



OCL INDIA LIMITED

1999-2000

ANNUAL REPORT

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OCL INDIA LIMITED

REGISTERED OFFICE : RAJGANGPUR-770 017
(DISTRICT SUNDARGARH, ORISSA STATE)

NOTICE IS HEREBY GIVEN THAT FIFTIETH ANNUAL GENERAL MEETING OF THE COMPANY WILL BE HELD AT THE COMPANY'S REST HOUSE AT RAJGANGPUR - 770 017 (DISTRICT SUNDARGARH, ORISSA STATE) ON THURSDAY, THE 28th SEPTEMBER, 2000 AT 11.30 A.M. TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive and consider the audited Balance Sheet and Profit and Loss Account for the year ended 31st March, 2000 and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director, in place of Dr S.R.Jain, who is retiring by rotation and is eligible for re-appointment.
3. To appoint a Director, in place of Shri D.N.Davar, who is retiring by rotation and is eligible for re-appointment.
4. To appoint a Director, in place of Shri V.D.Jhunjhunwala, who is retiring by rotation and is eligible for re-appointment.
5. To appoint Auditors for the year 2000-2001 to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED by way of special resolution that subject to the approval of the Central Government and other approval/s as may be necessary, the consent of the Company be and is hereby given under section 294AA and other applicable provisions of the Companies Act, 1956, if any, to the appointment of M/s. Osman Karim & Co., 8, Abdel Hamid Street, Cairo, Egypt, as Sole Selling Agent of the Company for sale of Non-Silica Refractories in Egypt for a period of two years to be automatically renewed for further two years if not cancelled by either party and on the terms and conditions as may be decided by the Board of Directors or its delegate.

FURTHER RESOLVED that the Board of Directors of the Company be and is hereby authorised to accept such change/s in the terms and conditions of the appointment of M/s. Osman Karim & Co., Egypt, as may be suggested by the Central Government.

FURTHER RESOLVED that the Board of Directors of the Company be and is hereby authorised to make, from time to time, with such approval/s as may be necessary, such change/s in the terms and conditions of appointment of M/s. Osman Karim & Co., Egypt as the Board of Directors may deem proper".



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

“RESOLVED, by way of Ordinary resolution that pursuant to the applicable provisions of the Companies Act 1956, if any, the Memorandum and Articles of Association of the Company, terms of issue of Warrants, and subject to such approval/s, consent/s, permission/s or sanction/s as may be required, the period for exercise of the right to apply for and seek allotment of Equity shares against Warrants be extended from 12th December 2000 to 31st December 2005 and the Board of Directors of the Company be and is hereby given the option to fix the date for exercise of the right with three months prior notice to the warrant holders.

FURTHER RESOLVED that the Board of Directors of the Company be and is hereby authorised to take all necessary step/s and/or action/s, as may be required in this regard.”

By Order of the Board
For **OCL INDIA LIMITED**

(AMITAV GANGULY)
Secretary

New Delhi
Dated:16th August 2000

NOTES:

1. EVERY SHAREHOLDER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIM/HER AND SUCH PROXY NEED NOT BE A SHAREHOLDER. The proxies should, however, be deposited at Registered Office of the Company not less than 48 hours before the time of the meeting. (Proxy forms are available at the Registered Office, on request).
2. The Register of Members will remain closed from 19th September 2000 to 28th September 2000 (both days inclusive).
3. Consequent upon the amendment in Section 205-A of the Companies Act, 1956 and insertion of Section 205-C by the Companies (Amendment) Act 1999, effective from 31st October 1998, the amount of dividend for the year 1994-95 and onwards which remains unpaid or unclaimed for seven years from the date of transfer of the amount to Un-paid Dividend A/c of the Company shall be transferred by the Company to a fund called Investor Education and Protection Fund. Thereafter no claim shall lie against the Fund or the Company.
4. You are requested to intimate change of address, if any, with PIN CODE. It may please be kept in view that your signature in the intimation should tally with your specimen lodged with the Company.
5. In case your mailing address, mentioned on the cover of the Annual Report, is without PIN CODE, you are requested to kindly intimate your PIN CODE immediately.



6. You are requested to quote your Folio number in all your correspondence with the Company. Correspondence may be sent to the Registered Office at Rajgangpur - 770 017, (Orissa), and, those relating to different subjects preferably be on separate letters, but posted in one envelope, for quicker disposal.

