



# **OCL IRON & STEEL LIMITED**

EIGHTH ANNUAL REPORT 2012-13



# OCL IRON & STEEL LIMITED

EIGHTH ANNUAL REPORT - 2012-2013

## Board of Directors

Mr. Yogesh Kapur	<i>Chairman</i>
Mr. Nand Kishore Taori	<i>Managing Director</i>
Mr. Aditya Malhotra	<i>Director</i>
Mr. Sanjay Tiku	<i>Director</i>
Mr. Vinod Kumar Uppal	<i>Director</i>

## Company Secretary & Compliance Officer

Ms. Jyoti Mishra

## Auditors

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

## Bankers

State Bank of India  
Andhra Bank  
United Bank of India

## Registrar & Share Transfer Agent

CB Management Services Private Limited  
P-22, Bondel Road, Kolkata - 700019  
(West Bengal)  
Tel No: +91 33 22806692-94/2280 2486  
Fax No: +91 33 2287 0263  
Email: rta@cbmsl.com  
Website : www.cbmsl.com

## Registered Office and Unit 1:

1. Vill. Lamloi, P.O. Garvana,  
Rajgangpur - 770 017.  
Distt: Sundargarh, Orissa.

## Unit 2:

2. A-285, Chopanki Industrial Area,  
Chopanki, Bhiwadi, District - Alwar,  
Rajasthan - 301019

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## NOTICE

**NOTICE** is hereby given that the Eighth Annual General Meeting of the members of **OCL IRON AND STEEL LIMITED** will be held on Friday, 27<sup>th</sup> day of September, 2013 at 10.00 A.M. at the Registered Office of the Company situated at Vill. Lamloi, P.O. Garvana, Rajgangpur – 770 017 (Distt. Sundargarh, Orissa) to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2013 and the Statement of Profit & Loss Account for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To declare dividend @ 2% on Fully Paid-up Redeemable Non Cumulative Preference Shares.
3. To appoint a Director in place of Mr. Sanjay Tiku who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Statutory Auditors of the Company to hold office from conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

By Order Of The Board  
**FOR OCL IRON AND STEEL LIMITED**

Sd/-

**Jyoti Mishra**

Company Secretary

Place : New Delhi

Dated : 2nd September, 2013

### NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE (ON POLL ONLY) INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. An instrument appointing proxy, in order to be effective, must be received at the registered office of the company not later than 48 hours before the commencement of the annual general meeting.
3. The Register of Members and Share Transfer books of the Company will remain closed from Monday, 23<sup>rd</sup> September, 2013 to Friday, 27<sup>th</sup> September, 2013 (both days inclusive).
4. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days except Saturdays, between 11.00 a.m. to 1.00 p.m. up to the date of the Annual General Meeting.
5. M/s CB Management Services (P) Limited, P-22, Bondel Road, Kolkata - 700019 are the Registrar and Share Transfer Agent (RTA) of the Company to handle transfers both in physical and electronic segments and other related matters. Shareholders are requested to address all their correspondence to the Registrar and Share Transfer Agent at the above address.
6. Members who hold shares in electronic mode are requested to quote their Client Id and DP Id number and those who hold shares in physical form are requested to write their Folio numbers in all correspondence with the Company/Registrar for facilitating quick disposal of the matters.
7. Consequent upon the introduction of section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in form No. 2B in duplicate (which will be made available on request) to the R&T Agents of the Company.
8. The Members / Proxies attending the Annual General Meeting are requested to bring the enclosed attendance slip and deliver the same after filling in their Folio number at the entrance of the meeting hall. Admission at the Annual General Meeting venue will be allowed only after verification of the signature in the attendance slip. Duplicate Attendance Slip will be issued at the Registered Office of the Company up to a day preceding the day of Annual General Meeting during business hours.
9. The members are requested to bring their copies of Annual Report to the meeting, as the same will not be redistributed at the venue of the Annual General Meeting.

10. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively), has undertaken a '**Green Initiative in Corporate Governance**' and allowed Companies to share documents with its shareholders through electronic mode. To support this green initiative of the Government in full measure, members who have not registered their E-mail addresses so far are requested to register their E-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their E-mail address with M/s CB Management Services (P) Limited, Registrar and Share Transfer Agent of the Company.

**INFORMATION REQUIRED TO BE FURNISHED UNDER CLAUSE 49 OF THE LISTING AGREEMENT IN RESPECT OF DIRECTOR SEEKING RE-APPOINTMENT IN THE FORTHCOMING ANNUAL GENERAL MEETING:**

<b>Name of Director</b>	Mr. Sanjay Tiku
<b>Date of Birth</b>	27.01.1970
<b>Qualification</b>	B. Com, MBA (Finance)
<b>Expertise</b>	Administration & Accounts
<b>Date of Appointment</b>	10.07.2012
<b>List of other Companies in which Directorships held (excluding foreign companies, private companies and alternate directorships)</b>	<ul style="list-style-type: none"> <li>• M/s Symbios Personnel Advices and Services Limited</li> <li>• M/s Amtek Tekfor Automotive Limited</li> <li>• M/s Amtek Defence Technologies Limited</li> <li>• M/s Amtek Brake Systems Limited</li> <li>• M/s Lotus Auto Engineering Limited</li> <li>• M/s Aron Auto Limited</li> <li>• M/s Stride Autoparts Limited</li> <li>• M/s Rollatainers Limited</li> <li>• M/s Karam Auto Components Limited</li> </ul>
<b>Shareholding in the Company</b>	Nil

By Order Of The Board  
**FOR OCL IRON AND STEEL LIMITED**

Place : New Delhi  
Dated : 2nd September, 2013

Sd/-  
**Jyoti Mishra**  
Company Secretary

## DIRECTORS' REPORT

TO  
THE MEMBERS,  
**OCL IRON AND STEEL LIMITED**

Your Directors take pleasure in presenting the Eighth Annual Report on the performance of the Company together with the Audited Annual Accounts for the financial year ended 31<sup>st</sup> March, 2013.

### FINANCIAL RESULTS

(Rupees in Lacs)

Particulars	Year ended 31 <sup>st</sup> March, 2013	Year ended 31 <sup>st</sup> March, 2012
Revenue from Operations	32565.88	31304.81
Other Income	1969.89	3219.30
Total Revenue	34535.77	34524.11
Total Expenses	31961.24	30339.56
Profit before Finance Cost, Depreciation and Tax	2574.53	4184.55
Finance Cost	835.61	934.76
Depreciation	1058.66	944.10
Profit before tax	680.26	2305.69
Tax Expenses	262.53	566.68
Profit after Taxation	417.73	1739.01
Add balance brought forward from Previous Year	2236.77	1260.40
Surplus Available	2654.50	2999.41
<b>APPROPRIATION</b>		
Transfer to Debenture Redemption Reserve Account	109.38	109.38
Transfer to Preference Shares Redemption Reserve Account	530.05	530.05
Dividend on Preference Shares	106.01	106.01
Tax on Dividend of Preference Shares	17.20	17.20
Surplus carried to Balance Sheet	1891.86	2236.77

### PERFORMANCE

During the year under review, the Company has earned revenue from Operations of Rs. 32565.88 lacs as compared to Rs. 31304.81 lacs in the previous year. Profit after Tax (PAT) stood at Rs. 417.73 lacs as against Rs. 1739.01 lacs in the previous year.

### DIVIDEND

The Board of Directors recommends dividend @ 2% on Fully Paid-up Redeemable Non Cumulative Preference Shares for the year ended 31<sup>st</sup> March, 2013. However, in view of the ongoing expansion project of the Company no dividend is recommended on Equity Shares of the Company. The total outgo on account of dividend on Preference Shares will be Rs. 123.21 lacs (including dividend tax of Rs. 17.20 lacs).

### OPERATIONS

During the FY2012-13, the Company produced 87,247 MT, compared to 105,840 MT of Sponge Iron in FY 2011-12. During the year, Company produced 69,677 MT, compared to 81,888 MT of Steel Billets in FY 2011-12.

The Company has generated 821.23 lac units of power during the year.

### DIRECTORS

Mr. Chetan Vimalkumar Shah and Mr. Sanjiv Bhasin, Directors of the Company have resigned from the Directorship of the Company w.e.f. 28<sup>th</sup> January, 2013 and 13<sup>th</sup> August, 2013 respectively. The board wishes to place on record, its appreciation for the contribution made by them during their association with the Company.

Mr. Sanjay Tiku, Director of the Company retires at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Brief resume of the Director proposed to be re-appointed as stipulated under Clause 49 of the Listing Agreement is provided in the notice forming part of Annual Report. Further, the name of the Companies in which he holds the membership/chairmanship of Board Committees, is provided in the Corporate Governance Section of this Annual Report.

## **SUBSIDIARIES**

In accordance with the general circular dated 08/02/2011 read with circular dated 21/02/2011, issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit and Loss Account and other documents of the Subsidiary Companies are not being attached with the Balance Sheet of the Company. However, the financial information of the Subsidiary companies is disclosed in the Annual Report in compliance with the said circular. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the holding and subsidiary Company seeking information at any point of time. The annual accounts of the subsidiary companies will also be kept open for inspection at the Registered Office of the Company. The Consolidated Financial Statements presented by the Company includes the financial results of its subsidiary companies.

## **AUDITORS**

M/s A.C. Gupta & Associates, Chartered Accountants, Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and your Directors recommend their re-appointment.

The Company has received letter from M/s A.C. Gupta & Associates, Chartered Accountants, 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 from such appointment in terms of Section 226 of the Companies Act, 1956.

## **COST AUDITORS**

Pursuant to the Companies (Cost Accounting Records) Rules, 2011 issued by the Ministry of Corporate Affairs, Mr. Yash Pal Sardana (Membership No. 17996) Practicing Cost Accountant was appointed to conduct audit of cost records relating to Steel Plant for the financial year ended 31<sup>st</sup> March, 2013. The due date for filing of Cost Audit Reports of the Company for the year 2011-2012 was 30/09/2012 and the same were filed on 23/02/2013.

## **AUDITORS' REPORT**

The Auditors Report is attached hereto which is self-explanatory and does not require elucidation.

## **PUBLIC DEPOSITS**

During the year under review, the Company has not accepted any deposits from public within the meaning of Section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975, hence no information is required to be furnished in this respect.

## **DEMATERIALISATION OF SHARES**

The Company has admitted its shares to the depository system of National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for dematerialisation of shares. The International Securities Identification Number (ISIN) allotted to the Company with respect to Equity Shares is INE 196J01019. The Equity Shares of the Company are compulsorily traded in dematerialized form as mandated by the Securities and Exchange Board of India (SEBI).

The Equity Shares of the Company are actively traded on BSE and NSE.

As on 31<sup>st</sup> March, 2013, 12,95,17,019 Equity Shares representing 96.55% of your Company's Equity Share Capital are in dematerialized form.

## **LISTING AT STOCK EXCHANGES**

The Equity Shares of Company are listed on "Bombay Stock Exchange Limited" and "National Stock Exchange of India Limited". The Company has paid its Annual Listing Fee to the stock exchanges for the financial year 2013 - 2014.

## **STATUTORY INFORMATION**

- Particulars of Employees under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975- NIL

- Statutory details of Energy Conservation and Technology Absorption, R&D activities and Foreign Exchange Earning and Outgo, as required under Section 217(1) (e) of the Companies Act, 1956 and rules prescribed thereunder i.e. the Companies (Disclosure of Particulars in Report of Board of Directors) Rules, 1988 are given in the Annexure I and form part of this Annual Report.

## **CORPORATE GOVERNANCE**

A separate section on Corporate Governance forming part of the Director's Report and the certificate from the CEO, CFO and Company's Statutory Auditors as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges is included in the Annual Report.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

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

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the provisions contained in Section 217(2AA) of the Companies Act, 1956, it is hereby confirmed:

- (i) that in the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2013, the applicable Accounting Standards have been followed;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- (iii) that 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 for preventing and detecting fraud and other irregularities; and
- (iv) that the Directors have prepared the Annual Accounts on Going Concern Basis.

## **INDUSTRIAL RELATIONS**

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

## **INVESTOR RELATIONS**

Your Company always endeavors to promptly respond to shareholders' requests / grievances. Each and every issue raised by the shareholders is taken up with utmost priority and every effort is made to resolve the same at the earliest. The Share Transfer and Investors' Grievance Committee of the Board periodically reviews the status of the redressal of investors grievances.

## **EMPLOYEES' WELFARE**

Your Company continued to implement several welfare measures for the Employees and their families which were implemented with utmost zeal.

