Annual Report 2009-10

OCL INDIA LIMITED

Strengthening enterprise. Creating water security.

Contents

Printed on Recycled Paper

A true conservationist is a man who knows that the world is not given by his fathers, but borrowed from his children.

AUDOBON

Corporate Information

Presidents
Shri M.H. Dalmia
Shri R.H. Dalmia

Directors
Shri Pradip Kumar Khaitan - Chairman
Shri D.D. Atal - Whole Time Director & CEO
Shri D.N. Davar
Shri Puneet Dalmia
Dr. Ramesh C. Vaish
Dr. S.R. Jain
Shri V.P. Sood

Bankers/Financial Institutions
United Bank of India
State Bank of India
Punjab National Bank
UCO Bank
Axis Bank Ltd.
International Finance Corporation
Export-Import Bank of India
PTC India Financial Services Ltd.

Auditors
Statutory:
V. Sankar Aiyar & Co.
Chartered Accountants
New Delhi

Internal:
S.R. Dutt Associates
Chartered Accountants
Kolkata

Cement and Refractory Works & Regd. Office
Rajgangpur-770 017 (Orissa)

Kapilas Cement Works
Cuttack-753 004 (Orissa)

Delhi Office
B-47, Connaught Place
New Delhi-110 001

OCL India Limited – An Odyssey of Inspiration

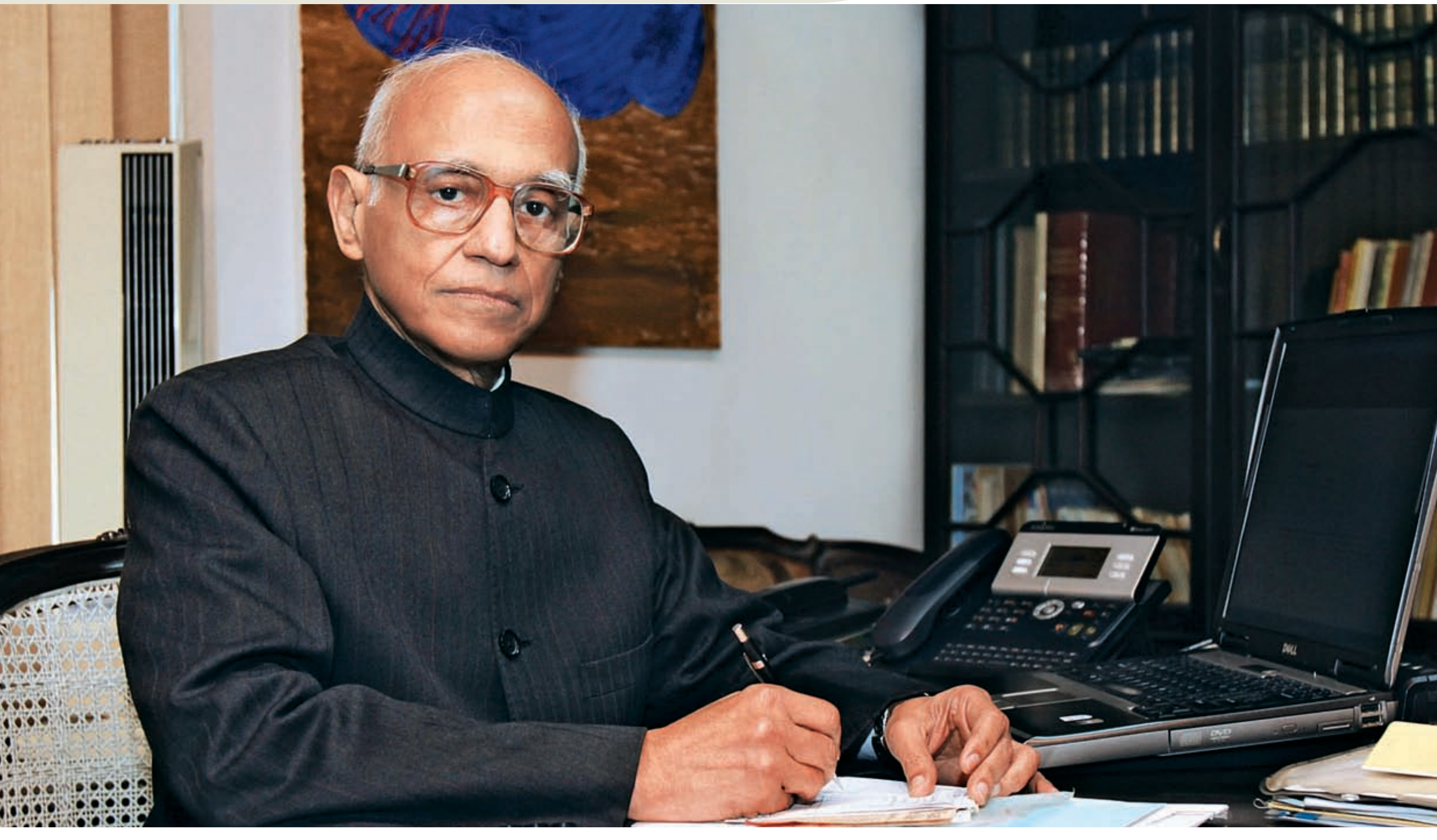
Seeing new vistas of opportunity and mapping its own route to success, OCL has marked a steady growth both in stature and span over its six decades of existence. The sagacity to weave its business around market needs has conferred OCL with a distinct product value and its undeterred pursuit for quality and excellence has helped the Company on the path of growth. Alongside, OCL has continuously endeavored to improve the environment and carbon footprint, and discharge responsibilities towards the stakeholders.

The business forays of OCL have evolved magnificently over the years and enabled the organization to deliver continued growth. Efficient resource management, cutting edge technology and operational discipline have together contributed to enhance 'Brand OCL'.

The operational results of the current year in relation to the corresponding previous year have registered a remarkable growth which emphasizes a well-planned path of expansion and diversification, and will continue recording its chronicles of success in the years to come.

Efficient resource management, cutting edge technology and operational discipline have together contributed to enhance Brand OCL.

President's Message



Dear Stakeholders,

I am delighted to share with you that your Company has made marked progress in financial as well as operational performance in Financial Year 2009-10. First of all, I wish to thank you all for your continued support during the challenging period of financial stress in the global economy. This support reflects the trust and confidence that you have reposed in the capabilities of OCL and I assure you that we shall do our utmost to live up to your expectations in the years ahead. Elsewhere in the report you will find the current industry scenario and its growth prospects which look quite good.

As the Indian economy enters a new phase of growth, we are fully geared to take our innovation and quality to yet another level. You will be happy to know that the operational results of the current year have registered an increase of 23% in net sales, 54% in operating profit and 58% in profit before depreciation and tax over the previous year.

I would also like to share with you our continuous pursuit for expansion/ diversification and are working towards setting up Grinding Units to augment production to meet growing demand of cement and we are in the process of setting up 2X27 MW Coal based Captive Power Plant, which will make us energy self sufficient this year.

OCL is positioning itself to meet the future demand growth and marketing needs which will be driven by higher capacity utilization, expanded customer reach, focus on working capital rationalization & various initiatives for productivity enhancement.

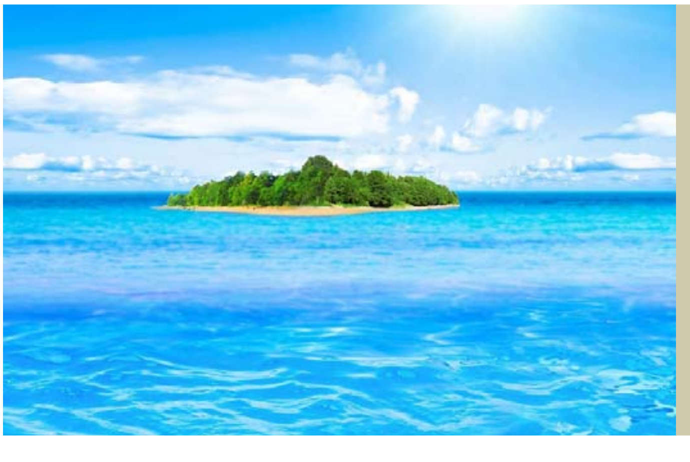
I would also like to share with you that OCL has been fully responsive to the habitat that sustains it and has undertaken numerous steps including on water conservation. Water management systems have been put in place which include recycling of used water, creation of water bodies, ground water recharging, roof top rain water harvesting, installation of sewage water treatment plant to treat sewage water discharged through drains from Rajgangpur Municipality and own industrial township area at Rajgangpur, which are in the process of implementation. Some other conservation plans are also in the pipeline and we at OCL are very charged up to take this cause seriously and contribute to the water conservation initiative in our own humble way.

I am glad to state that the overall performance of our business has grown at a decent rate during this year and is poised to grow further. On behalf of the OCL family, I would like to thank you all for your valuable contribution towards the Company's remarkable growth. With our quest for excellence and your unstinting support, we will continue to improve our position.

Looking forward to continuous growth and fruitful association in the years ahead …

Warm regards.

M.H. Dalmia
President



I would also like to share with you that OCL has been fully responsive to the habitat that sustains it and has undertaken numerous steps including on water conservation.

Water Conservation Initiatives at OCL

If there is magic on this planet, it is contained in water.

LORAN EISELY

"We never know the worth of water till the well is dry" said Thomas Fuller; but we at OCL are more proactive towards the cause of water conservation. We are fully responsive to the environment and have been working towards '***Reducing***, ***Recycling*** and ***Reusing***' water in all our activities.

Fresh water resources are limited and need to be augmented by better management. OCL has undertaken numerous steps to conserve water including: (i) installation of an effluent treatment plant of 2200KL/day capacity to treat a part of sewage water discharged through drains from Rajgangpur Municipality and OCL's own industrial township area at Rajgangpur; (ii) use of air cooled condenser in place of conventional water-cooled system in the captive power plant; (iii) use of grid resistance regulator in place of liquid resistance starter in Cement Vertical Roller Mill motor; (iv) recycling of used water; (v) creation of water bodies in the mines and other low lying areas in Dalmia Institute of Scientific and Industrial Research (an independent research organization set up by OCL); (vi) roof top rain water harvesting, (vii) studies are being carried out to undertake recharging of ground water wherever possible in the plant and DISIR areas, etc.

We are fully responsive to the environment and have been working towards '***Reducing***, ***Recycling*** and ***Reusing***' water in all our activities.

About Carbon Dioxide Sequestration

We have achieved a Clinker conversion ratio of 2.6 which is the highest in India and one of the highest in the world. This critical step has brought down the power consumption of cement by 25%, and fuel consumption by 60%. High Clinker/Cement conversion ratio of about 2.6 has resulted in CO_2 sequestration equivalent to nearly one Tonne of CO_2 per Tonne of clinker substituted.

OCL has been working towards quantifying carbon reduction and three of its projects have already earned carbon credits from UNFCCC and few more are in the pipeline under the CDM route which are expected to fructify in the next year or so and carry the Company's environment consciousness forward in an exemplary manner.

The factory observes vehicle less day once in a week as a humble contribution towards reducing emissions.

OCL is promoting concept of green building in its housing colonies and has used the fly ash concrete blocks in place of bricks made from top soil to conserve soil.

OCL has been working towards quantifying carbon reduction and three of its projects have already earned carbon credits from UNFCCC and few more are in the pipeline under the CDM route.

Water is life's mater and matrix, mother and medium. There is no life without water.

ALBERT SZENT-GYORGYI

About Cement

The demand for cement depends essentially on the infrastructural development which is the key sector. The Government of India in its budget for 2010-11 has provided Rs. 1.73 Lakh Crores for infrastructure development in the country which accounts for over 46% of the total plan allocation. In view of this, Cement Sector is poised for unprecedented growth and the industry is expected to add 40 Million Tonnes over the installed capacity at approximately 259 Million Tonnes in 2009-10 which rose from 219 Million Tonnes to 259 Million Tonnes during the year. The Indian economy is expected to grow at around 8.5% in the next year and cement demand will continue to outstrip this growth rate as in the previous year.

Besides looking at innovative ways to increase efficiency, OCL is also working towards business expansion in a big way. OCL is in the process of setting up a 2X27 MW Coal based Captive Power Plant, which is expected to be commissioned this year. OCL plans to expand the cement capacity through the establishment of two more grinding units to fully exploit the clinker capacity from its Line 1 and Line 2. So far, OCL through various initiatives, has been able to improve productivity and has shown a growth of 13% despite economic slowdown. OCL hopes to successfully sphere the company in the next few years when capacity addition is likely to overtake demand.

Cement Sector is poised for unprecedented growth and the industry is expected to add 40 Million Tonnes over the installed capacity at approximately 259 Million Tonnes in 2009-10.

About Refractories

OCL is reckoned as major refractories manufacturer in the world market. OCL is one of the largest and most modern refractory plant in India with an annual production capacity of approx. 80,000 MT. covering a wide range of products for use in Ferrous & Non-Ferrous industries. With the ever-growing expectation of customers for quality refractories, our well equipped technology and highly experienced research teams develop/upgrade these on a continuous basis. Today, OCL enjoys a major share in India and has a foothold across five continents. OCL is proud to be the first refractory company in India to be certified under ISO:9001 by TUVNORD of Germany for all its refractory products in 1994. Now OCL is certified with ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2001. New facilities have been added for manufacture of high alumina cement to ensure superior quality of precast and castable products.

