

OCL INDIA LIMITED

Incorporated in India - Members' Liability Limited

PRESIDENTS

Shri M.H. Dalmia

Shri R.H. Dalmia

BANKERS/FINANCIAL INSTITUTIONS

United Bank of India

State Bank of India

Punjab National Bank

UCO Bank

AXIS Bank Ltd.

International Finance Corporation

Export-Import Bank of India

AUDITORS

V. Sankar Aiyar & Co.
Chartered Accountants

DIRECTORS

Shri Pradip Kumar Khaitan - Chairman

Shri D.N. Davar

Shri Puneet Dalmia

Dr. Ramesh C. Vaish

Dr. S.R. Jain

Shri V.P. Sood - Whole time Director & CEO

**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

NOTICE

Notice is hereby given that Fifty Ninth Annual General Meeting of the Company will be held at the Company's Rest House at Rajgangpur - 770017 (District Sundergarh, Orissa State) on Friday, the 25th day of September, 2009 at 4.30 p.m. to transact the following business:

ORDINARY BUSINESS:

- (1) To consider and adopt the audited Balance Sheet as at 31st March 2009, Profit and Loss Account for the Financial Year ended on that date and the Reports of the Auditors and the Directors thereon.
- (2) To declare dividend on equity shares and to consider and, if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT the dividend of Rs. 2.50 per share (125%) on equity shares of Rs. 2/- each (fully paid - up) be and is hereby declared for the Financial Year ended 31st March, 2009.

RESOLVED FURTHER THAT the said dividend be paid to those shareholders whose names appear on the Register of Members of the Company on 25th September 2009, being the last day of book closure and also to those shareholders whose names have appeared as beneficial owners as per the BENPOS downloaded from the Depositories."

- (3) To appoint a Director in place of Shri Pradip Kumar Khaitan who retires by rotation and being eligible offers himself for re-appointment.
- (4) To appoint a Director in place of Dr. Ramesh C. Vaish who retires by rotation and being eligible offers himself for re-appointment.
- (5) To appoint Auditors and fix their remuneration and in this regard to consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT Messrs V. Sankar Aiyar & Co., Chartered Accountants, New Delhi be and are hereby appointed as the Auditors of the Company to hold Office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company at a remuneration of Rs. 10,00,000/- (Rupees Ten Lacs only) besides reimbursement of actual out of pocket expenses as might be incurred in performance of their duties."

By Order of the Board of Directors
for **OCL INDIA LIMITED**

Place: New Delhi
Dated: July 21, 2009

Sd/-
(Rachna Gorla)
Company Secretary

NOTES:

- (1) **EVERY MEMBER 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 MEMBER. The proxies should, however, be deposited at Registered Office of the Company not less than 48 hours before the time of the meeting.**
- (2) The Register of Members will remain closed from September 18, 2009 to September 25, 2009 (both days inclusive).
- (3) C B Management Services (P) Limited, P-22 Bondel Road, Kolkata - 700 019 are the Registrars & Share Transfer Agents ("RTA") of the Company to handle share transfers both in physical and electronic segments and other shares related matters. The shareholders are requested to correspond with the Registrars at the above address.
- (4) Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
- (5) The nomination facility is available to the shareholders in respect of equity shares held by them. Shareholders holding shares in electronic mode may obtain and submit duly filled Nomination forms to their respective Depository Participants. Also, shareholders holding shares in physical mode may send their request for nomination at the office of RTA of the Company.