## **ACKNOWLEDGEMENT**

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

By Order Of The Board  
**FOR OCL IRON AND STEEL LIMITED**

Place : New Delhi  
Dated : 2nd September, 2013

Sd/-  
**Yogesh Kapur**  
Chairman

## **ANNEXURE-I TO THE DIRECTORS' REPORT 2012-13**

### **INFORMATION PURSUANT TO SECTION 217(1)(e) READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2013:**

#### **CONSERVATION OF ENERGY**

##### **DRI:**

##### **a) Energy Conservation measures taken**

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

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

##### **b) Additional investment and proposals**

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

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

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

##### **SMS:**

##### **a) Energy Conservation measures taken**

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

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

##### **b) Additional investment and proposals**

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

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

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

##### **CPP:**

##### **a) Energy Conservation measures taken**

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

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

##### **b) Additional investment and proposals**

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

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

- i) Potential increase in steam generation.
- ii) All the above measures have resulted in saving of electrical as well as thermal energy.

#### **FOREIGN EXCHANGE EARNINGS AND OUTGO**

Foreign Exchange Outgo : Rs. 1401.04 Lacs

Foreign Exchange Earned : Nil



## Form – A

(Particulars of Total Energy Consumption And Energy Consumption Per Unit Of Production)

	<b>2012-13</b>	<b>2011-12</b>
<b>A) POWER AND FUEL CONSUMPTION</b>		
a. Electricity Purchased		
Units (in Lacs)	2.82	–
Total Amount (Rs in Lacs)	19.95	–
Rate / Unit (Rs.)	7.07	–
b. Own generation through power Generators:		
Units (in Lacs)	821.23	885.98
Units per Tonne of Fuel	1102.04	1,115.57
Cost / Unit (Rs.)	1.82	1.32
c. Own generation through Diesel Generators:		
Units (in Lacs)	0.0822	–
Units per Litre of Fuel	2.57	–
Cost / Unit (Rs.)	17.85	–
<b>B) CONSUMPTION PER UNIT OF PRODUCTION (PER MT)</b>		
<b>STEEL</b>		
Electricity (KWH)	865.01	839.92
Fuel Oil (Ltrs)	2.11	2.38
<b>POWER</b>		
Electricity (KWH)	0.13	0.11
Fuel:		
– Oil (Rs in Lacs)	1.47	0.00
– Coal (Lacs Mt)	0.75	0.79

## Corporate Governance

### I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company is committed to conduct its business in an efficient, fair, honest and ethical manner. Good corporate governance goes beyond compliances and requires Companywide commitment. It starts with the Board of Directors and percolates down the order throughout the Organization, and 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

The Business of the Company is managed by the Board of Directors. The Board provides leadership and strategic guidance, objective judgment and exercises control over the Company, while remaining at all times accountable to the stakeholders. The functions of the Board include formulation of strategic business plans, budgets, setting up goals and evaluation of performance, approving corporate philosophy and mission, monitoring corporate performance against strategic business plans, overseeing operations, recruitment of senior management personnel, review of material investment and fixed assets transactions, ensuring compliance with laws and regulations, keeping shareholders informed regarding plans, strategies and performance of the Company and other important matters.

#### A. Composition of Board of Directors

Your Company's Board has an optimum combination of Executive and Non-Executive Directors having rich knowledge and experience in the industry and related sectors for providing strategic guidance and direction to the Company. The Chairman of the Board is a Non-Executive Independent Director. The details of the Directors with regard to their outside directorships, Committee positions as well as attendance at last Annual General Meeting and Board Meetings during the year are as follows:

S. No.	Name of the Director	Status	Executive/ Non-Executive/ Independent Directors	No. of Board Meetings attended	Attendance at the last AGM held on 28.09.2012	No. of other Directorships as on 31.03.13*	No. of Committees Positions held in other Public Companies as on 31.03.13**	
							Membership**	Chairmanship
1.	Mr. Yogesh Kapur	Chairman	Non-executive and Independent	5	P	3	Nil	Nil
2.	Mr. Nandkishore Taori	Managing Director	Executive	9	NP	1	Nil	Nil
3.	Mr. Aditya Malhotra	Director	Non-Executive and Non Independent	6	NP	5	Nil	Nil
4.	Mr. Sanjiv Bhasin	Director	Non-executive and Independent	1	P	2	Nil	Nil
5.	Mr. Sanjay Tiku	Director	Non-executive and Independent	1	NP	9	2	Nil
6.	Mr. Chetan Vimal kumar Shah***	Director	Non-executive and Independent	0	NP	1	Nil	Nil
7.	Mr. Vinod Kumar Uppal	Director	Non-executive and Independent	1	NP	6	3	Nil

#### Notes:

- Nine Board meetings were held during the Financial Year 2012-13 on 15.05.2012, 10.07.2012, 13.08.2012, 03.09.2012, 09.11.2012, 26.11.2012, 28.01.2013, 13.02.2013 and 07.03.2013.
- The Non - Executive Chairman has not desired an office at the Company's expense.
- \*Excludes foreign companies, private companies & Alternate directorship and Companies registered under Section 25 of the Companies Act, 1956.
- \*\*Includes only membership in Audit Committee & Share Transfer and Investors Grievance Committee.
- \*\*\*Mr. Chetan Vimalkumar Shah has ceased to be Director of the Company w.e.f. 28.01.2013; therefore the number of other directorships are disclosed as at 28.01.2013.

## B) Board Procedure

The Board meets at regular intervals, at least four times a year. During the year, Nine meetings of the Board of Directors were held with maximum time gap of less than four months between any two meetings. All the members of the Board were provided requisite information as required as per Listing Agreement well before the Board Meeting. None of the Directors is disqualified for appointment as director under Section 274 of the Companies Act, 1956.

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

## C) Inter - se relationship

The Directors of the Company are not related inter- se.

## III. AUDIT COMMITTEE

The terms of reference of the Audit Committee include those specified under Clause 49 of the Listing Agreement as well as under Section 292A of the Companies Act, 1956 such as:

- to oversee the Company's financial reporting process and disclosure of its financial information,
- to recommend appointment of Statutory Auditors and fixation of audit fee,
- to review quarterly and annual financial statements before submission to the Board and to advice and make recommendations to the Board on matters related to financial management of the Company, including Audit Reports,
- to review and discuss with Auditors about internal control system, major accounting policies & practices, reviewing Company's financial and risk management policies in compliance with the listing agreement and legal requirements concerning financial statements and
- to carry out any other functions as mentioned in terms of reference to the Audit Committee.

The Board of the Company has duly constituted an Audit Committee, comprising three directors. As at 31st March, 2013, the Audit Committee comprises of one non-independent and non-executive and two independent and non-executive directors. The constitution of the Audit Committee meets the requirement of section 292A of the Companies Act, 1956 and guidelines set out in the listing agreement. All the members of the Committee were provided requisite information as required in the Listing Agreement.

During the period under review the Board re-constituted the Audit Committee and Mr. Yogesh Kapur was appointed as Chairman of the Audit Committee with effect from 09/11/2012. The committee met 5 times and the attendance of members at the meetings was as follows:

Name of Members	Status	No. of Meetings attended
Mr. Yogesh Kapur	Chairman	5
Mr. Sanjiv Bhasin	Member	5
Mr. Aditya Malhotra	Member	5

The Company Secretary of the Company acts as the Secretary of the Audit Committee.

## IV. REMUNERATION OF DIRECTORS

### A) Non-Executive Directors

The remuneration of Non-Executive Directors (NEDs) is fixed by the Board of Directors subject to the approval of shareholders and there is no separate Remuneration Committee. The Non-Executive Directors are paid sitting fees for attending the Board Meetings besides reimbursement of out of pocket expenses. Details of remuneration paid to the Executive Director during the year ended 31st March, 2013 are given below:-

Executive Director	Salary* (Rs. in Lacs)	Commission	Total (Rs. in Lacs)
Mr. NandKishore Taori	43.05	-	43.05

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

**(B) Details of sitting fees and Commission paid to the Directors during the Financial Year 2012-13 are mentioned below:**

**(Amount in Rs.)**

<b>S.No.</b>	<b>NAME OF DIRECTORS</b>	<b>PAYMENT OF SITTING FEES</b>
1.	Mr. Yogesh Kapur	60000
2.	Mr. Nandkishore Taori	-
3.	Mr. Aditya Malhotra	-
4.	Mr. Sanjiv Bhasin	20000
5.	Mr. Sanjay Tiku	-
6.	Mr. Vinod Kumar Uppal	-
7.	Mr. Chetan Vimalkumar Shah*	-

**V. SHARE TRANSFER AND INVESTORS' GRIEVANCE COMMITTEE**

The Board has constituted a Share Transfer and Investors' Grievance Committee, comprising two directors namely, Mr. Yogesh Kapur (Chairman) and Mr. N.K. Taori (Member). The committee has been constituted to specifically look into redressal of shareholders and investors grievances such as transfer/transmission and de-materialization related matters.

During the year, the committee met four (4) times. All the members were present in all the committee meetings.

Total number of complaints received and replied to the satisfaction of shareholders, during the year under review were 2 (Two). As on 31st March, 2013, there were Nil complaints pending with the Company.

**VI. SUBSIDIARY MONITORING FRAMEWORK**

The Company has nominated its representative on the Board of material Subsidiary Company and also monitors its performance inter alia, by the following means:

- Financial Statements, in particular the investments made by the unlisted Subsidiary Companies, are reviewed by the Audit Committee of the Company.
- Minutes of the meetings of the unlisted Subsidiary Companies are placed before the Company's Board.
- A statement containing significant transactions and arrangements entered into by the unlisted Subsidiary Companies is placed before the Company's Board.

**VII. COMPLIANCE OFFICER**

The Board has designated Ms. Jyoti Mishra, Company Secretary as Compliance Officer of the Company.

**VIII. GENERAL BODY MEETINGS**

The last three Annual General Meetings were held as under:-

<b>YEAR</b>	<b>DATE &amp; TIME</b>	<b>LOCATION</b>	<b>WHETHER SPECIAL RESOLUTION(S) WERE PASSED</b>
2009-10	30 <sup>th</sup> September, 2010 at 10.00 A.M.	At the registered office at Rajgangpur- 770017 (Orissa)	No Special resolution was passed
2010-11	30 <sup>th</sup> September, 2011 at 10.00 A.M.	At the registered office at Rajgangpur- 770017 (Orissa)	No Special resolution was passed
2011-12	28 <sup>th</sup> September, 2012 at 10.00 A.M.	At the registered office at Rajgangpur- 770017 (Orissa)	No Special resolution was passed

The Last Annual General Meeting of the Company was held on 28th September, 2012 at 10.00 a.m. at the registered office of the Company situated at Rajgangpur- 770017 (Orissa). The meeting was chaired by Mr. Yogesh Kapur, Director of the Company. Mr. Sanjiv Bhasin, Chairman of Audit Committee also attended the Annual General Meeting.

## **IX. DISCLOSURES**

### **(A) Basis of related Party Transaction**

The details of all materially significant transactions with related parties are periodically placed before the audit committee. The Company has entered into related party transactions (as set out in the Notes to Accounts), which are not likely to have conflict with the interest of the Company at large.

### **(B) Whistle Blower Policy**

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

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

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

The Company has complied with all mandatory requirements of Clause 49 of the Listing agreement.

### **(C) Code of Business Conduct and Ethics for Directors and management personnel**

The Board has prescribed a Code of Conduct ("Code") for all Board members and senior management of the Company. The Code has been posted on the website of the Company ([www.oclsteel.in](http://www.oclsteel.in)). All Board members and senior management personnel have confirmed compliance with the Code for the year 2012-13. A declaration to this effect signed by the CEO (Managing Director) of the Company forms part of this Annual Report.

### **(D) Disclosure of Accounting Treatment**

In the preparation of financial statements for the year ended 31st March 2013; there was no treatment different from that prescribed in an accounting standard that had been followed.

### **(E) Board Disclosures – Risk Management**

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

### **(F) Proceeds from Public Issues, Rights Issues, preferential issues etc.**

During the year under review, there were no proceeds from public issues, rights issues or preferential issues etc.

## **XI. MEANS OF COMMUNICATION**

Results for quarter ended 30th June 2012, 30th September 2012, 31st December 2012 and 31st March 2013 have been published in English (Business Standard) and also in a vernacular language newspaper (Utkal Mail Odisha).

In addition, the Company uploads its Financial Results, Shareholding Pattern and other information on its website i.e. [www.oclsteel.in](http://www.oclsteel.in).

NSE Electronic Application Processing System (NEAPS): NEAPS is a web based application designed by NSE for Listed Entities. The Shareholding Pattern, Corporate Governance Report, Financial Results and Corporate Announcements are filed electronically on NEAPS.

BSE announced the launch of its Online Portal – ‘BSE Corporate Compliance & Listing Centre’ for submission of various filings by Listed Companies with BSE, with effect from 8th February, 2013. Accordingly, the Company had submitted all compliances for the quarter and the year ended on 31st March, 2013 on the aforesaid BSE online portal.

## **XII. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

A Management Discussion and Analysis Report is given by means of a separate annexure and is forming part of this Annual Report.

