 20:80 in 10-11 against 30:70 in 9-10)

iii) Electricity: Electricity Consumption is higher due to production of Dolomite Bricks during FY-11 against in FY-10. The increase of approx 20 kwh/MT in FY-11 as compared to FY-10 is mainly for the same.

B. TECHNOLOGY ABSORBTION:
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. Fly ash polishing in ball mills to improve its reactivity.
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 and mines waste in hollow blocks manufacturing.
4. 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. Commercial production standardization of Dolomite bricks.
2. Development of dolomite monolithics.
3. Development of dry vibro mass as import substituted product.
4. Development of MBS for batch casting.
5. Chrome free bricks for precious metal recovery plants.
5. Nine meter long HMPT (Hot metal pre treatment) lance for JSW.

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. Increase of revenue for introduction of new products.
2. Enable to market dolomite bricks in package.
3. Enabled to enter into Tundish management business.
4. Helped CC products to be offered in package.

3. Future Plan of Action

CEMENT:
1. Enhancement of clinker/cement capacity through use of advanced technology for low energy consumption and use of waste derived fuel, etc.
2. Installation of washery to enable use of inferior quality coal and use of rejects in proposed Captive Thermal Power Plant using CFBC technology.
3. Use of bottom ash generated from CPP in cement manufacturing as Raw material.
4. Reduction in specific Energy consumption.
5. Use of waste derived and hazardous fuel in cement manufacturing.

REFRACTORY:
1. Introduction of TCD mechanism with corresponding CC products.
2. Introduction of SEN and MBS for thin slab caster.
3. Development of segment type porous plug.
4. Development of zero expansion silica bricks for coke oven repair.
5. Development of low expansion silica bricks.

4. **Expenditure on R&D**

a)	Capital	Rs. 18.70 Lacs
b)	Recurring	Rs. 187.20 Lacs
c)	Total	Rs. 205.90 Lacs
d)	Total R&D expenditure as a Percentage of total turnover	0.12 %

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**
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 2010-11 showed positive trend with a marginal growth from year 2009-10 considering a slight improvement in Global Steel market. However, capital projects in Steel & Glass which consumes most of the Silica Refractories are still getting deferred to next year. The Chinese Refractory companies have become very aggressive & now offering better quality products with very competitive pricing difficult to beat.

This year the Company completed a prestigious order for supply of Coke Oven Silica bricks for repair to Nippon Steel Japan (1800 Mt worth appx. Rs. 7 Crores) hitherto monopoly of Chinese Refractory suppliers. This could open a new business segment for OCL considering the repair requirement of Coke Ovens Silica bricks in Japan in the coming years.

During the year under consideration the Company has successfully identified & penetrated into new markets like Australia & Sweden in the special Refractory segment.

Total Foreign Exchange used: Rs. 11,802.93 Lakhs

Total Foreign Exchange earned: Rs. 3,153.54 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 Director ships	Total No. of Committees# Member ship	Chairman ship
1.	Shri Pradip Kumar Khaitan	Chairman	Non-executive and Non-Independent	Nil	4	14	6	0
2.	Shri Gaurav Dalmia	Managing Director	Promoter, Executive and Non-Independent	58,333	2	6	1	0
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	4	14	5	5
5.	Shri Puneet Yadu Dalmia	Director	Promoter, Non-executive and Non-Independent	Nil	3	6	5	1
6.	Dr. S. R. Jain	Director	Non-executive and Independent	Nil	3	2	3	1
7.	Dr. R. C. Vaish	Director	Non Executive and Independent	Nil	4	6	3	1
8.	Shri V. P. Sood	Director	Non-executive and Non-Independent	33,000	4	0	0	0

Notes:

a) Four Board meetings were held during the Financial Year 2009-10 on May 10, 2010, July 21, 2010, November 15, 2010, and January 31, 2011.

Shri Gaurav Dalmia was co-opted as an Additional Director and was also appointed as Managing Director, with effect from July 21, 2010 for a term from July 21, 2010 till March 31, 2015.

b) Other Directorships include only the Directorships in public limited companies.

c) The chairmanship/membership of the committees reported above includes the chairmanship/membership of the committees of the Company.

d) The Annual General Meeting was held on September 17, 2010 and was attended by Shri D. D. Atal, Whole Time Director and Shri D. N. Davar, Chairman, Audit Committee.

e) The Non Executive Chairman has not desired an office at the Company's expense.

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

A Committee of Directors decides the urgent business that arises in between two Board meetings. The Committee consists of Shri D. N. Davar, Chairman of the Committee and Dr. S. R. Jain, Shri Puneet Yadu Dalmia and Dr. R. C. Vaish, members of the Committee. No meeting of the Committee of Directors was held during the year 2010-2011.

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

III. AUDIT COMMITTEE

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

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

a) Management discussion and analysis of financial conditions and results of operations.

b) Statement of significant related party transactions submitted by the Management.

    i) A statement in summary form of transactions with related parties in the ordinary course of business is placed periodically before the audit committee.

    ii) Details of material individual transactions with related parties, which are not in the normal course of business, are placed before the audit committee.

    iii) Details of material individual transactions with related parties or others, which are not on an arm's length basis, are placed before the Audit Committee, together with Management's justification for the same.

c) Management letters/letters of internal control weaknesses, if any, issued by the statutory auditors;

d) Internal audit reports relating to internal control weaknesses; and

e) The appointment, removal and terms of remuneration of the Chief Internal Auditor are subject to review by the Audit Committee.

B) **Composition of Audit Committee** - The Audit Committee comprises three Directors with Shri D. N. Davar as its Chairman and Dr. S. R. Jain and Dr. R. C. Vaish as its members.

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 2010-2011 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
10.05.2010	Present	Present	Present
21.07.2010	Present	Present	Present
15.11.2010	Present	Present	Present
31.01.2011	Present	Absent	Present

IV REMUNERATION OF DIRECTORS

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

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

The particulars of Remuneration Committee meetings held during the year 2010-2011 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
21.07.2010	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.

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 2010-11 are as under:

(Amount in Rs.)

S.No.	Name of Director	Sitting Fees	Commission	Total
1.	Shri Pradip Kumar Khaitan	80,000	6,00,000	6,80,000
2.	Shri D. N. Davar	1,30,000	4,50,000	5,80,000
3.	Dr. S. R. Jain	1,10,000	3,50,000	4,60,000
4.	Shri Puneet Yadu Dalmia	60,000	3,00,000	3,60,000
5.	Dr. R. C. Vaish	1,30,000	3,00,000	4,30,000
6.	Shri V. P. Sood	90,000	3,00,000	3,90,000

During the year, the Company has paid Rs. 30,04,902/- 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 (appointed as such with effect from July 21, 2010) are given below:

Shri Gaurav Dalmia

a)	Tenure	:	21st July 2010 to 31st March 2015		
b)	Remuneration	:	Salary and Allowances	–	Rs. 35,58,664/-
			Value of perquisites	–	Rs. 1,47,287/-
			Contribution to PF and other Funds	–	Rs. 4,45,589/-
			Commission	–	Rs. 35,00,000/-

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. 84,27,891/-
			Variable Pay (for the FY 2009-10)	–	Rs. 1,15,01,200/-
			Value of perquisites	–	Rs. 8,44,228/-
			Contribution to PF and other Funds	–	Rs. 5,98,668/-
			Commission	–	Rs. 3,00,000/-

Shri D. D. Atal will also be paid variable portion of his pay for the year 2010-11 in the year 2011-12 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.

Shri V. P. Sood, Whole Time Director till March 31, 2010, was paid variable pay of Rs. 43,53,940/- and retiral reward of Rs. 25,00,000/- for the Financial Year 2009-10.

V SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

The Shareholders/Investors Grievance Committee monitors expeditious redressal of investors' grievances. The Committee consists of three Directors with Dr. S. R. Jain, a Non - Executive Director, as its Chairman and Shri V. P. Sood and Shri Puneet Dalmia as its members.

The particulars of Shareholders/Investors Grievance Committee meetings held during the year 2010-2011 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
10.05.2010	Present	Absent	Present

Investor Complaints received/settled during the year:

Sl. No.	Type of Complaint	Complaints received	Complaints redressed	Complaints pending
1.	Transfer/Transmission of Shares.	3	3	0
2.	Dividend	1	1	0
3.	Forfeiture of shares	0	0	0
4.	Miscellaneous (change of address, name deletion/non receipt of Annual Report, etc.,)	2	2	0
	TOTAL	**6**	**6**	**0**

The Company has designated an e-mail ID "grievance@ocl.in" for registering the complaints by investors/shareholders. The details are displayed on the Company's website www.oclindialtd.in.

Name and designation of compliance officer

Ms. Rachna Goria, 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
58th AGM	22nd September 2008 at 9.30 a.m.	Company's Rest House at Rajgangpur-770 017 (Orissa)	a) Special resolution was passed u/s 309(7) of the Companies Act, 1956 for renewal of shareholders decision to pay commission to non whole time directors @1% (one percent) of the net yearly profits of the Company. b) Special resolution was passed u/s 314(1) of the Companies Act, 1956 for appointment of Khaitan & Co., New Delhi as Consultant for legal and other matters for a period of three years. c) Special resolution was passed u/s 31 of the Companies Act, 1956 for the alteration of the Articles of Association of the Company.
59th AGM	25th September 2009 at 4.30 p.m.	Company's Rest House at Rajgangpur-770 017 (Orissa)	No Special Resolution was passed.
60th AGM	17th September 2010 at 4.30 p.m.	Company's Rest House at Rajgangpur-770 017 (Orissa)	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.

