

# OCL IRON AND STEEL LIMITED

FIFTH ANNUAL REPORT – 2009-10

## BOARD OF DIRECTORS

Shri Yogesh Kapur	– Chairman
Shri Nand Kishore Taori	– Managing Director
Shri Aditya Malhotra	– Director
Shri K.T. James	– Director
Shri Sanjiv Bhasin	– Director

## Company Secretary & Compliance Officer

Ms. Swati Ahuja

## Auditors

M/s A.C. Gupta & Associates,  
Chartered Accountants,  
New Delhi

## Bankers

State Bank of India  
United Bank of India  
Axis Bank

## Registrar & Share Transfer Agent

CB Management Services Private Limited  
P-22, Bondel Road, Kolkata – 700019  
(West Bengal)  
Tel No: +91 33 22806692-94/2280 2486  
Fax No: +91 33 2287 0263  
Email: cbmst@cal2.vsnl.net.in

## Registered Office:

Vill. Lamloi, PO. Garvana,  
Rajgangpur-770 017.  
Distt: Sundargarh, Orissa,

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## NOTICE

Notice is hereby given that the Fifth Annual General Meeting of the Members of OCL Iron and Steel Limited will be held on Thursday, the 30<sup>th</sup> day of September, 2010 at the registered office of the Company at Vill Lamloi, PO. Garvana, Rajgangpur – 770 017 (Dist. Sundargarh, Orissa), at 10.00 a.m. to transact the following business:

### Ordinary Business

1. To consider, adopt and approve the Audited Balance Sheet as at 31<sup>st</sup> March, 2010 and Audited Profit & Loss Account for the year ended on that date together with the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Yogesh Kapur who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board to fix their remuneration.

### Special Business

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

**“RESOLVED THAT** pursuant to the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Nand Kishore Taori, who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956, be and is hereby appointed as Director of the Company not liable to retire by rotation”.

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

**“RESOLVED THAT** pursuant to the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Aditya Malhotra, who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956, be and is hereby appointed as Director of the Company, liable to retire by rotation”.

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

**“RESOLVED THAT** pursuant to the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri K.T. James, who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956, be and is hereby appointed as Director of the Company, liable to retire by rotation”.

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

**“RESOLVED THAT** pursuant to the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Sanjiv Bhasin, who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956, be and is hereby appointed as Director of the Company, liable to retire by rotation”.

**By order of the Board  
For OCL Iron and Steel limited**

Place : New Delhi  
Date : August 31, 2010

Sd/-  
**(Swati Ahuja)**  
Company Secretary

# OCL IRON AND STEEL LIMITED

**Notes:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. Relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the Annual General Meeting (AGM) is annexed hereto.
3. The Register of Members will remain closed from September 27, 2010 to September 30, 2010 (both days inclusive).
4. M/s CB Management Services (P) Limited, P-22, Bondel Road, Kolkata – 700 019 are the Registrars and Share Transfer Agents of the Company to handle transfers both in physical and electronic segments and other share related matters. Shareholders are requested to address all their correspondence to the Registrars at the above address.
5. Members who hold shares in electronic mode are requested to quote their Client Id and DP Id number and those who hold shares in physical form are requested to write their Folio numbers in all correspondence with the Company/ Registrar for facilitating quick disposal of the matters.
6. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days except Saturdays between 11.00 a.m. and 1.00 p.m. up to the date of the AGM.
7. The Company has designated an exclusive e-mail ID namely, [grievances@oclsteel.in](mailto:grievances@oclsteel.in) for receiving and addressing investors' grievances.
8. Consequent upon the introduction of Section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in form No. 2B in duplicate (which will be made available on request) to the R&T Agents of the Company.
9. Members are requested to bring their copies of Annual Report to the Meeting, as the same will not be redistributed at the venue of Annual General Meeting.
10. Members attending the General Meeting are requested to bring the enclosed attendance slip and deliver the same after filling in their folio number at the entrance of the meeting hall. Admission at the Annual General Meeting venue will be allowed only after verification of the signature in the attendance slip. Duplicate Attendance Slip will be issued at the Registered Office of the Company upto a day preceding the day of Annual General Meeting.

**INFORMATION REQUIRED TO BE FURNISHED UNDER CLAUSE 49 OF THE LISTING AGREEMENT IN RESPECT OF DIRECTOR BEING APPOINTED / RE-APPOINTED**

Name of Director	Shri Yogesh Kapur	Shri Nand Kishore Taori	Shri Aditya Malhotra	Shri K.T. James	Shri Sanjiv Bhasin
Date of birth	31.05.1961	09.12.1948	29.11.1982	01.12.1956	31.08.1957
Qualification	B.Com	BE (Mechanical) and Chartered Engineer	MBA	M.Com	Chartered Accountant
Date of appointment	30.09.2009	17.02.2010	17.02.2010	31.08.2010	31.08.2010
Expertise in specific functional areas	Accounts, Finance, Marketing & Procurement	Manufacturing and Process – Steel & Heavy Engineering	Expertise in Project Planning and Operation Management	Accounts and Financial Matters	Audit and Finance. Expertise in Infrastructure Project

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List of other Companies in which Directorship held (excluding in foreign companies)	<ul style="list-style-type: none"> <li>• Able Graphics P. Ltd.</li> <li>• Radhikapur (West) Coal Mining P. Ltd</li> <li>• Nadhu Shah Kapoor Motors P. Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>• Nil</li> </ul>	<ul style="list-style-type: none"> <li>• Gateway Impex Pvt. Ltd</li> </ul>	<ul style="list-style-type: none"> <li>• ACL Industries Limited</li> <li>• Adhbhut Infrastructure Limited</li> <li>• Amtek Transportation Systems Limited</li> <li>• Amtek Railcar Limited</li> </ul>	<ul style="list-style-type: none"> <li>• Idma Laboratories Limited</li> <li>• Idma Finvest Private Limited</li> <li>• Newtime Contractors and Builders Private Limited</li> </ul>
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## Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956

### Item No. 4

The Board of Directors of the Company ("The Board") had, at its meeting held on February 17, 2010, appointed, pursuant to the provisions of Section 260 of the Companies Act, 1956 ("the Act") Shri Nand Kishore Taori, as an Additional Director of the Company. In terms of the provisions of Section 260 of the Act, Shri Nand Kishore Taori will hold Office up to the date of this Annual General Meeting. Mr. Taori, has an extensive experience of about 38 years in various domains like Power Plant & Allied Services, Project Development etc.

The Company has received notice in writing from a member along with deposit of Rs. 500/- proposing the candidature of Shri Nand Kishore Taori for the office of Director of the Company under the provisions of Section 257 of the Act.

None of the Directors except Shri Nand Kishore Taori is concerned or interested in the said resolution.

### Item No. 5

The Board of Directors of the Company ("The Board") had, at its meeting held on February 17, 2010, appointed, pursuant to the provisions of Section 260 of the Companies Act, 1956 ("the Act") Shri Aditya Malhotra, as an Additional Director of the Company. In terms of the provisions of Section 260 of the Act, Shri Aditya Malhotra will hold the Office up to the date of this Annual General Meeting.

The Company has received notice in writing from a member along with deposit of Rs. 500/- proposing the candidature of Shri Aditya Malhotra for the office of Director of the Company under the provisions of Section 257 of the Act.

None of the Directors except Shri Aditya Malhotra is concerned or interested in the said resolution.

### Item No. 6

The Board of Directors of the Company ("The Board") had, at its meeting held on August 31, 2010, appointed, pursuant to the provisions of Section 260 of the Companies Act, 1956 ("the Act") Shri K.T. James, as an Additional Director of the Company.

In terms of the provisions of Section 260 of the Act, Shri K.T. James will hold the Office up to the date of this Annual General Meeting.

The Company has received notice in writing from a member along with deposit of Rs. 500/- proposing the candidature of Shri K.T. James for the office of Director of the Company under the provisions of Section 257 of the Act.

None of the Directors except Shri K.T. James is concerned or interested in the said resolution.

### Item No. 7

The Board of Directors of the Company ("The Board") had, at its meeting held on August 31, 2010, appointed, pursuant to the provisions of Section 260 of the Companies Act, 1956 ("the Act") Shri Sanjiv Bhasin, as an Additional Director of the Company.

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In terms of the provisions of Section 260 of the Act, Shri Sanjiv Bhasin will hold the Office up to the date of this Annual General Meeting.

The Company has received notice in writing from a member along with deposit of Rs. 500/- proposing the candidature of Shri Sanjiv Bhasin for the office of Director of the Company under the provisions of Section 257 of the Act.

None of the Directors except Shri Sanjiv Bhasin is concerned or interested in the said resolution.

**By order of the Board  
For OCL Iron and Steel limited**

Sd/  
**(Swati Ahuja)**  
Company Secretary

Place : New Delhi  
Date : August 31, 2010

# OCL IRON AND STEEL LIMITED

## DIRECTORS' REPORT

To  
The Members  
OCL Iron and Steel Limited

Your directors take pleasure in presenting the Fifth Annual Report of the Company together with the Audited Accounts for the year ended 31<sup>st</sup> March, 2010.

### FINANCIAL RESULTS

(Rupees in Lacs)

Particulars	Year ended 31 <sup>st</sup> March, 2010	Year ended 31 <sup>st</sup> March, 2009
Sales and Operating Income	19175.70	21426.90
Other Income	72.33	107.98
Total Expenditure	17730.84	19257.20
Profit before Interest, Depreciation and Tax	1517.19	2277.68
Depreciation	771.88	812.81
Interest	694.95	824.07
Profit/(loss) before tax	50.36	640.80
Provision for taxation	30.13	247.31
Profit after Taxation	20.23	393.49
Add balance brought forward from Previous Year	894.59	610.48
Surplus Available	<b>914.82</b>	<b>1003.97</b>
<b>APPROPRIATION</b>		
Transfer to debenture redemption reserve account	15.00	109.38
Surplus Carried to Balance Sheet	899.82	894.59

### Performance

During the year under review, the Company achieved Sales and Operating Income of Rs. 19175.70 lacs as compared to Rs. 21426.90 lacs in the previous year. Gross profit before interest, depreciation and taxes stood at Rs. 1517.19 lacs as against Rs. 2277.68 lacs in the previous year. Though, profitability margins were affected due to lower steel prices and correspondingly higher raw material costs during FY 2009-10, the margins have started improving during last quarter ended March 31, 2010.

### Dividend

The Board of Directors do not recommend any dividend for the year ended 31st March 2010.

### Operations

During the year under review the Company produced :

- 96003 MT of sponge iron and sold 24845 MT.
- 76074 MT of MS billets and sold 75488 MT.

The Company has generated 918 lac units of power during the year.

### Change in Management

During the year under review, M/s Garima Buildprop Private Limited acquired 60.83% shares from the outgoing promoters of the Company and further acquired 15.38% shares from the general public through open offer pursuant to SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 which resulted in acquisition of 76.21% equity stake in the Company.

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Consequent to the above acquisition, Garima Buildprop Private Limited became the holding Company and New Promoter of the company.

Subsequent to the takeover, there was change in the management of the Company. Mr. Nand Kishore Taori and Mr. Aditya Malhotra were appointed as directors and Dr. Sheoraj Jain, Mr. Raghu Hari Dalmia, Mr. Surendra Kumar Dalmia, Mr. Sabyasachi Mishra and Mr. K.M. Poddar resigned from the directorship of the Company.

## Directors

During the period under review, **Shri Nand Kishore Taori, Shri Aditya Malhotra, Shri K.T. James and Shri Sanjiv Bhasin** were appointed as Additional Director on the Board of the Company. Pursuant to Section 260 of the Companies Act, 1956 their tenure as directors expires on the date of the present Annual General Meeting. Notice(s) signifying the intention to appoint them as directors have been received from the members of the Company and accordingly respective resolutions to that effect have been provided in the notice of the Annual General Meeting as special business.

**Shri Yogesh Kapur** retires at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Brief resume of the Directors proposed to be appointed/reappointed, nature of their expertise in specific functional areas and names of Companies in which they hold directorships and memberships/chairmanships of Board Committees, as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges in India, are provided in notice forming part of the Annual Report.