## **XIII. GENERAL SHAREHOLDERS’ INFORMATION**

### **A) GENERAL INFORMATION**

Registered Office	Vill. Lamloi, P.O. Garvana, Rajgangpur:- 770 017, Distt: Sundargarh, Orissa.
Plant Location	1. Vill. Lamloi, P.O. Garvana, Rajgangpur:- 770 017, Distt: Sundargarh, Orissa. 2. A-285, Chopanki Industrial Area, Chopanki, Bhiwadi, District - Alwar, Rajasthan - 301 019.
Last Annual General Meeting: Day/Date/Time/Venue:	Friday, the 28 <sup>th</sup> September, 2012 at 10.00 AM Vill. Lamloi, P.O. Garvana, Rajgangpur:- 770 017, Distt: Sundargarh, Orissa.
Financial Year	1 <sup>st</sup> April to 31 <sup>st</sup> March
Last Book Closure	24 <sup>th</sup> September, 2012 to 28 <sup>th</sup> September, 2012
Equity Dividend payment date	N/A
Listing on Stock Exchanges	1] BOMBAY STOCK EXCHANGE LTD. Phiroze Jeejeebhoy Towers Dalal Street, Mumbai - 400 001. [Listed w.e.f. 01-08-2008] 2] NATIONAL STOCK EXCHANGE OF INDIA LTD. Exchange Plaza (5th Floor), Plot No. C/1, G-Block Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051. [Listed w.e.f. 01-08-2008] The Company has paid the Listing fee for the year 2013-14 to BSE & NSE within the stipulated time.
ISIN CODE	<b>INE196J01019</b>
Stock Code- Equity Share:     BSE NSE	533008 OISL

### **B) Tentative Calender for the Financial Year 2013-2014 (subject to change)**

<b>PARTICULARS</b>	<b>DATES</b>
First Quarter Results	Mid of August, 2013
Second Quarter Results	Mid of November, 2013
Third Quarter Results	Mid of February, 2013
Fourth Quarter and the year ended Results	Up to end of May, 2014

The Company’s quarterly Un-audited Financial Results are subject to Limited Review by Statutory Auditors and Annual results are subject to Audit by the Statutory Auditors. Quarterly Un-audited and Annual Audited Financial Results are published in the requisite newspapers and also forwarded to the Stock Exchanges.

### C) Dematerialisation of shares and liquidity

As on 31st March, 2013, 12,95,17,019 Equity Shares representing 96.55% of the Company's Equity Share Capital are in dematerialized form. The Equity Shares of the Company are actively traded on BSE and NSE.

### D) Share Transfer System

Pursuant to directions of SEBI, the facility to hold the Company's shares in electronic form is available to the shareholders as the Company is registered with both Depositories namely NSDL & CDSL. Share Transfer documents for physical transfer and requests for dematerialisation of shares shall be sent to Company's Registrar and Share Transfer Agents.

### E) Registrar & Share Transfer Agent

CB Management Services (P) Limited  
 P -22, Bondel Road, Kolkata – 700 019 (West Bengal)  
 Tel No: +91 33 22806692-94/22802486  
 Fax No: +91 33 22870263, Email: rta@cbmsl.com

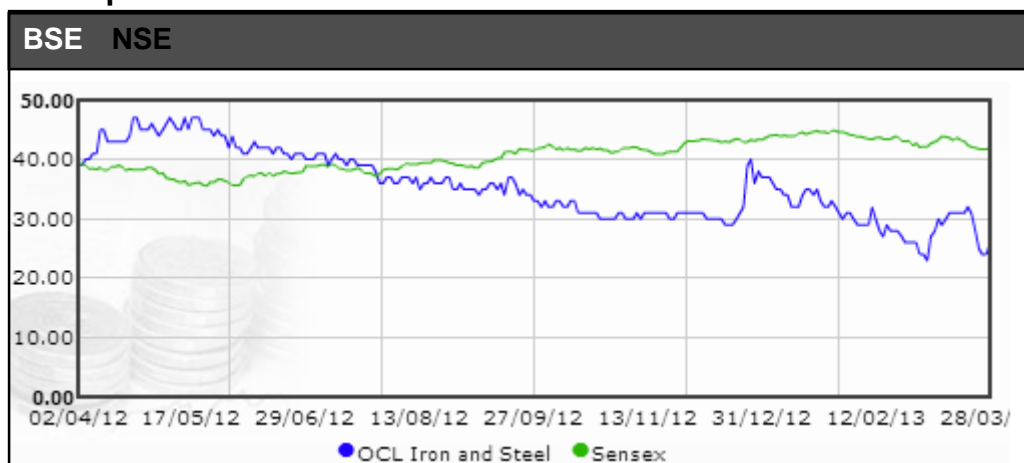
### F) Market price data

#### Monthly High/Low prices per share during the Financial Year 2012-2013

Months	BSE		NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April, 2012	48.60	38.60	48.30	38.70
May, 2012	47.70	41.75	50.00	42.10
June, 2012	43.75	39.40	44.55	39.35
July, 2012	42.50	35.85	45.00	35.00
August, 2012	37.95	33.05	42.90	33.80
September, 2012	37.80	32.80	37.00	32.75
October, 2012	35.00	24.50	34.45	29.85
November, 2012	33.00	29.80	36.35	30.00
December, 2012	44.70	27.25	44.65	28.00
January, 2013	38.00	29.95	39.90	29.80
February, 2013	32.00	23.60	32.35	24.10
March, 2013	34.70	22.35	32.25	22.00

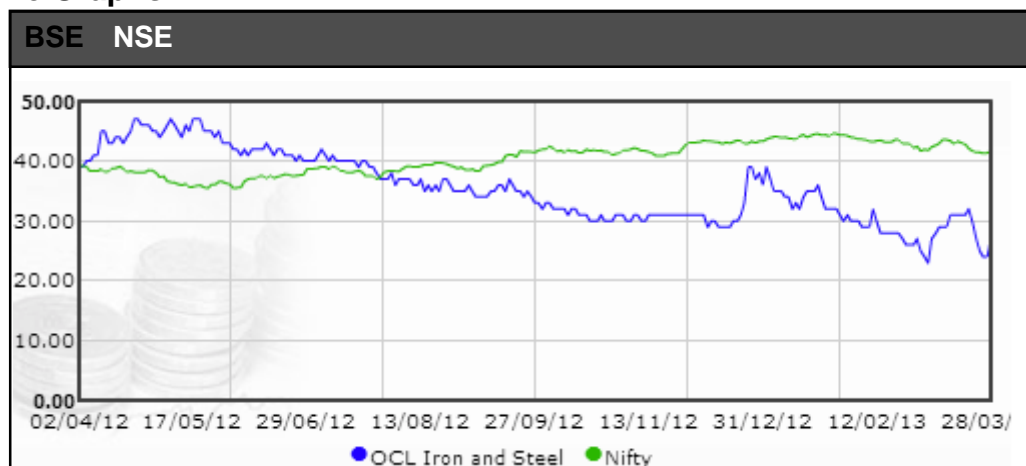
## BOMBAY STOCK EXCHANGE

### Historic Graphs



## NATIONAL STOCK EXCHANGE

### Historic Graphs



Historic Graph 01-04-2012 to 31-03-2013

### G) Shareholding pattern as on 31st March, 2013

Category	Number of Shares held	(%) Percentage of Shareholding
Promoters	100607370	75.00
Mutual Funds/ UTI	57000	0.04
Financial Institutions / Banks	187500	0.14
Foreign Institutional Investors	4924202	3.67
Bodies Corporate	11786887	8.79
Resident Individuals	15646278	11.67
Non-Resident Individual	834389	0.62
Foreign National	54240	0.04
Clearing Member	45294	0.03
<b>TOTAL</b>	<b>134143160</b>	<b>100</b>

### H) Distribution of Shareholding as on 31st March, 2013

Range of Shares	No. of Holders	No. of Shares
Upto 5000	9124	7104705
5001-10000	408	2883078
10001-20000	196	2712628
20001-30000	46	1117484
30001-40000	26	932631
40001-50000	10	453146
50001-100000	28	1881193
100001 and above	27	117058295
<b>Total</b>	<b>9865</b>	<b>134143160</b>



**I) Information for Debenture Holders**

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

**J) Outstanding GDRs/ADRs/Warrants/or any Convertible instruments, Conversion date and likely impact on equity**

Till date the Company has not issued any ADR/GDR/Warrant or any other convertible instruments.

**K) Investors' Correspondence may be addressed to:**

Ms. Jyoti Mishra  
Company Secretary & Compliance Officer  
Vill. Lamloi, P.O. Garvana,  
Rajgangpur - 770 017  
Distt: Sundargarh, Orissa,  
E-mail: grievance@oclsteel.in

By Order Of The Board  
**FOR OCL IRON AND STEEL LIMITED**

Place : New Delhi  
Dated : 2nd September, 2013

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

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

**To  
The Shareholders  
OCL IRON AND STEEL LIMITED**

We have examined the compliance of conditions of Corporate Governance by OCL Iron and Steel Limited for the Financial Year ended on 31st March, 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied in all material respects with the conditions of corporate governance as stipulated in the above-mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we state that the Share Transfer and Investors' Grievance Committee has maintained records to show the Investors Grievance and certify that as on 31st March, 2013, there were no investors grievance remaining unattended/pending for more than 30 days.

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

**For A.C. Gupta & Associates  
Chartered Accountants  
Firm Regn. No. 008079N**

Place : New Delhi  
Date : 2nd September, 2013

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

## **DECLARATION REGARDING CODE OF CONDUCT BY CEO UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

As required under Clause 49 of the Listing Agreement with Stock Exchanges, it is hereby confirmed that for the year ended 31st March, 2013, the Directors of OCL Iron and Steel Limited have affirmed compliance with the Code of Conduct for Board Members as applicable to them and members of the senior management have affirmed compliance with Code of Conduct as applicable to them.

Place : New Delhi  
Date : 2nd September, 2013

Sd/-  
**Nandkishore Taori**  
Managing Director

## CEO AND CFO CERTIFICATION

We, Nandkishore Taori, Managing Director and T.K. Laskar, AVP, (Finance & Accounts) responsible for the finance functions certify that:

- a) We have reviewed the financial statements and Cash Flow Statement for the year ended 31st March, 2013 and to the best of our knowledge and belief:
  - I. These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;
  - II. These statements together, present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2013 are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to the financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- d)
  - I) There has not been any significant change in internal control over financial reporting during the year under reference;
  - II) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and
  - III) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Place : New Delhi  
Date : 2nd September, 2013

Sd/-  
**T.K. Laskar**  
AVP (Finance & Accounts)

Sd/-  
**Nandkishore Taori**  
Managing Director

# Management Discussion and Analysis Report

## 1. Industry structure and developments

### **Steel Industry: Current Status:**

As a result of ongoing recovery in the global economic markets, global crude steel production continued to show growth in 2012-13, increasing to 1577 million tonnes (MT). India the world's fourth largest steel maker logged 5.86% growth in production in 2012-13 - the highest among major global producers. India produced 78.12 million tonnes (MT) steel during the fiscal as against 73.39 million tonnes MT in 2011-12. In case of India, steel demand is likely to grow due to monetary easing which is expected to support investment activities. In 2014, growth in steel demand is expected to further accelerate to 7.0% thanks to the reform measures aimed at narrowing the fiscal deficit, coupled with measures to improve the foreign direct investment climate.

The overall steel status is shown in the below table:

<b>Crude Steel Production</b>					
<b>Description</b>	<b>Years</b>				
	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
World (MT)	1341	1236	1432	1536	1547
Asia (MT)	782.9	810.3	916.7	993.6	1012.9
India (MT)	57.8	63.3	69	73.5	76.7
<b>Crude Steel Consumption</b>					
World (MT)	1218.6	1140	1301.1	1395.3	1412.6
Asia (MT)	703.7	768.5	842.4	904.2	920.4
India (MT)	51.4	57.9	64.9	69.8	71.6
<b>Crude Steel Demand</b>					
<b>Description</b>	<b>Years</b>				
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2020</b>
World (MT)	1454	1500	1540	1590	1800
Asia (MT)	957	984	1050	1150	1300
India (MT)	76	94	104	114	200

Sources: World Steel Association, Ministry of Steel

## 2. Opportunities and Threats

### **Opportunities:**

Investments of around \$ 1 Trillion have been proposed in the infrastructure sector in the Twelfth Plan. During the Twelfth Plan (2012-17), an investment of approximately 250,000 Crore is envisaged for an additional capacity creation of 60 million tonnes. From 2008 to 2012, the per capita steel consumption has risen from 43 kgs to 59kgs in India & from 195.1 kgs to 216.9 kgs in the world. India consumed 74 million tonnes in 2012 and poised to consume 200 million tonnes by 2020.

India's automobile industry is expected to grow from Rs 401,500 Lacs (\$73 billion) to Rs 797,500 Lacs (\$145 billion) by 2016. This sector has grown significantly over the last decade, with sales volumes more than tripling, from 4.7 million to 14.9 million units. Total passenger car production in India is expected to increase to 9 million units & two wheeler segment to 30 million by 2020.