The previous Annual General Meeting of the Company was held on 17th September 2010 at 4.30 p.m. at the Company's rest house at: Rajgangpur-770 017, District: Sundargarh (Orissa). In the absence of Chairman of the Board of Directors, the meeting was chaired by Shri D.D. Atal, Whole Time Director of the Company. 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 2010-11 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 2010-11. 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.oclindialtd.in.

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

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

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

Swank Services Ltd., National Synthetics Ltd., First Capital India Ltd., Landmark Property Development Company Ltd., Hari Machines Ltd., Dapel Investments Pvt. Ltd.

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

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

The Company has complied with all mandatory requirements of clause 49 of the Listing Agreement.

Although it is not mandatory, a Remuneration Committee of the Board is in place. Details of the Remuneration Committee have been provided under the section IV "Remuneration of Directors".

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

As per the SEBI (Prohibition of Insider Trading) Regulations, 1992 read with SEBI (Prohibition of Insider Trading) Amendment Regulations, 2008, the Company is required to have a Compliance Officer who is responsible for setting forth policies, procedures, monitoring adherence to the rules for the prevention of price sensitive information, pre-clearance of trade, monitoring of trades and implementation of the Code of Conduct for trading in Company's securities under the overall supervision of the Board. The Company has adopted a Code for Prevention of Insider Trading. Ms. Rachna Goria, Company Secretary, is the compliance Officer in respect of compliance of the Code. All the Directors on the Board as well as Designated Employees are governed by this Code.

VIII. MEANS OF COMMUNICATION

The Company apprises the shareholders through Annual reports, publication of un-audited quarterly results and audited financial results in Economic Times (English) and in Oriya language newspaper. The Company is also giving information about its products through its Web site www.oclindialtd.in and 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 Date, time and Venue	: :	27th September, 2011 at 4.30 PM Rest House of the Company at Rajgangpur-770017 Dist. Sundargarh (Odisha State)
Book Closure	:	20th September 2011 to 27th September 2011 (both days inclusive)
Dividend payment	:	Dividend will be paid after 27th September, 2011 subject to declaration by the shareholders at the Annual General Meeting.

B) **Appointment/Reappointment of Directors**

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

C) **Financial Results**

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

D) **Share Transfer system and Registrars & share Transfer Agents**

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

E) **Listing on Stock Exchanges**

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

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

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 2010	137.00	116.95	136.00	116.80
May 2010	142.40	120.30	143.00	120.00
June 2010	131.00	122.70	130.00	122.00
July 2010	138.80	122.05	138.80	120.00
August 2010	139.70	127.25	139.70	126.80
September 2010	147.95	130.05	147.80	130.50
October 2010	143.85	113.20	143.95	110.65
November 2010	149.90	107.00	152.80	105.00
December 2010	119.90	105.00	120.00	105.20
January 2011	115.00	96.50	115.00	96.10
February 2011	112.00	94.00	112.40	92.75
March 2011	115.90	87.30	115.45	93.00

G) **Share holding pattern as on 31st March, 2011**

Category	Physical	NSDL	CDSL	Total
Resident Individuals	1703854	7377343	1175090	10256287
Financial Institutions	18000	—	—	18000
Foreign Institutional Investors	300	453779	—	454079
Foreign Nationals	18080	—	—	18080
Non Resident Indians	23935	2470404	19160	2513499
Bodies Corporate	1381539	32584124	179562	34145225
Clearing Member	—	30976	28258	59234
Mutual Funds	—	—	—	—
Trusts	—	9371651	—	9371651
Banks	32245	28220	3700	64165
Overseas Corporate Body	—	—	—	—
Insurance Companies	—	—	—	—
Total	3177953	52316497	1405770	56900220

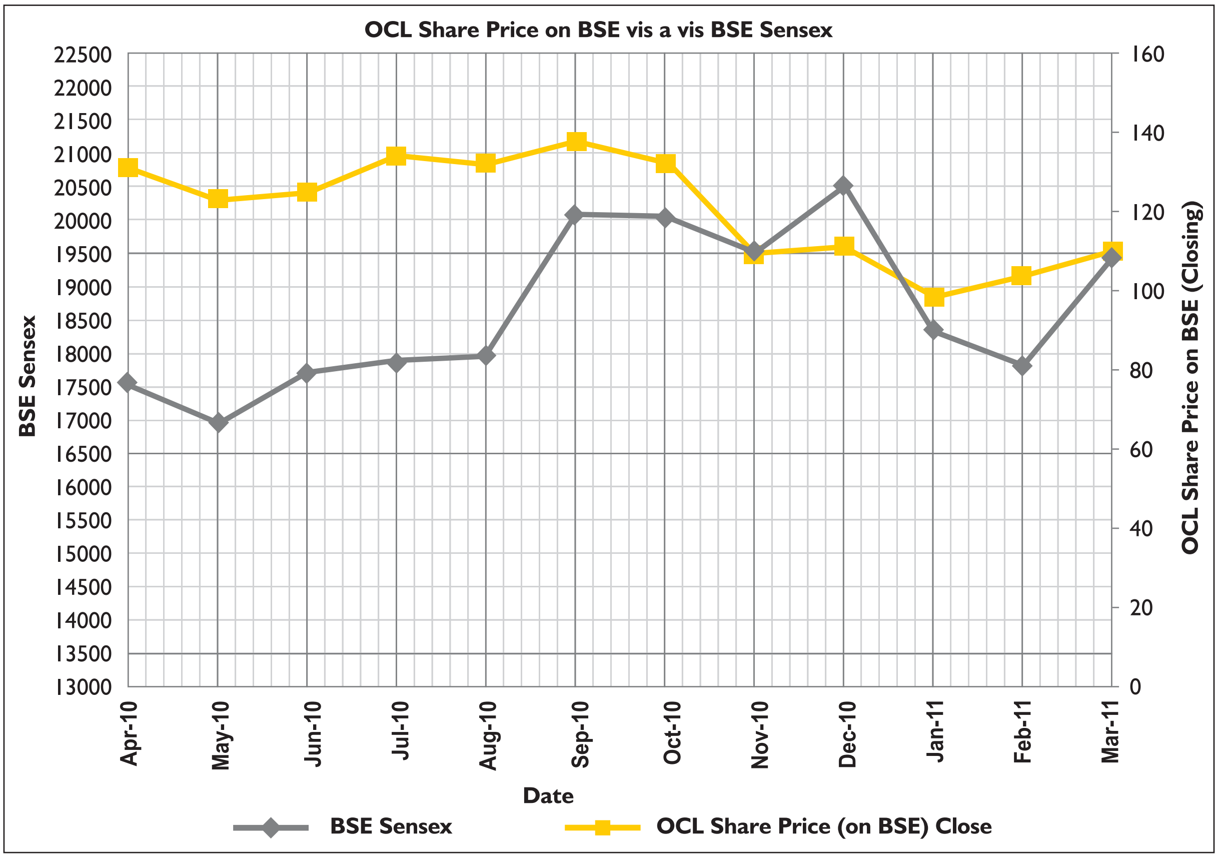
H) **Distribution of Shareholding as on 31st March 2011**

Range	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
1-100	6587	49.78	315181	0.55
101-250	2140	16.17	385995	0.68
251-500	1668	12.61	665166	1.17
501-1000	1304	9.86	1000072	1.76
1001-2000	782	5.91	1130929	1.99
2001-3000	257	1.94	650654	1.14
3001-4000	122	0.92	431988	0.76
4001-5000	80	0.60	366562	0.64
5001-10000	149	1.13	1016480	1.79
10001 & ABOVE	143	1.08	50937193	89.52
TOTAL	13232	100.00	56900220	100.00

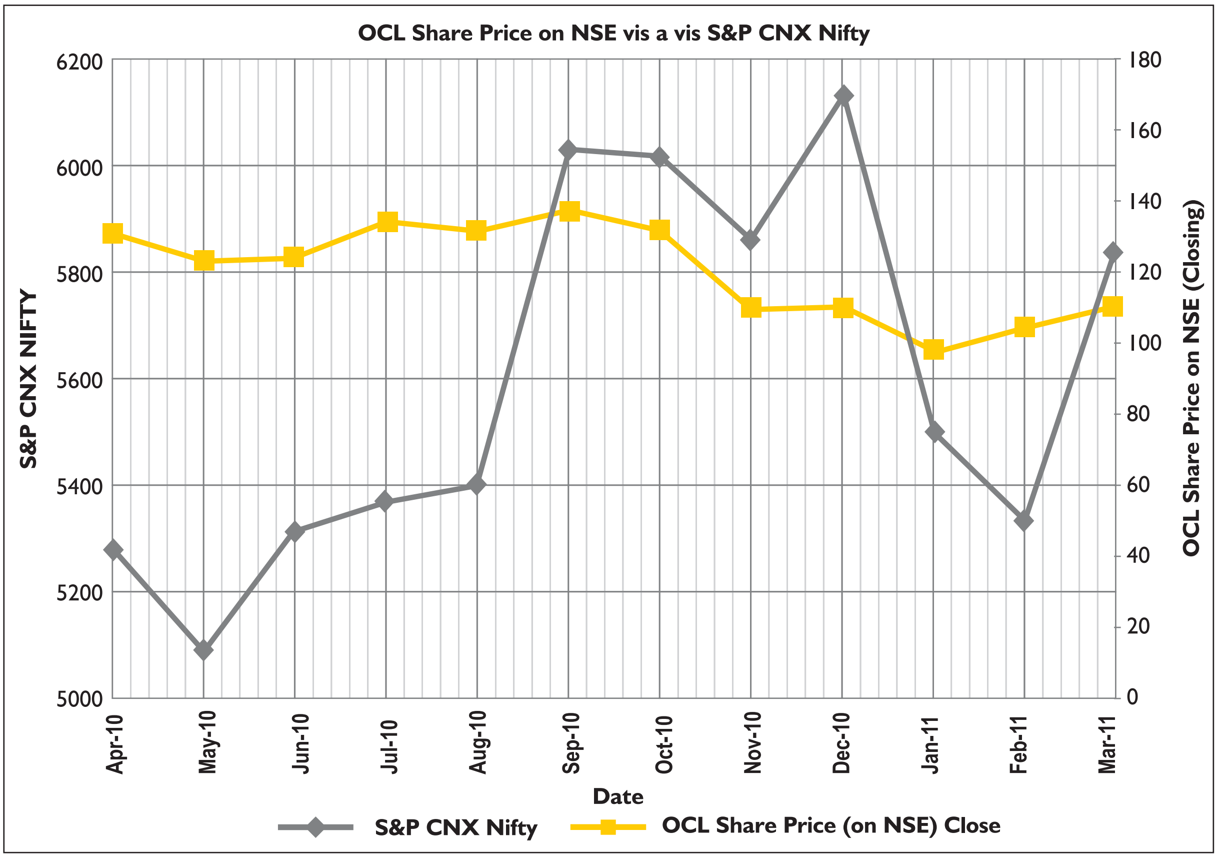
l) **Performance in comparison to broad-based indices, i.e., BSE Sensex and S&P CNX Nifty.**