OCL is one of the largest and most modern refractory plant in India with an annual production capacity of approx. 80,000 MT. covering a wide range of products for use in Ferrous & Non-Ferrous industries.

The Waters are Nature's storehouse in which she locks up her wonders.

ISAAC WALTONN

Corporate Social Responsibility (CSR)

OCL constantly nurtures its responsibility as a committed corporate citizen by regarding Corporate Social Responsibility as an integral part of its Business Plan.

OCL believes that understanding the needs of people in its area of operation helps in strengthening the integration between the business conglomerate and the communities around its manufacturing locations. With this in mind, OCL through its diverse CSR initiatives continuously works towards improving the social and economic condition of its neighboring communities.

Education being a fundamental right and the Government coming in with legislation of education for all, OCL has renewed its thrust in the field of education and has increased its budget allocation for the same.

Next on agenda is the health for all. OCL in addition to running a field hospital for the adjoining villages has been operating mobile health units to take health to user's door steps. Apart from its own initiative to bring up the neighboring villages, OCL has engaged a Bhubneshwar based NGO "Jan Sadhna" as its associate and social-economic surveys are being conducted to serve the community better.

OCL in addition to running a field hospital for the adjoining villages has been operating mobile health units to take health to user's door steps.

Research and Development

Research and Development attracts a relatively small expenditure in most of the industries in India. OCL realizing the importance and need of industrial research, established an in house R&D centre in 1983 and has completed 15 projects in Cement and Refractories during 2009-10. We believe that R&D is the key driver in product improvement and cost reduction and OCL has constantly endeavored to take up projects benefiting its commercial needs.

The current year's R&D programme aims at spending over Two Crores of Rupees on finding solutions to carbon reduction, material conservation, water use, waste utilization both fuels and materials, etc. Energy cost which is a substantial component of company's expenditure is sought to be reduced by putting up captive power plant, which will also produce fly ash, as a by-product, which will be used as a blending component in manufacture of PPC.

Environment preservation being a primary area of concern figures prominently in our R&D activities and we intend to use all wastes generated by our activities.

OCL has developed masonary cement using fly ash and other mine wastes. Trial batches have been produced and the product is under performance evaluation.

Dalmia Institute of Scientific and Industrial Research

DISIR in carrying out application oriented specific research projects in the fields of cement and refractory manufacturing has developed the following products:

a. Special castable for Large Tundish for NALCO
b. Magnesia-Alumina-Zirconia bricks for Lime Kiln
c. 99% Alumna bricks for Glass Tank Regenerator
d. MagnesiaChrome-Spinel brick for Copper Industries
e. MAGNAL-90 (Magnesia-Sinel) bricks for Inclined Bed Lime Kiln

DISIR has applied for four patents in product/process development on Refractory and in industrial waste utilization. New sophisticated equipments have been added for doing research work.

DISIR and OCL have entered into a MOU with CGCRI for development of Lime Refractories for Secondary Steel Making.

The current year's R&D programme aims at spending over Two Crores of Rupees on finding solutions to carbon reduction, material conservation, water use, waste utilization both fuels and materials, etc.

Thousands have lived without love, not one without water.

W.H. AUDEN

Increased Scale of Operations

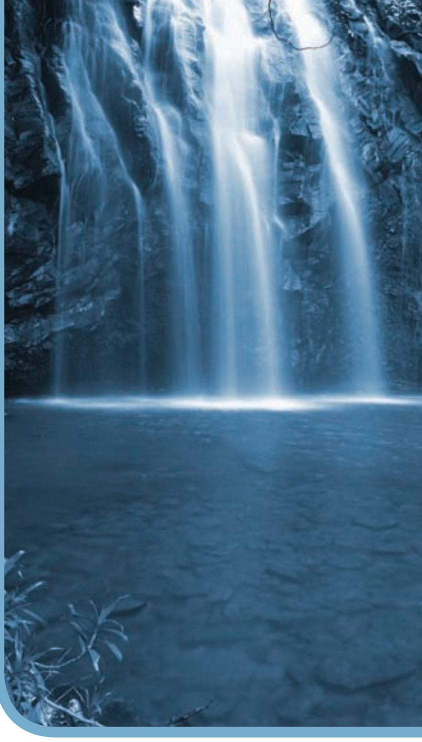
The success story of OCL continued this year with the robust all round performance in all its operations. Cement operations scaled further to higher levels both in terms of revenues and earnings.

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

The ability of your Company to foresee growth opportunities has helped it deliver a superior performance on a continuous basis. The volumes have grown and so have the margins. Demand for granulated blast furnace slag outstripped production and the scenario looks bleak in the coming years with the mega steel plants execution getting delayed. The input costs have been rising steadily particularly the energy and logistics costs adding to pressures on the bottom line. We are working towards containing these costs within manageable limits.

The coming year will certainly be a year of challenges with greater market competition, pressure on costs and will require the best from the dedicated work force of OCL.

The ability of your Company to foresee growth opportunities has helped it deliver a superior performance on a continuous basis. The volumes have grown and so have the margins.



The Future Plan

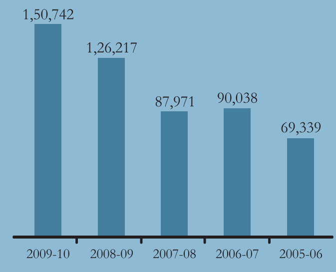
OCL looks to future as ever expanding opportunity to shore up bottom lines in all its processes and performance indicators. We are looking at capacity enhancement, increase capacity utilization, reduce energy and its costs, expand markets and increase area of operations with particular interest in our foray into coal mining aggregate business and power.

We are looking at capacity enhancement, increase capacity utilization, reduce energy and its costs, expand markets and increase area of operations.

Highlights

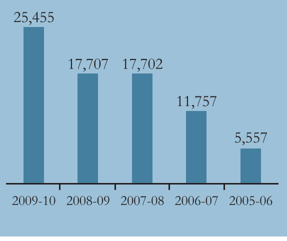
SALES

(Rs. Lakhs)



PROFIT BEFORE TAXATION

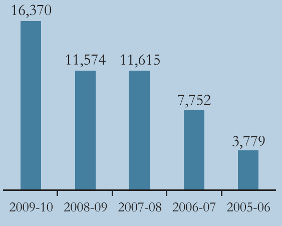
Total Amount (Rs. Lakhs)



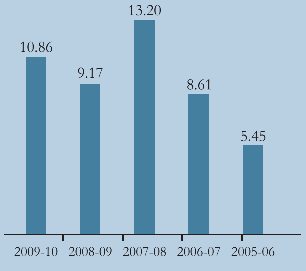
Return on Sales (%)

PROFIT AFTER TAXATION

Total Amount (Rs. Lakhs)

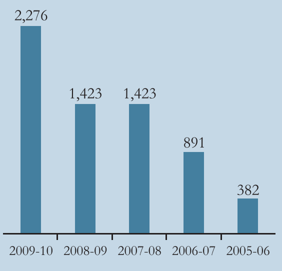


Return on Sales (%)

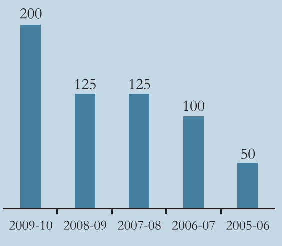


DIVIDEND

Total Amount (Rs. Lakhs)

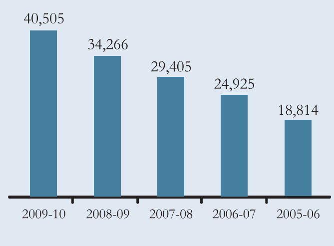


On Ordinary Shares (%)



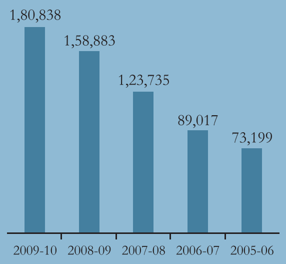
ALL TAXES

Total Amount

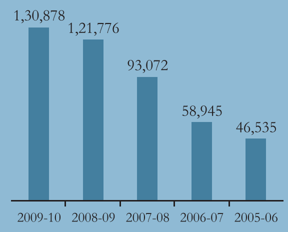


FIXED ASSETS

Gross (Rs. Lakhs)

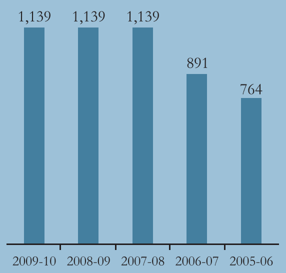


Net (Rs. Lakhs)

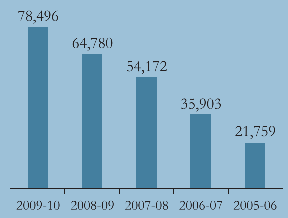


CAPITAL AND RESERVES

Ordinary Shares (Rs. Lakhs)

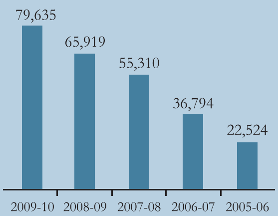


Reserves & Surplus (Rs. Lakhs)

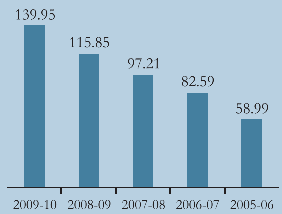


NET WORTH

Total Amount (Rs. Lakhs)

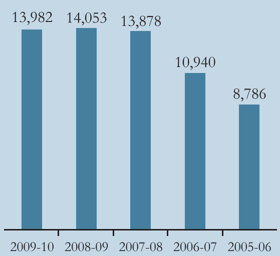


Per Ordinary Share (Rs.)



SHARE OWNERS

Share Holders (Nos.)



FIVE YEARS' FINANCIAL HIGHLIGHTS

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

DIRECTORS' REPORT
FOR THE YEAR ENDED MARCH 31, 2010

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

1. WORKING RESULTS

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

2. DIVIDEND

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

3. APPROPRIATIONS

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

4. OPERATIONS

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

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

5. EXPANSION AND FUTURE PLANS

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

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

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

6. ALLOTMENT OF CAPTIVE COAL BLOCK AND PROGRESS THEREUPON

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

Company named "Radhikapur (West) Coal Mining Private Limited" has been formed. All other necessary steps are being initiated by the JV Company for bringing the allotted captive coal mines into operation at the earliest.

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

7. DIRECTORS

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

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

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

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

8. LISTING OF THE COMPANY'S SHARES

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

9. DIRECTORS RESPONSIBILITY STATEMENT

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

a) In the preparation of the Annual Accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures, wherever applicable;

b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company as on March 31, 2010 and of the Profit of the Company for the year ended on that date;

c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

d) The Directors have prepared the annual accounts of the Company on a going concern basis.

10. SUBSIDIARIES

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

11. LABOUR MANAGEMENT RELATIONS

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

12. DEPOSITS

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

13. PARTICULARS OF EMPLOYEES

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

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

14. RESUME OF HEALTH AND SAFETY PERFORMANCE

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

Environment Control Measures:

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

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

c. Your Company has so far planted about 4 Lac 15 Thousand trees in and around its factory and mines premises at Rajgangpur and 27 thousand trees in and around factory premises at KCW.

d. Your Company celebrated "**World Environment Day**" at Rajgangpur and Lanjiberna on June 05, 2009 and "**Bana Mahostav**" between 1st to 20th August, 2009 and conducted environment promotional activities and tree plantation which the Company will continue to observe in future also.

e. Your Company is installing a Sewage water Treatment Plant to treat a part of Sewage water discharged through drains from Rajgangpur Municipality and OCL's own industrial township area at Rajgangpur. Your company proposes to use this treated water for process and gardening purposes.

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

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

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

16. CORPORATE GOVERNANCE

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

17. CORPORATE SOCIAL RESPONSIBILITY

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

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

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

18. AUDITORS AND AUDITORS REPORT

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

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

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

19. COST AUDIT

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

20. ACKNOWLEDGEMENTS

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

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

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

For & on Behalf of the Board

Place : New Delhi
Date : May 10, 2010

(**Pradip Kumar Khaitan**)
Chairman

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

A. CONSERVATION OF ENERGY

CEMENT:

a) Energy Conservation measures taken

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

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

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

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

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

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

ENVIRONMENTAL IMPROVEMENT:

CEMENT:

a) Environmental improvement measures taken:

i) Continued use of Road sweeping machine to control fugitive dust emission.
ii) Continued development of green belt.

ANNEXURE-II TO THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2010 (contd.)

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

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

i) Stacker reclaimers for Gypsum and slag are being covered with shed.
ii) Implementation of recommendations of Plant water audit Study.
iii) Installation of sewage treatment plant and utilization of treated water in plant.
iv) Development of green belt.
v) Rain water harvesting.
vi) Water spray/Dry fog systems at hopper unloading points and transfer points.
vii) Concreting of roads/flooring.
viii) Installation of reject stone crushing system for value addition to waste stones generated during lime stone mining.
ix) Replacement of under capacity bag filters at the transfer towers.
x) Additional bag filter in the Multi Compartment Silo.
xi) Development and launching Masonry Cement utilizing low grade lime stone and fly ash.