### **Threats:**

The higher cost of iron ore and coal constitute a major threat to the sustainability/viability of steel sector. The availability of quality materials is another threat to the Steel Industry. Rise in transportation cost contribute to increase in cost of finished goods and raw material. Continuing decrease in price of steel and sponge iron and reduction in demand due to slump in construction and automobile sectors are major threats to the steel growth. There has been land acquisition issues throughout India and slowed clearances from statutory bodies, have considerably impacted the growth targets and slowed down the new steel capacity expansion as many projects became non starter due to above.

### **3. Segment-wise/product- wise performance**

#### **Direct Reduced Iron/Sponge Iron (DRI):**

The company produces DRI primarily for captive consumption. The total DRI production capacity is currently 120,000 tonnes per annum. During FY 2012-13, total production of DRI was 87,247 Tonnes.

#### **Steel:**

The company primarily produces steel billets used across a wide range of end consumer markets. The company's total steel production capacity is currently 85,000 tonnes per annum (TPA). During FY2012-13, total production of steel was 69677 tonnes. Going forward the company also expects to increase capacity utilizations across its current plants and significantly increase contribution from higher value-added steel products. The Company has been registered under clean development mechanism (CDM) in terms of article 12 of the Kyoto Protocol, with MOEF & UNFCCC.

#### **Power:**

All of the company's power requirements are met through its captive power plant located at the Lamloi, Rajgangpur facility. Power at the Lamloi, Rajgangpur facility is generated through WHRB and AFBC boiler. WHRB produces power using the waste gas from DRI manufacturing process and AFBC uses rejects from the Coal Washery to produce steam for power generation.

The company has generated 821.23 lacs units of power during the year 2012-13 as compared to 885.98 lacs units of power during the year 2011-12.

#### **Expansion:**

The company has received MOEF clearance for expansion of higher quality segment of steel making capacity and power capacity at the existing location. DRI, Coal Washery & Power Plant are in commissioning stage. SMS & Rolling Mill Project will start shortly.

#### **Cold Rolling Mill:**

The Company has established a Cold Rolling Facility, located in Chopanki [Rajasthan], which is equipped with an imported 3-Station Cold Rolling Mill and a Straightening and Cutting Machine. Plant's input is in the shape of round wire rods and output in the form of profile sections. Facility includes in-house Laboratory for complete mechanical and chemical analysis of incoming steel. Operations staff is trained in Korea for operation of the mill. Market segment being catered to is complex Auto Component Industry.

#### **Ferrous Foundry:**

To meet the future market demand of quality Iron Castings, OCL Iron & Steel Limited is setting up a State-of-the Art Casting Manufacturing Unit at Kaharani (Bhiwadi Extension) in the state of Rajasthan. Project is at advance stage of Procurement and execution. Civil construction in 14 acre land at RIICO industrial Area is in progress. The upcoming manufacturing facility will be State-of-the-Art with latest technology and machinery. Technical knowhow will come from Kunkel Wagner Germany, Inducto-Therm India Pvt Limited, Disa India Limited, Suzhou Foundry Machinery, China, Siemens, and other companies of International repute

### **4. Outlook**

Based on a GDP growth rate of 8-9% the 12th National Steel Policy has projected the demand for steel works out to be 113.3 million tonnes by 2016-17. Therefore, it is likely that in the next five years, demand will grow at a considerably higher annual average rate of 9.1-10.3% as compared to around 8.1% growth achieved during the last two decades (1991-92 to 2010-11).

The demand for sponge iron/DRI is continuously increasing both in domestic as well as global market. It is also expected that India will continue to maintain its position as the largest DRI producing nation in the world going forward. Growth in DRI production has been partially driven by its use in EAF as an alternative to scrap which is becoming increasingly scarce.

## 5. Risks and concerns

Ongoing sovereign debt issues in Europe, slower than expected growth in the US and sustained inflationary pressures in Indian and other Asian markets have resulted in a deceleration in steel sales volumes over the past few months. This is primarily due to a slowdown in key end consumer sectors including infrastructure and automotive. Despite this, capacity utilizations remain high in the industry, which have led to a moderation in steel prices. The price of sponge iron is also sensitive to the demand-supply position of steel scrap in the country.

Some of the major challenges for the steel industry in India are limited availability and quality of coking coal as well as significant logistical bottlenecks in infrastructure including roads and port facilities, power and water availability. Steel firms have also historically faced delays in acquiring mineral concessions and in physical possession of land.

Banks & financial institutions have regulated this sector to a risk sector or low priority sector due to mining, land acquisition & statutory issues. Prime Minister of India has constituted Group of Ministers and Inter Ministerial Groups to address the issues in Steel Industry /Power Industry and Infrastructure Growth with associated Projects having acknowledged this problem . They are trying to address issues on priority.

Management does not perceive any major technological, environmental or financial risks for the company in the near future.

## 6. Internal control systems and their adequacy

The company has proper and adequate system of internal controls commensurate with its size and nature of operations to provide assurance that all assets are safeguarded, transactions are authorized, recorded and reported properly, and applicable statutes, the Code of Conduct and corporate policies are duly complied with.

The company has an internal Audit department which conducts audit in various functional areas as per Audit Programme approved by the Audit Committee of Directors. The internal Audit Department reports its findings and observations to the Audit Committee, which meets at regular intervals to review the audit issues and to follow up implementation of corrective actions.

The committee also seeks the views of statutory auditors on the adequacy of the internal control system in the company. The audit committee has majority of independent directors to maintain the objectivity.

## 7. Financial performance with respect to operational performance Steel Manufacturing:

During the year, the company achieved operating and other income of Rs. 34535.77 lacs compared to Rs. 34524.11 lacs in the previous year. FY 2012-13 gross profits before interest, depreciation and taxes stood at Rs. 2574.53 lacs compared to Rs. 4184.55 lacs in previous year.

During FY2012-13, total DRI production at all four kilns was 87,247 MT, compared to 105,840 MT in FY 2011-12. During the year, company produced 69,677 MT of MS billets compared to 81,888 MT in FY 2011-12. The company has taken plant shutdown for 10 days for annual maintenance. The capacity utilization of steel plant was 82% as against 96.3% in the previous year. The comparative low production was due to very low price of billets/sponge iron as well as multiple iron ore mining issues in Odisha affecting supplies & resulting in stock out of iron ore at times.

Description	Years			
	FY 2012-13		FY 2011-12	
DRI	Days of Operation	Production –MT	Days of Operation	Production –MT
Kiln # 1	281	21,594	332	26,515
Kiln # 2	283	21,657	334	26,582
Kiln # 3	280	21,790	331	25,534
Kiln # 4	290	22,206	333	27,209
<b>Total Production:</b>		<b>87,247</b>		<b>105,840</b>

Steel	FY 2012-13		FY 2011-12	
	Days of Operation	Production –MT	Days of Operation	Production –MT
IF # 1 & 2	325 Days (5652 Heats)	69,677	330 Days (6643 Heats)	81,888

## 8. Human Resource and Industrial Relations

The company had 726 employees as on 31<sup>st</sup> March, 2013 which includes contractor, departmental, contractual, trainees & staff executives. Industrial relations remained cordial during the year. The company has started an empowerment programme for a section of employees as major step towards human resource development.

## 9. Statutory Compliance

The company secretary, as compliance officer, ensures compliances of the SEBI regulations and provisions of the listing agreement. Compliance certificates are obtained from various departments of the company and the Board is informed of the same at every Board Meeting.

## 10. Cautionary Statement

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

# Independent Auditor's Report

To  
The Members,  
**OCL Iron and Steel Limited**

## **Report on the Financial Statements**

We have audited the accompanying financial statements of OCL Iron and Steel Limited as at 31st March 2013, which comprises the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## **Management's Responsibility for the financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of Statement of Profit and Loss, of the **profit** for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

## **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") as amended issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 purpose 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 those books;



- c) the Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) in our opinion, the Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956;
- e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

Sd/-  
**(A.C. GUPTA)**

Partner

Membership No. 8565

Firm Regd. No. 008079N

Place : New Delhi  
Dated : 30th May, 2013

**ANNEXURE TO INDEPENDENT AUDITOR'S REPORT REFERRED TO IN POINT 1 OF PARAGRAPH 5 OF OUR REPORT OF EVEN DATE OF OCL IRON AND STEEL LIMITED FOR THE YEAR ENDED 31st March 2013**

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, fixed assets, according to the practice of the Company, have been physically verified by the management at reasonable intervals. In our opinion, the frequency of physical verification of fixed assets is reasonable having regard to the size of the company and nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such physical verification.
- (c) During the year, the company has not disposed off any of the fixed assets and the going concern status of the company is not affected.
- (ii) (a) The inventories has been physically verified during the year by the management. In our opinion, the frequency of physical verification is reasonable.
- (b) The procedure for physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- (c) In our opinion, the company has maintained proper records of inventories. The discrepancies noticed on verification between the physical stocks and the book records were not material & the same have been properly dealt with in the books of account.
- (iii) The Company, during the year under report, has granted secured loan to one of its subsidiary covered in the register maintained under Section 301 of the Companies Act, 1956.
  - a) The balance at the end of the year & the maximum amount involved during the year was Rs. 6805.00 lacs.
  - b) In our opinion & according to the information & explanations given to us, the rate of interest, where-ever applicable & other terms & conditions are not prima-facie prejudicial to the interest of the company.
  - c) In respect of the loan granted to its subsidiaries, the loan is interest free & being repayable on demand are not overdue.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventories, consumable stores, fixed assets and with regard to sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangement referred to in section 301 of the act has been

entered in the register required to be maintained under section 301 of the Companies Act, 1956.

- (b) In our opinion and according to the information & explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies act, 1956 & exceeding the value of Rs. 5.00 lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) The company has not accepted public deposits within the meaning and provisions of sec 58A and 58AA of the companies Act, 1956.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) The Central government has prescribed maintenance of cost accounting records under section 209 (1) (d) of the Companies Act, 1956. However, we are neither required to carry out nor have carried out any detailed examination of such accounts & records.
- (ix) (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it.
- (b) The disputed statutory dues aggregating to Rs1000.65 lacs, which have not been deposited on account of matters pending before appropriate authorities are as under:

S.No	Name of the Statute	Nature of Dues	Period to which it relates	Forum where dispute is pending	Amount (in Lacs)
1.	Central Sales Tax	CST	2002-03	Orissa Sales Tax Tribunal	1.00
2.	Central Sales Tax	CST	2004-05	Orissa Sales Tax Tribunal	79.33
3.	Orissa VAT	VAT	2005-06	Addl. Commisioner of Sales Tax, Orissa, Cuttack	117.89
4.	Orissa VAT	VAT	2006-07	Addl. Commisioner of Sales Tax, Orissa, Cuttack	36.17
5.	Central Sales Tax	CST	2006-07	Commisioner of Sales Tax, Orissa, Cuttack	8.98
6.	Orissa Entry tax	State Entry tax	2002-03	Orissa Sales Tax Tribunal	0.08
7.	Orissa Entry tax	State Entry tax	2006-07	Addl. Commisioner of Sales Tax, Orissa, Cuttack	3.05
8.	Orissa Entry Tax	State Entry Tax	2007-08	Commisioner of Sales Tax, Orissa, Cuttack	23.55
9.	Central service tax	Service Tax	2008-10	Commissioner, Commissionerate Office, Bhubaneswar	275.73
13.	Central Service Tax	Service Tax	2006-07 To 2011-12	Addl. Commissioner, (Adjn.) Commissionerate Office, Bhubaneswar	30.00
14.	Central Excise Tax	Cenvat	2005-06	Asst. Commissioner, Division Office	1.59
15.	Central Sales Tax	Cst	2010-11	Dy.commissioner Of Sales Tax	209.84
16.	Cst/Oet	Cst/Oet	2005-06	Sto	4.24
17.	Orissa Vat	Vat	2007-08	Commissioner Of Sales Tax, Orissa	6.57

18.	Orissa Vat	Vat	2009-10	Addl. Commissioner Of Sales Tax, Orissa Cuttack	25.01
19.	Central Sales Tax	Cst	2011-12	Addl. Commissioner Of Sales Tax, Orissa Cuttack	139.91
20.	Central Sales Tax	Cst	2007-10	Commissioner Of Sales Tax, Orissa Cuttack	33.64
21.	Orissa Entry Tax	State Entry Tax		Commissioner Of Sales Tax, Orissa Cuttack	4.07
			<b>Total</b>		<b>1000.65</b>