OCL Share Price on BSE vis a vis BSE Sensex
April 2010 - March 2011

Months	BSE Sensex Close	OCL Share Price (on BSE) High Rs.	Low Rs.	Close Rs.
April 2010	17,558.71	137.00	116.95	130.90
May 2010	16,944.63	142.40	120.30	123.15
June 2010	17,700.90	131.00	122.70	124.75
July 2010	17,868.29	138.80	122.05	134.10
August 2010	17,971.12	139.70	127.25	131.60
September 2010	20,069.12	147.95	130.05	137.30
October 2010	20,032.34	143.85	113.20	131.75
November 2010	19,521.25	149.90	107.00	109.95
December 2010	20,509.09	119.90	105.00	110.65
January 2011	18,327.76	115.00	96.50	98.35
February 2011	17,823.40	112.00	94.00	103.75
March 2011	19,445.22	115.90	87.30	110.00



OCL Share Price on NSE vis a vis S&P CNX Nifty April 2009 - March 2010				
Months	S & P CNX Nifty Close	OCL Share Price (on NSE) High Rs.	Low Rs.	Close Rs.
April 2010	5278.00	136.00	116.80	130.90
May 2010	5086.30	143.00	120.00	123.25
June 2010	5312.50	130.00	122.00	124.30
July 2010	5367.60	138.80	120.00	134.15
August 2010	5402.40	139.70	126.80	131.85
September 2010	6029.95	147.80	130.50	137.10
October 2010	6017.70	143.95	110.65	131.95
November 2010	5862.70	152.80	105.00	110.05
December 2010	6134.50	120.00	105.20	109.85
January 2011	5505.90	115.00	96.10	98.00
February 2011	5333.25	112.40	92.75	104.05
March 2011	5833.75	115.45	93.00	110.10



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, 2011 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 as assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

(R. Raghuraman)
Partner
Membership No. 81350

Place: New Delhi
Date: May 19, 2011

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

TO
THE MEMBERS OF OCL INDIA LIMITED

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

For **OCL India Limited**

D. D. Atal
CEO

Dated: May 19, 2011

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 clause, shares issued pursuant to a public issue or any other issue, which remain unclaimed and continue to remain such even after sending three reminders, needs to be transferred by the issuer company into one folio in the name and style of "Unclaimed Suspense Account". The issuer company is also required to dematerialize the shares so held in the Unclaimed Suspense Account with one of the depository participants. The said Unclaimed Suspense Account is to be held by issuer company purely on behalf of the allottees who are entitled for the shares.

In terms of the said circular, the Company had, on March 26, 2011, sent the 1st reminder to 2414 shareholders whose 1230615 shares were lying unclaimed with the Company.

The Company will transfer the unclaimed shares to Unclaimed Suspense Account after receiving response to the 2nd and the 3rd reminder, to be sent by the Company during 2011-12. As of March 31, 2011, the Company has not opened folio/demat account in the name and style of Unclaimed Suspense Account.

The Company shall disclose the desired details as per clause 5A of the Listing Agreement till the time the shares are in the Unclaimed Suspense Account, starting from its Annual Report for the Financial Year 2011-12.

Auditors' Report to the Shareholders of OCL India Limited

1. We have audited the attached Balance Sheet of OCL INDIA LIMITED as at 31st March, 2011 and also the Profit & Loss Account 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, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of Account;

   (d) In our opinion, the Balance Sheet, Profit and Loss Account 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 31.03.2011 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 31st March, 2011;

      ii in the case of the Profit and Loss Account, 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, the management had carried out physical verification of most of the fixed assets during the year. In our opinion, the frequency of verification is reasonable in relation to the size of the Company. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

   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 31st March, 2011, 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 31st March, 2011, 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	1995-96	53.19	Orissa Sales Tax Tribunal
Central Sales Tax	2006-07	30.69	Addl. Commissioner of Sales Tax, cuttack
Orissa VAT	2005-06	361.26	Commissioner of Sales Tax
West Bengal Sales Tax	1996-97, 1999-00 and 2004-05	28.71	West Bengal Commercial Taxes Appellate & Revisional Board
Cenvat Credit	01.10.2006 to 28.02.2008	56.72	CESTAT, Kolkata
Income Tax	A.Y.1999-2000, A.Y.2005-06, A.Y.2006-07	18.67	ITAT Delhi
Income Tax	A.Y.2007-2008, AY.2008-2009	635.80	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, term loans taken during the year have been applied for the purpose for which they were obtained.

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.109208W

R. Raghuraman
Partner
Membership No. 81350

Place: New Delhi
Dated: May 19, 2011

Balance Sheet
As at 31st March, 2011

	Schedule No.	2010-11 Rs. Lakhs	Rs. Lakhs	2009-10 Rs. Lakhs
I. SOURCES OF FUNDS				
1. Shareholders' Funds				
a) Capital	1	**1,138.50**		1,138.50
b) Reserves and Surplus	2	**87,303.13**		78,496.04
			88,441.63	79,634.54
2. Loan Funds				
a) Secured	3	**81,818.39**		79,473.87
b) Unsecured	4	**3,409.29**		3,093.95
			85,227.68	82,567.82
3. Deferred Tax	5		**11,435.45**	12,000.86
Total			**1,85,104.76**	1,74,203.22
II. APPLICATION OF FUNDS				
1. Fixed Assets	6			
a) Gross Block		**1,63,543.47**		1,47,725.79
b) Less : Depreciation		**63,698.20**		49,959.83
c) Net Block			**99,845.27**	97,765.96
d) Capital Work-in-progress (at cost)			**29,364.50**	33,112.49
			1,29,209.77	1,30,878.45
2. Investments (At Cost)	7		**758.86**	611.96
3. Current Assets, Loans and Advances	8			
a) Inventories		**25,405.51**		20,288.12
b) Sundry Debtors		**13,164.10**		10,460.36
c) Cash and Bank Balances		**39,021.11**		35,376.72
d) Other Current Assets		**193.59**		116.72
e) Loans and Advances		**7,716.06**		7,187.47
		85,500.37		73,429.39
Less : Current Liabilities and Provisions	9			
a) Liabilities		**27,383.35**		26,481.94
b) Provisions		**2,980.89**		4,234.64
		30,364.24		30,716.58
Net Current Assets			**55,136.13**	42,712.81
Total			**1,85,104.76**	1,74,203.22
Significant Accounting Policies	16			
Notes forming part of the Balance Sheet	17			

for **OCL INDIA LIMITED,**

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

Rachna Goria
Company Secretary

On behalf of the Board,

R. Raghuraman
Partner
Membership No. 81350

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

Place : New Delhi
Date : 19.05.2011

Directors

Profit and Loss Account
For the year ended 31st March, 2011

	Schedule No.	2010-11 Rs. Lakhs	Rs. Lakhs	2009-10 Rs. Lakhs
INCOME				
Sales and Self Consumption	10	**1,67,323.95**		1,52,155.35
Less : Excise Duty		**19,879.01**		14,734.88
			1,47,444.94	1,37,420.47
Increase /(-) Decrease in Stocks	11		**3,156.48**	515.04
Other Receipts	12		**3,344.43**	3,459.32
			1,53,945.85	1,41,394.83
EXPENDITURE				
Raw Materials Consumed			**44,212.96**	38,426.77
Purchases (see note 18)			**2,401.19**	975.51
Freight, Clearing & Handling on Own Clinker			**1,581.76**	872.95
Salaries, Wages and Benefits to Employees	13		**7,114.83**	7,104.93
Power and Fuel			**26,542.78**	19,780.57
Other Expenses	14		**38,390.52**	32,262.72
Interest	15		**6,244.66**	5,066.76
Depreciation			**12,275.23**	11,449.73
			1,38,763.93	1,15,939.94
PROFIT BEFORE TAXATION			**15,181.92**	25,454.89
Provision for Taxation				
- Current			**4,300.00**	6,500.00
- Deferred			**-565.41**	1,985.22
Provision for Taxation				
- Relating to earlier years			**-**	500.00
MAT credit avaliable for Reversed / (-) set off			**-**	100.00
PROFIT AFTER TAXATION			**11,447.33**	16,369.67
Balance brought forward from Previous Year			**11,857.75**	7,665.76
			23,305.08	24,035.43
Transfer to General Reserve			**1,200.00**	10,000.00
Transfer from / to Debenture Redemption Reserve			**273.67**	-476.35
Proposed Dividend			**2,276.01**	2,276.01
Tax on Dividend			**369.23**	378.02
Surplus carried to Balance Sheet			**19,186.17**	11,857.75
			23,305.08	24,035.43
EPS of face value of Rs. 2/- : Basic & Diluted (Rs)			**20.12**	**28.77**
Significant Accounting Policies	16			
Notes forming part of the Profit and Loss Account	17			

for **OCL INDIA LIMITED,**

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

Rachna Goria
Company Secretary

On behalf of the Board,

Place : New Delhi
Date : 19.05.2011

R. Raghuraman
Partner
Membership No. 81350

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

Directors

	2010-11 Rs. Lakhs	2009-10 Rs. Lakhs
1. SHARE CAPITAL		
Authorised		
1,00,000 Shares of Rs.100 each	**100.00**	100.00
7,00,00,000 Shares of Rs.2 each	**1,400.00**	1,400.00
	1,500.00	1,500.00
Issued		
6,36,31,805 (Previous Year 6,36,31,805) Ordinary Shares of Rs.2 each	**1,272.64**	1,272.64
Subscribed		
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
Of the above,		
(i) 1,57,50,000 Ordinary Shares were allotted as bonus shares by capitalisation from General Reserve		
(ii) 1,23,52,500 Ordinary Shares of Rs. 2/- each, fully paid up were allotted during 2007-08, to the share holder of erstwhile Dalmia Cement (Meghalaya) Ltd pursuant to a scheme of arrangement for merger		
Add : Shares Forfeited Account	**0.50**	0.50
	1,138.50	1,138.50