You are aware that you can opt to hold your shares in dematerialised form. Hence if your shares have been dematerialised, you should also quote your client ID number and your DP ID number in all your correspondence.
7. You are requested to kindly note that if, physical documents viz. dematerialization request form and share certificates, etc. are not received by the Company within a period of 30 days from the date of generation of the DRN for dematerialization, the DRN will be treated as rejected/canceled as per the advice of National Securities Depositories Limited.
8. Please intimate change in your residential status, if any, without delay, under your own signature.
9. In case your share certificates are lost/misplaced, please intimate without delay under your own signature.
10. Please note that as per Companies (Amendment) Act, 1999, nomination facility is available to the shareholders and depositors. Nomination forms can be obtained from the Registered office on request.
11. If you are holding shares in more than one Folio (in case of joint holders, if shares are held in the same order of names), please write to us to consolidate under one Folio and forward all relevant share certificates.
12. It will be in your interest not to create odd lot shares.
13. Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of special business, is annexed hereto.

**EXPLANATORY STATEMENT REGARDING ITEM NO. 6 & 7 OF AGENDA
(Under Section 173 of The Companies Act, 1956)**

Item no.6

There is good potential for export of Non-Silica Refractories to Government companies in Egypt. As per law prevailing in Egypt, for dealing with these companies, a sole selling agent has to be appointed. Hence the Board of Directors has appointed M/s. Osman Karim & Co., 8, Abdel Hamid Street, Cairo, Egypt as Sole Selling Agent for sale of Non-Silica Refractories in Egypt. The main terms are; 1} payment of commission not exceeding 12% of FOB prices which will be remitted after realisation of the price, and 2} the period of appointment will be two years with a provision for renewal for further two years. Keeping in view Sections 294 and 294AA of the Companies Act, 1956 the appointment of sole selling agent has been made subject to the consent of the shareholders by way of special resolution and, thereafter, the approval of the Central Government will be sought.



The draft agreement to be entered into with the M/s Osman Karim & Co., Egypt is available at the Registered office of the Company, at Rajgangpur, Orissa, for inspection by the members on any day during the office hours.

No Director of the Company is concerned or interested in this item of the business.

Item No. 7

In 1996, the Company had issued on Rights basis, 18,00,000 Fully Convertible Debentures of Rs. 140/- each along with Detachable Warrants. As per the terms of the issue, each Debenture had one Detachable Warrant attached to it. The Warrant holder is entitled, on a date between the expiry of 36th and 48th month from the date of allotment of the Debentures, as may be determined by the Board in consultation with the Bhubaneswar Stock Exchange (Regional), to apply for and seek allotment of one Equity share of Rs. 10/- each of the Company for each such Warrant. The Debentures were allotted on 12th December, 1996 and as such the right to apply for Equity shares against Warrants will arise sometime between 12th December, 1999 and 11th December 2000. The price to be paid would be in cash and at 25% discount to the average closing market price of shares on Mumbai Stock Exchange during three months preceding a record date subject to a maximum price of Rs. 105/- per share.

The Warrants are listed on Delhi, Mumbai, Calcutta and Bhubaneswar Stock Exchanges but hardly traded.

The Board on 31st July, 2000 has decided to place before the AGM, a proposal for amendment in the terms of issue of Warrants as set out in the resolution. Pursuant to the said terms the proposal has also to be placed before the meeting of the Warrant-holders which is to be held before the AGM. Therefore a meeting of warrant holders is scheduled to be held immediately prior to this AGM.

No Director of the Company is concerned or interested in the resolution except to the extent they may hold Warrants, if any.

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**OCL INDIA LIMITED****Incorporated in India - Members' Liability Limited**

DIRECTORS	Shri Pradip Kumar Khaitan Shri V.D. Jhunjhunwala Shri S.S. Bhartia Shri N.C. Gupta Shri R.C. Pandey Shri D.N. Davar Dr. S.R. Jain Shri H.V. Lodha Shri M.L. Chand	(Chairman) (Nominee of GIC) (Nominee of IFCI) (Whole time Director)
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PRESIDENTS	Shri M.H. Dalmia Shri A.H. Dalmia
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BANKERS	State Bank of India United Bank of India Punjab National Bank UCO Bank
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REFRACTORY, CEMENT WORKS & REGD. OFFICE	Rajgangpur-770 017 (Orissa)
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DELHI OFFICE	B-47, Connaught Place New Delhi-110 001
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AUDITORS	V. Sankar Aiyar & Co. Chartered Accountants
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DIRECTORS' REPORT

For the year ended 31.03.2000

The Directors present their Fiftieth Annual Report of the Company for the year ended 31st March, 2000, together with the statement of accounts for that year.