- (6) Members holding shares in the electronic mode are requested to intimate the change in their address, Bank details etc. to their respective Depository Participants (DPs) and those holding shares in physical mode are requested to intimate the above details to RTA of the Company quoting their Folio Number(s).
- (7) The equity shares of the Company are available for trading in demat form both on National Securities Depository Limited and Central Depository Services (India) Limited. Shareholders are requested to avail this facility and get their shareholding converted into dematerialized form by sending the Dematerialized Request Form along with the Share certificates through their Depository Participants to the RTA of the Company.
- (8) As per the requirement of Clause No.49 of the listing agreement on Corporate Governance, particulars of the Directors who are eligible and offer themselves for re-appointment, are given below:

Directors' Profile

1. Pradip Kumar Khaitan

Mr. Pradip Kumar Khaitan, aged 68 years, has been on the Board of the Company since January 15, 1968. He is a renowned lawyer and a senior partner in M/s Khaitan & Company, Kolkata. He has varied and rich experience of several years in commercial and corporate laws, tax laws, arbitration, foreign collaboration, merger and acquisitions and restructuring and demergers besides sharp acumen in other business activities. He is a Director on the Board of several renowned and reputed companies and also a Trustee of reputed educational and charitable institutions.

His directorships and committee memberships in the other bodies corporate are as follows:

S. No.	Directorship in other companies	Membership in committees of other companies
1.	CESC Limited	Member of Finance & Forex Committee and Chairman of Remuneration Committee
2.	Dalmia Cement (Bharat) Limited	-
3.	Electrosteel Castings Limited	-
4.	Emaar MGF Land Limited	Member of Shareholders and Investors Grievances Committee
5.	Gillanders Arbuthnot & Co. Limited	-
6.	Graphite India Limited	Chairman of Remuneration Committee and member of Committee for Borrowings
7.	Hindustan Motors Limited	Member of Executive Committee, Investors Grievance Committee and Remuneration Committee
8.	India Glycols Limited	-
9.	Pilani Investment & Industries Corporation Limited	Member of Audit Committee
10.	South Asian Petrochem Limited	Member of Remuneration Committee
11.	Suzlon Energy Limited	Member of Audit Committee, Remuneration Committee and Investor Relations Committee
12.	Visa Steel Limited	Member of Remuneration Committee, Finance and Banking Committee and Selection Committee
13.	Woodlands Medical Centre Limited	-

Shri Pradip Kumar Khaitan holds nil share in the Company.

2. Dr. Ramesh C. Vaish

Dr. Ramesh C. Vaish, aged 68 years, holds degree in M.A., M.Com, LLB, Ph.D and Chartered Accountancy. He is a chartered Accountant with over 44 year's post qualification experience. Dr. Vaish is an eminent tax consultant and specializes in the areas of corporate planning, international taxation and finance and off-shore investments.

His directorships and committee memberships in the other bodies corporate are as follows:

S. No.	Directorship in other companies	Membership in committees of other companies
1.	Ansai Properties & Infrastructure Limited	Member of Audit Committee
2.	Bharat Consultants (P) Limited	N.A.
3.	Express Newspapers Limited	N.A.
4.	Jaiprakash Hydro Power Limited	N.A.
5.	Omax Autos Limited	Member of Remuneration Committee And Audit Committee

Dr. Ramesh C. Vaish holds nil share in the Company.



DIRECTORS' REPORT

FOR THE YEAR ENDED MARCH 31, 2009

The Directors of your Company are pleased to present their Fifty Ninth Annual Report together with the audited accounts of the Company for the year ended March 31st, 2009.

1. WORKING RESULTS

	2008-09	2007-08
	(Rs. in Lakhs)	(Rs. in Lakhs)
Operating Profit	27,245.23	22,658.77
Less: Interest	3,849.55	2,326.54
Depreciation	5,688.59	2,630.66
Profit before Taxation	17,707.09	17,701.57
Provision for Taxation		
Current tax	2,025.00	6,100.00
Deferred tax	4,132.81	(-)77.98
Fringe Benefit Tax	75.00	65.00
MAT Credit available for set off	(-)100.00	—
Profit after taxation	11,574.28	11,614.55
Add: Adjustment arising on Demerger	0.00	956.28
Add: Brought forward from previous year:	4,829.20	4,484.64
Transfer from Reserve for Bad and Doubtful Debts	700.00	—
	17,103.48	17,055.47
Transfer to General Reserve	7,500.00	10,000.00
Transfer to Debenture Redemption Reserve	273.46	152.00
Transfer to Reserve for Bad & doubtful debts	—	410.00
Proposed Dividend/Interim Dividend	1,422.51	1,422.51
Tax on Dividend/Interim Dividend	241.75	241.76
Surplus carried to Balance Sheet	7,665.76	4,829.20
	17,103.48	17,055.47

2. DIVIDEND

The Directors recommend payment of dividend for the financial year ended March 31, 2009 of Rs.2.50 per paid up equity share of Rs. 2/- (i.e., 125%).