## Share Capital

### Issue of Preference Shares

Subsequent to the year under review, the Company has issued and allotted 5,30,05,000 (Five Crore Thirty Lacs and Five Thousand) fully paid Redeemable Non-Cumulative Preference Shares for Rs. 530.05 crores.

## Subsidiaries

The Company does not have any subsidiary.

## Auditors

M/s A.C. Gupta & Associates, Chartered Accountants, were appointed as Statutory Auditors by the members to fill the casual vacancy caused by the resignation of earlier auditors i.e. M/s V. Shankar Aiyar & Co. M/s A.C. Gupta & Associates vacate their office at the conclusion of ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept their appointment as statutory auditors of the Company, if appointed.

## Fixed Deposits

During the period under review the Company has not accepted any public deposits within the meaning of Section 58A and 58AA of the Companies Act, 1956.

## De-materialisation of shares

Company's equity shares are available for de-materialization on both the depositories viz. NSDL & CDSL. Shareholders may be aware that SEBI has made trading in your company's shares mandatory, in de-materialized form. As on 31<sup>st</sup> March 2010, 128657369 equity shares representing 95.91% of your Company's Equity share capital have been de-materialized.

## Listing at Stock Exchange

The Shares of company are listed on The Bombay Stock Exchange Limited, Mumbai and The National Stock Exchange of India Limited, Mumbai. The company has paid annual listing fee to the Stock exchanges for the year 2010 - 2011.

## Statutory Information

- Particular of Employees under section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 – NIL
- Statutory details of Energy Conservation and Technology Absorption R & D activities and Foreign Exchange Earning and Outgo, as required under Section 217(1) (e) of the Companies Act, 1956 and rules prescribed there-under i.e. the Companies (Disclosure of Particulars in Report of Board of Directors) Rules, 1988 are given in the Annexure and form part of this Report.

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## Corporate Governance

A separate section on Corporate Governance forming part of the Directors' Report and the certificate from the Company's Auditors confirming compliance of Corporate Governance norms as stipulated in Clause 49 (VII) of the Listing Agreement with the Indian Stock Exchanges is included in the Annual Report.

## Management Discussion and Analysis

Management Discussion and Analysis of financial condition including the results of operations of the Company for the year under review as required under clause 49 of the Listing Agreement with stock exchange is presented in separate section forming part of the Annual Report.

## Directors' Responsibility Statement

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, as amended by the Companies (Amendment) Act, 2000 with respect to Directors' Responsibility Statement, it is hereby confirmed :-

- That in the preparation of the Annual Accounts for the year ended 31<sup>st</sup> March, 2010, the applicable accounting standards have been followed;
- That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the period under review;
- That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- That the Directors had prepared the annual accounts on a going concern basis.

## Industrial Relations

During the year under review, the relations between the Management and the workmen were highly cordial.

## Investor Relations

Your Company always endeavours to promptly respond to shareholders' requests / grievances. Each and every issue raised by the shareholders is taken up with utmost priority and every endeavour is made to provide them a satisfactory reply at the earliest. The Shareholders' and Investors' Grievances Committee of the Board periodically reviews the status of the redressal of investors' grievances.

## Employee Welfare

Your Company demonstrated that it is a caring organization by constantly devising and implementing several welfare measures for the employees and their families. Employee welfare programmes and schemes were implemented with utmost zeal and they were constantly reviewed and improvements were made wherever necessary, at the earliest.

## Acknowledgement

Your Directors wish to place on record the sincere and dedicated efforts of all the members of the Company's team. Your Directors also take this opportunity to offer their sincere thanks to the Financial Institutions, Banks and other Government Agencies, our valued customers and the investors for their continued support, co-operation and assistance.

**By order of the Board  
For OCL Iron and Steel limited**

Sd/  
**(Yogesh Kapur)**  
Chairman

Place : New Delhi  
Date : August 31, 2010



## ANNEXURE - I TO THE DIRECTORS' REPORT 2009-2010

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

### CONSERVATION OF ENERGY

#### DRI:

a) **Energy Conservation measures taken**

The following measures are continued to be taken for conservation of energy.

- i) Company is conducting regular energy audit to assess the energy losses.
- ii) LT Capacitors are being fixed at washery to reduce energy losses.
- iii) VFDs are being installed for higher capacity motors in Coal Washery.

b) **Additional investment and proposals**

- i) Installation of Variable speed drives for ID fan of ESP 1 & 2.

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

- i) All the above measures have resulted in reduction of energy losses.
- ii) Monitoring of energy wastages.

#### SMS:

a) **Energy Conservation measures taken**

The following measures are continued to be taken for conservation of energy.

- i) Power factor is being maintained close to unity.
- ii) Pressure setting of compressor has been reduced as per usage.
- iii) Optimized the operating voltage of transformers by changing the tap position.

b) **Additional investment and proposals**

- i) Lighting energy savers are to be installed to optimize the voltage of lighting feeders.

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

- i) All the above measures have resulted in saving of energy usage.

#### CPP:

a) **Energy Conservation measures taken**

The following measures are continued to be taken for conservation of energy.

- i) Energy efficient light sets are being installed around the plant side.
- ii) New high efficiency motor for boiler feed pump is being operated through VFD.
- iii) Flue gas analyzer in boiler inlet and VFD for ABC fan is being installed to increase the steam generation capacity.

b) **Additional investment and proposals**

- i) Company has a proposal to use only energy efficient equipments certified by BEE.
- ii) AFBC ID fan suction damper to be removed from position to avoid pressure drop and energy loss.

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- c) **Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on cost of production of grades.**
- i) Increase in steam generation potential.
  - ii) All the above measures have resulted in saving of electrical as well as thermal energy.

## FOREIGN EXCHANGE EARNINGS AND OUTGO

Total Foreign Exchange used and earned:

Used	:	29.39 Lacs
Earned	:	1518.82 Lacs

As regards export, Company avails opportunities based on economic consideration.

## FORM-A

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

#### STEEL

	2009-10	2008-09
<b>A) POWER AND FUEL CONSUMPTION</b>		
a) Electricity Purchased		
Units (in lacs)	—	—
Total Amount (Rs. in lacs)	—	—
Rate/Unit (Rs)	—	—
b) Own generation through power Generators		
Units (in lacs)	917.66	955.31
Units per Tonne of fuel	950	990
Cost/unit (Rs)	1.50	2.02
<b>B) CONSUMPTION PER UNIT OF PRODUCTION (PER MT)</b>		
<b>STEEL</b>		
Electricity (KWH)	833.00	850.00
Fuel Oil (Ltrs)	4.80	4.95
<b>POWER</b>		
Electricity (KWH)	0.09	0.09
Fuel:		
— Oil (Rs. in Lacs)	2.80	5.17
— Coal (Lacs Mt)	0.90	0.89

## CORPORATE GOVERNANCE

### I. Philosophy on Code of Governance

The Company is committed to conduct its business in an efficient, fair, honest and ethical manner. Good corporate governance goes beyond compliances and requires companywide commitment. It starts with the Board of Directors and percolates down the order throughout the organization. It seeks to raise the standards of corporate management, strengthens the Board systems, significantly increases its effectiveness and ultimately serves 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

The Business of the Company is managed by the Board of Directors. The functions of the Board include formulation of strategic business plans, budgets, setting up goals and evaluation of performance, approving corporate philosophy and mission, monitoring corporate performance against strategic business plans, overseeing operations, recruitment of senior management personnel, review of material investment and fixed assets transactions, ensuring compliance with laws and regulations, keeping shareholders informed regarding plans, strategies and performance of the Company and other important matters.

#### A. Composition of Board of Directors

Your Company's Board has an optimum combination of Executive and Non-Executive Directors with considerable experience in their respective fields. The Chairman of the Board is a Non-Executive Independent Director. The Board as at March 31, 2010 had a combination of one Executive Director and two Non-Executive Independent Directors. The details of the Directors with regard to their outside directorships, committee position as well as attendance at Board Meeting/AGM are as follows:

S. No.	Name of the Director	Status	Executive/ Non-Executive/ Independent	No. of Board Meetings attended	Atten- dance at the last AGM held on 30.09 2009	No. of other Director ships	Total No. of Committees +	
							Member ship	Chair- man ship
1.	Dr. S. R Jain*	Chairman	Non-executive and Independent	6	NP	4	3	2
2.	Shri R H Dalmia*	Vice- Chairman	Promoter, Non-executive and Non Independent	6	NP	7	Nil	1
3.	Shri K M Poddar*	Director	Non-executive and Independent	4	NP	4	2	1
4.	Shri Surendra Kumar Dalmia*	Director	Non-executive and Independent	2	P	9	1	1
5.	Shri Badalchand Parakh#	Director	Non-executive and Non-independent	1	P	Nil	2	Nil
6.	Shri Sabyasachi Mishra*	Managing Director	Executive	5	P	4	2	1
7.	Shri Yogesh Kapur@	Chairman	Non-executive and Independent	6	P	3	2	2
8.	Shri Nand Kishore Taori\$	Managing Director	Executive and Non-Independent	1	Nil	Nil	1	Nil

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9.	Shri Aditya Malhotra\$	Director	Non-Executive and Independent	Nil	Nil	1	1	Nil
10.	Shri K.T. James~	Director	Non-executive and Independent	Nil	Nil	4	1	Nil
11.	Shri Sanjiv Bhasin~	Director	Non-executive and Independent	Nil	Nil	3	1	1

## Notes:

- Seven Board meetings were held during the Financial Year 2009-10 on 16.05.2009, 01.06.2009, 31.07.2009, 24.10.2009, 28.01.2010 17.02.2010 and 09.03.2010.
- The Non Executive Chairman has not desired an office at the Company's expense.
- + Includes only membership in Audit Committee and Investor Grievance Committee.
- \* Resigned from the Directorship of the Company with effect from 17.02.2010.
- # Resigned from the Directorship of the Company with effect from 28.01.2010.
- @ Appointed as a director on 30.09.2009
- \$ Appointed as an additional director on 17.02.2010
- ~ Appointed as an Additional Director on 31.08.2010

## B) Board Procedure

The Board shall meet at least four times a year, with a maximum time gap of four months between any two meetings. The minimum information to be made available to the Board is prescribed in Clause 49 of the Listing Agreement.

The Board of Directors of your Company plays a pivotal role in ensuring good governance and functioning of the Company. The Board's role, functions, responsibility, and accountability are clearly defined. All relevant information (as mandated by the regulations) is placed before the Board. The Board reviews compliance reports of all laws applicable to the Company, as well as steps taken by the Company to rectify instances of non-compliances.

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

## III. Audit Committee

The Audit Committee, comprised of three directors viz. Shri Surendra Kumar Dalmia as its Chairman and Shri K M Poddar, and Shri Badalchand Parakh as its Members. The constitution of the Audit Committee meets the requirement of Section 292A of the Companies Act, 1956. The power and role of the audit committee is as per the guidelines set out in the listing agreement and as prescribed under Section 292A of the Companies Act, 1956.

During the year, the committee met 4 times and the attendance of members at the meetings was as follows:

Name of Member	Status	No. of Meetings attended
Surendra Kumar Dalmia	Chairman	4
K M Poddar	Director	4
Badalchand Parakh	Director	1

The Audit Committee had been further reconstituted w.e.f 31.08.2010, Shri Sanjiv Bhasin have been appointed as the Chairman of the committee along with Mr. Yogesh Kapur and Mr. Aditya Malhotra as the members of the Committee.

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## IV. Remuneration of Directors

### A) Non-Executive Directors

The remuneration of Non-Executive Directors (NEDs) is fixed by the Board of Directors subject to approval of shareholders and there is no separate Remuneration Committee.

The Non-Executive Directors are paid sitting fees for attending the Board/Committee Meetings besides reimbursement of out of pocket expenses.

Details of sitting fees and Commission paid to the Directors during 2009-10 are mentioned below:

Later Mr. Sabyasachi Mishra resigned as the Managing Director of the Company w.e.f. 17th February, 2010. Mr. Nand Kishore Taori was appointed as the Managing Director of the Company on 8th June, 2010.