WORKING RESULTS

1.1 Working results for the year are as under:

	1999-2000	1998-99
	'000 Rs.	'000 Rs.
Operating Profit	38,42,34	41,79,40
Less : Interest	18,73,42	24,68,69
Depreciation	13,09,99	12,87,60
Profit before taxation	6,58,93	4,23,11
Less : Provision for taxation	80,00	40,00
Profit after taxation	5,78,93	3,83,11
Add : Brought forward from previous year.	16,04,79	15,82,35
	21,83,72	19,65,46
Transfer to Debenture Redemption Reserve	—	13,33
General Reserve	60,00	50,00
Transfer to Reserve for bad & doubtful debts	30,00	1,00,00
Interim Dividend	1,79,43	1,79,40
Tax on dividend	19,74	17,94
Surplus carried to Balance Sheet	18,94,55	16,04,79
	21,83,72	19,65,46

1.2 The interim dividend @25% on Equity Shares was paid in January, 2000. The Directors have decided that no final dividend be recommended for the year 1999-2000.

CEMENT DIVISION

2.1 Clinker production, cement production & cement sales during the year under report are given below along with comparative figures for previous year .

	1999-2000	1998-99
	(Tons in '000s)	(Tons in '000s)
Clinker production	582	460
Cement production	913	696
Cement sales (including self consumption)	901	695

The value of cement and clinker sales for the year 1999-2000 and 1998-99 (inclusive of excise duty) are Rs.168.65 crores and Rs.147.48 crores respectively .

2.2 The cement production & sales have touched all time high record. This could be achieved because of utilisation of Vertical Roller Mill for Cement grinding.

2.3 During the year your Company exported cement to Bangladesh of the value of about Rs 8.47 crores as against the previous year export of Rs.9.22 crores.



- 2.4 The growth rate, during the year under review, in cement consumption in the Eastern Region was better as compared to previous year. However the full impact of such growth rate could not get reflected on price realisation due to severe competition from cement manufacturers located in neighbouring states.
- 2.5 However, the outlook for future appears to be positive due to policy announced by the Government in the Union Budget for 2000-01 giving more thrust on housing and infrastructure sectors, specially to the areas which were severely affected by the super cyclone in October 1999. But severe competition is expected.
- 2.6 To remain competitive, energy conservation measures continue to be the main focus of the Company. This has been achieved by utilisation of Vertical Roller Mill and certain equipment. For further reduction of energy consumption, the Company has decided to put KIDS system from IKN of Germany for clinker cooler and VFFV system in preheaters.

REFRACTORY DIVISION

- 3.1 Total sales for the year 1999-2000 was Rs.150.22 crores compared to Rs.115.54 crores for the year 1998-99. Despite stiff competition, the Company has been able to improve the market share during 1999-2000 in products like basic burnt bricks, magnesia carbon bricks, slide gate Refractories, castable, precast blocks, concast Refractories and it expects to further improve the share.
- 3.2 On export market, the Company has been able to achieve sales of Rs.11.63 crores compared to Rs.10.81 crores for the year 1998-99, despite the general recession in the world steel industries. Due to commitment to delivery and quality, your Company has been able to bag repeat orders from customers.
- 3.3 Your Company has the distinction of being the first refractory manufacturer to have ISO 9001 certification for the widest range of Refractories in the Country. During the year a surveillance audit has been conducted successfully by TUV, India.
- 3.4 Market of new high tech product, namely Purging Element, has been successfully established in integrated as well as mini steel sector and your Company expects to secure good share in the coming years.

Y2K COMPLIANCE

4. The Company's in house IT team along with support from component suppliers had ensured that the entire ONLINE and BATCH processing application /systems were fully Y2K compliant. The result of survey conducted for Y2K readiness for Company's major customers and vendors was also satisfactory. Thus the Y2K transition was smooth and satisfactory. The cost involved in the whole process was negligible.

DEMATERIALISATION OF SHARES

5. Consequent upon Securities and Exchange Board of India making compulsory, trading of the Company's shares in dematerialised form, for institutional investors and overseas corporate bodies, w.e.f. 28.06.2000, the Company has entered into an agreement with National Securities Depository Ltd and Central Depository Services (India) Ltd. The Company has appointed M/s. M.N.Dastur & Company Ltd., Calcutta as Registrar for the electronic connectivity.

REORGANISATION OF BUSINESS

6. The Company has decided to focus on its main business of Cement and Refractories and divest itself of other activities and investments. In view of this:
 - (i) it has transferred a part of its interest to Utkal Investments Limited (UIL) (a wholly owned subsidiary) in the assets and liabilities of the Unit Hari Fertilisers at Sahupuri, certain other assets which are not needed for its core business, and certain claims (by and against the Company). UIL, apart from paying a proportionate part of the cost of these assets, have agreed to arrange disposal of these assets and deal with the claims.
 - (ii) UIL needed to expand its capital. Instead of making further investment in the shares, UIL was permitted to make a preferential issue of shares to the members of your Company. UIL, therefore, made a preferential



issue of 72 lakh shares of Rs. 7/- each to the members of the Company. UIL has, therefore, ceased to be a subsidiary of your Company, w.e.f. 29th February, 2000.