- (x) The company has not any accumulated losses at the end of the financial year 31<sup>st</sup> March, 2013. And it has not incurred any cash losses in current financial year and immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to banks, financial institutions or debenture holders.
- (xii) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause of 4(xiii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the company.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditors' Report) Order, 2003 (as amended) are not applicable to the company.
- (xv) The company has not given guarantees for credit facilities taken by others from Banks or Financial Institutions, the terms and conditions thereof are not prejudicial to the interest of the company.
- (xvi) According to the information and explanation given to us, in our opinion, term loan availed by the company were, prima facie, applied by the company during the year under report for the purpose for which the term loans were obtained, other than temporary deployment pending applications.
- (xvii) According to the information and explanation given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short term basis have been used for long term investment and no long term funds have been used to finance short term assets except permanent working capital.
- (xviii) During the year, the company has not made any Preferential allotment of shares to the parties and companies covered in the register maintained under section 301 of the Act.
- (xix) The company has not issued any debentures during the year and therefore the question of creating security / charge does not arise.
- (xx) According to information and explanation given to us and the records of the company examined by us, the Company has not raised any money by public issue during the year.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

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

Sd/-  
**(A.C. GUPTA)**

Partner

Membership No. 8565  
Firm Regd. No. 008079N

Place : New Delhi  
Dated : 30th May, 2013

## Balance Sheet as on 31st March, 2013

Rs. In Lacs

Particulars	Note No	As At 31.3.2013	As At 31.3.2012
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
Share Capital	2	6,641.93	6,641.93
Reserves and Surplus	3	56,769.44	56,474.92
<b>Non-Current Liabilities</b>			
Long-term borrowings	4	146,985.51	140,970.55
Deferred tax liabilities (Net)	5	1,756.90	1,789.63
Long term provisions	6	113.93	69.96
<b>Current Liabilities</b>			
Short-term borrowings	7	3,227.84	4,332.09
Trade payables	8	2,062.15	3,063.14
Other current liabilities	9	12,695.43	35,572.60
Short-term provisions	10	185.08	192.99
<b>Total</b>		<b>230,438.21</b>	<b>249,107.81</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	11		
Tangible assets		13,917.78	14,505.95
Capital work-in-progress		66,564.26	20,497.22
		<b>80,482.04</b>	<b>35,003.17</b>
Non-current investments	12	19,855.00	19,855.00
Long term loans and advances	13	104,152.45	61,850.02
<b>Current assets</b>			
Inventories	14	7,388.11	5,003.36
Trade receivables	15	2,331.37	1,586.44
Cash and cash equivalents	16	8,966.77	78,426.92
Short-term loans and advances	17	7,201.85	46,358.86
Other current assets	18	60.62	1,024.04
<b>Total</b>		<b>230,438.21</b>	<b>249,107.81</b>

**Significant Accounting Policies & notes 1 to 32 form part of Financial statements.**

As per our report of even date attached.

**For and on behalf of the Board**

**For A.C GUPTA & ASSOCIATES**

Chartered Accountants.

Sd/-  
**A.C Gupta**  
Partner  
Membership No.: 8565  
Firm Regd. No. 008079N

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

Sd/-  
**Yogesh Kapur**  
Director

Sd/-  
**T.K. Laskar**  
AVP (Finance & Accounts)

Sd/-  
**Jyoti Mishra**  
Company Secretary

PLACE : New Delhi  
DATE : 30th May, 2013

## Profit and Loss Statement for the year ended 31st March, 2013

Rs. In Lacs

Particulars	Note No	For the Year Ended 31.3.2013	For the Year Ended 31.3.2012
Revenue from operations	19	32,565.88	31,304.81
Other Income	20	1,969.89	3,219.30
<b>Total Revenue</b>		<b>34,535.77</b>	<b>34,524.11</b>
<b>Expenses:</b>			
Cost of materials consumed	21	29,424.57	26,031.41
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	22	(1,955.22)	155.24
Employee benefit expense	23	1,021.24	886.72
Finance costs	24	835.61	934.76
Depreciation and amortization expense	25	1,058.66	944.10
Other expenses	26	3,470.65	3,266.19
<b>Total Expenses</b>		<b>33,855.51</b>	<b>32,218.42</b>
<b>Profit before tax</b>		<b>680.26</b>	<b>2,305.69</b>
<b>Tax expense:</b>		<b>262.53</b>	<b>566.68</b>
<b>Profit (Loss) from the period from continuing operations</b>		<b>417.73</b>	<b>1,739.01</b>
<b>Earning per equity share: (Rs. per Share)</b>			
(1) Basic	30	0.22	1.20
(2) Diluted	30	0.22	1.20

**Significant Accounting Policies & notes 1 to 32 form part of Financial statements.**

As per our report of even date attached.

**For A.C GUPTA & ASSOCIATES**

Chartered Accountants.

**For and on behalf of the Board**

Sd/-

**A.C Gupta**

Partner

Membership No.: 8565

Firm Regd. No. 008079N

PLACE : New Delhi

DATE : 30th May, 2013

Sd/-

**N.K. Taori**

Managing Director

Sd/-

**T.K. Laskar**

AVP (Finance & Accounts)

Sd/-

**Yogesh Kapur**

Director

Sd/-

**Jyoti Mishra**

Company Secretary

## Cash Flow Statement for the year ended 31.03.2013

Rs. In Lacs

	For the year Ended 31.03.2013	For the year Ended 31.03.2012
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before Taxes	680.26	2,305.69
Adjustment for :		
Depreciation	1,058.66	944.10
Interest expense	835.61	934.76
<b>Operating Profit before Working Capital Changes</b>	<b>2,574.53</b>	<b>4,184.55</b>
<b>Adjustment for Working Capital changes</b>		
Inventories	(2,384.75)	(2,185.51)
Trade & Other receivables	(744.93)	(257.63)
Other Current assets	963.42	(898.15)
Loans & Advances	39,079.99	(43,159.15)
Current liabilities and provisions	(24,946.34)	37,124.19
<b>Net Cash from Working Capital changes</b>	<b>11,967.39</b>	<b>(9,376.25)</b>
<b>Cash flow from Operating Activities</b>	14,541.92	(5,191.70)
Income Tax (Paid) / refund (incl TDS)	(242.54)	(433.43)
<b>Net Cash flow from Operating Activities</b>	<b>14,299.38</b>	<b>(5,625.13)</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of fixed assets	(470.49)	(4,792.10)
Adjustment to capital work in progress and capital advance purchase of Investment	(88,345.18)	(54,517.74)
	-	(19,855.00)
<b>Net Cash from Investing Activities</b>	<b>(88,815.67)</b>	<b>(79,164.84)</b>
<b>C. Cash flow from financing activities</b>		
Secured loans	6,014.96	110,118.00
Interest Expense	(835.61)	(934.76)
Preference Dividend and Dividend Tax	(123.21)	(81.60)
<b>Net cash flow from financing activities</b>	<b>5,056.14</b>	<b>109,101.64</b>
<b>Net decrease in cash or cash equivalents</b>	<b>(69,460.15)</b>	<b>24,311.67</b>
<b>Opening Cash and cash equivalents</b>	78,426.92	54,115.25
<b>Closing Cash and cash equivalents</b>	<b>8,966.77</b>	<b>78,426.92</b>

As per our report of even date attached.

**For A.C GUPTA & ASSOCIATES**

Chartered Accountants.

**For and on behalf of the Board**

Sd/-  
**A.C Gupta**  
Partner  
Membership No.: 8565  
Firm Regd. No. 008079N

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

Sd/-  
**Yogesh Kapur**  
Director

Sd/-  
**T.K. Laskar**  
AVP (Finance & Accounts)

Sd/-  
**Jyoti Mishra**  
Company Secretary

PLACE : New Delhi  
DATE : 30th May, 2013

## Significant Accounting Policies

### 1. Basis of Accounting

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

### 2. Use of Estimates

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

### 3. Fixed Assets

- (a) Fixed Assets are stated at cost (net of cenvat) less accumulated depreciation and impairment loss, if any. The cost of assets comprise of purchase price and directly attributable cost of bringing the assets to working condition for its intended use including borrowing cost and incidental expenditure during construction incurred up to the date of commissioning.
- (b) Capital work in Progress  
Capital work in progress includes cost of assets at sites, construction expenditure, interest on the funds deployed and foreign currency exchange fluctuation.

### 4. Depreciation/Amortization

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

### 5. Inventories

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

### 6. Revenue Recognition and Accounting for Sales

- (a) Revenue from sales is recognized at the point of dispatch to the customers when risk and reward stands transferred to the customers. Sales are net of trade discount, sales tax and excise duty.
- (b) Interest income is recognized on time proportion basis

### 7. Treatment of Employees Benefits

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

### 8. Research and Development

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

### 9. Foreign Currency Transactions

- (a) Foreign Currency transactions are recorded at the exchange rate prevailing on the date of transaction/realization. Current assets/liabilities are restated at rates prevailing at the year end and resultant exchange difference is recognized in the profit and loss account.
- (b) Non Monetary items denominated in the foreign currency, (such as fixed assets) are valued at the exchange rate prevailing on the date of transaction.

- (c) Any gains or losses arising due to exchange differences arising on transaction or settlement are accounted for in the Profit and Loss Account.
- (e) In the case of forward exchange contracts, the premium or discount arising at the inception of such contracts, is amortized as income or expense over the life of the contract as well as exchange difference on such contracts, i.e. difference between the exchange rate at the reporting/settlement date and the exchange rate on the date of inception/last reporting date, is recognized as income/expense for the period.

#### **10. Tax on Income**

- a) Provision for taxation is made on the basis of the taxable profits computed for the current accounting period in accordance with Income Tax Act, 1961.
- b) Provision is made for deferred tax for all timing differences arising between taxable income and accounting income at currently enacted or substantially enacted tax rates. Deferred tax assets are recognized, only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date.

#### **11. Provisions, contingent Liabilities and Contingent assets**

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

#### **12. Impairment of Assets**

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



## Notes on Financial Statements for the Year ended 31st March, 2013

The previous year figures have been regrouped/reclassified, wherever necessary to conform to the current year presentation.

### Note : 2 Share Capital

Rs. In Lacs

Sr. No	Particulars	As At 31.3.2013	As At 31.3.2012
1	<b>AUTHORIZED CAPITAL</b>		
	34,00,00,000 (Prev. Year 34,00,00,000) Equity Shares of Re.1/- each	3,400.00	3,400.00
	7,00,00,000 (7,00,00,000) Preference Shares of Rs.10/- each	7,000.00	7,000.00
		<b>10,400.00</b>	<b>10,400.00</b>
2	<b>ISSUED, SUBSCRIBED &amp; PAID UP CAPITAL</b>		
	13,41,43,160 (Prev. Year 13,41,43,160) Equity Shares of Re.1/- each, fully paid up . Of the above, 13,36,43,160 Shares of Re.1/- each were issued to the Shareholders of OCL India Ltd during the year 2007-08 in terms of a scheme of arrangement	1,341.43	1,341.43
	5,30,05,000 (Prev. Year 5,30,05,000) 2% Non Cumulative Redemable preference shares of Rs.10/-each fully paid	5,300.50	5,300.50
	<b>Total</b>	<b>6,641.93</b>	<b>6,641.93</b>

#### Terms of redemption of preference shares

Preference Shares will not be redeemed before 10 years & not later than 12 years from the date of allotment i.e. August 2010 at such premium as may be decided by the board of directors in accordance with the provisions of Companies Act, 1956 or any re-enactment thereof.