2. RESERVES AND SURPLUS

Rs.Lakhs

	As at 31.03.2010	Additions	Deductions	As at 31.03.2011
Capital Reserve	157.06	**5.00**	-	**162.06**
Share Premium Account	19,600.00	**-**	-	**19,600.00**
Debenture Redemption Reserve	855.36	**273.67**	-	**1,129.03**
General Reserve	46,025.87	**1,200.00**	-	**47,225.87**
Profit and Loss Account	11,857.75	**-**	-	**19,186.17**
	78,496.04			**87,303.13**

	2010-11 Rs. Lakhs	2009-10 Rs. Lakhs
3. SECURED LOANS		
1) Loans from Banks & Others		
a) Term Loans	**66,017.45**	64,466.49
b) Working Capital Facilities	**8,200.94**	7,407.38
2) Secured Redeemable Non-Convertible Debentures		
9.40% (Redeemable during 2014-15 to 2016-17)	**1,100.00**	1,100.00
10.50% (Redeemable during 2012-13)	**500.00**	500.00
10.80% (Redeemable during 2014-15 to 2016-17)	**6,000.00**	6,000.00
	7,600.00	7,600.00
	81,818.39	79,473.87

Notes :

1) Term loans are secured by way of first pari passu charge on fixed assets (present and future) of Cement Division of the Company. In some cases, term loans are further secured by way of second pari passu charge over current assets of the Company.

2) 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 hypothication. These facilities are further secured by second charge over the fixed assets of the Cement Division of the Company.

3) The debentures are secured by way of first pari passu charge over fixed assets (present and future) (1.25 Times) of Cement Division of the Company, except for outstanding debentures Rs. 11 Crores of Syndicate Bank (1.40 Times), which is additionally secured by way of first pari passu charge over fixed assets of Refractory Division of the Company.

	2010-11 Rs. Lakhs	2009-10 Rs. Lakhs
4. UNSECURED LOANS		
Fixed Deposits	**3,409.29**	3,093.95
	3,409.29	3,093.95
5. DEFERRED TAX		
Liabilities :		
Depreciation	**12,109.69**	12,550.32
Exchange gain of Capital Nature	**13.70**	217.47
Assets :		
Difference of value of Stock u/s 145A of the Income Tax Act, 1961	**216.82**	198.83
Expenses allowable in computing taxable income on payment basis	**115.29**	237.17
MTM on interest Derivatives	**33.61**	21.78
Provision for Doubtful Debts & obsolecence	**322.22**	309.15
	687.94	766.93
Net Liability	**11,435.45**	12,000.86

6. FIXED ASSETS

Rs. Lakhs

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 31.03.2010	Additions	Deductions	As at 31.03.2011	Upto 31.03.2010	For the Year	Deductions	Upto 31.03.2011	As at 31.03.2011	As at 31.03.2010
Free Hold Land	1,112.45			**1,112.45**	-	**-**	**-**	**-**	**1,112.45**	1,112.45
Lease Hold Land	10.90			**10.90**	4.04	**0.39**	**-**	**4.43**	**6.47**	6.86
Building (on Freehold and Leasehold land)	6,130.07	**1,889.48**	**35.89**	**7,983.66**	2,601.51	**340.61**	**0.68**	**2,941.44**	**5,042.22**	3,528.56
Plant & Machinery	1,30,658.16	**13,889.64**	**391.16**	**1,44,156.64**	44,033.58	**12,314.36**	**263.62**	**56,084.32**	**88,072.32**	86,624.58
Railway Lines	4,511.72	**-**	**-**	**4,511.72**	610.99	**542.59**	**-**	**1,153.58**	**3,358.14**	3,900.73
Furniture, Fixtures & Equipments	1,831.27	**468.66**	**19.74**	**2,280.19**	1,131.12	**268.59**	**14.84**	**1,384.87**	**895.32**	700.15
Vehicles	3,461.83	**38.93**	**21.65**	**3,479.11**	1,578.59	**563.23**	**12.26**	**2,129.56**	**1,349.55**	1,883.24
Livestock	9.39	**0.82**	**1.41**	**8.80**	-	**-**	**-**	**-**	**8.80**	9.39
Grand Total	**1,47,725.79**	**16,287.53**	**469.85**	**1,63,543.47**	**49,959.83**	**14,029.77**	**291.40**	**63,698.20**	**99,845.27**	**97,765.96**
Previous Year	**1,21,223.48**	**26,691.08**	**188.77**	**1,47,725.79**	**37,106.16**	**12,955.55**	**101.88**	**49,959.83**	**97,765.96**	**84,117.32**
Capital Work in Progress									**29,364.50**	**33,112.49**

Notes :

1. 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 was carried out by an external independent valuer. Since the valuation was carried out long back the indices applied by the valuer is not avaliable.
2. Additions to Fixed Assets and Capital work-in-progress include net borrowing cost of Rs. 2,061.72 Lakhs capitalised during the year (Previous Year Rs. 1,743.48 Lakhs).
3. Capital Work-in-progress include Rs. 2,220.34 Lakhs on account of advance against Capital Expenditure (unsecured - considered good) (Previous Year Rs. 5,714.04 Lakhs)
4. Plant and Machinery includes Wagons given on lease to Railways (Cost Rs. 574.06 Lakhs, WDV Rs. 211.22 Lakhs)
5. Addition to Fixed Asset & Capital WIP includes Pre operative expenses/income as detailed under Note 26.
6. There has been no impairment loss on Assets during the year.
7. Plant and Machinery includes Rs.18.70 lakh additions made during the year in respect of R&D centre (see note no.27)

	Face Value per Share/ Bond/Unit Rs.	2010-11 Nos.	2009-10 Nos.	2010-11 Rs. Lakhs	2009-10 Rs. Lakhs
7. INVESTMENTS - LONG TERM					
(at cost)					
Trade Investments					
Fully paidup Ordinary Shares					
First Capital India Limited	6	**166**	166	**0.01**	0.01
India Information Technology Limited (Rs. 10)	10	**1**	1	**-**	-
OCL Global Ltd $ (Face Value in USD)	1	**50,000**	50,000	**22.40**	22.40
Fully Paid up Ordinary Shares in Joint Venture					
Radhikapur (West) Coal Mining Pvt Limited (See Note no 11)	10	**14,69,600**	-	**146.96**	-
Fully paidup Preference Shares					
OCL Global Ltd $ (Face Value in USD)	1	**13,65,000**	13,65,000	**587.51**	587.51
				756.88	609.92
$ Associate Concern					
Other Investments					
Fully paidup Ordinary Shares					
Crescent Finstock Limited	10	**1,400**	1,400	**-**	-
Digvijay Finlease Limited	10	**25**	25	**-**	-
Gujarat Composite Limited	10	**16**	16	**-**	-
Indo Flogates Limited	10	**100**	100	**0.01**	0.01
Ispat Profiles India Limited (Rs. 75/-)	10	**50**	50	**-**	-
Bagalkot Udyog Limited (Formerly Kanoria Industries Limited)	1	**100**	100	**0.01**	0.01
Bagalkot Cement & Industries Ltd	10	**1**	1	**-**	-
Kanoria Sugar & General Mfg.Co. Limited (Rs. 183/-)	10	**25**	25	**-**	-
Magnesite & Minerals Limited	10	**100**	100	**0.01**	0.01
Orind Exports Limited (Rs. 201/-)	10	**100**	100	**-**	-
Orissa Industries Limited	10	**73,450**	73,450	**1.40**	1.40
The Indian Hume Pipe Company Limited##	10		2,500		0.06
The Scindia Steam Navigation Company Limited	20	**504**	504	**0.06**	0.06
The Travancore Cements Limited	10	**100**	100	**0.01**	0.01
Usha Ispat Limited	10	**100**	100	**0.01**	0.01
Fully paidup Debentures - Non-convertible Secured					
8% - Indian Chamber of Commerce	100	**12**	12	**0.01**	0.01
8% - Indian Chamber of Commerce - Fractional (Rs. 50/-)	25	**2**	2	**-**	-
Fully paidup Shares of Co-operative Society	100	**50**	50	**0.05**	0.05
Property Rights in Holiday Resort				**0.41**	0.41
				1.98	2.04
				758.86	611.96
Quoted Investments				**-**	0.06
Unquoted Investments				**758.86**	611.90
				758.86	611.96
Market value of quoted investments				**-**	18.21

