

Strengthening enterprise.  
Creating water security.





## Contents

An Introduction	1-3	Balance Sheet	53
President's Message	4-5	Profit & Loss Account	54
About OCL	6-16	Schedules to the Balance Sheet and Profit & Loss Account	55-77
Directors' Report	17-21	Cash Flow Statement	78-79
Annexures to Directors' Report	22-49	Balance Sheet Abstract	80
Auditors' Report	50-52		

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.

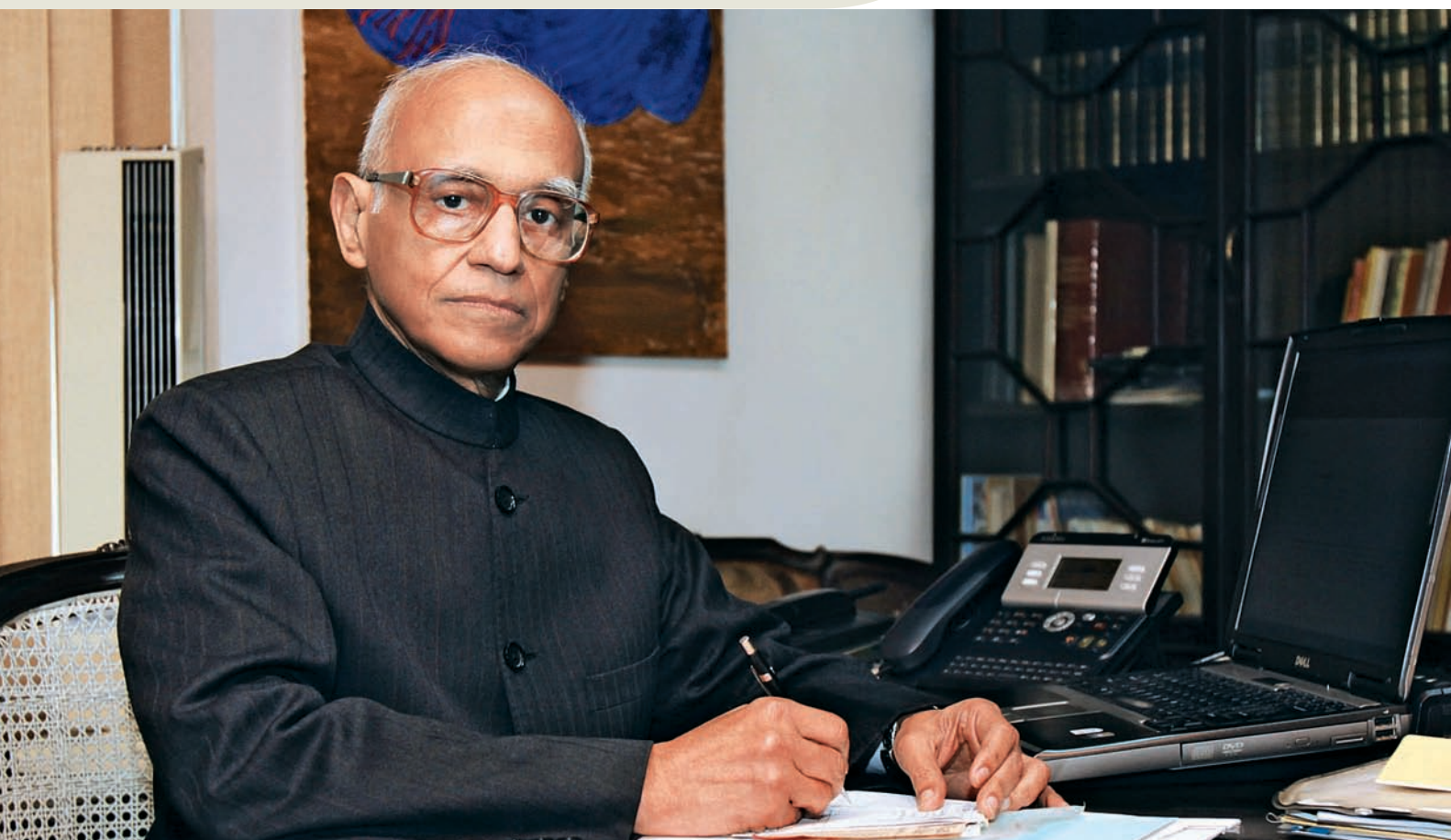
The business forays of OCL have evolved magnificently over the years and enabled the organization to deliver continued growth. Efficient resource management, cutting edge technology and operational discipline have together contributed to enhance 'Brand OCL'.

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.



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

LORAN EISELY

# Water Conservation Initiatives at OCL

“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<sub>2</sub> sequestration equivalent to nearly one Tonne of CO<sub>2</sub> 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.