### 2A RECONCILIATION OF SHARES

NO. OF SHARES (In Lacs)

S. No.	Particulars	As At 31.3.2013		As At 31.3.2012	
		No. of Share	Amount	No. of Share	Amount
a)	<b>EQUITY SHARES</b>				
	Shares outstanding at beginning of year	1,341.43	1,341.43	1,341.43	1,341.43
	Shares Issued during the year	-	-	-	-
	Shares bought back during the year	-	-	-	-
	<b>Shares outstanding at the end of the year</b>	<b>1,341.43</b>	<b>1,341.43</b>	<b>1,341.43</b>	<b>1,341.43</b>
b)	<b>PREFERENCE SHARES</b>				
	Shares outstanding at the beginning of the year	530.05	5,300.50	530.05	5,300.50
	Shares Issued during the year	-	-	-	-
	Shares bought back during the year	-	-	-	-
	<b>Shares outstanding at the end of the year</b>	<b>530.05</b>	<b>5,300.50</b>	<b>530.05</b>	<b>5,300.50</b>

**2B** 133,643,160 shares of Re. 1/- each allotted on 31.03.2008 for consideration other than cash Pursuant to the Scheme of Demerger

### 2C Name of Shareholders holding more than 5% of share capital

	As At 31.3.2013		As At 31.3.2012	
	No. of Shares held (In Lacs)	%	No. of Shares held (In Lacs)	%
<b>1 Equity Share</b>				
Garima Buildprop Pvt Ltd	1,006.07	75%	1,006.07	75%
<b>2 Preference Shares</b>				
Brassco Estate Pvt. Ltd.	530.05	100%	530.05	100%

**Note : 3 Reserve & Surplus**

Rs. In Lacs

<b>Sr. No</b>	<b>Particulars</b>	<b>As At 31.3.2013</b>	<b>As At 31.3.2012</b>
<b>1</b>	<b>Capital Reserve</b>		
	Opening Balance	4,817.29	4,817.29
	Add: Addition during the year	-	-
	Less: Written back during current year	-	-
	<b>Closing balance</b>	<b>4,817.29</b>	<b>4,817.29</b>
<b>2</b>	<b>Preference Shares Redemption Reserve</b>		
	Opening Balance	1,060.10	530.05
	Add: Addition during the year	530.05	530.05
	Less: Written back during current year	-	-
	<b>Closing balance</b>	<b>1,590.15</b>	<b>1,060.10</b>
<b>3</b>	<b>Securities Premium Reserve</b>		
	Opening Balance	47,704.50	47,704.50
	Add: Addition during the year	-	-
	Less: Written back during current year	-	-
	<b>Closing balance</b>	<b>47,704.50</b>	<b>47,704.50</b>
<b>4</b>	<b>Debenture Redemption Reserve</b>		
	Opening Balance	656.26	546.88
	Add: Addition during the year	109.38	109.38
	Less: Written back during current year	-	-
	<b>Closing balance</b>	<b>765.64</b>	<b>656.26</b>
<b>5</b>	<b>Surplus (Profit &amp; Loss Account)</b>		
	Opening Balance	2,236.77	1,260.40
	Add: Profit for the year	417.73	1,739.01
	<b>Less: Appropriations</b>		
	Transferred to Debenture Redemption Reserve	109.38	109.38
	Transferred to Preference Share Redemption Reserve	530.05	530.05
	Dividend on Preference Share	106.01	106.01
	Tax on Dividend on Preference Share	17.20	17.20
	<b>Closing balance</b>	<b>1,891.86</b>	<b>2,236.77</b>
	<b>Total</b>	<b>56,769.44</b>	<b>56,474.92</b>

**Note : 4 Long Term Borrowings****A) Secured loan**

Rs. In Lacs

<b>Sr. No</b>	<b>Particulars</b>	<b>As At 31.3.2013</b>	<b>As At 31.3.2012</b>
<b>1</b>	<b>Bonds / Debentures</b>		
	9.20% Secured Redeemable Non-Convertible Debentures (Redeemable during 2014-15 to 2016-17)	3,500.00	3,500.00
<b>2</b>	<b>Term Loan</b>		
	- From Bank	105,413.00	101,661.00
<b>3</b>	<b>Foreign Currency Loans</b>		
	- External Commercial Borrowing	38,072.51	35,809.55
	<b>Total</b>	<b>146,985.51</b>	<b>140,970.55</b>

**Note:**

Rupee term debt of Rs. 55,161 Lacs and NCDs of Rs 3,500 Lacs are secured by way of equitable mortgage on all immovable properties situated at Vill. Lamloi, P.O Garvana, Rajgangpur, Distt Sundergarh, Orissa ranking pari-passu inter-se save and except the prior charge in favour of banks over entire current assets to secure working capital facilities.

Rupee term Loan of Rs. 40,000 Lacs is secured by way of subservient charge on movable fixed assets of the project situated at Vill Lamloi, P.O Garvana, Rajgangpur, Distt Sundergarh, Orissa.

External Commercial Borrowing/INR term loan of Rs. 38,072.51 Lacs and Rs 13,500 Lacs respectively, are secured by way of first ranking and exclusive security over all fixed assets of the project situated at Plot No-A-285 Chopanki Industrial Area, Chopanki, Distt-Alwar, Rajasthan and Plot No-SP-256 Industrial Area Kehrani, Distt-Alwar, Rajasthan.

**Repayment Schedule**

<b>2014-15</b>	<b>15259.32</b>
<b>2015-16</b>	<b>30,393.40</b>
<b>2016-17</b>	<b>42,058.15</b>
<b>2017-18</b>	<b>38,925.82</b>
<b>2018-19</b>	<b>8,756.45</b>
<b>2019-20</b>	<b>8,917.37</b>
<b>2020-21</b>	<b>2,675.00</b>
	<b>146,985.51</b>

**Note :** There is no default in repayment of loans and payment of interest as on Balance sheet date.

**Note : 5 Deferred Tax Liabilities (Net)**

Rs. In Lacs

<b>Sr. No</b>	<b>Particulars</b>	<b>As At 31.3.2013</b>	<b>As At 31.3.2012</b>
	Liabilities		
	- Depreciation	1,774.95	1,800.82
	Assets		
	- Others (i.e allowed on payment basis)	(18.05)	(11.19)
	<b>Net Liability / (Assets)</b>	<b>1,756.90</b>	<b>1,789.63</b>

**Note : 6 Long Term Provisions**

Rs. In Lacs

<b>Sr. No</b>	<b>Particulars</b>	<b>As At 31.3.2013</b>	<b>As At 31.3.2012</b>
	Provision from Employee Benefit		
	a) Gratuity	56.08	34.37
	b) Leave Encashment	57.85	35.59
	<b>Total</b>	<b>113.93</b>	<b>69.96</b>

**Note : 7 Short Term Borrowings Secured**

Rs. In Lacs

<b>Sr. No</b>	<b>Particulars</b>	<b>As At 31.3.2013</b>	<b>As At 31.3.2012</b>
1	Deposits / retention money	489.04	399.14
2	Loans - From Bank & Other Financial Institutions	2,738.80	3,932.95
	<b>Total</b>	<b>3,227.84</b>	<b>4,332.09</b>

**Note:** Working capital facilities are secured by hypothecation of raw material, semi-finished goods, stock-in-process, consumable stores and book debts of the Company.

**Note : 8 Trade Payable**

Rs. In Lacs

<b>Sr. No</b>	<b>Particulars</b>	<b>As At 31.3.2013</b>	<b>As At 31.3.2012</b>
1	Trade Payable	955.41	2,256.63
2	Advance From Customers	1,106.74	806.51
	<b>Total</b>	<b>2,062.15</b>	<b>3,063.14</b>

**Note : 9 Other Current Liabilities**

Rs. In Lacs

<b>Sr. No</b>	<b>Particulars</b>	<b>As At 31.3.2013</b>	<b>As At 31.3.2012</b>
a)	Current maturities of long-term debt	3,248.00	-
b)	Interest accrued but not due on borrowings	594.84	79.40
c)	TDS and other Taxes payable	501.65	194.73
d)	Unclaimed Bonus	4.74	4.12
e)	Personel Expenses Payable	99.53	85.46
f)	Other expense payable	124.53	126.59
g)	Other Liabilities*	8,122.14	35,082.30
	<b>Total</b>	<b>12,695.43</b>	<b>35,572.60</b>

\* Includes Creditors for Capital Goods, Temporary Overdraft, Other Short Term Liabilities.

**Note : 10 Short Term Provisions**

Rs. In Lacs

<b>Sr. No</b>	<b>Particulars</b>	<b>As At 31.3.2013</b>	<b>As At 31.3.2012</b>
1	Provision for bonus	61.87	69.78
2	Dividend on preference shares	106.01	106.01
3	Tax on Dividend on preference shares	17.20	17.20
	<b>Total</b>	<b>185.08</b>	<b>192.99</b>

**Note : 11 Fixed Assets**

Rs. in Lacs

Sr. No.	Particulars	Gross Block				Depreciation				Net Block	
		Value as on 31.03.12	Additions during the year	Deductions during the year	Value as on 31.03.13	Value as on 31.03.12	For the year	Written back	Value as on 31.03.13	WDV as on 31.03.13	WDV as on 31.03.12
<b>A)</b>	<b>Tangible Assets</b>										
1.	Land	1,082.39	133.24	-	1,215.63	-	-	-	-	1,215.63	1,082.39
2.	Building	4,047.09	127.40	-	4,174.49	392.29	231.40	-	623.69	3,550.80	3,654.80
3.	Plant and Equipment	13,736.81	152.75	-	13,889.56	4,046.64	812.64	-	4,859.28	9,030.28	9,690.17
4.	Furnitures & Fixtures	112.09	23.36	-	135.45	40.74	11.41	-	52.15	83.30	71.35
5.	Vehicles	35.01	33.74	-	68.75	27.77	3.21	-	30.98	37.77	7.24
	<b>TOTAL (A) Current Year</b>	<b>19,013.39</b>	<b>470.49</b>	<b>-</b>	<b>19,483.88</b>	<b>4,507.44</b>	<b>1,058.66</b>	<b>-</b>	<b>5,566.10</b>	<b>13,917.78</b>	<b>14,505.95</b>
	<b>Previous Year</b>	<b>14,221.29</b>	<b>4,792.10</b>	<b>-</b>	<b>19,013.39</b>	<b>3,563.34</b>	<b>944.10</b>	<b>-</b>	<b>4,507.44</b>	<b>14,505.95</b>	<b>-</b>
<b>B)</b>	<b>Capital Work-in-progress</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>66,564.26</b>	<b>20,497.22</b>

**Note : 12 Non-current Investments**

Rs. In Lacs

Sr. No	Particulars	As At 31.3.2013	As At 31.3.2012
1	<b>Investment in Equity Instrument Unquoted Long Term Trade (At Cost) Domestic Subsidiaries</b>		
	1,98,50,000 (1,98,50,000) of Oriental Iron casting Ltd. of Rs. 10 each 99.75% (99.75%) of Equity Shares held	19,850.00	19,850.00
	50,000 (50,000) of Aron Auto Ltd. of Rs. 10 each 100%(100) of Equity Shares held	5.00	5.00
	<b>Total</b>	<b>19,855.00</b>	<b>19,855.00</b>

**Note : 13 Long Term Loans and Advances**

Rs. In Lacs

Sr. No	Particulars	As At 31.3.2013	As At 31.3.2012
1	<b>Loan &amp; Advances*</b>	104,076.92	61,798.78
2	<b>Security Deposit</b>	75.53	51.24
	<b>Total</b>	<b>104,152.45</b>	<b>61,850.02</b>

Note: No loan is given to any directors or other officers of the company.

\* Includes subscription money of Rs. 383.71 lacs towards shares in Joint Venture Radhikapur (west) Coal Mining Pvt. Ltd.

**Note : 14 Inventories**

Rs. In Lacs

Sr. No	Particulars	As At 31.3.2013	As At 31.3.2012
1	Raw Material*	3,492.04	3,111.51
2	Work-in-Progress	427.65	334.78
3	Finished Goods	2,712.49	850.13
4	Stores & Spares	755.93	706.94
	<b>Total</b>	<b>7,388.11</b>	<b>5,003.36</b>

Refer Point No. 5 of Significant Accounting Policies for mode of valuation of inventories.

\*Raw Material Stock includes stock of Sized Iron Ore, Coal, Iron Lumps, Steel Coil etc.

**Note : 15 Trade Receivables**

Rs. In Lacs

Sr. No	Particulars	As At 31.3.2013	As At 31.3.2012
1	<b>Outstanding for more than six months</b>		
	a) Unsecured, Considered Good :	457.61	530.93
	b) Doubtful	52.53	52.53
	Less: Provision for Bad and Doubtful Debts	(52.53)	(52.53)
2	<b>Others less than six months</b>		
	a) Unsecured, Considered Good :	1,873.76	1,055.51
	<b>Total</b>	<b>2,331.37</b>	<b>1,586.44</b>

**Note : 16 Cash & Cash Equivalents**

Rs. In Lacs

<b>Sr. No</b>	<b>Particulars</b>	<b>As At 31.3.2013</b>	<b>As At 31.3.2012</b>
1	Cash-on-Hand	1.27	1.73
2	Cheque-on-Hand	321.70	54.25
3	<b>Fixed Deposits</b>		
	a) against LC Margin	56.97	52.33
	b) Maturing within Twelve Months	6,166.50	75,593.25
4.	<b>Bank Balance</b>		
	Current Account	2,420.33	2,725.36
	<b>Total</b>	<b>8,966.77</b>	<b>78,426.92</b>

**Note : 17 Short Terms Loans and Advances**

Rs. In Lacs

<b>Sr. No</b>	<b>Particulars</b>	<b>As At 31.3.2013</b>	<b>As At 31.3.2012</b>
1	a) Loans & Advances*	7006.46	46,133.87
	b) Doubtful	12.61	12.61
	Less: Provision for doubtful debts	(12.61)	(12.61)
2	Income Tax Payments (Net of Provisions)	147.53	17.96
3	MAT Credit Entitlement	47.86	207.03
	<b>Total</b>	<b>7,201.85</b>	<b>46,358.86</b>

\*The company has reimbursed all the amount to OCL India Limited for onward submission on account of cross subsidy and wheeling charges payable by the latter to WESCO .The matter is disputed by OCL in the court and under an arrangement between the two companies OCL India Limited will refund the amount in case of recovery of the amount on favorable judgement. As reported to us the company, on the basis of the legal advice obtained by them, is reasonably sure of the recovery of the amount and as such the amount has been booked under the head short terms loans and advances instead of booking it as an expense.