3. APPROPRIATIONS

It is proposed to transfer Rs. 7,500 Lakhs to the General Reserve while Rs. 7,665.76 Lakhs is 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 46% in net sales, 20% in operating profit and 15% in profit before depreciation and tax. However, profit before tax is at same level of the previous year due to provisioning of higher depreciation.

Please refer to the chapter on Management Discussion and Analysis for a detailed analysis of the performance of the Company during 2008-09.

5. EXPANSION

The year 2008-09 was a landmark year as significant capacity building programmes undertaken by your Company came upstream and your Company has now attained a total installed capacity of 5.35 MnTPA for Cement manufacturing which includes 1.35 MnTPA at Kapilas Cement Works ("KCW"). The KCW, near Cuttack has commenced commercial production

with effect from July 01, 2008 after full plant stabilization and complete synchronization of production facilities. However, Cement production at KCW will stand restricted for the time being to 0.9 Million Tonnes till the Company secures necessary pollution clearances as the existing 'consent to operate' pollution control clearance granted by the Orissa State Pollution Control Board for the said KCW permits presently your Company to produce cement upto 0.9 MnTPA. The Company has initiated steps to obtain necessary clearances from the Orissa State Pollution Control Board and from the Ministry of Environment & Forests (MoEF), Government of India so that production upto full installed capacity of 1.35 MnTPA of cement of the said unit could be achieved. This year your Company also commissioned clinkerization capacity of 1.70 MnTPA at Rajgangpur, Orissa.

Civil construction work for installation of 2x27 MW Captive Thermal Power Plant (CPP) at Rajgangpur works is in progress. The CPP is likely to be commissioned during the financial year 2009-10.

6. ALLOTMENT OF CAPTIVE COAL BLOCK AND PROGRESS THEREUPON

Your Company, along with two other allocatees has applied to the Ministry of Coal for sub-division of the jointly allotted Radhikapur (West) coal block into two parts, based on proven extractable deposits, one for the proportionate area covering the quantity of coal allotted to M/s Rungta Mines Limited and the other for the proportionate area covering jointly the quantities allotted to your Company and M/s Ocean Ispat Private Limited. This action has been initiated to ensure transparency and ease of operation. The stay granted by the Hon'ble Orissa High Court in the matter of writ filed by your Company against forced implementation of mining operations under Option-III as per draft agreement proposed by the Government under the leadership of M/s Rungta Mines is still in operation. Soon after the Government disposes off the application for sub-division, necessary effective steps would be taken to bring 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 this 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. In the meantime, efforts are also continuing to agree upon a shareholders' agreement between the allocatees for formation of a Joint Venture Company to carry on mining operations on behalf of the allocatees at the jointly allotted captive coal block.

7. DIRECTORS

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

8. LISTING OF THE COMPANY'S SHARES

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

9. DIRECTORS RESPONSIBILITY STATEMENT

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

- a) In the preparation of the Annual Accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures, wherever applicable;
- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company as on March 31, 2009 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, 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. The Registrar of Companies, Jammu

had issued a notice dated May 08, 2008 under sub-Section 3 of Section 560 for striking off the name of Kashmissa Industries Limited. However, publication of notification in Official Gazette notifying striking off the name of Kashmissa Industries Limited pursuant to sub-Section 5 of Section 560 is still pending.

11. LABOUR MANAGEMENT RELATIONS

Relations between the Management and Employees were cordial during the year under review.