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

Sold During the year

Details of Investment in Mutual Funds purchased & sold during the year

Name of Mutual Fund	No of Units in Lakhs	Purchase Amount including switch & Dividend	Sale Amount including Switch
Reliance Money Manager Fund - Institutional Option - Daily Dividend Plan	4.67	4,677.45	4,677.45
HDFC Cash Management Treasury Advantage Plan - Wholesale Daily Dividend - Option - Reinvest	575.17	5,769.78	5,769.78
HDFC FMP 35D August 2010 (3) - Dividend - series - XIV	37.72	377.23	377.23
LICMF Income Plus Fund - Daily Dividend Plan	2,111.88	21,118.77	21,118.77
LICMF Liquid Fund - Dividend Plan	175.79	1,930.18	1,930.18
LICMF Interval Fund - series 1 - Montlhy Dividend Plan	371.53	3,715.30	3,715.30
UTI Treasury Advantage Fund - Institutional Plan (Daily Dividend Plan) - Re-investment	21.45	21,458.54	21,458.54
UTI Liquid Cash Plan Institutional- Daily Income Option - Re-investment	0.78	790.26	790.26
UTI-Fixed Income Interval Fund - Monthly Interval Plan - II - Institutional Dividend Plan - Re-investment	311.67	3,116.71	3,116.81
UTI-Fixed Income Interval Fund - series - II - Quaterly Interval Plan - VII - Institutional Dividend Plan	365.32	3,653.54	3,653.54
UTI-Fixed Income Interval Fund - Monthly Interval Plan - II - Institutional Dividend Plan - reinvestment	453.72	4,537.22	4,537.22
BIRLA Sunlife SAVING FUND - Institutional -DAILY Dividend - Reinvestment	1,346.03	13,469.42	13,469.42
BIRLA Sunlife Floating Rate Fund - Long term - Instl-weekly Dividend - reinvestment	258.09	2,581.01	2,581.01
Birla Sun Life Short Term FMP series 2 Dividend Payout	230.00	2,300.00	2,300.00
IDFC money manager Fund - Treasury Plan - Inst Plan B - Daily Dividend	99.41	1,001.09	1,001.09
IDFC money manager Fund - Treasury Plan - Super Inst Plan C - Daily Dividend	253.85	2,538.89	2,538.89
ICICI Prudential Flexible Income Plan Premium - Daily Dividend	40.39	4,270.28	4,270.28

	2010-11 Rs. Lakhs	2009-10 Rs. Lakhs
8. CURRENT ASSETS, LOANS AND ADVANCES		
a) Inventories		
Stores, Spares Parts and Packing Materials	**9,263.28**	8,122.79
Loose Tools	**22.05**	23.44
Raw Materials	**6,780.18**	5,958.36
Stock-in-Trade		
Finished	**7,100.40**	4,917.35
Partly Finished	**2,239.60**	1,266.18
	25,405.51	20,288.12

	2010-11 Rs. Lakhs	2009-10 Rs. Lakhs
8. **CURRENT ASSETS, LOANS AND ADVANCES** *(contd..)*		
b) Sundry Debtors		
Debts outstanding for a period exceeding six months		
Considered Good		
Secured	**1.94**	30.13
Unsecured	**1,197.09**	693.49
Considered Doubtful	**654.53**	568.94
Other Debts		
Considered Good		
Secured	**2,191.48**	1,744.71
Unsecured	**9,773.59**	7,992.03
	13,818.63	11,029.30
Less : Set off from Provision for Doubtful Debts	**654.53**	568.94
	13,164.10	10,460.36
c) Cash and Bank Balances		
Cash on Hand	**19.52**	25.05
Stamps on Hand	**0.03**	0.08
Cheques on Hand	**197.35**	518.59
Balance with Scheduled Banks (See Note no 12)		
- Current Accounts	**4,802.00**	2,830.89
- Fixed Deposits #	**34,002.12**	32,002.02
Post Office Savings Bank Account #	**0.09**	0.09
	39,021.11	35,376.72
# Deposited with the Government Departments, Banks and others as Security against contracts and other facilities.	**2.12**	2.11
d) Other Current Assets		
Interest accrued (Unseucred - considered good)		
On Investments	**0.07**	0.07
Others	**183.94**	116.65
Asset Held for Disposal	**9.58**	-
	193.59	116.72
e) Loans and Advances		
Loans to Employees		
Considered Good		
Secured #	**3.16**	2.81
Unsecured#	**19.99**	15.29
Considered Doubtful - Unsecured	**0.61**	0.42
Advances recoverable in Cash or in Kind or for value to be received (Unsecured)		
Considered Good		
Others	**3,458.74**	3,262.10
Considered Doubtful	**42.84**	45.04

	2010-11 Rs. Lakhs	2009-10 Rs. Lakhs
Claims (Unsecured)		
Considered Good	**31.83**	40.54
Considered Doubtful	**6.34**	6.34
Tax Payments (Net of Provision)	**358.71**	-
Deposits with Railways, Excise and Others		
Unsecured - Considered Good		
Others	**3,843.63**	3,866.73
	7,765.85	7,239.27
Less : Set off from Provision for Doubtful Debts	**49.79**	51.80
	7,716.06	7,187.47
# Due from Officers of the Company.	**0.33**	4.97
# Maximum amount due from Officers of the Company at any time during the year.	**6.97**	10.09
9. CURRENT LIABILITIES AND PROVISIONS		
a) Current Liabilities		
Sundry Creditors		
Micro & Small Enterprises (See Note - 9)	**33.94**	46.62
Others	**17,414.49**	16,687.95
Advance Payments	**2,217.26**	2,976.71
Security and Other Deposits	**6,037.42**	5,207.33
Uncashed Dividends	**66.23**	51.92
Directors' Commission Payable	**20.70**	18.00
Other Liabilities	**179.85**	204.61
Interest Accrued but not due on Loans	**1,413.46**	1,288.80
	27,383.35	26,481.94
b) Provisions		
Taxation (Net of Tax Payments)	**-**	1,320.86
Leave Encashment	**232.07**	195.67
Provision for MTM on Derivative Contract	**103.58**	64.08
Proposed Dividend	**2,276.01**	2,276.01
Tax on Proposed Dividend	**369.23**	378.02
	2,980.89	4,234.64

	2010-11 Lakhs Tonnes	2010-11 Rs. Lakhs	2009-10 Lakhs Tonnes	2009-10 Rs. Lakhs
10. SALES AND SELF CONSUMPTION				
Sales				
Cement	33.32	**1,35,410.17**	29.85	1,23,465.19
Refractories	0.78	**30,159.31**	0.73	27,230.54
Others		**79.58**		46.19
		1,65,649.06		1,50,741.92
Self Consumption				
Cement	0.12	**256.12**	0.21	416.58
Refractories	0.05	**1,418.77**	0.04	996.85
		1,674.89		1,413.43
		1,67,323.95		1,52,155.35

Schedules to the Balance Sheet and Profit and Loss Account (contd.)

	2010-11 Rs. Lakhs	2010-11 Rs. Lakhs	2009-10 Rs. Lakhs
11. INCREASE/(-)DECREASE IN STOCKS			
Stock at the end of the year			
Finished	**7,100.40**		4,917.34
Partly Finished	**2,239.60**		1,266.18
		9,340.00	6,183.52
Less : Stock at the beginning of the year			
Finished	**4,917.34**		3,981.20
Partly Finished	**1,266.18**		1,687.28
		6,183.52	5,668.48
		3,156.48	515.04

	2010-11 Rs. Lakhs	2009-10 Rs. Lakhs
12. OTHER RECEIPTS		
Dividends on Long Term Investment -Other than trade	**0.04**	3.61
Dividends from Investment in Mutual Funds	**1,174.43**	247.11
Profit on Sale of Assets	**22.56**	4.82
Profit on Sale of Long Term Investment	**18.70**	228.71
Profit on Sale of Current Investments	**0.10**	111.35
Provisions no longer required	**353.42**	389.08
Provisions for Doubful Debt no more required	**-**	204.80
Interest Receipt - On Deposits, Tax refunds and from Customers etc. ##	**469.93**	433.15
Lease Rental	**5.57**	5.55
Gain due to Exchange Difference (Net)	**34.92**	711.26
MTM on derivatives Contracts (Net)	**-**	56.99
Income from services #	**136.17**	188.10
Miscellaneous Receipts #	**1,128.59**	874.79
	3,344.43	3,459.32
# Tax Deducted at Source	**35.69**	1.66
## Tax Deducted at Source	**14.56**	50.62
13. SALARIES, WAGES AND BENEFITS		
Salaries, Wages, Bonus and Gratuity	**5,919.23**	6,003.38
Contribution to Provident and Other Funds	**750.84**	803.39
Workmen and Staff Welfare Expenses	**444.76**	298.16
	7,114.83	7,104.93