**Note : 18 Other Current Assets**

Rs. In Lacs

<b>Sr. No</b>	<b>Particulars</b>	<b>As At 31.3.2013</b>	<b>As At 31.3.2012</b>
1	Interest accrued on deposits	60.62	1,024.04
	<b>Total</b>	<b>60.62</b>	<b>1,024.04</b>

**Note : 19 Revenue From Operation**

Rs. In Lacs

Sr. No	Particulars	For the Year Ended 31.3.2013	For the Year Ended 31.3.2012
i)	Sales of Products		
	a) Sponge Iron	2,793.61	6,370.77
	b) Steel	24,644.94	27,905.79
	c) Other Steel Components	6,777.78	-
ii)	Other Operating Revenues	1,194.07	268.84
	Less:		
iii)	Excise Duty	2,844.52	3,240.59
	<b>Total</b>	<b>32,565.88</b>	<b>31,304.81</b>

**Note : 20 Other Income**

Rs. In Lacs

Sr. No	Particulars	For the Year Ended 31.3.2013	For the Year Ended 31.3.2012
i)	Interest Income including TDS-194.07 lacs (Previous Year TDS-337.71 lacs)	1,968.42	3,193.20
ii)	Net Gain on Foreign currency transaction	0.41	-
iii)	Other Income	1.06	-
iv)	Excess Provisions written Back	-	26.10
	<b>Total</b>	<b>1,969.89</b>	<b>3,219.30</b>

**Note : 21 Cost of Material consumed**

Rs. In Lacs

Sr. No	PARTICULARS	For the Year Ended 31.3.2013	For the Year Ended 31.3.2012
i)	Opening Stock of Raw material	3,111.51	1,004.74
ii)	Add: Purchase of Raw material	29,805.10	28,138.18
iii)	Less: Closing Stock of Raw material	3,492.04	3,111.51
	<b>Total</b>	<b>29,424.57</b>	<b>26,031.41</b>

**Note : 21.1 Imported and Indigenous Raw materials**

Rs. In Lacs

Sr. No	Particulars	For the Year Ended 31.3.2013		For the Year Ended 31.3.2012	
		%	Amount	%	Amount
i)	Imported	Nil	Nil	Nil	Nil
ii)	Indigenous	100	29424.57	100	26,031.41



**Note : 22 Change in Inventories**

Rs. In Lacs

<b>Sr. No</b>	<b>Particulars</b>	<b>For the Year Ended 31.3.2013</b>	<b>For the Year Ended 31.3.2012</b>
i)	Opening WIP	334.78	17.35
ii)	Less: Closing WIP	427.64	334.78
	<b>Total (A)</b>	<b>(92.86)</b>	<b>(317.43)</b>
iii)	Opening Finished Goods	850.13	1,322.80
iv)	Less: Closing Finished Goods	2,712.49	850.13
	<b>Total (B)</b>	<b>(1,862.36)</b>	<b>472.67</b>
	<b>TOTAL (A+B)</b>	<b>(1,955.22)</b>	<b>155.24</b>

**Note : 23 Employee Benefits Expense**

Rs. In Lacs

<b>Sr. No</b>	<b>Particulars</b>	<b>For the Year Ended 31.3.2013</b>	<b>For the Year Ended 31.3.2012</b>
i)	Salaries and Wages	780.37	710.14
ii)	Contribution to provident fund & other funds	157.51	120.14
iii)	Staff Welfare Expenses	83.36	56.44
	<b>Total</b>	<b>1,021.24</b>	<b>886.72</b>

**Note : 24 Finance Cost**

Rs. In Lacs

<b>Sr. No</b>	<b>Particulars</b>	<b>For the Year Ended 31.3.2013</b>	<b>For the Year Ended 31.3.2012</b>
	Interest Expense	835.61	934.76
	<b>Total</b>	<b>835.61</b>	<b>934.76</b>

**Note : 25 Depreciation & Amortization Expense**

Rs. In Lacs

<b>Sr. No</b>	<b>Particulars</b>	<b>For the Year Ended 31.3.2013</b>	<b>For the Year Ended 31.3.2012</b>
	Depreciation on Tangible Assets	1,058.66	944.10
	<b>Total</b>	<b>1,058.66</b>	<b>944.10</b>

**Note : 26 Other Expenses**

Rs. In Lacs

<b>Sr. No</b>	<b>Particulars</b>	<b>For the Year Ended 31.3.2013</b>	<b>For the Year Ended 31.3.2012</b>
i)	Consumption of Stores and Spares Parts	1,175.86	1,172.17
ii)	Power and Fuel	24.69	8.70
iii)	Repairs to Buildings	34.35	47.07
iv)	Repairs to Machinery	92.89	53.18
v)	Repairs to Others	7.04	1.80
vi)	Insurance	49.84	34.67
vii)	Rates and Taxes, Excluding, Taxes on Income	306.19	443.63
viii)	Payments to Contractors for Services	533.72	459.21
ix)	Payments to Outside Agencies	87.25	135.44
x)	Rent	23.66	33.68
xi)	Excise Duty on Stock and Others	204.87	(30.01)
xii)	Freight, Transportation and Handling	41.00	23.14
xiii)	Commission to Selling Agents	118.62	107.85
xiv)	Packing & other Selling Expenses	22.17	-
xv)	Charity & Donations	9.66	13.38
xvi)	Travelling & Conveyance	136.49	111.50
xvii)	Director's Sitting Fee	0.80	1.70
xviii)	Periphery Development	19.54	45.92
xix)	Transport Expenses	374.96	429.80
xx)	Advertisement and Publicity	9.30	8.24
xxi)	Legal and Professional Expenses	43.84	56.08
xxii)	Bank Charges	50.17	39.33
xxiii)	Auditors Remuneration	13.70	6.00
xxiv)	Royalty Expenses	16.83	-
xxv)	Recruitment and Training	3.35	2.41
xxvi)	Telephone, Communication & Postage Expenses	26.26	20.30
xxvii)	Business Promotion Expenses	9.87	9.14
xxviii)	Printing & Stationery	16.50	14.42
xxix)	Books & Periodicals	0.53	0.34
xxx)	Membership & Subscription Expenses	5.79	2.32
xxxi)	Miscellaneous Expenses	10.91	14.78
	<b>Total</b>	<b>3,470.65</b>	<b>3,266.19</b>

**Note : 26.1 Auditors Payments**

Rs. In Lacs

<b>Sr. No</b>	<b>Particulars</b>	<b>For the Year Ended 31.3.2013</b>	<b>For the Year Ended 31.3.2012</b>
i)	As Auditor	3.30	3.00
ii)	For taxation Matters	1.00	1.00
iii)	For management Services	8.77	1.58
iv)	For reimbursement of Expenses	0.63	0.42
	<b>Total</b>	<b>13.70</b>	<b>6.00</b>

**Note : 26.2 Imported and Indigenous Spare Parts**

Rs. In Lacs

Sr. No	Particulars	For the Year Ended 31.3.2013		For the Year Ended 31.3.2012	
		%	Amount	%	Amount
i)	Imported	0.08	9.47	1.14	13.31
ii)	Indigenous	99.92	1166.39	98.86	1158.86

**Note : 27 Contingent Liabilities not provided for in respect of**

Rs. In Lacs

Sr. No	Particulars	For the Year Ended 31.3.2013		For the Year Ended 31.3.2012	
i)	Disputed Sales tax / VAT / Entry Tax demand (including interest & penalty)		693.33		693.33
ii)	Disputed Excise Demand		307.32		307.32
iii)	Bank Guarantees issued by bank on company's behalf		72.17		47.17
iv)	Letter of credit issued on behalf of company (outstanding amount)		313.00		6.39
	<b>Total</b>		<b>1385.82</b>		<b>1,054.21</b>

**Note : 27.1**

Rs. In Lacs

Particulars	For the Year Ended 31.3.2013	For the Year Ended 31.3.2012
Estimated amount of contracts remaining to be Executed on capital amount ( Net of advances)	16,930.23	26,515.69
	<b>16,930.23</b>	<b>26,515.69</b>

**Note : 28 Value of Imports calculated on C.I.F basis**

Rs. In Lacs

Sr. No	Particulars	For the Year Ended 31.3.2013	For the Year Ended 31.3.2012
i)	Raw material	NIL	NIL
ii)	Components and spare parts	12.22	13.31
iii)	Capital goods	81.98	77.43
	<b>Total</b>	<b>94.20</b>	<b>90.74</b>

**Note : 28.1 Expenditure in Foreign currency**

Rs. In Lacs

Sr. No	Particulars	For the Year Ended 31.3.2013	For the Year Ended 31.3.2012
i)	Professional, Consultant Fees, Royalty & Other Services	119.52	1,147.68
ii)	Interest	1,068.60	386.75
	<b>Total</b>	<b>1,188.12</b>	<b>1,534.43</b>

**Note : 29 Employee Benefits (AS-15 revised)**

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

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

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

Rs. In Lacs

Sr. No	Particulars	For the Year Ended 31.3.2013	For the Year Ended 31.3.2012
<b>1)</b>	<b>Gratuity (Funded)</b>		
1.A)	<b>Change in present value of obligations</b>		
	Present value of obligations at beginning of period	82.47	57.75
	i) Interest cost	7.00	4.68
	ii) Current service cost	23.06	17.65
	iii) Benefits paid	(4.95)	(3.35)
	iv) Actuarial loss on Obligations	6.84	5.74
	v) Plan amendments	-	-
	Present Value of Obligations at the end of the period	<b>114.42</b>	<b>82.47</b>
1.B)	<b>Changes in Fair Value of Plan Assets</b>		
	Present value of obligations at beginning of period	48.10	50.24
	Expected return on plan assets	4.48	3.96
	Actual Company contributions	11.08	(2.38)
	Actuarial gain/(Loss)	(0.37)	(0.37)
	Employees Contributions	-	-
	Benefits Paid	(4.95)	(3.35)
	Plan assets at the end of the period	<b>58.34</b>	<b>48.10</b>
1.C)	<b>Liability recognized in the Balance Sheet</b>		
	Present value of obligations at the end of period	114.42	82.47
	Fair Value of plan assets as at the year end	58.34	48.1
	Funded/Unfunded status	(56.08)	(34.37)
	Unrecognized Actuarial Gain/(Loss)	-	-
	Net (Assets) (Not recognized)/Liability recognized in Balance sheet	<b>56.08</b>	<b>34.37</b>
1.D)	<b>Expenses recognized in Profit and Loss Account</b>		
	Current service cost	23.06	17.65
	Past service cost	-	-
	Interest Cost	7.00	4.68
	Expected return on plan assets	(4.48)	(3.96)
	Net Actuarial Gain/(Loss) recognized during the year	7.21	6.11
	Total Expenses recognized in Profit and Loss Account	<b>32.79</b>	<b>24.48</b>
<b>2)</b>	<b>Leave Encashment(Unfunded)</b>		
2.A)	<b>Change in present value of obligations</b>		
	Present value of obligations at beginning of period	35.59	27.97
	i) Interest cost	3.06	2.32
	ii) Current service cost	7.16	3.51
	iii) Benefits paid	(1.25)	(0.37)
	iv) Actuarial loss on Obligations	13.29	2.16
	v) Plan amendments	-	-
	Present Value of Obligations at the end of the period	<b>57.85</b>	<b>35.59</b>

2.B)	<b>Liability recognized in the Balance Sheet</b>		
	Present value of obligations at the end of period	35.59	35.59
	Fair Value of plan assets as at the year end	–	–
	Funded/Unfunded status	57.85	35.59
	Unrecognized Actuarial Gain/(Loss)	–	–
		<hr/>	<hr/>
	Net(Assets) (Not recognized)/Liability recognized in Balance sheet	<b>57.85</b>	<b>35.59</b>
2.C)	<b>Expenses recognized in Profit and Loss Account</b>		
	Current service cost	7.16	3.51
	Past service cost	–	–
	Interest Cost	3.06	2.32
	Expected return on plan assets	–	–
	Net Actuarial Gain/(Loss) recognized during the year	13.29	2.16
		<hr/>	<hr/>
	Total Expenses recognized in Profit and Loss Account	<b>23.51</b>	<b>7.99</b>

**Note : 30 Earning per share (EPS) (AS-20)**

Rs. In Lacs

	<b>For the Year Ended 31.3.2013</b>	<b>For the Year Ended 31.3.2012</b>
Net Profit /(Loss) after current & deferred tax and Preference Dividend & dividend tax	294.52	1,615.80
Weighted average number of equity shares of Re. 1/-each	1,341.43	1,341.43
EPS (Rs.) - Basic and Diluted	0.22	1.20