(Amount in Rs.)

S.No.	Name of the Director	Sitting fees
1	Dr. Sheoraj Jain	60,000
2	Shri R H Dalmia	60,000
3	Shri Surendra Kumar Dalmia	60,000
4	Shri K M Poddar	80,000
5	Shri Badalchand Parakh	20,000
6	Shri Yogesh Kapur	70,000

### B) Executive Directors

The details of the remuneration paid to the Executive Directors provided as per accounts for the year ended March 31, 2010 are given below:-

Executive Director	Salary * (in Lacs)	Commission	Total (in Lacs)
Shri Sabyasachi Mishra	1.78	-	1.78

\* Salary includes basic salary, perquisites and allowances, contribution to provident fund etc.

## V. Shareholders'/Investors' Grievance Committee

Presently the Investors Grievance Committee consists of two Directors i.e. Shri Yogesh Kapur and Shri Nand Kishore Taori. The Company Secretary acts as the Secretary and Compliance Officer of the Shareholders'/ Investors' Grievance Committee. During the year the Company has received four investors' Complaints. All the Complaints have been dealt with appropriately. Hence as on 31st March, 2010, there were nil complaints pending with the Company, During the year 2009-10, one meeting of the committee was held to review the status of Shareholders'/Investors' Grievance/ correspondence received.

Date of Grievance Committee Meeting	Yogesh Kapur	Nand Kishore Taori
09.03.2010	Present	Present

The Company has also adopted a Code of Internal procedure and conduct for prevention of insider trading in the shares of the Company, pursuant to the Securities and Exchange Board of India (Prohibitions of Insider Trading) Regulation, 1992, as amended. The Board has designated Company Secretary as the Compliance Officer for this purpose and has authorized this Committee to monitor the compliances as required under the aforesaid Regulation.

# OCL IRON AND STEEL LIMITED

## VI. COMPLIANCE OFFICER

The Board has designated Ms. Swati Ahuja, Company Secretary as Compliance Officer.

## VII. GENERAL BODY MEETINGS

Location, time and place of Annual General Meetings held in last three years –

YEAR	DATE & TIME	LOCATION	WHETHER SPECIAL RESOLUTIONS WERE PASSED
2006-07	24th September, 2007 at 11.30 A.M.	At the registered office at Rajgangpur - 770017 (Orissa)	No Special resolution was passed.
2007-08	9th September 2008 at 11.00 A.M.	OCL Rest House, Rajganjpur- 770017 (Distt. Sundargarh, Orissa)	Special resolution was passed for payment of Commission @ 1% of the net profits to Directors other than MD & WTD.
2008-09	30th September 2009 at 11.00 A.M.	At the registered office at Rajganjpur – 770 017 (Orissa)	No Special resolution was passed.

## POSTAL BALLOT

During the period Company has passed the following resolutions through Postal Ballot:-

- A. The members of the Company passed an ordinary resolution for the appointment of M/s A. C. Gupta & Associates as Statutory Auditor as under Section 224 and appointment of Shri Nand Kishore Taori as Managing Director under Section 198, 269, 309 and 310 of the Companies Act, 1956. Mrs. Iqneet Kaur, Practising Company Secretary was appointed as Scrutinizer for conducting the postal ballot.

The result of the postal ballot was published in the newspaper. The gist of the result is as follows:

Date of Declaration of Results	Particulars of Resolution passed	Total Valid Votes	Votes in favour	Votes Against
8th June, 2010	Appointment of M/s A.C. Gupta & Associates as Statutory Auditor under Section 224 of the Companies Act, 1956	106999752 (100%)	106987977 (99.989%)	11775 (0.011%)
8th June, 2010	Appointment of Shri Nand Kishore Taori as Managing Director under Section 198, 269, 309 and 310 of the Companies Act, 1956	106999752 (100%)	106987977 (99.989%)	11775 (0.011%)

- B. The members of the Company passed a special resolution for the issue of Redeemable Non Cumulative Preference Shares under Section 80, 81(IA) and ordinary resolutions for increase in authorized capital of the Company under Section 94(1)(a) and altering capital clause of the Memorandum of Association under Section 16 of the Companies Act, 1956. Mrs. Iqneet Kaur, Practising Company Secretary was appointed as Scrutinizer for conducting the postal ballot.

# OCL IRON AND STEEL LIMITED

The result of the postal ballot was published in the newspaper. The gist of the result is as follows:

Date of Declaration of Results	Particulars of Resolution passed	Total Valid Votes	Votes in favour	Votes Against
24 <sup>th</sup> July, 2010	Issue of Redeemable Non Cumulative Preference Shares under Section 80, 81(1) (A) of the Companies Act, 1956	107660989 (100%)	107659489 (99.999%)	1500 (0.001%)
24 <sup>th</sup> July, 2010	Increase in authorized capital of the company under Section 94(1)(a) of the Companies Act, 1956	107660989 (100%)	107659489 (99.999%)	1500 (0.001%)
24 <sup>th</sup> July, 2010	Altering capital clause of the Memorandum of Association under section 16 of the Companies Act, 1956	107660989 (100%)	107659489 (99.999%)	1500 (0.001%)

- C. The members of the Company passed ordinary resolutions for the increase in borrowing limit under Section 293(1)(d) and increase in limits for charging/mortgaging the assets/ properties under Section 293(1)(a) of the Companies Act, 1956. Mrs. Iqneet Kaur, Practising Company Secretary was appointed as Scrutinizer for conducting the postal ballot.

The result of the postal ballot was published in the newspaper. The gist of the result is as follows:

Date of Declaration of Results	Particulars of Resolution passed	Total Valid Votes	Votes in favour	Votes Against
23 <sup>rd</sup> August, 2010	Increase in borrowing limit under Section 293(1)(d) of the Companies Act, 1956	108020838 (100%)	106977216 (99.03%)	1043622 (0.97%)
23 <sup>rd</sup> August, 2010	Increase in limits for charging/ mortgaging the assets/properties under Section 293(1)(a) of the Companies Act, 1956	108020838 (100%)	106977216 (99.03%)	1043622 (0.97%)

## VIII DISCLOSURES

### (A) Basis of related Party Transaction

The details of all materially significant transactions with related parties are periodically placed before the audit committee. Transactions with related parties are as set out in the notes to accounts, which are not likely to have conflict with the interest of the Company.

### (B) Whistle Blower Policy

The company encourages an open door policy where employees have access to the Head of the Business / Function. In terms of Company's Code of Conduct, any instance of non adherence to the code/ any other observed unethical behavior are to be brought to the attention of the immediate reporting authority, who is required to report the same to the Head of Corporate Human Resources.

We hereby affirm that no personnel have been denied access to the audit committee.

# OCL IRON AND STEEL LIMITED

Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years — Nil

The Company has complied with all mandatory requirements of the revised Clause 49 of the Listing agreement, which came into effect from 1<sup>st</sup> January 2006. Further, the Company has also complied with the non-mandatory requirement relating to constitution of Shareholder Rights and establishing the Whistleblower Policy.

## (C) Code of Business Conduct and Ethics for Directors and Management Personnel

The Board has prescribed a Code of Conduct ("Code") for all Board members and senior management of the Company. The Code has been posted on the website of the Company ([www.oclsteel.in](http://www.oclsteel.in)). All Board members and senior management personnel have confirmed compliance with the Code for the year 2009-10. A declaration to this effect signed by the Managing Director & CEO of the Company is provided elsewhere in the Annual Report.

## (D) Disclosure of Accounting Treatment

In the preparation of financial statements for the year ended on March, 2010; there was no treatment different from that prescribed in an accounting standard that had been followed.

## (E) Board Disclosures – Risk Management

The Company has laid down procedures to inform Board members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management controls risk through means of properly defined framework.

## IX. MEANS OF COMMUNICATION

Results for quarter ended 30th June 2009, 30th September 2009, 31st December 2009 and 31st March 2010 have been published in English (Financial Express) and also in a vernacular language newspaper.

The Company also uploads its financial results, shareholding pattern and other information on the website of the Company i.e. [www.oclsteel.in](http://www.oclsteel.in)

A management Discussion and Analysis report which forms part of the Annual Report is given by means of a separate annexure and is attached to the Directors' Report.

## X. GENERAL SHAREHOLDERS' INFORMATION

### A) General information

Registered Office	Vill. Lamloi, P.O. Garvana, Rajgangpur:- 770 017, Distt: Sundargarh, Orissa,
Plant Location	Vill. Lamloi, P.O. Garvana, Rajgangpur:- 770 017, Distt: Sundargarh, Orissa,
Last Annual General Meeting: Day / Date/ Time/ Venue	Wednesday, the 30 <sup>th</sup> September, 2009 at 11.00 AM Vill. Lamloi, P.O. Garvana, Rajgangpur - 770 017, Distt: Sundargarh, Orissa,
Financial Year	1 <sup>st</sup> April to 31 <sup>st</sup> March
Last Book Closure	25 <sup>th</sup> September, 2009 to 30 <sup>th</sup> September, 2009
Dividend payment date	N/A
Listing on Stock Exchanges	1] BOMBAY STOCK EXCHANGE LTD. Phiroze Jeejeebhoy Towers Dalal Street, Mumbai - 400 001. 2] NATIONAL STOCK EXCHANGE OF INDIA LTD. Exchange Plaza (5th Floor), Plot No. C/1, G. Block Bandra-Kurla Complex, Bandra



# OCL IRON AND STEEL LIMITED

(E), Mumbai – 400 051. The Company has paid the Listing fee for the year 2010-11 to BSE & NSE within the stipulated time.	
ISIN CODE	INE196J01019
Stock Code - Equity Share:	
BSE	533008
NSE	OISL

**B) Financial Calendar:**

<b>FINANCIAL CALENDER: (Tentative &amp; Subject to change)</b>	
First Quarter Results	End of July, 2010
Second Quarter Results	End of October, 2010
Third Quarter Results	End of January, 2011
Fourth Quarter Results	End of April, 2011

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 the Stock Exchanges.

**C) Dematerialization of Shares and Liquidity**

The shares of the Company are in compulsory Demat Segment and are available for trading in both the Depositories, namely, NSDL and CDSL. As on 31<sup>st</sup> March 2010, 12,86,57,369 Equity Shares constituting 95.91% of the total paid up equity capital of the Company have been dematerialized with NSDL and CDSL.

**D) Share Transfer system and Share Transfer Agent**

Pursuant to directions of SEBI, the facility to hold the Company's shares in electronic form are made available to shareholders as the Company joined both Depositories namely NSDL & CDSL. Share Transfer documents for physical transfer and requests for dematerialization of shares are sent to Company's Share Transfer Agents.