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

i) Reduction in stack and fugitive dust emission.
ii) Green belt is one of helpful measures to control Global warming.
iii) Rain water harvesting helps to recharge the water table.
iv) Reduction in Green House Gases there by helping to control Global warming.
v) Conservation of water
vi) Conservation of natural resource
vii) Usage of Industrial waste / reject resources

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

REFRACTORY:

a) Energy Conservation measures taken:

- One more tunnel kiln is converted from oil to gas firing system.
- On-line oil filtration for hydraulic presses has been installed to achieve better efficiency in hydraulic presses.
- AC drives for energy efficient operation of fans are used in kilns.
- Installation of dedicated screw compressors in GPP and Rice husk operation.
- Output from chamber kiln has been improved.
- Down Sizing of RR mill motors from 60 HP to 40HP in FB plant.
- Use of high efficient Metal halide lights instead of SV lights.

b) **Additional investment and proposals:**
   - New Plant for fine coal briquetting is being put up.
   - Beneficiation of 'E' grade coal is being done to replace partly 'B' grade coal.

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

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

ANNEXURE-II TO THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2010 (contd.)

FORM-A

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

	2009-10		2008-09	
A POWER AND FUEL CONSUMPTION	**CEMENT**	**REFRACTORY**	CEMENT	REFRACTORY
1 **Electricity**				
a) **Purchased**				
Units (in lacs kwh)	**2154.91**	**170.30**	1908.97	169.58
Total Amount (Rs. in lacs)	**7166.13**	**567.67**	5937.01	563.33
Rate/ Unit (Rs.)	**3.33**	**3.33**	3.11	3.32
b) **Own generation**				
i) **Through Diesel Generators**				
Unit (in lacs kwh)	**117.73**	**10.06**	135.02	13.71
Units per Ltr. Of fuel (in Kwh)	**3.34**	**3.34**	3.42	3.46
Cost/Unit (Rs.)	**7.69**	**7.68**	9.07	9.06
ii) **Through Steam turbine/Generators**				
Unit (in lacs)	**-**	**-**	-	-
Units per Ltr. of fuel oil /gas	**-**	**-**	-	-
Cost /Unit (Rs.)	**-**	**-**	-	-
2 **Coal (Grade B to F Wash Coal in Kiln and CVRM, Grade A, B & E – Refractory Kilns)**				
Quantity (in lac Tonnes)	**3.14**	**0.44**	2.25	0.37
Total Cost (Rs. in lacs)	**8464.44**	**1965.79**	6157.11	1900.67
Average rate (Rs./MT)	**2695.73**	**4501.84**	2733.34	5,071.29
3 **Furnace Oil**				
Quantity (K.Ltr)	**5924.79**	**1517.04**	5447.99	1,485.10
Total amount (Rs. in lacs)	**1340.59**	**340.76**	1505.59	405.29
Average rate (Rs./K.ltr.)	**22626.73**	**22462.03**	27635.60	27,290.64
4 **Others / Internal Generation**				
a) **Light Diesel Oil for PG Sets**				
Quantity (K.Ltr.)	**-**	**-**	-	-
Total Cost (Rs.in lacs)	**-**	**-**	-	-
Rate/Unit (Rs./kl Ltr.)	**-**	**-**	-	-
b) **Light Diesel Oil for KHD Kiln**				
Quantity (K.ltr)	**-**	**-**	-	32.55
Total cost (Rs.in lacs)	**-**	**-**	-	3.81
Rate/Unit (Rs./K.ltr)	**-**	**-**	-	11,716.53
c) **Light Diesel Oil for CVRM**				
Quantity (K.ltr)	**-**	**-**	-	-
Total cost (Rs.in lacs)	**-**	**-**	-	-
Average Rate/Unit (Rs./K.ltr)	**-**	**-**	-	-
d) **HSD Oil for DG Sets**				
Quantity (K.Ltrs)	**0.955**	**-**	3.00	-
Total Cost(Rs. in lacs)	**0.25**	**-**	1.11	-
Rate per Unit (Rs./K/Ltr)	**26323.79**	**-**	36915.00	-
e) **High Speed Diesel Oil etc. for Payloaders & Tippers at Factory**				
Quantity (K.Ltrs)	**324.39**	**-**	292.11	-
Total Cost(Rs. in lacs)	**107.13**	**-**	95.20	-
Rate per Unit (Rs./K/Ltr)	**33025.35**	**-**	32590.92	-

f) **HSD Oil for Diesel Locos**				
Quantity (K.ltr.)	**79.615**	**-**	78.58	-
Total cost (Rs.in lacs)	**24.30**	**-**	25.01	-
Rate/Unit (Rs./MT)	**30521.75**	**-**	31,830.87	-
g) **Dynamics F for Kilns**				
Quantity (K.ltr.)	**-**	**1.30**	-	1.20
Total cost (Rs. in lacs)	**-**	**3.51**	-	3.18
Rate / Unit (Rs.)	**-**	**2,69,969.23**	-	265,356.67
B CONSUMPTION PER UNIT OF PRODUCTION (PER MT)	**Standards (if any)**	**2009-10**		2008-09
a) **Cement**				
Electricity (KWH)		76.00		76.00
Furnace Oil (Litres)		0.81		0.57
Coal for Kiln and CVRM (grades B to F - wash coal)(Kgs.)		106.00		84.00
Others - L.D. Oil (Litres.)				
For KHD Kiln and CVRM		-		-
HSD Oil for Pay loaders and tippers		0.11		0.11
HSD Oil for CVRM		-		-
b) **Refractory**				
Electricity (KWH)		306.00		249.00
Furnace Oil (K. Litres)				
For Oil Fired Bricks		0.130		0.087
For Mixed Fire Bricks		0.021		0.021
Coal (MT) for Refractory Kilns (grades A, B and E)				
For Gas fired bricks		1.028		0.772
For Mixed fire bricks		1.027		0.369
Dynamics F				
For oil fired bricks		0.00014		0.00001

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

CEMENT:

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

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

Fuel Consumption per tonne of Cement is higher due to:-

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

REFRACTORY:

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

ANNEXURE-II TO THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2010 (contd.)

B. TECHNOLOGY ABSORBTION:

Efforts made in technology absorption

FORM B

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION

RESEARCH & DEVELOPMENT (R& D)

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

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

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

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

   CEMENT:
   1. Reduction of CO_2 emission. UNFCCC has registered emission reduction of PSC and PPC projects. PSC blended cement Project is under process of verification.
   2. Increase in mines life and conservation of natural resources.
   3. Use of industrial waste in cement manufacturing.

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

3. **Future Plan of Action**

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

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

4. **Expenditure on R&D**

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

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. **Efforts, in brief, made towards technology absorption, adaptation and innovation.**
   The Company entered into an agreement with M/s TYK Japan for technology transfer of slide gate mechanism and permission to manufacture in India.

2. **Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution.**
   The technical collaboration with M/s TYK Corp., Japan has enhanced the technical capability of the Company. The Company, as a result of the above efforts, has made improvement in the product quality and saved energy resulting into cost savings.

3. **In case of imported technology (imported during the last 5 years), following information may be furnished:**

a)	Technology imported	:	Slide gate Mechanism from TYK corporation Japan
b)	Year of import	:	2007-08
c)	Has technology been fully absorbed	:	**TN 80 machine manufactured & established at ISP & VSP.TN 60 machine has also been manufactured & yet to be established.**
d)	If not fully absorbed, areas where this has not taken place, reasons therefore and future plan of action	:	N.A.

C. FOREIGN EXCHANGE EARNINGS AND OUT-GO

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

REFRACTORY:

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

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

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

Total Foreign Exchange used and earned:

Used: **Rs.9828.26 Lakhs**

Imports (C.I.F. Value)	**(Rs. In Lakhs)**
i) Raw Materials	8418.81
ii) Stores and Spare parts	291.31

ANNEXURE-II TO THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2010 (contd.)

iii)	Capital Goods	31.96
iv)	Royalty and know how fees	2.11
v)	Interest on Foreign Currency Loans	2.24
vi)	Professional/ Consultation fee	101.70
vii)	Commission	229.48
viii)	Purchased Refractories	687.32
viii)	Other Matters	63.33
	Total Expenses	**9828.26**

Earned: Rs.2900.78 Lakhs

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

1. **Economic Scenario and Outlook**

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

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

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

2. **Financial Highlights**

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

(Rs./ Lakhs)

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

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

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

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

3. **Cement Business**

a) **Industry Structure and Developments**

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

MANAGEMENT DISCUSSION AND ANALYSIS (contd.)

year which is expected to be more felt from second half the next financial year. Despite likely demand growth of 11% or so on all India basis and slightly better growth in east, production will be more and there is likely hood of over supply situation in certain regions. Eastern market is also not likely to remain insulated and if plants from other regions are able to transport material to east, prices are likely to be under pressure.

Coal, slag and other inputs remained in short supply. Even railways wagon supply also remained scarce at the time of peak demand. Government's response towards Industry's request for dual excise duty anomaly remained mute. The support needed from the Government in allowing abatement in Excise duty on MRP was also not considered. Restoration of Excise Duty on MRP from 8% to 10% has further pushed cost upward. Power availability in Orissa is worsening day by day which is likely to put pressure on cost of power and is likely to affect production from plants dependent on Grid power. Imposition of flat Rs. 50 per Metric Tonne Clean Energy Cess on all grades of coal and increase in cost of petroleum product prices will further take the cost up.

b) **Operations/Performance**

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

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

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

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

c) **Opportunities and Threats**

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

Scarcity of slag was felt both at KCW and at Rajgangpur. Steps have been taken to enter into long term arrangement for sourcing slag for both the plants. In view of adequate availability of clinker due to commissioning of 2nd stream of Clinkerisation at Rajgangpur, your Company will have leverage of resorting to maximizing cement volumes by producing other types of cements like Ordinary

Portland Cement (OPC), IRST-40 Sleeper grade Portland Cement and Portland Pozzolana Cement (PPC), etc. apart from manufacturing Portland Slag Cement (PSC). Steps are being taken to launch a new type of cement i.e. 'Masonry cement' which is a better alternative to cement for masonry and similar usages other than RCC. -

d) Risks and Concerns

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

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

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

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

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

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

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

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

e) Outlook

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

MANAGEMENT DISCUSSION AND ANALYSIS (contd.)

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

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

4. Refractory Business

a) Industry Structure and Developments

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

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

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

b) Operations/Performance

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

('000 MT')

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

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

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

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

c) Opportunities and Threats

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

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

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

d) Risks and Concerns

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

e) Outlook

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

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

5. Financial Performance

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

(Rs. Crores)

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

MANAGEMENT DISCUSSION AND ANALYSIS (contd.)

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

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

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

6. Awards and Recognition

Awards and Recognition - Cement Division

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

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

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

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

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

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

Awards and Recognition - Refractory Division

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

Quality Circle Team “VISWAKARMA (ENGG)” from Refractory Division bagged Par Excellent Award in the 17th Chapter

Convention on Quality Circles held at Rourkela during 11~12 September’ 2009.

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

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

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

7. Internal Control Systems

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

8. Human Resource Development/Industrial Relations

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

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

9. *Cautionary Statement*

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

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

ANNEXURE-III TO THE DIRECTORS' REPORT
CORPORATE GOVERNANCE REPORT

I. PHILOSOPHY ON CODE OF GOVERNANCE

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

II. BOARD OF DIRECTORS

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

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

Notes:

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

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

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

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

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

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

d) The Annual General Meeting was held on September 25, 2009 and was attended by Shri V. P. Sood, Whole Time Director and Shri D. N. Davar, Chairman of Audit Committee.

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

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

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

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

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

III. AUDIT COMMITTEE

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

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

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

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

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

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

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

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

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

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

ANNEXURE-III TO THE DIRECTORS' REPORT
CORPORATE GOVERNANCE REPORT (contd.)

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

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

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

IV REMUNERATION OF DIRECTORS

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

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

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

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

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

(Amount in Rs.)

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

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

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

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

Shri V. P. Sood

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

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

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

V SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

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

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

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

Investor Complaints received/settled during the year:

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

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

Name and designation of compliance officer
Ms. Rachna Goria, Company Secretary, is the Compliance Officer.

ANNEXURE-III TO THE DIRECTORS' REPORT
CORPORATE GOVERNANCE REPORT (contd.)

VI GENERAL BODY MEETINGS

A) Location and time, where Annual General Meetings held in last three years -

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

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

B) Resolutions passed by Postal Ballot

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

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

VII DISCLOSURES

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

B) **Particulars of contract in which Directors are interested**

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

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

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

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

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

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

Dalmia Cement (Bharat) Limited and all its subsidiaries- Kanika Investment Limited., D.I. Properties Limited, Geetee Estates Limited, Avnija Properties Limited, Ishita Properties Limited, Shri Rangam Properties Limited, Hemshila Properties Limited, Himshikar Investment Limited, Dalmia Minerals & Properties Limited, Shri Radha Krishna Brokers & Holdings Limited, Dalmia Bharat Enterprises Limited, DCB Power Ventures Limited, Sri Shanmugha Mines & Minerals Limited, Sri Swaminatha Mines & Minerals Limited, Sri Subramanya Mines & Minerals Limited, Sri Madhusudana Mines and Properties Limited, Arjuna Brokers & Minerals Limited, Dalmia Power Limited, Sri Trivikrama Mines and Properties Limited., Sri Dhandauthapani Mines and Minerals Limited, Dalmia Solar Power Limited, Dalmia Cement Ventures Limited, Dalmia Sugar Ventures Limited, Cosmos Cements Limited, Sutnga Mines Private Limited, Golden Hills Resorts Private Limited, Rajputana Properties Private Limited, Shri Nataraj Ceramic & Chemical Industries Ltd. and its subsidiary -

ANNEXURE-III TO THE DIRECTORS' REPORT
CORPORATE GOVERNANCE REPORT (contd.)