12. DEPOSITS

As on March 31, 2009 there were 26 deposits aggregating Rs. 5.98 Lacs which remained unclaimed beyond due dates, out of which deposits aggregating Rs. 2.22 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 PERFORMRANCE

Your Company gives utmost importance to safety, health and environment management measures. Environment Management System as per ISO- 1400:2004 and Occupational Health and Safety Management System as per OHSAS 18001:1999 have been implemented in Cement Works and the same are under implementation in Refractory Works. Your Company has planted about 4 lakh trees in and around its factory and mines premises. Your Company is installing a Waste Water Treatment Plant to treat waste water discharged through drains from the Rajgangpur Municipality and its colony area.

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 5 panchayats adjoining the KCW plant in Cuttack and Jajpur District for improving the social and economic condition of tribals. The activities are mainly focused in areas like health, education and drinking water. During the year your Company has spent Rs. 80.11 Lakhs on activities in focused areas. The Company is also operating a mobile health care unit for the senior citizens in Jagatsinghpur District of Orissa through "Help Age India", NGO of National repute. 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, hold office until the conclusion of the forthcoming Annual General Meeting and are 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

Pursuant to Section 233B(1) of the Companies Act 1956, the Department of Company Affairs had by its order dated February 18, 1993 directed an audit of the cost accounts maintained by the Company in respect of "Cement" for the year ended March 31, 1994 and for every financial year thereafter continuously. Accordingly, the Company had appointed M/s R.J. Goel & Co., Cost Accountants, New Delhi as Cost Auditors for the financial year 2008-09. The Company has also received certificate from M/s R.J. Goel & 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 commitment 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

(Pradip Kumar Khaitan)
Chairman

Place: New Delhi
Date: May 26, 2009



ANNEXURE-II TO THE DIRECTORS' REPORT
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) Installation of new impeller for cooler ESP fan to reduce power consumption.
- ii) Installation of variable speed drive for cooler fans.
- iii) Installation of variable speed drives for pre-heater fan and other process fans to conserve power.
- iv) Upgradation of three nos. SPRS for process fans.
- v) Replacement of liquid rotor starter with grid resistance starter.
- vi) Installation of new FLS DCS with process expert system.
- vii) Continued utilization waste hot gases from Kiln for drying of slag.
- viii) Continued daily monitoring of Section-wise energy conservation.

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

- 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) Utilization of additional waste heat from Clinkerisation plant Kiln 2 for slag drying during Cement manufacturing process.
- iv) Modification of Pre-heater fan inlet duct to reduce pressure drop.
- v) Compressed air audit and replacement of inefficient compressors with high efficiency compressors and modification of compressed air line to reduce pressure drop.

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.

ENVIRONMENTAL IMPROVEMENT:

CEMENT:

a) Environmental improvement measures taken:

- i) Use of road sweeping machine to control fugitive dust emission.
- ii) Continued development of green belt.
- iii) Continued rain water harvesting.
- iv) Manufacture and use of fly ash brick blocks for construction activities in Plant and Township.

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

- i) Covering by shed of Stacker reclaimers for Gypsum, Coal and Slag.
- ii) Use of waste gas from Clinkerisation plant Kiln 2 for drying of slag during cement manufacturing process.
- iii) Auditing of plant water system and implementation of recommendations.
- iv) Installation of sewage treatment plant and utilization of treated water in plant.

v) Development of green belt.

vi) Rain water harvesting.

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 measure 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

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.
- Interlocking of accessory equipments in Concast and Fire Brick Plant has been done in main production circuits to avoid their running, when main circuit is not in operation.
- AC drives for energy efficient operation of fans are used in kilns.
- Installation of dedicated screw compressors to tunnel kilns.
- Output from chamber kiln has improved.
- Out put of Bauxite circuit has improved from 1.5 MT/Hr to 3.0 MT/Hr.
- Installed Air controller in compressors to reduce power consumption.
- Down Sizing of RR mill motors from 60 HP to 40HP.

b) Additional investment and proposals

- New Plant for fine coal brequetting is being put up.
- Benefication 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.