**E) Registrar & Share Transfer Agent**

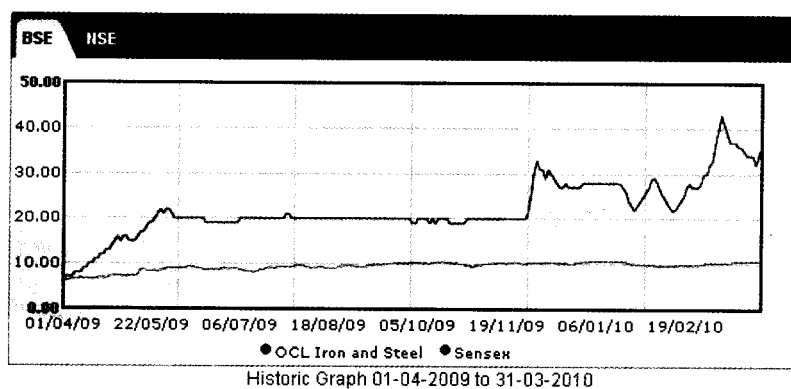
CB Management Services Private Limited  
P -22, Bondel Road, Kolkata – 700019 (West Bengal)  
Tel No: +91 33 22806692-94/2280 2486  
Fax No: +91 33 2287 0263  
Email: [cbmsl@cal2.vsnl.net.in](mailto:cbmsl@cal2.vsnl.net.in)

# OCL IRON AND STEEL LIMITED

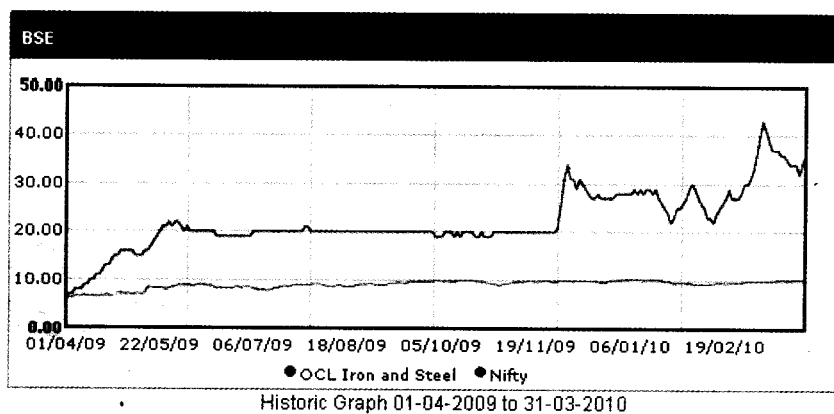
## F) Market price data: Monthly High / Low prices per share during 2009-2010:

Months	BSE		NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April, 2009	13.46	6.22	14.60	6.45
May, 2009	23.17	13.10	23.60	13.90
June, 2009	23.10	18.80	23.60	18.45
July, 2009	20.70	19.00	20.70	19.10
August 2009	20.65	19.45	20.60	19.40
September 2009	20.2	19.15	20.40	19.15
October 2009	20.2	17.6	20.15	18.90
November 2009	21.05	19.6	21.45	18.00
December 2009	36.4	20.9	37.10	20.05
January 2010	29.4	21	29.40	21.30
February 2010	30.1	21	30.20	21.95
March 2010	43.2	28.4	43.25	28.00

### BOMBAY STOCK EXCHANGE



### NATIONAL STOCK EXCHANGE



# OCL IRON AND STEEL LIMITED

## G. Shareholding pattern as on 31st March, 2010:

Category Code	Category of Shareholder	Total Number of Shareholders	Total Number of Shares	Percentage
<b>(A) Shareholding of Promoter and Promoter Group</b>				
<b>(1) Indian</b>				
(a)	Individual's/Hindu Undivided Family	0	0	0
(b)	Central Government/State Government(s)	0	0	0
(c)	Bodies Corporate	1	102226992	76.207
(d)	Financial Institutions / Banks	0	0	0
(e)	Any Other (specify)	0	0	0
<b>Sub - Total (A) (1)</b>		<b>1</b>	<b>102226992</b>	<b>76.207</b>
<b>(2) Foreign</b>				
(a)	Individuals (Non-Resident Individuals/Foreign Individuals)	0	0	0
(b)	Bodies Corporate	0	0	0
(c)	Institutions	0	0	0
(d)	Any Other (Specify)	0	0	0
<b>Sub - Total (A) (2)</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)</b>		<b>1</b>	<b>102226992</b>	<b>76.207</b>
<b>(B) Public Shareholding</b>				
<b>(1) Institutions</b>				
(a)	Mutual Funds/UTI	2	57000	0.042
(b)	Financial Institutions / Banks	23	187500	0.140
(c)	Central Government / State Government(s)	0	0	0
(d)	Venture Capital Funds	0	0	0
(e)	Insurance Companies	0	0	0
(f)	Foreign Institutional Investors	5	2218618	1.654
(g)	Foreign Venture Capital Investors	0	0	0
(h)	Any Other (Specify) (OCB/Foreign Bank)	0	0	0
<b>Sub Total (B) (1)</b>		<b>30</b>	<b>2463118</b>	<b>1.836</b>
<b>(2) Non-Institutions</b>				
(a)	Bodies Corporate	430	10078750	7.513
<b>(b) Individuals -</b>				
i.	Individual Shareholders holding nominal Share Capital upto Rs. 1 lakh.	11776	16287672	12.142
ii.	Individual Shareholders holding nominal Share Capital in excess of Rs. 1 lakh	8	2031529	1.514
(c)	Any Other (specify)	0	0	0
(i)	Trusts	0	0	0
(ii)	Clearing Members	83	524897	0.391
(iii)	NRI Individuals	126	475962	0.355
(iv)	HUF	0	0	0

# OCL IRON AND STEEL LIMITED

(v) Foreign Corporate Bodies	31	54240	0.040
<b>Sub-Total (B)(2)</b>	<b>12454</b>	<b>29453050</b>	<b>21.956</b>
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>12484</b>	<b>31916168</b>	<b>23.79</b>
<b>TOTAL (A) + (B)</b>	<b>12485</b>	<b>134143160</b>	<b>100</b>
(C) Shares held by Custodians and against which Depository Receipts have been issued	0	0	0
<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>12485</b>	<b>134143160</b>	<b>100</b>

## H) Distribution of Shareholding as on 31st March, 2010:

Range of Shares	No. of Holders	No. of Shares
Upto 5000	11662	8545466
5001-10000	443	3112454
10001-20000	230	3159616
20001-30000	55	1373581
30001-40000	28	982420
40001-50000	12	531945
50001-100000	32	2193094
100001 and above	23	114244584
<b>Total</b>	<b>12485</b>	<b>134143160</b>

## I) Information for Debenture Holders

Interest payment date	Frequency of interest payment	% interest	ISIN No.	Date of Redemption	Face value per Debenture (in Rs.)	Name and Address of Debenture Trustee
1st Jan & 1st July every year	Half yearly	9.20	INE196J07016	21st Jan 2017	1 crore	AXIS Bank Ltd. 13th Floor, Maker Tower-"F", Cuffe Parade, Colaba, Mumbai-400005

## J) INVESTORS CORRESPONDENCE MAY BE ADDRESSED TO:-

**Ms. Swati Ahuja**  
Vill. Lamloi, PO. Garvana,  
Rajgangpur - 770 017.  
Distt: Sundargarh, Orissa,

**By order of the Board**  
**For OCL Iron and Steel limited**

Place : New Delhi  
Date : August 31, 2010 .

Sd/-  
**(Yogesh Kapur)**  
Chairman

# OCL IRON AND STEEL LIMITED

## AUDITORS' REPORT ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To  
The Shareholders  
OCL IRON AND STEEL LIMITED

We have examined the compliance of conditions of corporate governance by OCL Iron and Steel Limited for the Year ended on 31<sup>st</sup> March, 2010 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to 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.

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 in all material respects with the conditions of corporate governance as stipulated in the above-mentioned Listing Agreement.

As required by the Guidance Note issued by the Instituted of Chartered Accountants of India, we state that the shareholders / Investors Grievance Committee has maintained records to show the Investors Grievance and certify that as at 31.03.2010, there were no investors grievance remaining unattended/pending for more than 30 days.

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

**For A.C. Gupta & Associates**  
Chartered Accountants

Place : New Delhi  
Date : 31-08-2010

Sd/-  
**A.C. Gupta**  
Partner  
Membership No. 008565

## DECLARATION BY CEO UNDER CLAUSE 49 OF THE LISTING AGREEMENT

As required under Clause 49 of the Listing Agreement with Stock Exchange, it is hereby confirmed that for the year ended 31<sup>st</sup> March, 2010, the Directors of OCL Iron and Steel Limited have affirmed compliance with the Code of Conduct for Board Members as applicable to them and members of the senior management have affirmed compliance with Employee Code of Conduct, as applicable to them.

Date : 31-08-2010  
Place : New Delhi

Sd/-  
**N. K. Taori**  
Managing Director

# OCL IRON AND STEEL LIMITED

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## CEO AND CFO CERTIFICATION

We, N.K.Taori, Managing Director and S.K. Agarwal, AGM (Finance & Accounts), responsible for the finance functions certify that:

- a) We have reviewed the financial statements and cash flow statement for the year ended 31.03.2010 and to the best of our knowledge and belief:-
  - I. These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;
  - II. These statements together, present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31.03.2010 are fraudulent, illegal or in violation of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to the financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- d)
  - I) There has not been any significant change in internal control over financial reporting during the year under reference;
  - II) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and
  - III) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Place : New Delhi  
Date : 31.08.2010

Sd/-  
**S.K. Agarwal**  
AGM (Finance & Accounts)

Sd/-  
**N.K. Taori**  
Managing Director

## MANAGEMENT DISCUSSION AND ANALYSIS

### 1. Industry Structure and Developments

The steel industry in India has been moving from strength to strength and according to the Annual Report 2009-10 by the Ministry of Steel, India has emerged as the fifth largest producer of steel in the world and is likely to become the second largest producer of crude steel by 2015-16.

Steel production rose 4.2 per cent to reach 60 Million Tonne in 2009-2010. The National Steel Policy 2005 had projected an annual steel consumption growth of 7 per cent based on GDP growth rate of 7-7.5 per cent and production of 110 Million T of crude steel by 2019-2020. Nonetheless, with the current rate of ongoing greenfield and brownfield projects, the Ministry of Steel has projected that these growth trends are likely to be exceeded and it is envisaged that in the next five years, demand will grow at higher annual average growth rate of over 10 per cent as compared to around 7 per cent growth achieved between 1991-92 and 2005-06.

Moreover, the crude steel production capacity in the country by 2011-12 is likely to be nearly 124 million MT.

India's steel consumption rose 8 per cent in the year ended March 2010, over the same period a year ago on account of improved demand from sectors like automobile, infrastructure and housing. The country's steel consumption increased to 56.3 million MT in the 12 months ended March 2010 from 52.3 million MT in the previous year, as per the Ministry of Steel

The domestic steel sector has attracted a staggering investment of about US\$ 238 billion in the Union Budget 2010-11, the Government has allocated US\$ 37.4 billion to the infrastructure sector and has increased the allocation for road transport by 13 per cent to US\$ 4.3 billion which will further promote the steel industry.

### 2. Opportunities and Threats

#### a) Opportunities :

The Indian steel industry has reached into a new development stage riding high on the resurgent economy and rising demand for steel. Rapid rise in production has already resulted in India becoming the 5th largest producer of steel and fuelled by demand for construction projects India's steel consumption is expected to achieve higher growth, given that per capita steel consumption is only 40 kg – compared to 150 kg across the world and 250 kg in China.

The Company's share in the allotment of coal block, along with other allottees, will in future ensure smooth and consistent supply of coal, both in terms of quantity and quality. And, will also enable the company to reduce input cost for sponge iron production. Allotment of iron ore mine will also reduce the input cost and availability of quality ore.

#### b) Threats:

The cost of iron ore and coal constitute major cost of production. The availability of quality materials is another threat to the Company. Rise in transportation cost can contribute to increase any in cost of finished goods and raw materials. Continuing decrease in price of steel and sponge iron and reduction in demand due to slump in construction and automobile sectors can be a threat to the Company's growth.

### 3. Segment-wise/Product-wise Performance

During the year, Company was engaged mainly in the manufacture of MS Billets. During the year, the Company produced 76074 MT of billets in comparison to 70156 MT in the previous year. It sold 75488 Mt. of billets as against 68001 Mt in the previous year. During the year, production of sponge iron was 96003 MT compared to 84393 MT in the previous year. Sales of sponge iron during the year stood at 24845 MT. The company generated 91.8 million units of power. It sold 9.42 million units of power amounting to Rs. 2.64 crores.

### 4. Outlook

The domestic demand-supply scenario for power, DRI, iron ore and HRPL are favorable. The demand for sponge iron/DRI is continuously increasing both in domestic as well as global market due to higher consumption by producers of steel via Electric route for manufacturing steel.

The demand for the long products is also likely to be increased on account of improvement in the real estate, automobile and infrastructure industry. The same would in turn improve the demand for both MS and Alloy steel /billets both at national and international level.