- (iii) The shares held by the Company in First Capital India Limited (another subsidiary) were offered for sale to the members of the Company. Consequently First Capital India Limited has ceased to be a subsidiary w.e.f. 23rd March, 2000.

SUBSIDIARIES

7. Copies of Accounts and the Directors' Reports, relating to the year ended 31.03.2000 of subsidiaries, Konark Minerals Limited, Kashmissa Industries Limited, Hari Fertilizers Limited, and Telecom Services India Limited are annexed to your Company's accounts.

AUDITORS REPORT

8. The notes on accounts referred to in Auditors' Report is self explanatory and therefore do not call for further comments.

LABOUR MANAGEMENT RELATIONS

9. Relations between the Management and Employees were cordial during the year under review. The Company has entered into a long term settlement with the workers Union for four years ending 31st December, 2003.

DEPOSITS

10. The Directors report that, as on 31st March, 2000, there were 90 deposits aggregating to Rs 10.34 lakhs which remained unclaimed beyond due dates, out of which deposits aggregating to Rs. 2.43 lakhs have since been renewed/repaid.

PARTICULARS OF EMPLOYEES

11. The particulars of the employees as required u/s 217(2A) of the Companies Act, 1956 are set out in the Annexure-I which forms part of this report.

CONSERVATION OF ENERGY, ETC.

12. Information required under Section 217(1)(e) of the Companies Act, 1956 read with the relevant Rules, 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.

BY ORDER OF THE BOARD

P.K.KHAITAN
(CHAIRMAN)

Place : Calcutta

Date : 12.5.2000



ANNEXURE-II TO THE DIRECTORS' REPORT

STATEMENT CONTAINING PARTICULARS PURSUANT TO COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF DIRECTORS' REPORT DATED 12TH MAY 2000

I. CONSERVATION OF ENERGY

Cement

a) Energy Conservation measures taken :

- i) Regular Energy Audit by experienced Engineers.
- ii) Monitoring of maximum demand regularly to control maximum KVA drawn from grid supply.
- iii) Use of exhaust of P G Set for Waste-heat Boiler to produce steam for heating L S H S to be used for P. G. Set and production of producer gas in Refractories.
- iv) Use of DC motors for variable speed application through thyristor control panel instead of dampers of cement mills, vent fan, booster fan for CVRM.
- v) Use of high efficiency O-Sepa separator for cement mills 1, 2, 3 and 4.
- vi) Use of krammer for variable speed application of PH Fan, ESP Fan and Bag filter fan.
- vii) Use of Waste heat from clinker cooler for drying the slag.
- viii) Use of Precoal ESP for coal mill. This will help in proper working of the kiln even with low grade coal.
- ix) Elimination of both the Crushers at the Factory.
- x) Re-engineering of Quarry has practically eliminated running of electric compressors.
- xi) Use of Roller Mill for grinding of Cement where specific power consumption is low.
- xii) Replacement of existing PH fan with high efficiency fan.
- xiii) Reduction of idle running of equipments.
- xiv) Re-engineering of the plant has eliminated some screw conveyors.
- xv) Use of bucket elevator in place of air lift pump for feeding rawmeal in silo.
- xvi) Use of bucket elevator in place of air lift pump for feeding rawmeal into kiln.
- xvii) Use of capacitor for improving the power factor.
- xviii) Insulation of duct to stop loss of heat by radiator.
- xix) The Cement Vertical Roller Mill has been equipped with high efficiency separator of latest generation.

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

- i) Use of soft starters.
- ii) Use of energy efficient lighting.
- iii) Use of KIDS of IKN in cooler which will conserve thermal energy.
- iv) Use of VFV system in cyclone 1 & 2. This will reduce the pressure drop which will ultimately save the power.

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

- * By measures taken at (a) we have been able to achieve average specific energy consumption of 63.15 KWH per tonne of clinker as against 67.16 KWH per tonne of clinker and total consumption upto cement despatch stage has been reduced to 86.6 KWH/T of cement as against 91.02 KWH/T of cement.
- * By measure (b) we expect a reduction of consumption of about 2 KWH/T of clinker production.

Refractory

a) Energy Conservation measures taken :

ELECTRICAL ENERGY

- i) Regular In-house energy audit being carried out by experienced engineers with implementation of corrective steps.
- ii) Continuation of practice of installation of capacitors along with all new Units and monitoring of power factors regular basis with an attempt to maintain the same between 0.98 - 1.0.
- iii) Selection of energy efficient equipments and drives to minimise the energy consumption.
- iv) Reduction of wastage of electricity by stopping equipments and switching off lights during tea breaks and shift changes.