Shri Chamundeswari Minerals Ltd.; Mayuka Investments Ltd., Keshav Power Pvt. Ltd., Rama Investment Company Pvt. Ltd., Ankita Pratisthan Ltd., Sita Investment Company Ltd., Shree Nirman Ltd., Himgiri Commercial Ltd., Valley Agro Industries Ltd., Kavita Trading and Investment Co. Pvt. Ltd., Puneet Trading and Investment Co. Pvt. Ltd., Zipahead.Com Ltd., Avanee And Ashni Securities Pvt. Ltd."

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

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

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

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

VIII. MEANS OF COMMUNICATION

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

IX. SHAREHOLDERS INFORMATION

A) **General information**

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

B) **Appointment/Reappointment of Directors**

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

C) **Financial Results**

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

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

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

E) **Listing on Stock Exchanges**

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

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

ANNEXURE-III TO THE DIRECTORS' REPORT
CORPORATE GOVERNANCE REPORT (contd.)

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

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

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

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

H) Distribution of Shareholding as on 31st March 2010

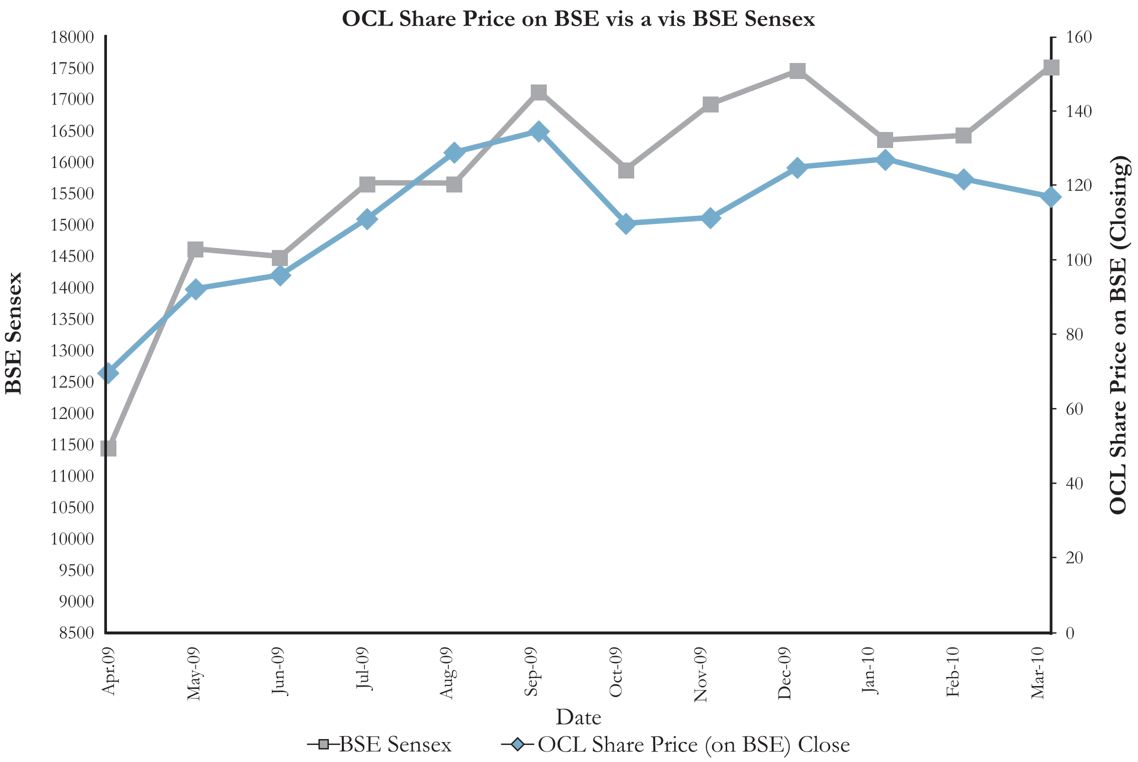
Range	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
1-100	7038	50.33	339947	0.60
101-250	2308	16.51	416786	0.73
251-500	1728	12.36	690329	1.21
501-1000	1320	9.44	1011958	1.78
1001-2000	814	5.82	1182812	2.08
2001-3000	278	1.99	699258	1.23
3001-4000	131	0.94	462852	0.81
4001-5000	74	0.53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

ANNEXURE-III TO THE DIRECTORS' REPORT
CORPORATE GOVERNANCE REPORT (contd.)

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

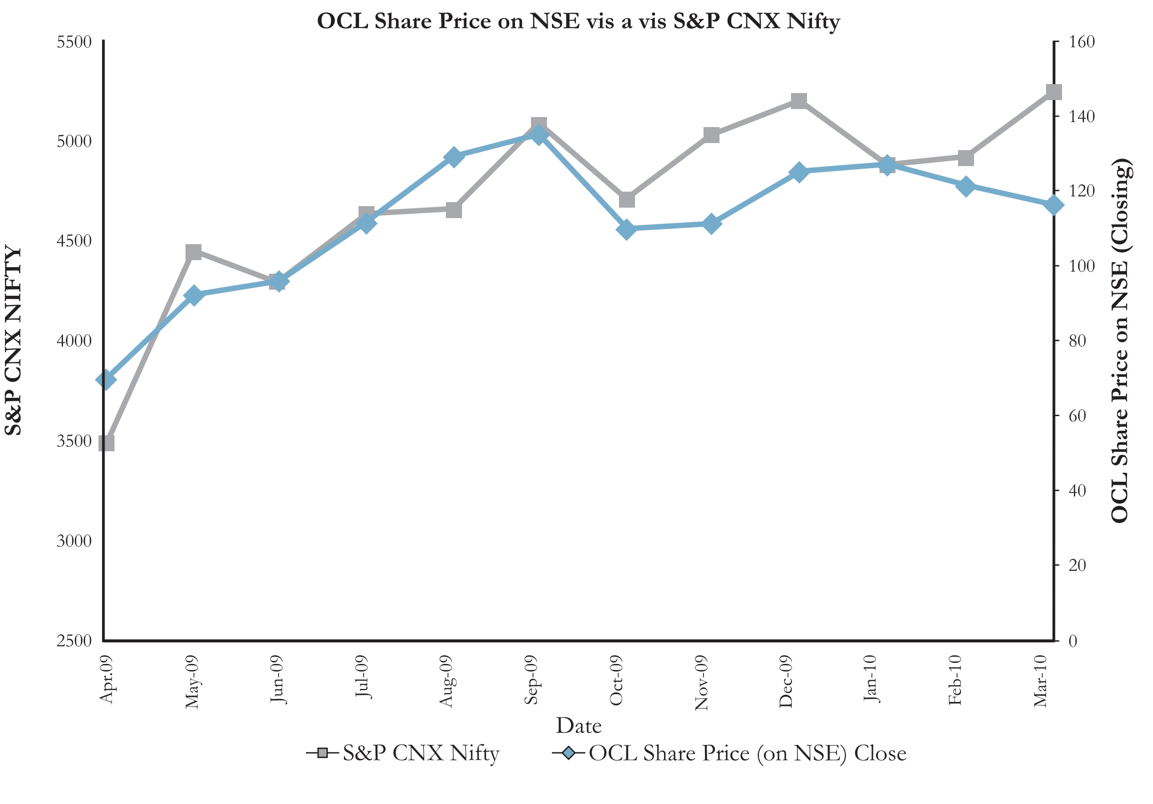
OCL Share Price on BSE vis a vis BSE Sensex
April 2009 - March 2010

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



OCL Share Price on NSE vis a vis S&P CNX Nifty
April 2009 - March 2010

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



ANNEXURE-III TO THE DIRECTORS' REPORT
CORPORATE GOVERNANCE REPORT (contd.)

COMPLIANCE CERTIFICATE FROM AUDITORS

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

Auditors' Certificate on Corporate Governance
To the shareholders of OCL India Limited

1. We have examined the compliance of conditions of Corporate Governance by OCL India Limited ("the Company") for the year ended March 31st, 2010, as stipulated in clause 49 of the Listing Agreement of the said company with Stock Exchanges in India.
2. The Compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to the review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Place : New Delhi
Date : 10.05.2010

R.RAGHURAMAN
Partner
Membership No.81350

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

TO
THE MEMBERS OF OCL INDIA LIMITED

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

For **OCL India Limited**

D. D. Atal
CEO

Dated: May 10, 2010

AUDITORS' REPORT
TO THE SHAREHOLDERS OF OCL INDIA LIMITED

1. We have audited the attached Balance Sheet of OCL INDIA LIMITED as at 31st March, 2010 and also the Profit & Loss Account and the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

3. We report that

   (a) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of these books;

   (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of Account;

   (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in section 211 (3C) of the Companies Act, 1956 to the extent applicable

   (e) On the basis of information obtained, none of the directors are prima facie, disqualified under section 274(1)(g) of the Companies Act, 1956 as on 31.03.2010 from being appointed as a director of the Company.

   (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

      i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;

      ii in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and

      iii in the case of cash flow statement, of the cash flows for the year ended on that date.

4. As required by the Companies (Auditors Report) Order, 2003 (as amended) issued by the Department of Company Affairs, Govt. of India in terms of Section 227 (4A) of the Companies Act, 1956, and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we further report on the matters specified in the paragraphs 4 and 5 of the said Order as under:

   i a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

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

   c) Since there is no substantial disposal of fixed assets during the year, the preparation of financial statements on a going concern basis is not affected on this account.

AUDITORS' REPORT
TO THE SHAREHOLDERS OF OCL INDIA LIMITED (contd.)

ii a) The stock of finished goods, stores, spare parts and raw materials, except those held by consignees and stored in customer premises, have been physically verified by the management at reasonable intervals. In respect of stock with consignees, confirmation certificates have been received.

b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

c) In our opinion, the Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.

iii a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties required to be covered in the register maintained under section 301 of the Companies Act, 1956.

b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties required to be covered in the register maintained under section 301 of the Companies Act, 1956.

iv In our opinion and according to the information and explanations given to us and having regard to the explanations in respect of the manner in which the purchase price of some of the items are determined or where alternate quotations are not available, there are adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. To the best of our knowledge, no major weaknesses in internal control system were either reported or noticed by us during the course of our audit.

v a) According to the information given to us, the particulars of contracts or arrangements that need to be entered into a register in pursuance of section 301 of the Companies Act, 1956 have been so entered.

b) There were transactions exceeding Rs. five lakhs made in pursuance of such contracts or arrangements relating to professional services rendered during the year by a legal firm, for which comparison with prevailing market prices is not feasible.

vi In our opinion and according to information and explanations given to us, the Company has complied with the provisions of sections 58A and 58AA or any other relevant provisions of the Act and the rules made there under, where applicable, with regard to deposits accepted from the public.

vii The Company has an internal audit system, which in our opinion, is commensurate with its size and nature of its business.

viii We have broadly reviewed the books of accounts maintained by the Company, pursuant to the rules made by the Central Government for the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate and complete.

ix a) According to the records of the Company, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and any other statutory dues with the appropriate authorities. There were no arrears of undisputed statutory dues as at 31st March, 2010, which were outstanding for a period of more than six months from the date they became payable.

b) The disputed dues of different years, which have remained unpaid as on 31st March, 2010, for which appeals are pending as under:

Nature of dues	Year	Amount (Rs. In lacs)	Forum where pending
Orissa Sales Tax	1995-96 and 1997-98 to 2000-01	162.63	Orissa Sales Tax Tribunal
Central Sales Tax	1995-96	53.19	Orissa Sales Tax Tribunal
Orissa VAT	2005-06	361.26	Commissioner of Sales Tax
West Bengal Sales Tax	1996-97, 1999-00 and 2004-05	28.71	West Bengal Commercial Taxes Appellate & Revisional Board
Cenvat Credit	01.10.2006 to 28.02.2008	56.72	CESTAT, Kolkata

x The Company has no accumulated losses and has not incurred cash losses during the financial year covered by our audit or in the immediately preceding financial year.

xi On the basis of the verification of records and information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions or banks or debenture holders.

xii The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

xiii The Company is not a chit fund / nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditors Report) Order are not applicable.

xiv The Company is not dealing or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause 4(xiv) of the Companies (Auditors Report) Order are not applicable

xv The Company has given guarantees of USD 32.28 lakhs (previous year USD 19.80 lakhs) for loans/ guarantees taken by OCL Global Limited (in which the Company holds 50% of the paid-up Capital) from banks, the terms and conditions whereof are not, prima facie, prejudicial to the interest of the Company.

xvi According to the records of the Company, term loans taken during the year have been applied for the purpose for which they were obtained.

xvii According to the information and explanations given to us, the Cash Flow statement examined by us and on an overall examination of the balance sheet of the Company, we report that funds raised on short-term basis have not been used for long term investment.

xviii During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.

xix The Company has not issued any debentures during the year. Therefore, the question of creating security / charge does not arise.

xx Since there were no public issue of securities during the year, verification of the end use of money does not arise.

xxi Based on the audit procedure performed and the representation obtained from the management, we report that no case of fraud on or by the Company has been noticed or reported during the year under audit.