## 5. Risks and Concerns

An economic slowdown can adversely affect the demand-supply equation in the industry. The price of sponge iron is sensitive to the demand-supply position of steel scrap in the country. On the financial front, the Company has not borrowed any amount in foreign currency and hence is not exposed to exchange rate fluctuation risk. Credit policy of the company is primarily based on the customer profile. The Management does not perceive any major technological, environmental and/or financial risks for the Company in the near future. The Company has contingent liability as disclosed in Schedule - 16 of Notes to Balance Sheet and Profit & Loss Account.

## 6. Internal Control Systems and their adequacy

The Company has proper and adequate system of internal controls commensurate with its size and nature of operations to provide reasonable assurance that all assets are safeguarded, transactions are authorized, recorded and reported properly, applicable statutes, the Code of Conduct and corporate policies are duly complied with. The Company has adopted an Audit Programme during the year. The Company has an Internal Audit Department which conducts audit in various functional areas as per Audit Programme approved by the Audit Committee of Directors. Audit planning and executions are oriented towards a review of internal controls in the functional areas of the company. The Internal Audit Department reports its findings and observations to the Audit Committee, which met four times during the year to review the audit issues and to follow up implementation of corrective actions. The Committee also seeks the views of statutory auditors on the adequacy of the internal control systems in the Company. The Audit Committee has majority of independent directors to maintain the objectivity. The Auditors' report regarding adequacy of internal controls can be seen in Clause No. vi of the Annexure to the Auditors' Report.

## 7. Financial Performance with respect to operational performance

During the year, your Company achieved Sales and Operating Income of Rs. 19175.70 lacs compared to Rs. 21426.90 lacs in the previous year. Gross profit before interest, depreciation and taxes stood at Rs. 1517.19 lacs as against Rs. 2277.68 lacs in previous year. An amount of Rs. Rs. 263.61 lakh was earned from sale of 9.42 million units of power. During the year, Kiln-1 operated for 283 days and produced 23443 MT as compared to operation for 305 days. Kiln-2 operated for 298 days and produced 24771 MT as compared to operation for 298 days. The Kiln-3 operated for 298 days and produced 24505 MT as against 302 days' operation. The Kiln-4 operated for 283 days and produced 23284 MT as against 284 days' operation. In previous year (2008-09) the combined production of four kilns was 84393 MT.

During the year, company produced 76074 MT of MS billets compared to 70156 MT in previous year. The capacity utilization of steel plant was 89.00 % as against 83.00% in the previous year.

## 8. Human Resource and Industrial Relations

The Company had 1343 employees as on 31st March, 2010 which includes contractor, departmental, contractual, trainee & staff executives. Industrial relations remained cordial during the year. To meet ever growing competition in the market it is necessary to have efficient work-force. Therefore, employees are continuously trained to upgrade their knowledge and skills. The Company has started empowerment programme for a section of employees as a major step towards human resource development.

## 9. Statutory Compliance

The Company Secretary, as Compliance Officer, ensures compliance of the SEBI regulations and provisions of the Listing Agreement. Compliance certificates are obtained from various departments of the Company and the Board is informed of the same at every Board meeting.

## 10. Cautionary Statement

Statements in the Management Discussion and Analysis report describing the Company's objectives, projections, estimates, expectations may be "forward-looking statements" within the meaning of applicable laws and regulations. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors.



# OCL IRON AND STEEL LIMITED

## AUDITORS' REPORT

To,  
The Members,  
OCL Iron and Steel Limited

We have audited the attached Balance Sheet of OCL Iron and Steel Limited as at 31st March 2010, the Profit and Loss Account and also 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.

We conducted our audit in accordance with auditing standards generally accepted in India (Indian GAAP). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditors' Report) Order, 2003 (as amended) by the companies (Auditors' Report) (amended) order, 2004 (together the order) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the annexure, a statement on the matters specified in paragraph 4 and 5 of the said order.

Further to our comments in the annexure referred to above, we report that:

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (ii) In our opinion, proper books of account, as required by law, have been kept by the company so far as appears from our examination of those books.
- (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement of the company, dealt with by this report are in agreement with the books of account.
- (iv) 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 sub-section (3C) of section 211 of the Companies Act, 1956;
- (v) On the basis of written representations received from the Directors, as on 31st March 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2010 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts 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:
  - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2010;
  - (b) in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
  - (c) in the case of Cash Flow Statement, of the cash flow for the year ended on that date.

For & on behalf of  
**A. C Gupta & Associates**  
Chartered Accountants

Sd/-  
**A.C. GUPTA**  
Partner

Membership No. 8565

Place : New Delhi  
Dated : 13th August 2010

# OCL IRON AND STEEL LIMITED

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## ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE OF OCL IRON AND STEEL LIMITED FOR THE YEAR ENDED 31st March 2010.

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, fixed assets, according to the practice of the Company, have been physically verified by the management at reasonable intervals. In our opinion, the frequency of physical verification of fixed assets is reasonable having regard to the size of the Company and nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such physical verification.
- (c) During the year, the company has not disposed off any of the fixed assets and the going concern status of the company is not affected.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of physical verification is reasonable.
- (b) The procedure for physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- (c) In our opinion, the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material & the same have been properly dealt with in the books of account.
- (iii) The Company, during the year under report, has not granted / taken any loans secured or unsecured to /from the companies and joint ventures, firms or other parties 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, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventories, consumable stores, fixed assets and with regard to sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangement referred to in section 301 of the act has been entered in the register required to be maintained under section 301 of the Companies Act, 1956.
- (b) In our opinion and according to the information & explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies act, 1956 in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) The company has not accepted public deposits within the meaning and provisions of sec 58A and 58AA of the Companies Act, 1956.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) The Central government has prescribed maintenance of cost accounting records under section 209 (1) (d) of the Companies Act, 1956. We have broadly reviewed the accounts and records of the company in this connection and are of the opinion that prima facie, the prescribed accounts and records have been properly maintained.
- (ix) (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it.

# OCL IRON AND STEEL LIMITED

(b) The disputed statutory dues aggregating to Rs. 267.69 lacs, that have not been deposited on account of matters pending before appropriate authorities are as under:

S.No	Name of the Statute	Nature of Dues	Period to which it relates	Forum where dispute is pending	Amount (in Lacs)
1.	Central Sales Tax	CST	2002-03	Orissa Sales Tax Tribunal	1.00
2.	Central Sales Tax	CST	2004-05	Orissa Sales Tax Tribunal	79.32
3.	Orissa VAT	VAT	2005-06	Addl. Commisioner of Sales Tax, Orissa, Cuttack	117.89
4.	Orissa VAT	VAT	2006-07	Addl. Commisioner of Sales Tax, Orissa, Cuttack	49.32
5.	Central Sales Tax	CST	2006-07	Addl. Commisioner of Sales Tax, Orissa, Cuttack	14.98
6.	Orissa Entry tax	State Entry tax	2002-03	Orissa Sales Tax Tribunal	0.08
7.	Orissa Entry tax	State Entry tax	2006-07	Addl. Commisioner of Sales Tax, Orissa, Cuttack	5.10
<b>Total</b>					<b>267.69</b>

- (x) As five years have not lapsed since the registration of the company, the provisions of clause 4 (x) of the Companies (Auditors Report) Order are not applicable.
- (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to banks or debenture holders.
- (xii) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the company.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditors' Report) Order, 2003 (as amended) are not applicable to the company.
- (xv) The company has not given guarantees for credit facilities taken by others from Banks or Financial Institutions, the terms and conditions whereof are not prejudicial to the interest of the company.
- (xvi) According to the information and explanation given to us, in our opinion, term loan availed by the company were, prima facie, applied by the company during the year under report for the purpose for which the term loans were obtained, other than temporary deployment pending applications.
- (xvii) According to the information and explanation given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short term basis have been used for long term investment and no long term funds have been used to finance short term assets except permanent working capital.
- (xviii) During the year, the company has not made any preferential allotment of shares to the 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 and therefore the question of creating security / charge does not arise.
- (xx) According to information and explanation given to us and the records of the company examined by us, the Company has not raised any money by public issue during the year.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For & on behalf of  
**A.C. Gupta & Associates**  
Chartered Accountants

**A.C. GUPTA**  
Partner  
Membership No. 8565

Place : New Delhi  
Dated : 13th August 2010

# OCL IRON AND STEEL LIMITED

## BALANCE SHEET AS AT 31ST MARCH, 2010

Rs. in lakhs

	Schedule No.	As at 31.03.2010	As at 31.03.2009
<b>I. SOURCES OF FUNDS</b>			
<b>1. Shareholders' Funds</b>			
a) Capital	1	1,341.43	1,341.43
b) Reserves & Surplus	2	6,060.24	6,040.01
		<u>7,401.67</u>	<u>7,381.44</u>
<b>2. Loan Funds</b>			
a) Secured	3	6,333.81	7,786.75
b) Unsecured	4	-	11.62
		<u>6,333.81</u>	<u>7,798.37</u>
<b>3. Deferred Tax</b>	5	1,787.27	1,814.31
<b>Total</b>		<u>15,522.75</u>	<u>16,994.12</u>
<b>II. APPLICATION OF FUNDS</b>			
<b>1. Fixed Assets</b>	6		
a) Gross Block		12,536.27	12,390.24
b) Less : Depreciation		2,767.88	1,934.61
		<u>9,768.39</u>	<u>10,455.63</u>
c) Net Block		1,387.79	848.46
d) Capital Work-in-progress (at cost)			
		<u>11,156.18</u>	<u>11,304.09</u>
<b>2. Current Assets, Loans and Advances</b>	7		
a) Inventories		2,250.79	3,794.83
b) Sundry Debtors		1,440.40	1,356.00
c) Cash and Bank Balances		642.24	555.70
d) Other Current Assets		16.64	10.09
e) Loans and Advances		1,587.33	1,344.84
		<u>5,937.40</u>	<u>7,061.46</u>
<b>Less : Current Liabilities and Provisions</b>	8		
a) Liabilities		1,505.92	1,313.41
b) Provisions		64.91	58.02
		<u>1,570.83</u>	<u>1,371.43</u>
<b>Net Current Assets</b>		<u>4,366.57</u>	<u>5,690.03</u>
<b>Total</b>		<u>15,522.75</u>	<u>16,994.12</u>
<b>Significant Accounting Policies</b>	15		
<b>Notes forming part of the Balance Sheet</b>	16		

On behalf of the Board

Annexure to our Report of Date  
for A.C. Gupta & Associates  
Chartered Accountants

Sd/-  
A.C. Gupta  
Partner  
Membership No.8565

Sd/-  
N.K. Taori  
Managing Director

Sd/-  
Yogesh Kapur  
Director

Place : Delhi  
Date : 13th August 2010

Sd/-  
S.K. Agarwal  
AGM (Finance & Accounts)

Sd/-  
Swati Ahuja  
Company Secretary

# OCL IRON AND STEEL LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

	Schedule No.	Year ended 31.03.2010	Year ended 31.03.2009
<b>Rs. In lakhs</b>			
<b>INCOME</b>			
Net Sales	9	19,118.75	20,961.13
Increase / (-)Decrease in Stocks	10	235.54	(162.02)
Other Receipts	11	129.28	573.75
		<b>19,483.57</b>	<b>21,372.86</b>
<b>EXPENDITURE</b>			
Raw Materials Consumed		14,293.86	15,054.15
Salaries, Wages and Benefits to Employees	12	668.45	698.42
Power and Fuel		758.36	752.07
Other Expenses	13	2,245.71	2,590.54
Interest	14	694.95	824.07
Depreciation		771.88	812.81
		<b>19,433.21</b>	<b>20,732.06</b>
<b>PROFIT BEFORE TAXATION</b>		<b>50.36</b>	<b>640.80</b>
Provision for Taxation			640.80
Current tax		57.17	131.00
Deferred tax (credit) / charge		(27.04)	110.31
Fringe Benefit Tax		-	6.00
<b>PROFIT AFTER TAXATION</b>		<b>20.23</b>	<b>393.49</b>
Balance brought forward from Previous Year		894.59	610.48
		<b>914.82</b>	<b>1,003.97</b>
<b>APPROPRIATION</b>			
Transfer to debenture redemption reserve account		15.00	109.38
Surplus carried to Balance sheet		899.82	894.59
		<b>914.82</b>	<b>1,003.97</b>
<b>EPS (Rs.) : Basic &amp; Diluted (Face value of Rs. 1/-)</b>		<b>0.02</b>	<b>0.29</b>
Significant Accounting Policies	15		
Notes forming part of the Balance Sheet	16		