	2010-11 Rs. Lakhs	2009-10 Rs. Lakhs
14. OTHER EXPENSES		
Consumption of Stores, Spare parts and Packing materials	**7,640.88**	7,119.63
Repairs and Maintenance		
Machinery	**4,750.21**	3,536.02
Buildings	**691.75**	519.19
Others	**112.95**	74.38
Payments to Contractors for Services	**4,338.68**	4,046.87
Royalty and Cess	**15.78**	12.60
Rent	**560.35**	389.98
Rates and Taxes	**666.21**	124.86
Excise Duty on Stock and Others	**373.54**	279.41
Freight, Transportation and Handling	**13,993.56**	10,776.24
Commission to Selling Agents	**491.75**	538.57
Rebates, Discounts and Allowances	**489.34**	458.62
Insurance	**244.12**	207.18
Travelling	**303.58**	306.46
Advertisement and Publicity	**302.54**	418.51
Legal	**78.81**	74.86
Directors' Travelling and Conveyance	**15.54**	5.90
Directors' Fees	**6.00**	6.00
Commssion to Non Executive Directors	**23.00**	20.00
Charity and Donations	**411.07**	69.42
Assets Written off and Loss on Sale of Assets	**6.53**	6.14
Loss on sale of Current Investment	**38.41**	-
Provision for Doubtful Debt	**83.58**	-
Bad Debts Written Off	**0.79**	486.36
MTM on derivatives Contracts	**39.50**	-
Provision for Obsolesence in Inventory	**-**	288.80
Miscellaneous Expenses (See Note-27)	**2,712.05**	2,496.72
	38,390.52	32,262.72
15. INTEREST		
On Term Loans, Debentures and Deposits	**5,985.56**	4,758.36
To Banks and Others	**259.10**	308.40
	6,244.66	5,066.76

16. SIGNIFICANT ACCOUNTING POLICIES

a) Accounting Convention

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

b) Use of Estimates

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

c) Fixed Assets

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

d) Depreciation

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

e) Investments

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

f) Inventories

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

g) Revenue Recognition and Accounting for Sales

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

h) Treatment of Employee Benefits

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

i) Research and Development

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

j) Foreign Currency Transactions

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

k) Taxation

Current Tax provision is made on the assessable income at the tax rate applicable to the relevant Assessment Year. The Deferred tax asset and Deferred tax liability are calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets arising on account of 'Timing Differences' are recognised, only to the extent there is a reasonable certainty of its realisation.

l) Impairment of Assets

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

m) Provisions and Contingencies

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

	2010-11 Rs. Lakhs	2009-10 Rs. Lakhs
17. NOTES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT		
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	**70.58**	51.33
(b) Disputed liability relating to PF Contribution on certain allowances	**94.97**	95.14
(c) Disputed liability relating to payment of premium on forest land used for Mining purpose	**154.13**	154.00
(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	**115.51**	107.83
(g) Disputed Sales Tax demand(including interest & penalty)-matter under appeal	**636.48**	606.94
(h) Disputed Entry Tax demand-matter under appeal	**12.76**	7.37
(i) Disputed Excise matters	**56.72**	56.72
(j) Disputed counterclaim in an arbitration proceeding arising out of claim of Rs. 214.19 Lakhs by the company	**468.26**	-
(j) Others	**102.98**	102.98
	1,880.49	1,350.43
(ii) Other monies for which the Company is contingently liable :		
(a) Disputed liability relating to labour matters-pending in Courts	6.17	4.57
(b) Disputed liability relating to Land matters-pending in Courts	39.51	39.51
(c) Others	78.50	78.50
Total	**124.18**	122.58
(iii) Disputed liability in respect of Income Tax demands	**654.47**	-
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 20,74,000) an associate concern. (Previous Year USD 32,27,502)	**936.20**	1,471.09
(b) Guarantee given to Banks on behalf of OCL China Ltd (USD 15 Lakhs)	**677.10**	
(c) Guarantee given to Banks on behalf of Radhikapur (West) Coal Mining Private Limited - against which counter guarantee of Rs. 561 Lakhs has been received from a Body Corporate	**1,076.00**	
2 Estimated amount of contracts remaining to be executed on capital account (net of advances)and not provided for	**2,695.99**	7,316.14
3. Following expenses/income have been included under cost of raw material :		
Salaries and Wages	**384.66**	341.86
Contribution to Provident and Other Funds	**47.43**	42.74
Workmen and Staff Welfare Expenses	**33.40**	25.66
Payment to Contractors for Services	**2,730.83**	1,524.22
Power and Fuel	**493.41**	446.16
Consumption of Stores and Spare Parts	**1,257.70**	1,016.02
Repairs to Machinery	**709.45**	594.27
Repairs to Buildings	**3.08**	4.81
Royalty and Cess	**1,543.30**	1,088.83
Rent	**0.49**	1.16

	2010-11 Rs. Lakhs	2009-10 Rs. Lakhs
17. NOTES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT *(contd.)*		
Rates and Taxes	**46.14**	31.63
Insurance	**15.69**	16.32
Commission to Other Agents	**5.94**	3.55
Depreciation	**1,754.54**	1,505.82
Sundry Sales/Income	**197.71**	142.70
4. Director's Remuneration (excluding contribution to gratuity fund and provision for leave encashment which are provided for on actuarial basis for the Company as a whole)		
a) *Managing Director (For the period 21.07.2010 to 31.03.2011)*		
Salary and Allowances	**35.59**	-
Contribution to Provident Fund and Other Funds	**4.46**	-
Perquisites	**1.47**	-
Commission	**35.00**	-
b) *Whole time director*		
Salary and Allowances (Including variable pay & retiral benefit of previous Whole time Director)	**152.82**	124.61
Contribution to Provident Fund and Other Funds	**5.99**	4.63
Perquisites	**8.44**	11.36
Commission	**3.00**	-
5. Computation of Commission Payable to Directors :		
Profit before Taxation	**15,181.92**	25,454.89
Add : Director's Fees	6.00	6.00
Director's Commission	23.00	20.00
Remuneration to Managing Director	41.52	-
Remuneration to Whole time Director	167.25	140.60
	237.77	166.60
	15,419.69	25,621.49
Less : Excess of sale price over the cost of assets sold	**0.58**	0.22
Profit on sale of investments	**18.80**	340.06
Net Profit for calculating Director's Commission	**15,400.31**	25,281.21
Commission @ 1% on above to Non-Executive Directors	**154.00**	253.00
Commission Payable to Non-Executive Directors	**23.00**	20.00
Commission to Whole Time Director & MD.	**38.00**	-
6. Remuneration to Auditors and Expenses		
Auditors		
Audit Fee	**10.00**	10.00
Tax Audit Fee including provision of Rs. 2 lakh for Current Year	**4.00**	1.50
In Other Capacities		
Taxation matters	**-**	-
Certification of Quarterly Limited Review	**3.00**	3.00
Certification of other Statements	**4.60**	3.20
Expenses including boarding and Lodging	**5.42**	5.22
Cost Auditor		
Audit Fee	**0.60**	0.40
Expenses including boarding and Lodging	**0.14**	0.20

17. NOTES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT *(contd.)*

7. 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.

8. 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.

9. Disclosure of Sundry Creditors under Current Liabilities is based on the information available with the Company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006". Amount overdue as at 31 March, 2011, to Micro and Small Enterprises on account of principal is Rs.0.92 Lakhs & interest is Rs.0.14 Lakhs (Previous year Rs. Nil on account of principal and interest of Rs.0.12 Lakhs)

10. The uncashed dividend of Rs. 66.23 lakhs (Previous year Rs.51.92 lakhs) and deposits (including interest) of Rs.16.83 lakhs (Previous year Rs. 16.51 lakhs), shown under current liabilities do not include any amount due and outstanding to be credited to the 'Investor Education and Protection Fund'.

11. 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 company's interest jointly with OCL Iron & Steel Limited (OISL) is 14.696%. During the year, the company has invested Rs. 146.96 lakhs in equity shares of the JV Company which includes Rs. 76.67 Lakhs being proportionate value of shares to be transfered to OISL after the receipt of approval from the Ministry of Coal , Govt of India and other Joint Venture Partners.

12. Bank balances includes Rs. 60.10 lakhs lying in a current account with 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 11 above.

17. NOTES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT *(contd.)*

13. Segment Disclosure (AS - 17)

	Rs.Lakhs				
	Cement	Refractory	Others	Unallocable	Total
Segment Revenue					
External	**1,35,412.91**	**30,236.15**			**1,65,649.06**
	(1,23,493.62)	(27,248.30)	-	-	(1,50,741.92)
Inter-Segment	**13.19**	**810.32**			**823.51**
	(12.88)	(561.49)	-	-	(574.37)
Segment Result					
Profit/(Loss) before Tax and Interest	**21,346.99**	**1,796.86**		**-1,717.27**	**21,426.58**
	(29,489.99)	(2,908.28)	-	-(1,876.62)	(30,521.65)
Less : Interest				**6,244.66**	**6,244.66**
				(5,066.76)	(5,066.76)
Profit before Taxation				-	**15,181.92**
					(25,454.89)
Provision for Taxation					
- Current				**4,300.00**	**4,300.00**
				(6,500.00)	(6,500.00)
- Deferred				**-565.41**	**-565.41**
				(1,985.22)	(1,985.22)
- Tax relating to earlier years				**-**	**-**
				(500.00)	(500.00)
- MAT credit avaliable for Reversed/(-) set off				**-**	**-**
				(100.00)	(100.00)
Profit after Taxation					**11,447.33**
					(16,369.67)
Other Information					
Segment Assets	**1,87,852.66**	**26,275.25**		**1,341.09**	**2,15,469.00**
	(1,80,523.98)	(23,630.19)	-	(765.63)	(2,04,919.80)
Segment Liabilities	**21,600.10**	**4,595.21**		**1,00,832.06**	**1,27,027.37**
	(21,664.57)	(3,690.01)	-	(99,930.68)	(1,25,285.26)
Capital Expenditure including capital WIP	**12,402.26**	**115.79**		**21.49**	**12,539.54**
	(21,876.72)	(252.08)	-	(15.65)	(22,144.45)
Depreciation	**13,349.83**	**657.32**		**22.62**	**14,029.77**
	(12,280.15)	(650.20)	-	(25.20)	(12,955.55)
Non cash expenses other than depreciation :					
Provision for Leave encashment	**29.54**	**1.98**		**4.89**	**36.41**
	(19.45)	(0.64)	-	(7.65)	(27.74)

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.