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

Place : New Delhi
Date : 10.05.2010

R.RAGHURAMAN
Partner
Membership No.81350

BALANCE SHEET AS AT 31ST MARCH, 2010

	Schedule No.	2009-10 (Rs. Lakhs)	2009-10 (Rs. Lakhs)	2008-09 (Rs. Lakhs)
I. SOURCES OF FUNDS				
1. Shareholders' Funds				
a) Capital	1	**1,138.50**		1,138.50
b) Reserves and Surplus	2	**78,496.04**		64,780.40
			79,634.54	65,918.90
2. Loan Funds				
a) Secured	3	**79,473.87**		68,188.95
b) Unsecured	4	**3,093.95**		3,304.34
			82,567.82	71,493.29
3. Deferred Tax	5		**12,000.86**	10,015.64
Total			**1,74,203.22**	1,47,427.83
II. APPLICATION OF FUNDS				
1. Fixed Assets	6			
a) Gross Block		**1,47,725.79**		1,21,223.48
b) Less : Depreciation		**49,959.83**		37,106.16
c) Net Block			**97,765.96**	84,117.32
d) Capital Work-in-progress (at cost)			**33,112.49**	37,659.12
			1,30,878.45	1,21,776.44
2. Investments (At Cost)	7		**611.96**	635.49
3. Current Assets, Loans and Advances	8			
a) Inventories		**20,288.12**		17,356.53
b) Sundry Debtors		**10,460.36**		11,587.02
c) Cash and Bank Balances		**35,376.72**		11,854.46
d) Other Current Assets		**116.72**		63.94
e) Loans and Advances		**7,187.47**		8,155.73
		73,429.39		49,017.68
Less : Current Liabilities and Provisions	9			
a) Liabilities		**26,481.94**		22,044.52
b) Provisions		**4,234.64**		1,957.26
		30,716.58		24,001.78
Net Current Assets			**42,712.81**	25,015.90
Total			**1,74,203.22**	1,47,427.83
Significant Accounting Policies	16			
Notes forming part of the Balance Sheet	17			

for **OCL INDIA LIMITED,**

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

R. Raghuraman
Partner
Membership No. 81350

Rachna Goria
Company Secretary

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

On behalf of the Board,
Pradip Kumar Khaitan
D.D. Atal
Directors

Place : New Delhi
Date : 10.05.2010

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

	Schedule No.	2009-10 (Rs. Lakhs)	2009-10 (Rs. Lakhs)	2008-09 (Rs. Lakhs)
INCOME				
Sales and Self Consumption	10	1,52,155.35		1,27,625.24
Less : Excise Duty		14,734.88		15,756.11
			1,37,420.47	1,11,869.13
Increase / (-) Decrease in Stocks	11		515.04	1,071.78
Other Receipts	12		3,459.32	1,195.04
			1,41,394.83	1,14,135.95
EXPENDITURE				
Raw Materials Consumed			38,426.77	32,163.00
Purchases (see note 19)			975.51	1,220.68
Freight, Clearing & Handling on Own Clinker			872.95	453.23
Salaries, Wages and Benefits to Employees	13		7,104.93	5,199.96
Power and Fuel			19,780.57	16,424.61
Other Expenses	14		32,262.72	31,429.24
Interest	15		5,066.76	3,849.55
Depreciation			11,449.73	5,688.59
			1,15,939.94	96,428.86
PROFIT BEFORE TAXATION			25,454.89	17,707.09
Provision for Taxation				
- Current			6,500.00	2,025.00
- Deferred			1,985.22	4,132.81
- Fringe Benefit Tax				75.00
- Relating to earlier years			500.00	–
MAT credit avaliable for Reversed / (-) set off			100.00	-100.00
PROFIT AFTER TAXATION			16,369.67	11,574.28
Balance brought forward from Previous Year			7,665.76	4,829.20
Transfer from Reserve for Bad and Doubtful Debts			–	700.00
			24,035.43	17,103.48
Transfer to General Reserve			10,000.00	7,500.00
Transfer from / to Debenture Redemption Reserve			-476.35	273.46
Proposed Dividend			2,276.01	1,422.51
Tax on Dividend			378.02	241.75
Surplus carried to Balance Sheet			11,857.75	7,665.76
			24,035.43	17,103.48
EPS of face value of Rs. 2/- Basic & Diluted (Rs.)			28.77	20.34
Significant Accounting Policies	16			
Notes forming part of the Profit and Loss Account	17			

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

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

Rachna Goria
Company Secretary

Pradip Kumar Khaitan

R. Raghuraman
Partner
Membership No. 81350

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

D.D. Atal
Directors

Place : New Delhi
Date : 10.05.2010

SCHEDULES TO THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

	2009-10 (Rs. Lakhs)	2008-09 (Rs. Lakhs)
1. SHARE CAPITAL		
Authorised		
1,00,000 Shares of Rs.100 each	**100.00**	100.00
7,00,00,000 Shares of Rs.2 each	**1,400.00**	1,400.00
	1,500.00	1,500.00
Issued		
6,36,31,805 (Previous Year 6,36,31,805) Ordinary Shares of Rs.2 each	**1,272.64**	1,272.64
Subscribed		
5,69,00,220 (Previous Year 5,69,00,220) Ordinary Shares of Rs.2 each, fully paid up of the above,	**1,138.00**	1,138.00
(i) 1,57,50,000 Ordinary Shares were allotted as bonus shares by capitalisation from General Reserve		
(ii) 1,23,52,500 Ordinary Shares of Rs.2/- each, fully paid up were allotted during 2007-08, to the share holder of erstwhile Dalmia Cement (Meghalaya) Ltd pursuant to a scheme of arrangement for merger		
Add : Shares Forfeited Account	**0.50**	0.50
	1,138.50	1,138.50

2. RESERVES AND SURPLUS

(Rs. Lakhs)

	As at 31.03.2009	Additions	Deductions	As at 31.03.2010
Capital Reserve	157.06	–	–	**157.06**
Share Premium Account	19,600.00	–	–	**19,600.00**
Debenture Redemption Reserve	1,331.71	–	476.35	**855.36**
General Reserve	36,025.87	10,000.00	–	**46,025.87**
Profit and Loss Account	7,665.76	–	–	**11,857.75**
	64,780.40			**78,496.04**

	2009-10 (Rs. Lakhs)	2008-09 (Rs. Lakhs)
3. SECURED LOANS		
1) Loans from Banks & Others		
a) Term Loans	**64,466.49**	47,568.92
b) Working Capital Facilities	**7,407.38**	11,066.01
c) Short Term Loan From Banks		954.02
2) Secured Redeemable Non-Convertible Debentures		
7.75% (Redeemable during 2007-08 to 2009-10)	**–**	1,000.00
9.40% (Redeemable during 2014-15 to 2016-17)	**1,100.00**	1,100.00
10.50% (Redeemable during 2012-13)	**500.00**	500.00
10.80% (Redeemable during 2014-15 to 2016-17)	**6,000.00**	6,000.00
	7,600.00	8,600.00
	79,473.87	68,188.95

Notes :

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

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

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

	2009-10 (Rs. Lakhs)	2008-09 (Rs. Lakhs)
4. UNSECURED LOANS		
Fixed Deposits	**3,093.95**	804.34
Short Term Loan from Bank	**–**	2,500.00
	3,093.95	3,304.34
5. DEFERRED TAX		
Liabilities :		
Depreciation	**12,550.32**	10,747.14
Exchange gain of Capital Nature	**217.47**	–
Assets :		
Difference of value of Stock u/s 145A of the Income Tax Act, 1961	**198.83**	206.67
Expenses allowable in computing taxable income on payment basis	**237.17**	202.84
MTM on interest Derivatives	**21.78**	41.15
Provision for Doubtful Debts & obsolecence of stock	**309.15**	280.60
Voluntary Retirement Expenses		0.24
	766.93	731.50
Net Liability	**12,000.86**	10,015.64

SCHEDULE OF FIXED ASSETS FOR THE YEAR 2009-2010

6. FIXED ASSETS

Rs. Lakhs

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 31.03.2009	Additions	Deductions	As at 31.03.2010	Upto 31.03.2009	For the Year	Deductions	Upto 31.03.2010	As at 31.03.2010	As at 31.03.2009
Free Hold Land	1,046.05	**66.40**	**–**	**1,112.45**	–	**–**	**–**	**–**	**1,112.45**	1,046.05
Lease Hold Land	10.59	**0.31**	**–**	**10.90**	3.66	**0.38**	**–**	**4.04**	**6.86**	6.9 3
Building (on Freehold and Laesehold land)	4,918.88	**1,617.13**	**–**	**6,536.01**	2,368.34	**236.59**	**–**	**2,604.93**	**3,931.08**	2,550.54
Plant & Machinery	1,10,818.80	**19,532.22**	**98.80**	**1,30,252.22**	32,570.07	**11,493.47**	**33.38**	**44,030.16**	**86,222.06**	78,248.73
Railway Lines	324.05	**4,187.67**	**–**	**4,511.72**	297.28	**313.71**	**–**	**610.99**	**3,900.73**	26.77
Furniture, Fixtures & Equipments	1,471.00	**373.49**	**13.22**	**1,831.27**	923.80	**218.33**	**11.01**	**1,131.12**	**700.15**	547.20
Vehicles	2,625.33	**912.41**	**75.91**	**3,461.83**	943.01	**693.07**	**57.49**	**1,578.59**	**1,883.24**	1,682.32
Livestock	8.78	**1.45**	**0.84**	**9.39**	–	**–**	**–**	**–**	**9.39**	8.78
Grand Total	1,21,223.48	**26,691.08**	**188.77**	**1,47,725.79**	37,106.16	**12,955.55**	**101.88**	**49,959.83**	**97,765.96**	84,117.32
Previous Year	63,256.58	**58,431.55**	**464.65**	**1,21,223.48**	30,663.32	**6,835.44**	**392.60**	**37,106.16**	**84,117.32**	32,593.26
Capital Work in Progress									**33,112.49**	37,659.12

Notes :

1 Gross Block includes amount added in 1985 on revaluation of Land Rs.132.31 Lakhs, Buildings Rs.1,196.97 Lakhs and Plant and Machinery Rs.1,922.48 Lakhs was carried out by an external independent valuer. Since the valuation was carried out long back the indices applied by the valuer is not avaliable.

2. Addition to Capital Work-in-progress includes adjustment of Rs. Nil Lakhs on account of loss on exchange fluctuation to the extent of difference of interest cost relating to acquisition of fixed assets (Previous Year Rs. 180.61 Lakhs)

3 Additions to Fixed Assets and Capital work-in-progress include net borrowing cost of Rs. 1,743.48 Lakhs capitalised during the year (Previous Year Rs.2,780.83 Lakhs).

4 Capital Work-in-progress include Rs. 5,714.04 Lakhs on account of advance against Capital Expenditure (unsecured - considered good) (Previous Year Rs.7,172.08 Lakhs)

5 Plant and Machinery includes Wagons given on lease to Railways (Cost Rs.574.06 Lakhs, WDV Rs.238.49 Lakhs)

6 Addition to Fixed Asset & Capital WIP includes Pre operative expenses/income as detailed under Note 27.

7 There has been no impairment loss on Assets during the year.

	Face Value per Share/ Bond/ Unit (Rs.)	2009-10 Nos.	2008-09 Nos.	2009-10 (Rs. Lakhs)	2008-09 (Rs. Lakhs)
7. INVESTMENTS - LONG TERM (at cost)					
Trade Investments					
Fully paidup Ordinary Shares					
First Capital India Limited	6	**166**	166	**0.01**	0.01
India Information Technology Limited (Rs. 10)	10	**1**	1	**–**	–
OCL Iron and Steel Limited	1	**–**	5,00,000	**–**	19.40
OCL Global Ltd $ (Face Value in USD)	1	**50,000**	50,000	**22.40**	22.40
Fully paidup Preference Shares					
OCL Global Ltd $ (Face Value in USD)	1	**13,65,000**	13,65,000	**587.51**	587.51
Hari Fertilizers Limited	10	**–**	90	**–**	0.01
				609.92	629.33
$ Associate Concern					
Other Investments					
Fully paidup Ordinary Shares					
Birla Corp. Limited	10	**–**	200	**–**	0.02
Bhushan Steel & Strips Limited	10	**–**	100	**–**	0.02
Chettinad Cement Corporation Limited	10	**–**	500	**–**	0.11
Crescent Finstock Limited	10	**1,400**	1,400	**–**	–
DCW Limited	2	**–**	28,000	**–**	1.52
Digvijay Finlease Limited	10	**25**	25	**–**	–
Gujarat Composite Limited	10	**16**	16	**–**	–
I T C Limited	1	**–**	64,500	**–**	0.06
Chambal Fertilizers and Chemicals Ltd.	10	**–**	2,200	**–**	0.34
IFGL Refractories Limited (PY Rs. 246/-)	10	**–**	70	**–**	–
Indo Flogates Limited	10	**100**	100	**0.01**	0.01
Ispat Profiles India Limited (Rs. 75.50/-)	10	**50**	50	**-**	–
Jai Prakash Associates Ltd	10	**-**	4,200	**-**	0.76
JSW Steel Limited (PY Rs. 357/-)	10	**-**	4	**-**	–
Bagalkot Udyog Limited (Formerly Kanoria Industries Limited)	1	**100**	100	**0.01**	0.01
Bagalkot Cement & Industries Ltd	10	**1**			–
Kanoria Sugar & General Mfg.Co. Limited (Rs. 183/-)	10	**25**	25	**-**	–
Madras Cements Limited (PY Rs. 393/-)	10	**-**	160	**-**	–
Mysore Cements Limited	10	**-**	200		0.04
Magnesite & Minerals Limited	10	**100**	100	**0.01**	0.01
Mangalam Cement Limited	10	**-**	3,000		0.48
Orind Exports Limited (Rs. 201/-)	10	**100**	100	**-**	–