Annexure to our Report of Date  
for A.C. Gupta & Associates  
Chartered Accountants

On behalf of the Board

Sd/-  
**A.C. Gupta**  
Partner  
Membership No.8565

Sd/-  
**N.K. Taori**  
Managing Director

Sd/-  
**Yogesh Kapur**  
Director

Place : Delhi  
Date : 13th August 2010

Sd/-  
**S.K. Agarwal**  
AGM (Finance & Accounts)

Sd/-  
**Swati Ahuja**  
Company Secretary

# OCL IRON AND STEEL LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2010

Rs. In lakhs

Particulars	As at 31.03.2010	As at 31.03.2009
<b>A Cash Flow arising Operating Activities</b>		
Net Profit before Taxes	50.36	640.80
Adjustment for		
Depreciation	833.27	879.92
(Profit) / Loss on Sale of Fixed Assets	-	(1.51)
Provision for Bad and Doudtful Debts / Advances	-	59.11
Interest expense	694.95	824.07
<b>Operating Profit before Working Capital Changes</b>	<b>1,578.58</b>	<b>2,402.39</b>
<b>Adjustment for Working Capital changes</b>		
Inventories	1,544.04	(1,340.21)
Trade & Other receivables	(84.40)	1,094.91
Other Current assets	(6.55)	(4.59)
Loans & Advances	(242.49)	1,795.01
Current liabilities and provisions	199.40	(2,052.06)
<b>Net Cash from Working Capital changes</b>	<b>1,410.00</b>	<b>(506.94)</b>
<b>Cash flow from Operating Activities</b>	<b>2,988.58</b>	<b>1,895.45</b>
Income Tax (Paid) / refund	(57.17)	(110.35)
<b>Net Cash flow from Operating Activities</b>	<b>2,931.41</b>	<b>1,785.10</b>
<b>B Cash Flow on Investing Activities</b>		
Purchase of fixed assets	(146.03)	(324.03)
Sale/Adjustment of Fixed Assets	-	45.26
Adjustment to capital work in progress	(539.33)	(503.85)
<b>Net Cash from Investing Activities</b>	<b>(685.36)</b>	<b>(782.62)</b>
<b>C Net cash flow on financing activities</b>		
Secured loans	(1,452.94)	464.00
Unsecured Loan	(11.62)	(439.84)
Interest Expense	(694.95)	(824.07)
<b>Net cash flow from financing activities</b>	<b>(2,159.51)</b>	<b>(799.91)</b>
<b>Net decrease in cash or cash equivalents</b>	<b>86.54</b>	<b>202.57</b>
<b>Opening Cash and cash equivalents</b>	<b>555.70</b>	<b>353.13</b>
<b>Closing Cash and cash equivalents</b>	<b>642.24</b>	<b>555.70</b>

Notes:

- The above statement has been prepared under indirect method.
- Cash and cash equivalents represent cash and bank balances only.
- Previous year figures have been re-grouped/recast, wherever necessary.

On behalf of the Board

Annexure to our Report of Date  
for A.C. Gupta & Associates  
Chartered Accountants

Sd/-  
A.C. Gupta  
Partner  
Membership No.8565

Sd/-  
N.K. Taori  
Managing Director

Sd/-  
Yogesh Kapur  
Director

Place : Delhi  
Date : 13th August 2010

Sd/-  
S.K. Agarwal  
AGM (Finance & Accounts)

Sd/-  
Swati Ahuja  
Company Secretary

# OCL IRON AND STEEL LIMITED

## SCHEDULES TO THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

Particulars	Rs. In lakhs	
	As At 31.03.2010	As At 31.03.2009
<b>1. SHARE CAPITAL</b>		
<b>Authorised</b>		
14,00,00,000 (Prev. Year 14,00,00,000) Equity Shares of Rs.1/- each	1,400.00	1,400.00
<b>Issued &amp; Subscribed</b>		
13,41,43,160 (Prev. Year 13,41,43,160) Equity Shares of Rs.1/- each, fully paid up. Of the above, 13,36,43,160 Shares of Rs.1/- each were issued to the Shareholders of OCL India Ltd. during the year 2007-08. in terms of a scheme of arrangement	1,341.43	1,341.43
<b>2. RESERVES AND SURPLUS</b>		
<b>Capital Reserve</b>		
Arising on merger of Steel Undertaking of OCL India Ltd as on 01.01.2007	4,817.29	4,817.29
Balance as per last balance Sheet		
<b>Debenture Redemption Reserve</b>		
Balance as per last Balance sheet	328.13	218.75
Transfer from Profit and Loss Account	15.00	109.38
	343.13	328.13
<b>Profit and Loss Account</b>		
	899.82	894.59
	6,060.24	6,040.01
<b>3. SECURED LOANS</b>		
1) From Banks		
a) Term Loan	-	1,187.50
b) Working Capital Facilities	2,833.81	3,099.25
2) Secured Redeemable Non-Convertible Debentures		
9.20% (Redeemable during 2014-15 to 2016-17)	3,500.00	3,500.00
	6,333.81	7,786.75

**Notes :**

- 1) Term loans from Banks are secured by way of equitable mortgage of immovable properties of the Company situated at Rajgangpur and hypothecation of all the movable assets save and except the prior charge in favour of Banks over inventories and book debts to secure working capital limits.
- 2) Working capital facilities are secured by hypothecation of raw material, semi-finished goods, stock-in-process, consumable stores and book debts of the Company.
- 3) The debentures are secured by equitable mortgage of immovable properties of the Company and hypothecation of movable assets, save and except the prior charge infavour of Banks over inventories and book debts to secure working capital limits.

# OCL IRON AND STEEL LIMITED

## SCHEDULES TO THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

Rs. In lakhs

Particulars	As At 31.03.2010	As At 31.03.2009
<b>4. UNSECURED LOANS</b>		
Fixed Deposits (See Note - 6)	-	11.62
	-	<b>11.62</b>
<b>5. DEFERRED TAX</b>		
Balance brought forward	1,814.31	1,704.00
Add : Provided during the year	(27.04)	110.31
	<b>1,787.27</b>	<b>1,814.31</b>
<b>Break up of Deferred Tax</b>		
Liabilities		
- Depreciation	A	1,844.86
Assets		
- Others (i.e allowed on payment basis)		(22.74)
	(57.59)	
<b>Net Liability / (Assets)</b>	<b>A-B</b>	<b>1,814.31</b>

## SCHEDULES TO THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

Rs. In lakhs

### 6. FIXED ASSETS

Rs. in lakhs

Particulars	Gross Block			Depreciation					Net Block	
	As on 01.04.09	Additions	Deductions	As at 31.03.10	Upto 31.03.09	For the year	Written back	Upto 31.03.10	As at 31.03.10	As at 31.03.09
Land (Freehold)	215.44	100.84	0.00	316.28	0.00	0.00	0.00	0.00	316.28	215.44
Building (on Freehold and Leasehold land)	1,192.88	8.74	0.00	1,201.62	85.70	43.01	0.00	128.71	1,072.91	1,107.18
Plant and Machinery	10,880.39	30.67	0.00	10,911.06	1,818.71	779.16	0.00	2,597.87	8,313.19	9,061.68
Furniture and Fixtures	66.98	5.35	0.00	72.33	13.87	6.94	0.00	20.81	51.52	53.11
Vehicles	34.55	0.43	0.00	34.98	16.33	4.16	0.00	20.49	14.49	18.22
<b>Total</b>	<b>12,390.24</b>	<b>146.03</b>	<b>0.00</b>	<b>12,536.27</b>	<b>1,934.61</b>	<b>833.27</b>	<b>0.00</b>	<b>2,767.88</b>	<b>9,768.39</b>	<b>10,455.63</b>
<b>Previous Year</b>	<b>12,111.70</b>	<b>324.03</b>	<b>45.49</b>	<b>12,390.24</b>	<b>1,056.43</b>	<b>879.92</b>	<b>1.74</b>	<b>1,934.61</b>	<b>10,455.63</b>	
<b>Capital Work in Progress</b>									<b>1,387.79</b>	<b>848.46</b>

Notes : Capital Work-in-progress include Rs.107.48 lacs (Prev Year Rs. 219.40 lacs) on account of advance against Capital Expenditure (Unsecured - Considered good)



# OCL IRON AND STEEL LIMITED

Particulars	As At 31.03.2010	As At 31.03.2009
<b>7. CURRENT ASSETS, LOANS AND ADVANCES</b>		
<b>a) Inventories (at lower of cost or net realisable value)</b>		
Stores, Spares Parts and Packing Materials	483.18	481.39
Raw Materials	489.24	2,245.29
Others	204.14	229.46
Stock-in-Trade		
Finished	1,036.44	760.01
Partly Finished	37.79	78.68
	<b>2,250.79</b>	<b>3,794.83</b>
<b>b) Sundry Debtors(Unsecured)</b>		
Debts outstanding for a period exceeding six months		
Considered Good	20.33	8.71
Considered Doubtful	52.53	52.53
Other Debts		
Considered Good	1,420.07	1,347.29
	<b>1,492.93</b>	<b>1,408.53</b>
Less : Provision for Bad and Doubtful Debts	52.53	52.53
	<b>1,440.40</b>	<b>1,356.00</b>
<b>c) Cash and Bank Balances</b>		
Cash on Hand	1.72	0.08
Balance in Scheduled Banks		
– Current Accounts	563.68	478.78
– Fixed Deposits *	76.79	76.79
Post Office Savings Bank Account *	0.05	0.05
	<b>642.24</b>	<b>555.70</b>
* Deposited with Banks and others as security against contracts and other facilities.	76.84	76.84
<b>d) Other Current Assets</b>		
(Considered good)		
Interest accrued on deposits	16.64	10.09
	<b>16.64</b>	<b>10.09</b>

# OCL IRON AND STEEL LIMITED

## SCHEDULES TO THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

Rs. In lakhs

Particulars	As At 31.03.2010	As At 31.03.2009
<b>7. CURRENT ASSETS, LOANS AND ADVANCES (Contd...)</b>		
<b>e) Loans and Advances (Unsecured)</b>		
Loans (Considered Good)		
Employees	12.53	2.71
Advances recoverable in cash or in kind or for value to be received (Considered Good)		
Others	933.90	571.49
Others (Doubtful)	12.61	12.61
Income Tax Payments (Net of Provisions)	77.66	42.62
MAT Credit Adjustable	35.61	85.00
Deposits with Railways, Excise and Others		
Unsecured - Considered Good	527.63	643.02
	1,599.94	1,357.45
Less : Provision for Bad and Doubtful Advances	12.61	12.61
	1,587.33	1,344.84
<b>8. CURRENT LIABILITIES AND PROVISIONS</b>		
<b>a) Current Liabilities</b>		
Sundry Creditors		
Micro and Small Enterprises ( See Note - 3)	-	-
Others	1,376.86	1,152.66
Security and Other Deposits	3.38	2.46
Due to Banks (Book Overdraft)	34.88	50.76
Other Liabilities	11.40	17.78
Interest Accrued but not due on Loans	79.40	89.75
	1,505.92	1,313.41
<b>b) Provisions</b>		
- Leave Encashment	46.79	53.69
- Gratuity	18.12	-
- Superannuation Fund	-	4.33
	64.91	58.02