17. NOTES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT *(contd.)*

14. 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.Kanupriya Somany, Smt. Anuradha Jatia, Shri.Puneet Dalmia, Smt.Sharmila Dalmia, Smt. Kiran Atal.

2) Associate concern : 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, 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.

b) Transactions with above in ordinary course of business :

		2010-11 Rs. Lakhs	2009-10 Rs. Lakhs
1)	Transactions with parties referred in (1) above:		
a)	Remuneration /Pension	**761.19**	718.55
b)	Fixed Deposit received	**41.00**	1,329.05
c)	Interest Expense	**125.58**	23.02
d)	Service received	**3.63**	3.74
e)	Rent Paid	**14.56**	-
f)	Payable at the year end	**1,379.16**	1,355.07
2)	Transactions with parties referred in (2) above:		
a)	Purchase of goods	**2,781.48**	1,560.17
b)	Sale of goods	**88.59**	146.31
c)	Service rendered	**71.69**	37.17
d)	Loan given & received	**255.31**	
e)	Interest income	**13.82**	
f)	Guarantee Provided (USD 20,74,000) (Previous year USD 32,27,502)	**936.20**	1,471.10
g)	Receivable at the year end	**78.38**	96.18
h)	Payable at the year end	**5.94**	-
3)	Transactions with parties referred in (3) above:		
a)	Purchase of goods and fixed assets	**3,271.33**	436.38
b)	Sale of goods and fixed assets	**816.25**	284.89
c)	Service rendered	**9.87**	32.39
d)	Service received	**157.61**	313.85
e)	Inter corporate deposit received and repaid	**-**	638.00
f)	Interest Expense	**-**	17.92
g)	Fixed Deposit received	**-**	200.00
h)	Interest Expense	**14.35**	8.63
i)	Rent Paid	**113.84**	81.00
j)	Advance given and received	**-**	15.26
k)	Receivable at the year end	**720.98**	61.74
l)	Payable at the year end	**201.96**	335.72

	2010-11 Rs. Lakhs	2009-10 Rs. Lakhs
17. NOTES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT *(contd.)*		
14. Related Party Disclosures (AS-18) *(contd.)*		
c) Disclosure of Material transactions with Related Parties		
Remuneration		
Syt.M.H.Dalmia	**187.03**	290.04
Syt.R.H.Dalmia	**102.15**	216.78
Shri.V.P.Sood	**-**	140.60
Shri.D.D.Atal	**216.72**	
Shri.Gaurav Dalmia	**87.06**	-
Purchase of goods and fixed assets		
Dalmia Cement(Bharat) Ltd.	**2,674.60**	369.14
Sale of goods and fixed assets		
OCL Iron & Steel Ltd.	**-**	226.10
Dalton Intl. Ltd	**675.08**	-
Hari Machines Ltd.	**69.88**	41.35
Service rendered		
OCL Iron & Steel Ltd.	**-**	15.62
Hari Machines Ltd.	**8.66**	16.18
Service received		
OCL Iron & Steel Ltd.	**-**	70.17
DISIR	**102.01**	101.85
Dalton Intl. Ltd	**44.61**	135.30
Dapel Investment (P) Ltd	**96.88**	81.00
Inter corporate deposit received and repaid		
Satya Miners and Transporters Ltd.	**-**	608.00
Interest Expense		
Satya Miners and Transporters Ltd.	**-**	16.72
Advance given and received		
Landmark Property Development Co.Ltd	**-**	3.27
OCL Iron & Steel Ltd.	**-**	11.99
Fixed Deposit received		
Shri. V.P. Sood	**-**	47.05
Shr. R.H.Dalmia	**-**	1,250.00
Chirawa Navyuvak Trust	**-**	200.00
Shr. V.H. Dalmia	**26.00**	26.00
Receivable at the year end		
Dalton Intl. Ltd	**668.52**	-
OCL Iron & Steel Ltd.	**-**	20.90
Hari Machines Ltd.	**49.33**	37.54
Payable at the year end		
Dalton Intl. Ltd	**18.83**	99.00
Dalmia Cement(Bharat) Ltd.	**26.32**	-
Chirawa Navyuvak Trust	**150.85**	208.63
Syt. R.H. Dalmia	**1,255.49**	1,266.74

		2010-11 Rs. Lakhs	2009-10 Rs. Lakhs
17. NOTES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT *(contd.)*			
15. Earning per share (EPS) AS - 20			
Profit after tax		**11,447.33**	16,369.67
Weighted Average No. of equity shares of Rs.2 each as on 31.03.2010			
Basic & Diluted		**569.00**	569.00
EPS (Rs.)			
Basic & Diluted		**20.12**	28.77
16. Information in respect of goods manufactured :	**In Lakhs**	**Cement**	**Refractories**
Licensed Capacity (per annum)		Not Applicable	Not Applicable
Installed Capacity (per annum) (as certified by Management)	Tonnes	**53.50**	**1.06**
	"	(53.50)	(1.06)
Actual Production	Tonnes	**34.08**	**0.77**
	"	(30.35)	(0.72)
Opening Stock	"	**0.42**	**0.23**
	"	(0.18)	(0.25)
	Rs.	**1,205.70**	**3,710.02**
	"	(393.35)	(3,481.76)
Closing Stock	Tonnes	**1.03**	**0.23**
	"	(0.42)	(0.23)
	Rs.	**3,211.50**	**3,818.64**
	"	(1,205.70)	(3,710.02)

Figures in brackets are in respect of previous year.

	2010-11 Lakhs Tonnes	2010-11 Rs. Lakhs	2009-10 Lakhs Tonnes	2009-10 Rs. Lakhs
17. Raw Materials Consumed				
i) Limestone	**23.08**	**7,606.03**	17.30	5,628.80
ii) Gypsum	**1.48**	**2,098.47**	1.23	1,662.00
iii) Granulated Blast Furnace Slag	**17.12**	**14,251.46**	16.48	10,031.49
iv) Purchased Clinker	**1.70**	**5,005.94**	2.86	8,378.08
v) Dead Burnt Magnesite	**0.07**	**2,023.49**	0.06	1,708.50
vi) Quartzite (Own Quarry)	**0.32**	**1,178.32**	0.29	999.85
vii) Resins (Current year 390 MT, PY 321 MT)	**0.00**	**475.35**	-	295.63
viii) Graphite	**0.01**	**322.19**	0.01	244.77
ix) Bauxite	**0.04**	**879.30**	0.03	543.08
x) Aluminium Powder (Current year 59 MT, PY 74 MT)	**0.00**	**76.32**	-	79.71
xi) White/Brown Abrasive Grain	**0.03**	**1,013.82**	0.03	1,051.47
xii) Others		**9,282.25**		7,803.39
		44,212.96		38,426.77

	2010-11 Tonnes	2010-11 Rs. Lakhs	2009-10 Tonnes	2009-10 Rs. Lakhs
17. NOTES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT *(contd.)*				
18. Purchase of goods traded in :				
Refractories	**7,049.71**	**2,401.19**	2,754.68	975.51
		2,401.19		975.51
19. Value of imported and indigenous Raw Materials and Spareparts Consumed	%		%	
i) Raw Materials				
Imported	**19.11**	**8,450.92**	19.11	10,921.33
Others	**80.89**	**35,762.04**	80.89	27,505.44
ii) Spareparts				
Imported	**13.85**	**491.65**	13.85	224.86
Others	**86.15**	**3,058.42**	86.15	3,010.72
20. Imports (C.I.F. Value)				
i) Raw Materials		**5,807.10**		8,418.81
ii) Stores and Spareparts		**822.45**		291.31
iii) Capital Goods		**100.76**		31.96
21. Expenditure in foreign currency:				
i) Royalty and know how fees		**5.72**		2.11
ii) Interest on Foreign Currency Loans		**3.98**		2.24
iii) Professional/ Consultation fee		**80.38**		101.70
iv) Commission		**90.42**		229.48
v) High Sea Purchase		**4,698.78**		687.32
vi) Other Matters		**193.34**		63.33
22. Earnings in Foreign Exchange				
i) Goods exported (F.O.B. Value)		**3,040.26**		2,708.74
ii) Sale of Goods on High Seas		**-**		18.57
iii) Interest receipt		**13.82**		
iv) Service charges		**99.28**		173.11
v) UK Vat refund		**0.18**		0.36

23. 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	2010-11	2009-10
A) No.of non-resident share holders	**191**	218
B) No. of equity shares held by them	**6,25,398**	10,06,231
C) Amount of dividend paid (In Rs Lakhs)	**25.02**	25.15
D) Year to which the dividend relates	**2009-10**	2008-09

			2010-11 Rs. Lakhs	2009-10 Rs. Lakhs
17. NOTES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT *(contd.)*				
24. Foreign Currency Exposure				
i) Hedged - Forward Contracts for imports (USD)		USD	**4.69**	-
Term Loan		USD	**19.73**	35.52
ii) Not Hedged Debtors		USD	**2.71**	2.61
		Euro	**5.03**	13.76
		Yen	**0.08**	-
		GBP	**9.42**	-
Creditors		USD	**0.30**	9.26
		Euro	**2.74**	3.53
		JPY	**6.67**	6.67
		GBP	**0.02**	0.09
Cash & Bank Balance		USD	**0.02**	0.02
	(CY & PY GBP 18.2)	GBP	**0.00**	0.00
		Euro	**0.01**	0.01
		RMB	**0.02**	0.01
	(CY JPY 220)	JPY	**0.00**	0.36
Term Loan		USD	**71.03**	71.03
PCFC LOAN		USD	**7.76**	5.01
		EURO	**4.38**	1.71

25. Employee Benefits - AS 15 (Revised)

a) Following information are based on report of Actuary.
Defined benefit plans as at March 31, 2011