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

	Face Value per Share/ Bond/ Unit (Rs.)	**2009-10** **Nos.**	2008-09 Nos.	**2009-10** **(Rs. Lakhs)**	2008-09 (Rs. Lakhs)
7. INVESTMENTS - LONG TERM					
(at cost) *(Cont.)*					
Orissa Industries Limited	10	**73,450**	73,450	**1.40**	1.40
Panyam Cements and Mineral Industries Ltd (PY Rs. 377/-)	100	**-**	4	**-**	–
Saurashtra Cement Limited	10	**-**	200		0.01
Shree Digvijay Cement Company Limited	10	**-**	50		0.01
Sunflag Iron & Steel Co Limited (PY Rs. 301.50)	10	**-**	100	**-**	–
The Andhra Cements Limited (PY Rs. 46.20)	10	**-**	5	**-**	–
ACC Limited	10	**-**	312		0.05
The India Cements Limited	10	**-**	300		0.04
The Indian Hume Pipe Company Limited	10	**2,500**	2,500	**0.06**	0.06
The K C P Limited	10	**-**	915		0.01
The K C P Sugar & Industries Corporation Limited	10	**-**	915		0.01
The Scindia Steam Navigation Company Limited	20	**504**	504	**0.06**	0.06
Tata Steel Limited	10	**-**	338		0.24
The Travancore Cements Limited	10	**100**	100	**0.01**	0.01
Usha Ispat Limited	10	**100**	100	**0.01**	0.01
Vesuvius India Limited	10	**-**	100		0.11
Fully paidup Preference Shares					
CCPS of Tata Steel Limited	100	**–**	291	**–**	0.29
Fully paidup Debentures - Non-convertible Secured					
8% - Indian Chamber of Commerce	100	**12**	12	**0.01**	0.01
8% - Indian Chamber of Commerce - Fractional (Rs. 50/-)	25	**2**	2	**–**	–
Fully paidup Shares of Co-operative Society	100	**50**	50	**0.05**	0.05
Property Rights in Holiday Resort				**0.41**	0.41
				2.04	6.16
				611.96	635.49
Quoted Investments				**0.06**	23.35
Unquoted Investments				**611.90**	612.14
				611.96	635.49
Market value of quoted investments				**18.21**	189.52

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

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

Name of Mutual Fund	No of Units in Lakhs	Purchase Amount including switch & Dividend	Sale Amount including Switch
Reliance liquid Fund - Treasury Plan - Growth	**80.31**	**1,750.00**	**1,750.24**
Reliance Money Manager - Growth option	**1.52**	**1,850.24**	**1,854.47**
Reliance Liquid Fund - Treasurey Plan - Institutional Option - Daily Dividend Option	**493.00**	**7,536.62**	**7,536.62**
Reliance Money Manager Fund - Institutional Option - Daily Dividend Option	**16.26**	**16,278.51**	**16,278.75**
HDFC Cash Management Treasury Advantage Plan - Retail Growth	**82.65**	**1,600.00**	**1,604.16**
HDFC Cash Management Treasury Advantage Plan-Retail Growth - Wholesale Daily Dividend-Option-Reinvest	**692.67**	**6,948.53**	**6,948.53**
HDFC Cash Management Fund- Saving Plan Retail Growth - Daily dividend Reinvestment-Option-Reinvest	**141.04**	**1,500.14**	**1,500.14**
LICMF Liquid Fund - Growth Plan	**45.89**	**750.00**	**751.28**
LICMF Income Plus Fund - Daily Dividend Plan	**1,165.04**	**11,650.44**	**11,650.44**
LICMF Liquid Fund - Dividend Plan	**259.60**	**2,850.46**	**2,850.46**
UTI Treasury Advantage Fund - Daily Dividend PLAN - Re-investment	**–**	**1.00**	**1.00**
UTI Treasury Advantage Fund - Institutional Plan (Daily Dividend Plan) - Re-investment	**3.89**	**3,893.83**	**3,893.83**

Name of Share	No of Shares in Lakhs	Purchase Amount	Sales Amount
United Bank of India	**0.01**	**0.39**	**0.39**
Jai Prakash Associates Ltd. (Bonus Shares)	**0.11**	**–**	**15.40**

		2009-10 (Rs. Lakhs)	2008-09 (Rs. Lakhs)
8.	**CURRENT ASSETS, LOANS AND ADVANCES**		
	a) Inventories		
	Stores, Spares Parts and Packing Materials	**8,122.79**	7,053.09
	Loose Tools	**23.44**	30.51
	Raw Materials	**5,958.36**	4,604.45
	Stock-in-Trade	**–**	–
	Finished	**4,917.35**	3,981.20
	Partly Finished	**1,266.18**	1,687.28
		20,288.12	17,356.53

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

	2009-10 (Rs. Lakhs)	2008-09 (Rs. Lakhs)
8. **CURRENT ASSETS, LOANS AND ADVANCES** *(Contd.)*		
b) **Sundry Debtors**		
Debts outstanding for a period exceeding six months		
Considered Good		
Secured	**30.13**	91.57
Unsecured	**693.49**	930.08
Considered Doubtful	**568.94**	768.35
Other Debts		
Considered Good		
Secured	**1,744.71**	1,200.83
Unsecured	**7,992.03**	9,364.54
Considered Doubtful	**–**	2.41
	11,029.30	12,357.78
Less :Set off from Provision for Doubtful Debts	**568.94**	770.76
	10,460.36	11,587.02
c) **Cash and Bank Balances**		
Cash on Hand	**25.05**	24.00
Stamps on Hand	**0.08**	0.07
Cheques on Hand	**518.59**	1,087.83
Balance with Scheduled Banks		
Current Accounts	**2,830.89**	2,138.45
Fixed Deposits #	**32,002.02**	8,604.02
Post Office Savings Bank Account #	**0.09**	0.09
	35,376.72	11,854.46
# Deposited with the Government Departments, Banks and others as Security against contracts and other facilities.	**2.11**	1.11
d) **Other Current Assets**		
Interest accrued (considered good)		
On Investments	**0.07**	0.07
Others	**116.65**	63.87
	116.72	63.94
e) **Loans and Advances**		
Loans to Employees		
Considered Good		
Secured #	**2.81**	3.06
Unsecured#	**15.29**	22.88
Considered Doubtful - Unsecured	**0.42**	0.54
Advances recoverable in Cash or in Kind or for value to be received (Unsecured)		
Considered Good		
Others	**3,262.10**	2,187.00
Considered Doubtful	**45.04**	54.00

	2009-10 (Rs. Lakhs)	2008-09 (Rs. Lakhs)
Claims (Unsecured)		
Considered Good	**40.54**	38.42
Considered Doubtful	**6.34**	0.24
Tax Payment (Net of Provision) Deposits with Railways, Excise and Others		348.32
Unsecured - Considered Good		
Others	**3,866.73**	5,556.05
	7,239.27	8,210.51
Less :Set off from Provision for Doubtful Debts	**51.80**	54.78
	7,187.47	8,155.73
# Due from Officers of the Company.	**4.97**	10.09
# Maximum amount due from Officers of the Company at any time during the year.	**10.09**	11.98
9. CURRENT LIABILITIES AND PROVISIONS		
a) Current Liabilities		
Sundry Creditors		
Micro & Small Enterprises (See Note - 10)	**46.62**	34.28
Others	**16,687.95**	15,358.41
Advance Payments	**2,976.71**	1,998.86
Security and Other Deposits	**5,207.33**	3,341.58
Uncashed Dividends	**51.92**	41.55
Directors' Commission Payable	**18.00**	20.39
Other Liabilities	**204.61**	323.30
Interest Accrued but not due on Loans	**1,288.80**	926.15
	26,481.94	22,044.52
b) Provisions		
Taxation (Net of Payments)	**1,320.86**	–
Fringe Benefit Tax (Net of Payments)		4.00
Leave Encashment	**195.67**	167.93
Provision for MTM on Derivative Contract	**64.08**	121.07
Proposed Dividend	**2,276.01**	1,422.51
Tax on Proposed Dividend	**378.02**	241.75
	4,234.64	1,957.26

	2009-10		2008-09	
	Lakhs Tonnes	Rs. Lakhs	Lakhs Tonnes	Rs. Lakhs
10. SALES AND SELF CONSUMPTION				
Sales				
Cement	**29.85**	**1,23,465.19**	26.73	96,325.23
Refractories	**0.73**	**27,230.54**	0.82	29,747.98
Others		**46.19**		143.84
		1,50,741.92		126,217.05
Self Consumption				
Cement	**0.23**	**416.58**	0.25	466.10
Refractories	**0.04**	**996.85**	0.05	942.09
		1,413.43		1,408.19
		1,52,155.35		127,625.24

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

	2009-10 (Rs. Lakhs)	(Rs. Lakhs)	2008-09 (Rs. Lakhs)
11. INCREASE / (-)DECREASE IN STOCKS			
Stock at the end of the year			
Finished	**4,917.34**		3,981.20
Partly Finished	**1,266.18**		1,687.28
		6,183.52	5,668.48
Less :Stock at the beginning of the year			
Finished	**3,981.20**		3,122.59
Partly Finished	**1,687.28**		1,378.41
		5,668.48	4,501.00
Add: Finished Stock of Trial Run on commencement of commercial production			177.50
Less: Partly Finished Stock trf to Kapilas Cement Works during Trial Run			-81.80
			95.70
			4,596.70
		515.04	1,071.78
12. OTHER RECEIPTS			
Dividends on Long Term Investment -Other than trade		**3.61**	3.22
Dividends from Investment in Mutual Funds		**247.11**	
Profit on Sale of Assets		**4.82**	7.45
Profit on Sale of Long Term Investment		**228.71**	30.86
Profit on Sale of Current Investments		**111.35**	
Provisions no longer required		**389.08**	324.16
Provisions for Doubful Debt no more required		**204.80**	
Interest Receipt - On Deposits, Tax refunds and from Customers etc. ##		**433.15**	162.58
Lease Rental		**5.55**	5.56
Gain due to Exchange Difference (Net)		**711.26**	
MTM on derivatives Contracts (Net)		**56.99**	–
Income from services#		**188.10**	120.60
Miscellaneous Receipts #		**874.79**	540.61
		3,459.32	1,195.04
# Tax Deducted at Source		**1.66**	11.47
## Tax Deducted at Source		**50.62**	30.70
13. SALARIES, WAGES AND BENEFITS			
Salaries, Wages, Bonus and Gratuity		**6,003.38**	4,408.17
Contribution to Provident and Other Funds		**803.39**	543.28
Workmen and Staff Welfare Expenses		**298.16**	248.51
		7,104.93	5,199.96
14. OTHER EXPENSES			
Consumption of Stores, Spare parts and Packing materials		**7,119.63**	6,245.94
Repairs and Maintenance			
Machinery		**3,536.02**	2,914.65
Buildings		**519.19**	436.92
Others		**74.38**	63.99
Payments to Contractors for Services		**4,046.87**	2,921.25
Royalty and Cess		**12.60**	11.44
Rent		**389.98**	370.66
Rates and Taxes		**124.86**	136.21
Excise Duty on Stock and Others		**279.41**	-146.24

	2009-10 (Rs. Lakhs)	2008-09 (Rs. Lakhs)
Freight, Transportation and Handling	**10,776.24**	11,149.74
Commission to Selling Agents	**538.57**	676.61
Rebates, Discounts and Allowances (see note no 12)	**458.62**	522.87
Insurance	**207.18**	163.41
Travelling	**306.46**	325.54
Advertisement and Publicity	**418.51**	402.31
Legal	**74.86**	61.02
Directors' Travelling and Conveyance	**5.90**	7.74
Directors' Fees	**6.00**	7.80
Directors' Commission	**20.00**	23.00
Charity and Donations	**69.42**	44.01
Assets Written off and Loss on Sale of Assets	**6.14**	28.66
Provision for Doubtful Debt	**–**	825.54
Bad Debts Written Off	**486.36**	16.71
MTM on derivatives Contracts	**–**	121.07
Loss due to Exchange fluctuation (Net)	**–**	1,199.13
Provision for Obsolesence of Inventory	**288.80**	–
Miscellaneous Expenses	**2,496.72**	2,899.26
	32,262.72	31,429.24
15. INTEREST		
On Term Loans, Debentures and Deposits	**4,758.36**	2,517.86
To Banks and Others	**308.40**	1,331.69
	5,066.76	3,849.55