# OCL IRON AND STEEL LIMITED

## SCHEDULES TO THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

Particulars	Rs. In lakhs	
	Year ended 31.03.2010	Year ended 31.03.2009
<b>9 SALES</b>		
Sponge Iron	Mt 24,845 3,404.25	21,346 3,576.76
Steel Billets	Mt 75,488 16,928.29	68,001 19,314.69
Power	Kwh 94,25,490 263.61	16,305,440 338.61
	20,596.15	23,230.06
Less : Excise Duty	1,477.40	2,268.93
Net Sales	19,118.75	20,961.13
<b>10. INCREASE / (-)DECREASE IN STOCKS</b>		
Stock at the end of the year		
Finished	1,036.44	760.01
Partly Finished	37.79	78.68
	1,074.23	838.69
Less : Stock at the beginning of the year		
Finished	760.01	944.73
Partly Finished	78.68	55.98
	838.69	1,000.71
	235.54	(162.02)
<b>11. OTHER RECEIPTS</b>		
Provisions no longer required	15.92	18.33
Export Benefits - Sale of DEPB	-	234.36
Sale of Carbon Credits	-	231.41
Miscellaneous Receipts	100.40	33.41
Profit on sale of Fixed Assets	-	1.51
Profit on Foreign exchange fluctuation (Net)	5.64	34.09
Interest from Banks*	7.32	6.24
Interest from Others	-	5.40
Excess provision of Commission to Directors written back	-	9.00
	129.28	573.75
* TDS on above	0.73	1.38
<b>12. SALARIES, WAGES AND BENEFITS</b>		
Salaries, Wages, Bonus and Gratuity	549.34	605.95
Contribution to Provident and Other Funds	85.66	63.31
Workmen and Staff Welfare Expenses	33.45	29.16
	668.45	698.42

# OCL IRON AND STEEL LIMITED

## SCHEDULES TO THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

Particulars	Rs. In lakhs	
	Year ended 31.03.2010	Year ended 31.03.2009
<b>13. OTHER EXPENSES</b>	<b>976.86</b>	<b>947.49</b>
Consumption of Stores, Spare parts and Packing materials		
Repairs and Maintenance	<b>98.88</b>	221.19
Machinery	<b>4.48</b>	24.58
Buildings	<b>4.24</b>	1.47
Others	<b>361.50</b>	355.02
Payments to Contractors for Services	<b>109.73</b>	208.92
Payments to Outside Agencies	<b>8.57</b>	2.11
Rent	<b>25.74</b>	24.92
Rates and Taxes	<b>40.96</b>	(69.03)
Excise Duty on Stock and Others	-	184.50
Export Cess	<b>46.72</b>	41.88
Freight, Transportation and Handling	<b>86.89</b>	54.95
Commission to Selling Agents	<b>4.10</b>	24.22
Rebate & Allowances	-	59.11
Provision for Bad and Doudtful Debts / Advances	-	18.62
Bad Debts / Advances eritten off	<b>15.29</b>	11.82
Insurance	<b>3.23</b>	10.00
Charity & Donations	<b>18.87</b>	19.72
Travelling	<b>3.50</b>	2.70
Director's fee	-	4.83
Directors Commission	<b>1.33</b>	3.95
Director's Travelling & Conveyance	<b>15.31</b>	19.75
Periphery Development	<b>259.06</b>	246.12
Transport charges	<b>6.24</b>	12.29
Advertisement and Publicity	<b>10.70</b>	6.21
Legal Charges	<b>37.31</b>	53.09
Bank Charges	<b>6.83</b>	6.02
Auditors Remuneration	<b>99.37</b>	94.07
Miscellaneous Expenses		
	<b>2,245.71</b>	<b>2,590.54</b>
<b>14. INTEREST</b>	<b>73.09</b>	<b>159.07</b>
On Term Loan	<b>322.00</b>	326.41
On Debentures	<b>299.86</b>	338.5
To Banks and Others		
	<b>694.95</b>	<b>824.0</b>

## Schedule 15

### Significant Accounting Policies

#### 1. Basis of Accounting

The financial statements are prepared under historical cost convention, on a going concern basis and in accordance with the applicable accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards.

#### 2. Use of Estimates

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

#### 3. Fixed Assets

(a) Fixed Assets are stated at cost (net of cenvat) less accumulated depreciation and impairment loss, if any. The cost of assets comprise of purchase price and directly attributable cost of bringing the assets to working condition for its intended use including borrowing cost and incidental expenditure during construction incurred upto the date of commissioning.

(b) Capital work in Progress

Capital work in progress includes cost of assets at sites, construction expenditure, advances made for acquisition of capital assets and interest on the funds deployed.

#### 4. Depreciation/Amortisation

Depreciation on plant and machinery added in Steel & Power (other than sponge Iron Plant) is provided on straight line method and depreciation on all other assets is provided on reducing balance method. Rate of depreciation adopted are as specified in Schedule XIV OF THE Companies Act, 1956. Depreciation on additions is calculated prorata from the month of the addition. Assets costing upto Rs. 5000/- are depreciated fully in the year of purchase/capitalization.

#### 5. Inventories.

Stock of finished and partly finished products are valued at lower of cost or net realizable value and for this purpose, cost is determined on the absorption costing method. Cost of finished goods includes excise duty. Raw Material, other inputs, stores and spares are valued at lower of cost (net of Cenvat) or net realizable value. Cost is determined on FIFO/ Weighted average basis. Stock of iron ore fines have been valued at raw material cost or net realizable value, whichever is less.

#### 6. Revenue Recognition and Accounting for Sales

(a) Revenue from sales is recognized at the point of dispatch to the customers when risk and reward stands transferred to the customers. Sales are net of trade discount and sales tax but inclusive of excise duty.

(b) Interest income is recognized on time proportion basis

#### 7. Treatment of Employees Benefits

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

#### 8. Research and Development

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

# OCL IRON AND STEEL LIMITED

## 9. Foreign Currency Transactions

- Foreign Currency transactions are recorded at the exchange rate prevailing on the date of transaction/realization. Current assets/liabilities are restated at rates prevailing at the year end and resultant exchange difference are recognized in the profit and loss account.
- Non Monetary items denominated in the foreign currency, (such as fixed assets) are valued at the exchange rate prevailing on the date of transaction.
- Any gains or losses arising due to exchange differences arising on transaction or settlement are accounted for in the Profit and Loss Account.
- In the case of forward exchange contracts, the premium or discount arising at the inception of such contracts, is amortized as income or expense over the life of the contract as well as exchange difference on such contracts, i.e. difference between the exchange rate at the reporting/settlement date and the exchange rate on the date of inception/last reporting date, is recognized as income/expense for the period

## 10. Tax on Income

Provision is made for deferred tax for all timing differences arising between taxable income and accounting income at currently enacted or substantially enacted tax rates.

Deferred tax assets are recognized, only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date.

## 11. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized, when there is a present obligation as a result of past events and it is possible that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the Notes to Accounts. Contingent assets are neither recognized nor disclosed in the financial statements.

## 12. Impairment of Assets.

An asset is treated as impaired, when the carrying cost of asset exceeds its recoverable value. An impairment loss, if any, is charged to Profit and Loss account, in the year in which an asset is identified as impaired.

## Schedule 16

### Notes on Accounts

- Estimated amount of contracts remaining to be executed on Capital account (net of advances) and not provided for Rs 607.21lacs (Previous year Rs. 738.09 lacs).
- Contingent Liabilities not provided for in respect of :**

Particulars	Rs in Lacs	
	2009-10	2008-09
Disputed Sales tax/VAT demand (including interest & penalty)	262.51	198.21
Matter under appeal	5.18	0.08
Disputed Entry tax- matter under appeal	NIL	213.49
Cross subsidy surcharge to WESCO-matter under appeal	64.85	NA
Bank Guarantees issued by Bank on company's behalf	430.70	NA
Letters of credit issued on behalf of the company (outstanding amount)		
<b>TOTAL</b>	<b>763.24</b>	<b>411.78</b>

# OCL IRON AND STEEL LIMITED

Future cash flow of above is determinable only on receipt of the decision/judgment from the respective authorities. A civil case is pending against the company in the Court of Civil Judge, Sr. Division, Sundargarh. The case has been stayed by the High court of Orissa on account of the revision petition preferred by the company. The financial impact of the liability that may arise is not ascertainable on the date of the Balance Sheet.

3. On the basis of information available, there are no outstanding dues to the suppliers or service providers covered under the "Micro, Small and Medium Enterprises (Development) Act, 2006 and no interest has been paid/payable to such suppliers or service providers.
4. Assets hypothecated with banks also stand as security for non-fund based limits.
5. The company has reimbursed all the amount to OCL India Limited for onward submission on account of cross subsidy and wheeling charges payable by the latter to WESCO. The matter is disputed by OCL in the Court and under an arrangement between the two companies, OCL India Limited will refund the amount in case of recovery of the amount on favourable judgement. As reported to us the company on the basis of the legal advice obtained by them is reasonably sure of the recovery of the amount and as such the amount has been booked under the head loans and advances instead of booking it as an expense.
6. In the opinion of the Board and to the best of their knowledge and belief, the valuation on realization 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.
7. The Company has not accepted public deposits within the meaning and provisions of sec 58A and 58AA of the Companies Act, 1956.
8. There is no impairment of any asset in terms of AS-28
9. **Following have been included in the cost of Raw Materials**

Particulars	31.03.2010	Rs in Lacs 31.03.2009
<b>Expenses</b>		
Payment to Contractors	20.67	18.85
Repairs to Machinery-Outside Agency	NIL	0.18
Statutory Obligation	1.59	1.25
Transport charges	28.60	48.32
Power	14.93	24.70
Insurance	0.17	0.97
Rebate and allowance	NIL	8.06
Consumption of Stores & Spares parts	15.07	44.68
Depreciation	61.39	67.11
<b>Income</b>		
Sundry Sales	168.54	132.41

**10. Remuneration to Managing and Whole -time Directors**

Rs. 1.78 Lacs was paid to Managing and whole time Directors during the year (Previous Year Rs.36.11 Lacs).

**11. Computation of Commission payable to Directors (Other than Managing and Whole-time Directors)**

No Commission was payable to Directors( Other than Managing and whole time Directors during the year (Previous year Rs 4.83 Lacs)

# OCL IRON AND STEEL LIMITED

## 12. Foreign Currency exposure of the company

	2009-10	2008-09
Hedged-Forward Contracts for Exports	Nil	Nil
Unhedged – Debtors	Nil	Nil
– Creditors	Nil	Nil

## 13. Remuneration to Auditors

	2009-10	2008-09
Audit Fee	3.00	2.71
Limited Review Fees	2.00	0.91
Tax Audit Fee	1.00	0.61
Fee For Certification	NIL	0.61
Reimbursement of Expenses	0.83	1.10
<b>TOTAL</b>	<b>6.83</b>	<b>6.02</b>

## 14. Employee Benefits (AS – 15 revised)

The following data are based on the report of the Actuary.