	2010-11		2009-10	
	Gratuity (Funded) Rs. Lakhs	**Leave Encashment (Unfunded) Rs. Lakhs**	Gratuity (Funded) Rs. Lakhs	Leave Encashment (Unfunded) Rs. Lakhs
A Break-up of expenses				
1 Current Service Cost	**95.15**	**84.10**	89.32	83.06
2 Interest cost	**83.74**	**11.87**	78.76	10.24
3 Expected return on plan assets	**88.72**	**-**	81.13	-
4 Net Actuarial (gain)/loss recongised during the year	**-22.74**	**35.02**	-21.79	14.18
5 Total expense	**67.43**	**130.99**	65.16	107.48
B Actual return on plan assets				
1 Expected return on plan assets	**88.72**		81.13	
2 Actuarial gain/(loss) on plan assets	**-12.83**		-4.03	
3 Actual return on plan assets	**75.89**		77.10	
C Reconciliation of obligation and fair value of assets				
1 Present value of the obligation	**1,138.17**	**232.07**	1,098.69	195.67
2 Fair value of plan assets	**1,138.51**	**-**	1,108.96	-
3 Funded status [surplus/(deficit)]	**0.34**	**-232.07**	10.27	-195.67

17. NOTES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT *(contd.)*

	2010-11		2009-10	
	Gratuity (Funded) Rs. Lakhs	**Leave Encashment (Unfunded) Rs. Lakhs**	Gratuity (Funded) Rs. Lakhs	Leave Encashment (Unfunded) Rs. Lakhs
D Change in present value of the obligation during the year ended March 31, 2011				
1 Present value of obligation as at April 1, 2010	**1,098.69**	**195.67**	1,012.62	167.93
2 Current Service Cost	**95.15**	**84.10**	89.32	83.06
3 Interest cost	**83.74**	**11.87**	78.76	10.24
4 Benefits paid	**-103.84**	**-94.58**	-56.19	-79.75
5 Actuarial (gain)/loss on plan assets	**-35.57**	**35.02**	-25.82	14.18
6 Present value of obligation as at March 31, 2011	**1,138.17**	**232.07**	1,098.69	195.66

	2010-11 Rs. Lakhs	2009-10 Rs. Lakhs
E Change in Assets during the year ended March 31, 2011		
1 Fair value of plan assets as at April 1, 2010	**1,108.96**	1,014.05
2 Expected return on plan assets	**88.72**	81.13
3 Contribution made	**57.50**	74.00
4 Benefits paid	**-103.84**	-56.19
5 Actuarial gain/(loss) on plan assets	**-12.83**	-4.03
6 Fair value of plan assets as at March 31, 2011	**1,138.51**	1,108.96
F The major category of plan assets as a percentage of total plan		
Gratuity : 92% 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%
b) Gratuity is administered by an approved gratuity fund trust		
c) Amount recognised as an expense in respect of defined benefits plan as under :		
1 Contribution to Gratuity Fund	**57.50**	74.00
2 Gratuity paid directly	**154.47**	19.22
3 Leave encashment	**130.99**	107.49
	342.96	200.71

	2010-11 Rs. Lakhs	2009-10 Rs. Lakhs
17. NOTES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT *(contd.)*		
d) Defined Contribution plan:		
Contribution to Defined Contribution Plan, recognised as expense for the year as under:		
1 Employer's contribution to Government Provident Fund	**531.49**	568.93
2 Employer's contribution to Superannuation Fund	**70.54**	78.58
3 Farewell gift to Retired Employees	**1.84**	0.73
4 Medical insurance premium to Retired Employees	**8.26**	6.76
	612.13	655.00
26. Capital Work-In-Progress at Kapilas Cement Works, Clinkerisation Unit (Line - II) & Captive Power Plant at Rajgangpur includes the following expenses/income		
Salary & Wages	**108.72**	106.97
Insurance	**11.66**	46.19
Bank Financing Charges	**-**	73.30
Others	**391.07**	857.60
27. Research & Development Expenses		
The Company has in-house R & D Centre, approved by the Department of Scientific and Industrial Research (DSIR), Ministry of Science & Technology, Govt. of India. As required by the guidelines (not applicable for the previous year) the details of revenue/capital expenditure incurred for the said R&D Centre during the year are as under :-		
1) Revenue Expenditure charged to Profit & Loss Account		
i) Salary and other Benefits	**128.30**	
ii) Raw Material & Stores	**44.45**	
iii) Others	**14.45**	
Total	**187.20**	
2) Capital expenditure shown under Fixed assets schedule	**18.70**	
Grand Total	**205.90**	

28. Previous year figures have been regrouped where necessary to correspond with current year figures.

for **OCL INDIA LIMITED,**

	Annexure to our Report of Date for **V. Sankar Aiyar & Co.** Chartered Accountants	**Rachna Goria** Company Secretary	On behalf of the Board,
Place : New Delhi Date : 19.05.2011	**R. Raghuraman** Partner Membership No. 81350	**D. N. Singh** Executive Director (Finance) & Chief Financial Officer	Directors

Cash Flow for the year ended 31st March, 2011

		2010-11 Rs. Lakhs		2009-10 Rs. Lakhs
A. CASHFLOW FROM OPERATING ACTIVITIES				
Net profit before Taxes		**15,181.92**		25,454.89
Adjustment for :				
Depreciation	14,029.77		12,955.55	
Interest	6,244.66		5,066.76	
Interest Received	-469.93		-433.15	
Profit on sale of Investment	-18.80		-340.06	
Dividend on Investment	-1,174.47		-250.72	
Effect of Exchange Rate difference (Including MTM of Interest Derivatives)	-34.92		-768.25	
Profit/Loss on sale/write off of Fixed Assets (Net)	-16.03		1.32	
		18,560.28		16,231.45
Operating profit before working capital changes		**33,742.20**		41,686.34
Adjustments for Working Capital changes				
Decrease/(-)Increase in Inventories	-5,117.39		-2,931.59	
Increase in Trade and other payables	1,736.76		3,430.32	
Decrease / (-) Increase in Trade and other Receivables	-3,704.89		2,563.83	
		-7,085.52		3,062.56
Cash generated from Operations		**26,656.68**		44,748.90
Tax Paid (Net)		**-5,979.57**		-5,334.82
Net Cash from Operating Activities		**20,677.11**		39,414.08
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	-12,539.54		-22,144.45	
Sale/write off of Fixed Assets	194.48		85.57	
Interest Received	469.93		433.15	
Profit on sale of Investment	18.80		340.06	
Sale/(-) Purchase of Investment (Net)	-146.90		23.53	
Dividend on Investments	1,174.47		250.72	
Decrease/(-) Increase in Loans given	-5.05		7.84	
Net Cash generated/(-) used in Investing Activities		**-10,833.81**		-21,003.58

Cash Flow for the year ended 31st March, 2011 (contd.)

	2010-11 Rs. Lakhs		2009-10 Rs. Lakhs	
C. CASHFLOW FROM FINANCING ACTIVITIES				
Increase in Secured Loans	2,344.52		11,284.92	
Effect of Exchange Rate difference	34.92		768.25	
Capital Subsidy Received	5.00		-	
Increase/Decrease in Unsecured Loans	315.34		-210.39	
Dividend Paid	-2,276.01		-1,422.51	
Taxes on Dividend Paid	-378.02		-241.75	
Interest	-6,244.66		-5,066.76	
Net Cash from Financing Activities		**-6,198.91**		5,111.76
Net changes in Cash and Cash equivalents		**3,644.39**		23,522.26
Net Increase/(-) Decrease in Cash and Cash equivalents				
Balance at the end of the year	39,021.11		35,376.72	
Balance at the beginning of the year	35,376.72		11,854.46	
		3,644.39		23,522.26

for **OCL INDIA LIMITED,**

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

Rachna Goria
Company Secretary

On behalf of the Board,

R. Raghuraman
Partner
Membership No. 81350

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

Directors

Place : New Delhi
Date : 19.05.2011

Balance Sheet Abstract and Company's General Business Profile

I.	**Registration Details**	
	Registration No. 000185	State Code.15
	Balance Sheet Date	31.03.2011
II.	**Capital raised during the year (Rs.Lakhs)**	
	Public Issue	Nil
	Rights Issue	Nil
	Bonus Issue	Nil
	Private Placement	Nil
III.	**Position of Mobilisation & Deployment of Funds (Rs.Lakhs)**	
	Total Liabilities	2,15,469.00
	Total Assets	2,15,469.00
	Sources of Funds	
	Paid up Capital	1,138.50
	Reserve and Surplus	87,303.13
	Deferred Tax Balance	11,435.45
	Secured Loans	81,818.39
	Unsecured Loans	3,409.29
	Application of Funds	
	Net Fixed Assets	1,29,209.77
	Investments	758.86
	Net Current Assets	55,136.13
	Misc. Expenditure	Nil
	Accumulated Losses	Nil
IV.	**Performance of Company (Rs.Lakhs)**	
	Turnover	1,67,323.95
	Total Expenditure	1,58,642.94
	Profit Before Tax	15,181.92
	Profit After Tax	11,447.33
	Earning per Share (Basic) in Rs.	20.12
	Dividend Rate %	200
V.	**Generic Names of Principal Products/Services of the Company (as per monetary terms)**	
	Item Code No. (ITC Code)	6902 & 6903
	Product Description	Refractory
	Item Code No. (ITC Code)	2523
	Product Description	Cement

for **OCL INDIA LIMITED,**

Rachna Goria
Company Secretary

On behalf of the Board,

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

Place : New Delhi
Dated : 19.05.2011

Directors

Notes

OCL INDIA LIMITED

Registered Office:
Rajgangpur - 770017 (Odisha)

Designed and Printed at IPP/www.ippindia.com
(Printed on Recycled paper)