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

16. SIGNIFICANT ACCOUNTING POLICIES

1. Accounting Convention

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

2. Use Of Estimates

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

3. Fixed Assets

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

4. Depreciation

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

5. Investments

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

6. Inventories

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

7. Revenue Recognition and Accounting for Sales

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

8. Treatment of Employee Benefits

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

9. Research and Development

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

10. Foreign Currency Transactions

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

11. Deferred Tax

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

12. Impairment of Assets

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

13. Provisions and Contingencies

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

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

	2009-10 (Rs. Lakhs)	2008-09 (Rs. Lakhs)
17. NOTES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT		
1 Contingent liabilities not provided for in respect of :		
(i) Claims against the Company not acknowledged as debts		
(a) Disputed liability relating to ESI Contribution on over time wages and other allowances	**51.33**	48.82
(b) Disputed liability relating to PF Contribution on certain allowances	**95.14**	191.50
(c) Disputed liability relating to payment of premium on forest land used for Mining purpose	**154.00**	154.00
(d) For Pollution Control Board, Orissa	**11.82**	11.82
(e) Disputed claim for supply of Refractories	**156.30**	156.30
(f) Disputed liabilities relating to Railway for enhanced Godown rent and over loading penal charges	**107.83**	132.27
g) Disputed Sales Tax demand(including interest & penalty)-matter under appeal	**606.94**	626.08
(h) Disputed Entry Tax demand-matter under appeal	**7.37**	5.08
(i) Disputed Excise matters	**56.72**	56.72
(j) Others	**102.98**	22.21
	1,350.43	1,404.80
(ii) Other monies for which the Company is contingently liable:		
(a) Disputed liability relating to labour matters-pending in Courts	**4.57**	6.70
(b) Disputed liability relating to Land matters-pending in Courts	**39.51**	–
(b) Others	**78.50**	41.24
Total	**122.58**	47.94
In respect of items above, future cash outflows are determinable only on receipt of judgements / decisions pending at various forums / authorities.		
(iii) Disputed liability in respect of Income Tax demands	**–**	0.03
(iv) a) Guarantee given to Banks for loan/guarantee facilities on behalf of OCL Global Ltd (USD 32.28 lakhs) an associate concern. (Previous Year USD 19.80 lakhs)	**1,471.10**	1,018.71
b) Guarantee given to Life Insurance Corporation for loan facilities on behalf of OCL Iron & Steel Ltd	**–**	3,500.00
2 Estimated amount of contracts remaining to be executed on capital account and not provided for	**7,316.14**	17,441.27
3. Following expenses / income have been included under other heads :		
Salaries and Wages	**341.86**	241.46
Contribution to Provident and Other Funds	**42.74**	29.09
Workmen and Staff Welfare Expenses	**25.66**	29.09
Payment to Contractors for Services	**1,524.22**	1,597.41
Power and Fuel	**446.16**	422.72
Consumption of Stores and Spare Parts	**1,016.02**	868.19
Repairs to Machinery	**594.27**	547.34
Repairs to Buildings	**4.81**	3.16
Royalty and Cess	**1,088.83**	686.77
Rent	**1.16**	1.48
Rates and Taxes	**31.63**	17.70
Insurance	**16.32**	20.33
Commission to Other Agents	**3.55**	2.93

	2009-10 (Rs. Lakhs)	2008-09 (Rs. Lakhs)
17. NOTES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT *(Contd…)*		
Depreciation	**1,505.82**	1,146.85
Sundry Sales/Income	**142.70**	107.48
4. Remuneration to Whole-time Director (excluding contribution to gratuity fund and provision for leave encashment which are provided for on actuarial basis for the Company as a whole)		
Salary and Allowances	**124.61**	64.95
Contribution to Provident Fund and Other Funds	**4.63**	7.61
Perquisites	**11.36**	7.89
5. Computation of Commission Payable to Directors :		
Profit before Taxation	**25,454.89**	17,707.09
Add :Director's Fees	**6.00**	7.80
Director's Commission	**20.00**	23.00
Remuneration to whole time Director	**140.60**	80.45
	166.60	111.25
	25,621.49	17,818.34
Less :Excess of sale price over the cost of assets sold	**0.22**	0.12
Profit on sale of investments	**340.06**	30.86
Net Profit for calculating Director's Commission	**25,281.21**	17,787.36
Commission @ 1% on above	**253.00**	178.00
Commission Payable	**20.00**	23.00
6. Remuneration to Auditors and Expenses		
Auditors		
Audit Fee	**10.00**	8.00
Tax Audit Fee	**1.50**	1.50
In Other Capacities		
Taxation matters	**–**	0.90
Certification of Statements arising out of Merger / Demerger	**–**	3.85
Certification of Quarterly Limited Review	**3.00**	2.25
Certification of other Statements	**3.20**	4.30
Expenses including boarding and Lodging	**5.22**	4.12
Cost Auditor		
Audit Fee	**0.40**	0.40
Expenses including boarding and Lodging	**0.20**	0.02

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

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

7. Conveyance deed in respect of immovable properties costing Rs.184.61 lakhs is pending execution in favour of the Company. The estimated expenses amounting to Rs.12.03 Lakhs on account of execution of conveyance deed has been provided in the books.

8. In the opinion of the Board and to the best of their knowledge and belief, the valuation on realisation of current assets, loans and advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet.

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

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

11. The uncashed dividend of Rs.51.92 lakhs (Previous year Rs.41.55 lakhs) and deposits (including interest) of Rs.16.51 lakhs (Previous year Rs.7.00 lakhs), shown under current liabilities do not include any amount due and outstanding to be credited to the 'Investor Education and Protection Fund'.

12. Rebates, Discounts and Allowances includes Rs. 130.97 Lakhs related to previous year.

13. In respect of Licence granted for captive mining Block at Radhikapur mines, a Joint Venture company Radhikapur (West) Coal Mining Private Limited has been incorporated on 29th March 2010 in which Company's interest jointly with OCL Iron & Steel Limited will be 14.696%. The Company has undertaken to subscribe for shares of the value of Rs. 0.15 Lakhs as a subscriber to the Memorandum.

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

14. Segment Disclosure (AS-17)

		Rs.Lakhs		
	Cement	Refractory	Unallocable	Total
Segment Revenue				
External	1,23,493.62	27,248.30	–	**1,50,741.92**
	(96,442.89)	(29,774.16)		(1,26,217.05)
Inter-Segment	12.88	561.49		**574.37**
	(3.44)	(508.49)		(511.93)
Segment Result				
Profit / (Loss) before Tax and Interest	29,489.99	2,908.28	**-1,876.62**	**30,521.65**
	(20,732.75)	(3,350.35)	-(-2,526.46)	**(21,556.64)**
Less :Interest			**5,066.76**	**5,066.76**
			(3,849.55)	**(3,849.55)**
Profit before Taxation				**25,454.89**
				(17,707.09)
Provision for Taxation - Current			**6,500.00**	**6,500.00**
			(2,025.00)	**(2,025.00)**
- Deferred			**1,985.22**	**1,985.22**
			(4,132.81)	(4,132.81)
- Fringe Benefit Tax			–	–
			(75.00)	(75.00)
- Tax relating to earlier years			**500.00**	**500.00**
			(-)	(-)
- MAT credit avaliable for Reversed / (-) set off			**100.00**	**100.00**
			-(100.00)	-(100.00)
Profit after Taxation				**16,369.67**
				(11,574.28)
Other Information				
Segment Assets	**1,80,523.98**	**23,630.19**	**765.63**	**2,04,919.80**
	(146,059.70)	(24,222.00)	(1,147.91)	(1,71,429.61)
Segment Liabilities	**21,664.57**	**3,690.01**	**99,930.68**	**1,25,285.26**
	(18,203.46)	(3,177.79)	(84,129.46)	(1,05,510.71)
Capital Expenditure including capital WIP	21,876.72	252.08	**15.65**	**22,144.45**
	(35,264.83)	(313.58)	(33.39)	(35,611.80)
Depreciation	**12,280.15**	**650.20**	**25.20**	**12,955.55**
	(6,152.10)	(648.83)	(34.51)	(6,835.44)
Non cash expenses other than depreciation :				
Provision for Leave encashment	**19.45**	**0.64**	**7.65**	**27.74**
	(28.73)	(7.24)	(0.69)	(36.66)

Figures in brackets are in respect of previous year.

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

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

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

15. Related Party Disclosures (AS-18)

a) Related parties and their relationship :

1) Key management personnel : Shri M H Dalmia, Shri R H Dalmia, Shri Y H Dalmia (upto 28.01.2010), Shri V P Sood (whole time director)

Relatives : Shri A H Dalmia, Shri V H Dalmia, Shri Gaurav Dalmia, Smt. Abha Dalmia, Smt. Padma Dalmia, Smt. Shripriya Dalmia Thirani, Smt. Kanupriya Somany, Smt. Anuradha Jatia, Shri Puneet Dalmia, Shri Vikas Sood.

2) Associate concern : OCL Global Limited

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

b) Transactions with above in ordinary course of business :

			2009-10 (Rs. Lakhs)	2008-09 (Rs. Lakhs)
1)	Transactions with parties referred in (1) above:			
	a)	Remuneration / Pension	**718.55**	683.63
	b)	Fixed Deposit received	**1,329.05**	11.00
	c)	Interest Expense	**23.02**	0.98
	d)	Service received	**3.74**	3.94
	e)	Sale of Shares	**–**	19.40
	f)	Purchase of Shares	**–**	19.40
	g)	Payable at the year end	**1,355.07**	14.25
2)	Transactions with parties referred in (2) above:			
	a)	Purchase of goods and fixed assets	**1,560.17**	810.24
	b)	Sale of goods and fixed assets	**146.31**	–
	c)	Service rendered	**37.17**	37.53
	d)	Guarantee Provided (USD 32.28 Lakhs) (Previous year USD 19.80 lakhs)	**1,471.10**	1,018.71
	e)	Receivable at the year end	**96.18**	11.61
	f)	Payable at the year end	**–**	68.45
3)	Transactions with parties referred in (3) above:			
	a)	Purchase of goods and fixed assets	**436.38**	438.07
	b)	Sale of goods and fixed assets	**284.89**	883.72
	c)	Service rendered	**32.39**	124.09
	d)	Service received	**394.85**	606.12
	e)	Inter corporate deposit received and repaid	**638.00**	621.50
	f)	Interest Expense	**17.92**	29.84
	g)	Fixed Deposit received	**200.00**	–
	h)	Interest Expense	**8.63**	–
	i)	Guarantee Provided	**–**	3,500.00
	j)	Security Deposits & Rent received and paid	**–**	0.20
	k)	Sale of Shares	**–**	21.45
	l)	Advance given and received	**15.26**	56.37
	m)	Receivable at the year end	**61.74**	445.92
	n)	Payable at the year end	**335.72**	187.86

	2009-10 (Rs. Lakhs)	2008-09 (Rs. Lakhs)
17. NOTES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT *(contd.)*		
15. Related Party Disclosures (AS-18) *(Contd...)*		
c) Disclosure of Material transactions with Related Parties		
Remuneration		
Shri M.H. Dalmia	**290.04**	295.30
Shri R.H. Dalmia	**216.78**	242.88
Shri V.P. Sood	**140.60**	80.45
Purchase of goods and fixed assets		
Dalmia Cement(Bharat) Ltd.	**369.14**	335.67
Sale of goods and fixed assets		
OCL Iron & Steel Ltd.	**226.10**	114.20
Dalton Intl. Ltd	**–**	763.95
Service rendered		
OCL Iron & Steel Ltd.	**15.62**	110.35
Hari Machines Ltd.	**16.18**	10.06
Service received		
OCL Iron & Steel Ltd.	**70.17**	338.61
DISIR	**101.85**	79.31
Dalton Intl. Ltd	**135.30**	101.26
Dapel Investment (P) Ltd	**81.00**	74.25
Guarantee Provided		
OCL Iron & Steel Ltd.	**–**	3,500.00
Inter corporate deposit received and repaid		
Satya Miners and Transporters Ltd.	**608.00**	591.50
Interest Expense		
Satya Miners and Transporters Ltd.	**16.72**	28.91
Advance given and received		
Landmark Property Development Co.Ltd	**3.27**	14.12
OCL Iron & Steel Ltd.	**11.99**	42.25
Sale of Investments		
Mridu Hari Parivar Trust	**–**	21.45
Shri R.H. Dalmia	**–**	19.40
Purchase of Shares		
Shri R.H. Dalmia	**–**	19.40
Fixed Deposit received		
Shri V.P. Sood	**47.05**	11.00
Shri R.H. Dalmia	**1,250.00**	–
Chirawa Navyuvak Trust	**200.00**	–
Receivable at the year end		
Dalton Intl. Ltd	**–**	391.80
OCL Iron & Steel Ltd.	**20.90**	–
Hari Machines Ltd.	**37.54**	–
Payable at the year end		
Dalton Intl. Ltd	**–**	154.88
Dalmia Cement(Bharat) Ltd.	**–**	30.09
Chirawa Navyuvak Trust	**208.63**	–
Shri R.H. Dalmia	**1,266.74**	–

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

	2009-10 (Rs. Lakhs)	2008-09 (Rs. Lakhs)
17. NOTES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT *(contd.)*		
16. Earning per share (EPS) AS-20		
Profit after tax	**16,369.67**	11,574.28
Weighted Average No. of equity shares of Rs.2 each as on 31.03.2010		
Basic & Diluted	**569.00**	569.00
EPS (Rs.)		
Basic & Diluted	**28.77**	20.34

17. Information in respect of goods manufactured :	In Lakhs	Cement	Refractories
Licensed Capacity (per annum)		Not Applicable	Not Applicable
Installed Capacity (per annum) (as certified by Management)	Tonnes	**53.50**	**1.06**
	"	(53.50)	(1.06)
Actual Production	Tonnes	**30.35**	**0.72**
	"	(26.87)	(0.87)
Opening Stock	"	**0.18**	**0.25**
	"	(0.32)	(0.22)
	Rs.	**393.35**	**3,481.76**
	"	(720.96)	(2,578.02)
Closing Stock	Tonnes	**0.42**	**0.23**
	"	(0.18)	(0.25)
	Rs.	**1,205.70**	**3,710.02**
	"	(393.35)	(3,481.76)

Figures in brackets are in respect of previous year.