The principal assumptions used in the actuarial valuation are as below:-

– Discount rate	8.30%
– Expected rate of future salary increase	10.00%

Year	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2009-10	2008-09	2009-10	2008-09
<b>Change in present value of obligations 2009-10</b>				
– Present value of obligations at beginning of period	28.57	14.56	53.69	15.2
– Interest cost	2.01	1.11	3.87	1.2
– Current service cost	8.64	4.24	3.16	0.8
– Benefits paid	(5.27)	(2.09)	(7.47)	(1.07)
– Actuarial loss on Obligations	(7.34)	10.75	(6.46)	37.4
– Plan amendments	18.65	—	—	—
Present Value of Obligations at the end of the period	45.26	28.57	46.79	53.6
<b>Changes in Fair Value of Plan Assets</b>				
	2009-10	2008-09	Not Applicable	
– Present value of obligations at beginning of period	31.41	11.44		
– Expected return on plan assets	2.27	1.72		
– Actual Company contributions	1.06	21.17		
– Actuarial gain/(Loss)	(2.33)	(0.83)		



# OCL IRON AND STEEL LIMITED

- Employees Contributions	0.00	0.00		
- Benefits Paid	(5.27)	(2.09)		
Plan assets at the end of the period	27.14	31.41		
<b>Liability recognized in the Balance Sheet</b>	<b>2009-10</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2008-09</b>
- Present value of obligations at the end of period	45.26	28.57	46.79	53.69
- Fair Value of plan assets as at the year end	27.14	31.41	0.00	0.00
- Funded/Unfunded status	(18.12)	2.84	46.79	53.69
- Unrecognized Actuarial Gain/(Loss)	0.00	0.00	0.00	0.00
- Net(Assets) (Not recognized)/Liability recognized				
- in Balance Sheet	18.12	(2.84)	46.79	53.69
<b>Expenses recognized in Profit and Loss Account</b>				
- Current service cost	8.64	4.24	3.16	0.89
- Past service cost	18.65	0.00	0.00	0.05
- Interest Cost	2.01	1.11	3.87	1.20
- Expected return on plan assets	(2.27)	(1.72)	0.00	0.00
- Net Actuarial Gain/(Loss) recognized during the year	(5.01)	11.58	(6.46)	37.44
Total Expenses recognized in Profit and Loss Account	22.02	15.21	0.57	39.58
<b>Contribution to Defined Contribution Plan, recognized as expense for the year as under:-</b>				
- Employers contribution to Govt. Provident Fund	49.73	44.80		
- Employers contribution to Superannuation fund	2.48	4.33		

**15. Segment Reporting (AS – 17)**

**Segmental Disclosure :**

	<u>2009-10</u>			<u>2008-09</u>		
	Sponge & Steel	Power	Total	Sponge & Steel	Power	Total
<b>Segment Revenue</b>						
External	20332.54	263.61	20596.15	22891.45	338.61	23230.06
Inter Segment		2773.96	2773.96		2669.89	2669.89
<b>Segment Result</b>						
Profit/(Loss) before Tax and Interest	(615.11)	1360.42	745.31	(4.04)	1468.91	1464.87
Less: Interest			694.95			824.07
Profit/(Loss) before Taxation			50.36			640.80
Provision for Taxation – Current			57.17			131.00
Provision for Taxation – Deferred			(27.04)			110.31
Provision for Taxation – Fringe Benefit Tax			0.00			6.00
MAT Credit available for Set Off			0.00			0.00
Profit & Loss after Taxation			20.23			393.49

# OCL IRON AND STEEL LIMITED

## Other Information

Segment assets	11986.07	4994.24	<b>16980.31</b>	13150.83	5087.10	<b>18237.93</b>
Segment Liabilities	1222.97	120.31	<b>1343.28</b>	1200.62	81.07	<b>1281.69</b>
Capital Expenditure including Capital WIP	1363.77	24.02	<b>1387.79</b>	820.40	7.49	<b>827.89</b>
Depreciation	538.52	294.75	<b>833.27</b>	584.67	295.25	<b>879.92</b>
Non Cash Expenses Other than depreciation						
Provision for Leave Encashment	0.57	0.00	<b>0.57</b>	38.98	0.60	<b>39.5</b>

## 16. Related party Transactions (AS-18)

### a) Related parties and their relationships

#### i. Key Managerial persons (KMP)

R H Dalmia (Vice Chairman)

Sabyasachi Mishra (Managing Director)

#### ii. Enterprises over which KMP are able to exercise significant influence

Hari Machines Limited, Satya Miners & Transportors Ltd., Konark Investments Ltd., Kiran Resources Ltd., OCL India Ltd., Dalmia Institute of Scientific and Industrial Research, Shree Durga Charitable Trust & Grandeur Tours & Travels (P) Ltd., Garima Buildprop (P) Ltd. & Gateway Impex Pvt. Ltd. Artech Infosystems.

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

	Rupees in lac	
	2009-10	2008-09
<b>Key Management Personnel</b>		
Remuneration	1.78	36.1
Director sitting Fee and Commission	0.60	2.2
Amount Receivable at year end	NIL	NIL
<b>Enterprises over which KMP are able to exercise significant influence</b>		
Purchase and Sale of Goods and Fixed Assets	235.11	558.2
Services Rendered and Received	185.45	109.6
Interest Expense	NIL	34.2
Charity & Donation	NIL	10.0
Loan Taken	NIL	1300.0
Repayment of Loan Taken	NIL	1700.0
Receivable at the year end	20.57	331.0
Payable at the year end	119.87	365.0

## 17. Earning per share (EPS) (AS - 20)

	Rupees in lac	
	2009-10	2008-09
Net Profit / (Loss) after current and deferred tax	20.23	3.93
Weighted average number of equity shares of Rs 1/- each	13,41,43,160	13,41,43,160
EPS (Rs.) - Basic and Diluted	0.02	0.03

# OCL IRON AND STEEL LIMITED

**18. Additional information as required under para 4 of part II to Schedule VI of the Companies Act, 1956**

	Sponge Iron	Steel Plant	Power Plant
a) Licensed Capacity	Not Applicable	Not Applicable	Not Applicable
Installed Capacity (as certified by the management)			
Lakhs Tonnes / MW	1.20	0.85	14.00
	(1.20)	(0.85)	(14.00)
Actual Production			
Lakhs Tonnes / MW	0.96	0.76	917.66
	(0.84)	(0.70)	955.31
Opening Stock			
Lakhs Tonnes / KWH	0.01	0.03	
	(0.07)	(0.01)	
Rs. In Lacs	136.34	623.67	
	(816.01)	(128.72)	
Closing Stock			
Lakhs Tonnes / MW	0.01	0.03	
	(0.01)	(0.03)	
Rs. In Lacs	210.36	826.07	
	(136.34)	(623.67)	
	<b>2009-10</b>	<b>2008-09</b>	
b) <b>Raw Material Consumed</b>	<b>Qty in Lakhs Tonnes</b>	<b>Amount (Rs in Lacs)</b>	<b>Qty in Lakhs Tonnes</b>
			<b>Amount (Rs in Lacs)</b>
Iron Ore	1.69	7361.30	1.65
Coal	1.79	4507.74	1.63
MS Scrap	0.12	1889.59	0.15
Silico Manganese	0.01	485.11	0.01
Others		50.11	
		<b>14293.85</b>	<b>15054.15</b>
			<b>Rs in Lakhs</b>
			<b>2009-10</b>
			<b>2008-09</b>
c) Value of Imports on CIF basis			
Raw Material			Nil
Components and spare parts			11.63
Capital Goods			Nil

# OCL IRON AND STEEL LIMITED

d)	Expenditure in Foreign Currency (on cash basis)		
	Foreign Travel	Nil	Nil
	Professional / Consultant / Technical Fees	17.76	65.00
	Others	Nil	18.43
e)	Earnings in Foreign Currency		
	Goods exported (F.O.B. value)	1518.82	39,01.26
	Others	Nil	Nil
f)	Value of imported and indigenous Raw Material and Spare parts consumed		

	Rupees in lacs			
	<u>2009-10</u>		<u>2008-09</u>	
	%	Amount	%	Amount
<b>Raw Material</b>				
Imported	Nil	Nil	Nil	Nil
Others	100	14293.85	100	15054.15
<b>Spare Parts</b>				
Imported	1.19	11.63	1.37	12.99
Others	98.81	965.22	98.63	9,34.50

19. During the year under review, M/s Garima Buildprop Private Limited acquired 60.83% shares from the outgoing promoters of the Company and further acquired 15.38% shares from the general public through open offer pursuant to SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 which resulted in acquisition of 76.21% equity stake in the Company. Consequent to the above acquisition, Garima Buildprop Private Limited became the holding company and new promoter of the Company.

Subsequent to the takeover, there was change in the management of the Company. Mr. Nand Kishore Taori and Mr. Aditya Malhotra were appointed as directors and Dr. Sheoraj Jain, Mr. Raghu Hari Dalmia, Mr. Surendra Kumar Dalmia, Mr. Sabyasachi Mishra and Mr. K. M. Poddar resigned from the directorship of the Company.

20. Previous year figures have been regrouped/rearranged wherever necessary, to correspond to current year figures.

**Signatures to Schedules 1 to 16**  
Annexure to our report of even date

**For A.C. Gupta & Associates**  
Chartered Accountants

**For and on behalf of the Board**

Sd/-  
**(A.C. Gupta)**  
Partner  
Membership No. 8565

Sd/-  
**(N.K. Taori)**  
Managing Director

Sd/-  
**(Yogesh Kapur)**  
Director

Place : New Delhi  
Date : 13th August 2010

Sd/-  
**(S.K. Agarwal)**  
AGM (Finance & Accounts)

Sd/-  
**(Swati Ahuja)**  
Company Secretary

# OCL IRON AND STEEL LIMITED

## ANNEXURE-A TO DIRECTORS' REPORT BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I.	<b>Registration Details</b> Registration No. 99328 Balance Sheet Date	State Code <span style="border: 1px solid black; padding: 2px;">15</span> <table border="1" style="border-collapse: collapse; margin: 5px auto;"> <tr> <td style="width: 33%; text-align: center;">31</td> <td style="width: 33%; text-align: center;">03</td> <td style="width: 33%; text-align: center;">2010</td> </tr> </table> Date      Month      Year	31	03	2010
31	03	2010			
II.	<b>Capital raised during the year (Amount in Rs. Lacs)</b> Public Issue <span style="border: 1px solid black; padding: 2px;">NIL</span> Bonus Issue <span style="border: 1px solid black; padding: 2px;">NIL</span>	<b>Rights Issue</b> <span style="border: 1px solid black; padding: 2px;">NIL</span> Private Placement <span style="border: 1px solid black; padding: 2px;">NIL</span>			
III.	<b>Position of Mobilization and Deployment of Funds (Amount in Rs. Lacs)</b> <b>Total Liabilities</b> <span style="border: 1px solid black; padding: 2px;">15522.75</span>  <b>Sources of Funds</b> Paid-Up Capital <span style="border: 1px solid black; padding: 2px;">1341.43</span> Secured Loan <span style="border: 1px solid black; padding: 2px;">6333.81</span>  <b>Application of Funds</b> Net Fixed Assets <span style="border: 1px solid black; padding: 2px;">11156.18</span> Net Current Assets <span style="border: 1px solid black; padding: 2px;">4366.57</span> Accumulated Losses <span style="border: 1px solid black; padding: 2px;">NIL</span>	<b>Total Assets</b> <span style="border: 1px solid black; padding: 2px;">15522.75</span>  <b>Reserves &amp; Surplus</b> <span style="border: 1px solid black; padding: 2px;">6060.24</span> <b>Unsecured Loans</b> <span style="border: 1px solid black; padding: 2px;">NIL</span>  <b>Investments</b> <span style="border: 1px solid black; padding: 2px;">NIL</span> <b>Misc. Expenditure</b> <span style="border: 1px solid black; padding: 2px;">NIL</span>			
IV.	<b>Performance of Company (Amount in Rs. Lacs)</b> Turn Over* <span style="border: 1px solid black; padding: 2px;">19483.57</span> Profit /Loss before tax <span style="border: 1px solid black; padding: 2px;">50.36</span> * including 'Other Income' <b>Earnings per Share in Rs.</b> <span style="border: 1px solid black; padding: 2px;">0.02</span>	<b>Total Expenditure</b> <span style="border: 1px solid black; padding: 2px;">19433.21</span> <b>Profit/Loss after tax</b> <span style="border: 1px solid black; padding: 2px;">20.23</span>  <b>Dividend rate %</b> <span style="border: 1px solid black; padding: 2px;">NIL</span>			
V.	<b>Generic Names of Three Principal Products/Services of Company (as per monetary terms)</b> Product Description <span style="border: 1px solid black; padding: 2px;">Steel</span> Item Code No. <span style="border: 1px solid black; padding: 2px;">7224</span>				

Annexure to our report of even date

For and on behalf of the Board

For A.C. Gupta & Associates  
Chartered Accountants

Sd/-  
(N.K. Taori)  
Managing Director

Sd/-  
(Yogesh Kapur)  
Director

Sd/-  
(A.C. Gupta)  
Partner  
Membership No. 8565

Sd/-  
(S.K. Agarwal)  
AGM (Finance & Accounts)

Sd/-  
(Swati Ahuja)  
Company Secretary

Place : New Delhi  
Date : 13th August 2010