	2009-10 Lakhs Tonnes	2009-10 Rs. Lakhs	2008-09 Lakhs Tonnes	2008-09 Rs. Lakhs
18. Raw Materials Consumed				
i) Limestone	**17.30**	**5,628.80**	13.33	4,261.24
ii) Gypsum	**1.23**	**1,662.00**	1.19	1,497.70
iii) Granulated Blast Furnace Slag	**16.48**	**10,031.49**	17.44	8,342.34
iv) Purchased Clinker	**2.86**	**8,378.08**	1.44	4,262.49
v) Dead Burnt Magnesite	**0.06**	**1,708.50**	0.12	2,866.00
vi) Quartzite (Own Quarry)	**0.29**	**999.85**	0.37	1,479.34
vii) Resins (Current year 321 MT, PY 446 MT)	**–**	**295.63**	–	457.48
viii) Graphite	**0.01**	**244.77**	0.01	382.02
ix) Bauxite	**0.03**	**543.08**	0.04	667.69
x) Aluminium Powder (Current year 74 MT, PY 99 MT)	**–**	**79.71**	–	130.69
xi) White/Brown Abrassive Grain	**0.03**	**1,051.47**	0.03	1,092.69
xii) Others		**7,803.39**		6,723.32
		38,426.77		32,163.00

	2009-10 Tonnes	2009-10 Rs. Lakhs	2008-09 Tonnes	2008-09 (Rs. Lakhs)
17. NOTES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT *(contd.)*				
19. Purchase of goods traded in :				
Refractories	**2,754.68**	**975.51**	4,770.97	1,220.68
		975.51		1,220.68
20. Value of imported and indigenous Raw Materials and Spareparts Consumed	%		%	
i) Raw Materials				
Imported	**28.42**	**10,921.33**	19.31	6,210.34
Others	**71.58**	**27,505.44**	80.69	25,952.66
ii) Spareparts				
Imported	**6.95**	**224.86**	12.66	373.57
Others	**93.05**	**3,010.72**	87.34	2,577.52
21. Imports (C.I.F. Value)				
i) Raw Materials		**8,418.81**		5,362.56
ii) Stores and Spareparts		**291.31**		589.81
iii) Capital Goods		**31.96**		1,816.62
22. Expenditure in foreign currency:				
i) Royalty and know how fees		**2.11**		–
ii) Interest on Foreign Currency Loans		**2.24**		186.36
iii) Professional/ Consultation fee		**101.70**		488.20
iv) Commission		**229.48**		306.67
v) Purchased Refractories		**687.32**		784.39
vi) Other Matters		**63.33**		91.03
23. Earnings in Foreign Exchange				
i) Goods exported (F.O.B. Value)		**2,708.74**		4,383.57
ii) Sale of Goods on High Sea		**18.57**		186.91
iii) Service charges		**173.11**		–
iv) UK Vat refund		**0.36**		0.52
24. The Company has not paid dividends in foreign currency during the year in respect of shares held by non-residents. The amount payable to non-resident shareholders has been paid to their mandatee banks. The amount of dividend so paid to non resident shareholders during the year is as follows:				
Particulars		**2009-10**		2008-09
A) No.of non-resident share holders		**218**		235
B) No. of equity shares held by them		**10,06,231**		4,84,898
C) Amount of dividend paid (In Rs Lakhs)		**25.15**		12.12
D) Year to which the dividend relates		**2008-09**		2007-08

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

				2009-10 Rs. Lakhs	2008-09 (Rs. Lakhs)
17. NOTES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT *(contd.)*					
25. Foreign Currency Exposure					
i) Hedged - Forword contracts for imports			USD	**–**	28.80
			Euro	**–**	0.41
Term Loan			USD	**35.52**	–
ii) Not Hedged - Debtors			USD	**2.61**	1.40
			Euro	**13.76**	16.53
			Yen	**–**	1.76
			GBP	**–**	5.64
	Creditors		USD	**9.26**	2.37
			Euro	**3.53**	4.28
			JPY	**6.67**	13.65
			GBP	**0.09**	0.15
	Cash & Bank Balance	(PY USD 97)	USD	**0.02**	–
		(CY GBP 18.2)	GBP	**–**	–
			Euro	**0.01**	0.01
			RMB	**0.01**	0.03
			JPY	**0.36**	0.36
	Term Loan		USD	**71.03**	112.18
	PCFC Loan		USD	**5.01**	1.68
			EURO	**1.71**	16.16
			GBP	**–**	3.03

26. Employee Benefits - AS-15 (Revised)

a) Following information are based on report of Actuary.
Defined benefit plans as at March 31, 2010

	2009-10		2008-09	
	Gratuity (Funded) Rs.Lakhs	**Leave Encashment (Unfunded) Rs.Lakhs**	Gratuity (Funded) Rs.Lakhs	Leave Encashment (Unfunded) Rs.Lakhs
A. Break-up of expenses				
1 Current Service Cost	**89.32**	**83.06**	79.36	33.82
2 Interest cost	**78.76**	**10.24**	68.13	7.70
3 Expected return on plan assets	**81.13**	**–**	75.37	–
4 Net Actuarial (gain) / loss recongised during the year	**-21.79**	**14.18**	-48.69	52.85
5 Total expense	**65.16**	**107.48**	23.43	94.37
B. Actual return on plan assets				
1 Expected return on plan assets	**81.13**		75.37	
2 Actuarial gain / (loss) on plan assets	**-4.03**		37.38	
3 Actual return on plan assets	**77.10**		112.75	
C. Reconciliation of obligation and fair value of assets				
1 Present value of the obligation	**1,098.69**	**195.67**	1,012.62	167.93
2 Fair value of plan assets	**1,108.96**	**–**	1,014.05	–
3 Funded status [surplus / (deficit)]	**10.27**	**-195.67**	1.43	-167.93

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

		2009-10 Gratuity (Funded) Rs. Lakhs	2009-10 Leave Encashment (Unfunded) Rs. Lakhs	2008-09 Gratuity (Funded) Rs. Lakhs	2008-09 Leave Encashment (Unfunded) Rs. Lakhs
D.	Change in present value of the obligation during the year ended March 31, 2010				
1	Present value of obligation as at April 1, 2009	**1,012.62**	**167.93**	940.33	131.27
2	Current Service Cost	**89.32**	**83.06**	79.36	33.82
3	Interest cost	**78.76**	**10.24**	68.13	7.70
4	Benefits paid	**-56.19**	**-79.75**	-63.89	-57.71
5	Actuarial (gain) / loss on plan assets	**-25.82**	**14.18**	-11.31	52.85
6	Present value of obligation as at March 31, 2010	**1,098.69**	**195.66**	1,012.62	167.93

		2009-10 Rs. Lakhs	2008-09 (Rs. Lakhs)
E.	Change in Assets during the year ended March 31, 2010		
1	Fair value of plan assets as at April 1, 2009	**1,014.05**	942.09
2	Expected return on plan assets	**81.13**	75.37
3	Contribution made	**74.00**	23.10
4	Benefits paid	**-56.19**	-63.89
5	Actuarial gain / (loss) on plan assets	**-4.03**	37.38
6	Fair value of plan assets as at March 31, 2010	**1,108.96**	1,014.05

F. The major category of plan assets as a percentage of total plan

Gratuity : 87% invested with Central Govt/State Govt/ State Govt. Securities/Public sector bonds/ Fixed Deposit with PSU Banks

Leave Encashment : Unfunded

		2009-10	2008-09
G.	Actuarial Assumptions		
1	Discount rate	**8.00%**	7.50%
2	Expected rate of return on plan assets	**8.00%**	8.50%
3	Mortality	**LIC 1994-96**	LIC 1994-96
4	Salary escalation	**5.00%**	5.00%

b) Gratuity is administered by an approved gratuity fund trust

c) Amount recognised as an expense in respect of defined benefits plan as under:

		2009-10	2008-09
1	Contribution to Gratuity Fund	**74.00**	23.10
2	Gratuity paid directly	**19.22**	6.97
3	Leave encashment	**107.49**	94.76

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

	2009-10 Rs. Lakhs	2008-09 (Rs. Lakhs)
17. NOTES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT *(contd.)*		
d) Defined Contribution plan:	**200.71**	124.83
Contribution to Defined Contribution Plan, recognised as expense for the year as under:		
1 Employer's contribution to Government Provident Fund	**568.93**	365.53
2 Employer's contribution to Superannuation Fund	**78.58**	76.75
3 Farewell gift to Retired Employees	**0.73**	0.32
4 Medical insurance premium to Retired Employees	**6.76**	6.46
	655.00	449.06
27. Capital Work-In-Progress at Kapilas Cement Works, Clinkerisation Unit (Line - II) & Captive Power Plant at Rajgangpur includes the following expenses/income		
Salary & Wages	**106.97**	559.45
Rent	**–**	4.85
Rates & Taxes	**–**	3.39
Insurance	**46.19**	182.95
Bank Financing Charges	**73.30**	525.08
Others	**857.60**	3,292.18
Sale of Cement arising on Trial Run	**–**	2,750.01

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

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

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

Rachna Goria
Company Secretary

Pradip Kumar Khaitan

R. Raghuraman
Partner
Membership No. 81350

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

D.D. Atal
Directors

Place : New Delhi
Date : 10.05.2010

CASH FLOW FOR YEAR ENDED 31 MARCH, 2010

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

CASH FLOW FOR YEAR ENDED 31 MARCH, 2010 (contd.)

		2009-10 Rs. Lakhs		2008-09 (Rs. Lakhs)	
C.	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Increase in Secured Loans	11,284.92		18,961.85	
	Effect of Exchange Rate difference	768.25		-1,320.20	
	Increase/Decrease in Unsecured Loans	-210.39		2,607.13	
	Dividend Paid	-1,422.51		-1,422.51	
	Taxes on Dividend Paid	-241.75		-241.76	
	Interest	-5,066.76		-3,849.55	
	Net Cash from Financing Activities		5,111.76		14,734.96
	Net changes in Cash and Cash equivalents		23,522.26		2,189.87
	Net Increase / (-) Decrease in Cash and Cash equivalents				
	Balance at the end of the year	35,376.72		11,854.46	
	Balance at the beginning of the year	11,854.46		9,664.59	
			23,522.26		2,189.87

for **OCL INDIA LIMITED,**

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

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSSINESS PROFILE

I.	**Registration Details**	
	Registration No. 000185	State Code.15
	Balance Sheet Date	31.03.2010
II.	**Capital raised during the year (Rs.Lakhs)**	
	Public Issue	Nil
	Rights Issue	Nil
	Bonus Issue	Nil
	Private Placement	Nil
III.	**Position of Mobilisation & Deployment of Funds (Rs.Lakhs)**	
	Total Liabilities	2,04,919.80
	Total Assets	2,04,919.80
	Sources of Funds	
	Paid up Capital	1,138.50
	Reserve and Surplus	78,496.04
	Deferred Tax Balance	12,000.86
	Secured Loans	79,473.87
	Unsecured Loans	3,093.95
	Application of Funds	
	Net Fixed Assets	1,30,878.45
	Investments	611.96
	Net Current Assets	42,712.81
	Misc. Expenditure	Nil
	Accumulated Losses	Nil
IV.	**Performance of Company (Rs.Lakhs)**	
	Turnover	1,52,155.35
	Total Expenditure	1,30,674.82
	Profit Before Tax	25,454.89
	Profit After Tax	16,369.67
	Earning per Share (Basic) in Rs.	28.77
	Dividend Rate %	200
V.	**Generic Names of Principal Products/Services** of the Company (as per monetary terms)	
	Item Code No. (ITC Code)	6902 & 6903
	Product Description	Refractory
	Item Code No. (ITC Code)	2523
	Product Description	Cement

for **OCL INDIA LIMITED,,**

On behalf of the Board,

Rachna Goria
Company Secretary

Pradip Kumar Khaitan

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

D.D. Atal

Directors

Place : New Delhi
Date : 10.05.2010

AWARDS & ACCOLADES

Dr. S. C. Ahluwalia, ED (Operation) receiving Energy Efficiency Award

Shri A. Sunil Kumar, Sr. Mgr. (Export)/R receiving CAPEXIL Award from Union Minister for Commerce & Industries, Shri J.M. Scindia

OCL INDIA LIMITED

Registered Office: Rajgangpur - 770017 (Orissa)

Designed by adcircle