**Note : 31 Segment Reporting (AS-17)**

Rs. In Lacs

**Segment Reporting**

Particulars	2012-2013			2011-2012		
	Sponge & Steel	Power	Total	Sponge & Steel	Power	Total
<b>Segment Revenue</b>						
External	34,216.34		<b>34,216.34</b>	34,276.56		<b>34,276.56</b>
Inter segment		2,767.56	<b>2,767.56</b>		2,985.75	<b>2,985.75</b>
<b>Segment Result</b>						
PBIT	83.82	(234.72)	<b>(150.90)</b>	(336.10)	426.33	<b>90.23</b>
Less : Interest			<b>835.61</b>			<b>934.76</b>
<b>Add: Unallocable Income</b>			<b>1,666.77</b>			<b>3,150.22</b>
<b>PBT</b>			<b>680.26</b>			<b>2,305.69</b>
Prov for Tax - current			<b>136.09</b>			<b>461.32</b>
- Def			<b>(32.73)</b>			<b>84.32</b>
- Mat Credit (Entitlement)/Availment			<b>159.17</b>			<b>21.04</b>
<b>PAT</b>			<b>417.73</b>			<b>1,739.01</b>
<b>Other Information</b>						
Segment Assets	48,654.65	20,717.69	<b>69,372.34</b>	30,144.74	11,693.88	<b>41,838.62</b>
Segment Liability	4,907.16	488.28	<b>5,395.44</b>	3,311.07	273.34	<b>3,584.41</b>
Unallocable Assets			<b>160,870.47</b>			<b>121,522.30</b>
Unallocable Liabilities			<b>12,170.94</b>			<b>4,361.76</b>
Depreciation	758.62	300.04	<b>1,058.66</b>	648.77	295.33	<b>944.10</b>
Non cash Expenses Other than depreciation						
Provision for cash encashment	23.72		<b>23.72</b>	7.99		<b>7.99</b>
Provision for Gratuity	33.37		<b>33.37</b>	26.86		<b>26.86</b>

**Note : 32 Related party Transaction (AS-18)****A) Related parties and their relationships**

- i) Key Managerial Persons (KMP)  
N.K Taori ( Managing Director)
- ii) Garima Buildprop Pvt. Ltd. (Holding Company)  
Oriental Iron Casting Limited (Subsidiary)  
Aron Auto Limited (Subsidiary)  
Rose Fiscal Services Pvt. Ltd. (Subsidiary of Subsidiary)  
Meltron Vincom Pvt. Ltd. (Subsidiary of Subsidiary)  
BS Ispat Limited (Subsidiary of Subsidiary)  
Gondwana Ispat Limited (Subsidiary of Subsidiary of Subsidiary)

**B) Rs. In Lacs**

Transactions	Subsidiaries	Key Management Personnel	Total
Director Remuneration	Nil	43.05 (40.18)	43.05 (40.18)
Loan Given	6805.00 (Nil)	Nil	6805.00 (Nil)
Capital Advance	1835.48 (1350.14)	Nil Nil	1835.48 (1350.14)
Payable at the year end	Nil	Nil	Nil
Receivable at the year end	6805.00 (Nil)	Nil Nil	6805.00 (Nil)

**Consolidated Financial Statement  
Of  
OCL IRON & STEEL LIMITED  
AND  
ITS SUBSIDIARIES**

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**STATEMENT PURSUANT TO SECTION 212 OF COMPANIES ACT, 1956 RELATING TO  
SUBSIDIARY COMPANIES**

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1	Name of Subsidiary	<ul style="list-style-type: none"> <li>a) Oriental Iron Casting Limited (Subsidiary)</li> <li>b) Aron Auto Limited (Subsidiary)</li> <li>c) Rose Fiscal Services Pvt. Ltd. (Subsidiary of Subsidiary)</li> <li>d) Meltron Vincom Pvt. Ltd. (Subsidiary of Subsidiary)</li> <li>e) B.S. Ispat Ltd. (Subsidiary of Subsidiary)</li> <li>f) Gondwana Ispat Ltd. (Subsidiary of Subsidiary of Subsidiary)</li> </ul>
2	Date from which it Become subsidiary	<ul style="list-style-type: none"> <li>a) 2nd January 2012</li> <li>b) 4th February 2012</li> <li>c) 2nd January 2012</li> <li>d) 2nd January 2012</li> <li>e) 2nd January 2012</li> <li>f) 2nd January 2012</li> </ul>
3	Financial year of the Subsidiary ended on	<ul style="list-style-type: none"> <li>a) 31st March 2013</li> <li>b) 31st March 2013</li> <li>c) 31st March 2013</li> <li>d) 31st March 2013</li> <li>e) 31st March 2013</li> <li>f) 31st March 2013</li> </ul>
4	Shares of the subsidiary  Held by Ocl Iron & Steel Limited	<ul style="list-style-type: none"> <li>a) 19850000 shares @ Rs 10 each fully paid-up</li> <li>b) 50000 shares @ Rs 10 each fully paid-up</li> </ul>
4A	Extent of holding	<ul style="list-style-type: none"> <li>a) 99.75%</li> <li>b) 100.00%</li> </ul>
5	Net aggregate Profit/loss For the current year	<ul style="list-style-type: none"> <li>a) (1,483.52) Lacs</li> <li>b) Rs Nil</li> </ul>
6	Net aggregate profit or losses for the previous Financial years since Becoming subsidiary so Far as it concerns the Members of the holding Company dealt with or Provided for the holding Company.	<ul style="list-style-type: none"> <li>a) Nil</li> <li>b) Nil</li> </ul>
7	Net Aggregate amount Received as Dividends For previous financial year since becoming subsidiary dealt with in account of Holding Company in the financial year.	<ul style="list-style-type: none"> <li>a) Nil</li> <li>b) Nil</li> </ul>

**Financial Summary Relating to Subsidiaries Companies As At 31st March 2013**

Rs. In Lacs

Sr. No	Name of Subsidiary Company	Reporting Currency	Capital	Reserve	Total Asset	Total Liability	Investment	Income	Profit/(Loss) before Tax	Provision for Tax	Profit/(Loss) after Tax	Proposed Dividend
1.	Oriental Iron Casting Limited (Consolidated)	INR	1,990.00	(1,880.33)	7,848.48	7,848.48	1.10	516.46	(2,192.42)	(708.91)	(1,483.52)	Nil
2.	Aron Auto Limited	INR	5.0	-	2,374.57	2,374.57	-	Nil	Nil	Nil	Nil	Nil



# Independent Auditor's Report

To the Members of  
**OCL Iron and Steel Limited**  
Rajgangpur

## **Report on the Financial Statements**

We have audited the accompanying Consolidated financial statements of OCL Iron and Steel Limited, which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

## **Management's Responsibility for the financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

We report that consolidated financial statements have been prepared by the company in accordance with the requirements of Accounting Standard (AS) 21, on consolidated Financial Statements and Accounting Standard (AS) 27 on Consolidation of Financial Statements of Joint Ventures, issued by the Institute of Chartered Accountants of India, and on the basis of the separate audited financial statements of Ocl Iron and Steel Ltd and its Subsidiaries in the consolidated financial statements.

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of Statement of Consolidated Profit and Loss, of the **Loss** for the year ended on that date; and
- c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

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

Sd/-  
**(A.C. GUPTA)**

Place : New Delhi  
Date : 30th May, 2013

Partner  
Membership No. 8565  
Firm Regd. No. 008079N

## Consolidated Balance Sheet as on 31st March, 2013

Rs. In Lacs

Particulars	Note No	As At 31.3.2013	As At 31.3.2012
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
Share Capital	2	6,641.93	6,641.93
Reserves and Surplus	3	54,889.11	56,074.38
<b>Minority Interest</b>		58.24	61.96
<b>Non-Current Liabilities</b>			
Long-term borrowings	4	155,245.72	151,003.79
Deferred tax Liabilities (Net)	5	409.86	1,151.51
Long term provisions	6	157.56	69.96
<b>Current Liabilities</b>			
Short-term borrowings	7	3,687.77	4,842.02
Trade payables	8	2,062.15	3,063.14
Other current liabilities	9	17,322.82	38,751.36
Short-term provisions	10	186.11	193.17
<b>Total</b>		<b>240,661.27</b>	<b>261,853.22</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	11		
Tangible assets		26,602.04	27,027.21
Intangible assets		0.79	-
Capital work-in-progress	11	75,894.78	28,436.39
Intangible assets under development	11	25.04	25.04
		<b>102,522.65</b>	<b>55,488.64</b>
Goodwill in pursuance of consolidation		10,992.69	10,992.69
Non-current investments	12	1.10	1.10
Long term loans and advances	13	98,056.40	62,592.71
Other Non Current assets		24.96	18.25
<b>Current assets</b>			
Inventories	14	8,248.95	5,173.49
Trade receivables	15	2,338.09	1,591.90
Cash and cash equivalents	16	9,640.44	78,510.63
Short-term loans and advances	17	8,333.55	46,111.22
Other current assets	18	502.44	1,372.59
<b>Total</b>		<b>240,661.27</b>	<b>261,853.22</b>

**Significant Accounting Policies & Notes 1 to 28 form part of Financial statements.**

**For and on behalf of the Board**

As per our report of even date attached.

**FOR A.C GUPTA & ASSOCIATES**

Chartered Accountants.

Sd/-

**A.C Gupta**

Partner

Membership No.: 8565

Firm Regd. No. 008079N

PLACE : New Delhi

DATE : 30th May, 2013

Sd/-

**N.K. Taori**

Managing Director

Sd/-

**T.K. Laskar**

AVP (Finance & Accounts)

Sd/-

**Yogesh Kapur**

Director

Sd/-

**Jyoti Mishra**

Company Secretary

# Consolidated Profit and Loss Statement for the year ended 31st March, 2013

Rs. In Lacs

Particulars	Note No	For the Year Ended 31.3.2013	For the Year Ended 31.3.2012
Revenue from operations	19	33,078.87	31,347.16
Other Income	20	1,973.36	3,220.85
<b>Total Revenue</b>		<b>35,052.23</b>	<b>34,568.01</b>
<b>Expenses:</b>			
Cost of materials consumed	21	30,308.78	25,687.31
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	22	(2,150.94)	520.55
Employee benefit expense	23	1,206.21	903.59
Finance costs	24	2,004.98	1,272.71
Depreciation and amortization expense	25	1,385.88	1,035.53
Other expenses	26	3,809.49	3,403.72
<b>Total Expenses</b>		<b>36,564.40</b>	<b>32,823.41</b>
<b>Profit before tax</b>		<b>(1,512.17)</b>	<b>1,744.60</b>
<b>Tax expense:</b>		<b>(446.38)</b>	<b>407.14</b>
<b>Profit / (Loss) for the Period</b>		<b>(1,065.79)</b>	<b>1,337.46</b>
Less: Minority Interest		(3.73)	(1.01)
<b>Profit / (Loss) for the Period carried to Consolidated Balance Sheet</b>		<b>(1,062.06)</b>	<b>1,338.47</b>
<b>Earning per equity share (Rs. Per Share):</b> 28			
(1) Basic		(0.88)	0.91
(2) Diluted		(0.88)	0.91

**Significant Accounting Policies & Notes 1 to 28 form part of Financial statements.**

**For and on behalf of the Board**

As per our report of even date attached.

**FOR A.C GUPTA & ASSOCIATES**

Chartered Accountants.

Sd/-

**A.C Gupta**

Partner

Membership No.: 8565

Firm Regd. No. 008079N

PLACE : New Delhi

DATE : 30th May, 2013

Sd/-

**N.K. Taori**

Managing Director

Sd/-

**T.K. Laskar**

AVP (Finance & Accounts)

Sd/-

**Yogesh Kapur**

Chairman

Sd/-

**Jyoti Mishra**

Company Secretary

# Consolidated Cash Flow Statement for the year ended 31.03.2013

Rs. In Lacs

	For the year Ended 31.03.2013	For the year Ended 31.03.2012
<b>A Cash Flow from Operating Activities</b>		
Net Profit before Taxes	(1,512.17)	1,744.60
Depreciation	1,541.62	1,035.57
(Profit) / Loss on Sale of Fixed Assets	-	79.60
Interest expense	2,004.98	1,272.71
<b>Operating Profit before Working Capital Changes</b>	<b>2,034.43</b>	<b>4,132.48</b>
<b>Adjustment for Working Capital changes</b>		
Inventories	(3,075.44)	(2,238.82)
Trade & Other receivables	(746.19)	(257.64)
Other Current assets	870.15	(898.15)
Loans & Advances	37,700.63	(39,968.66)
Current liabilities and provisions	(23,503.24)	18,572.66
<b>Net Cash from Working Capital changes</b>	<b>11,245.91</b>	<b>(24,790.61)</b>
<b>Cash flow from Operating Activities</b>	<b>13,280.34</b>	<b>(20,658.13)</b>
Income Tax (Paid) / refund (incl TDS)	(242.54)	(433.43)
<b>Net Cash flow from Operating Activities</b>	<b>13,037.80</b>	<b>(21,091.56)</b>
<b>B Cash Flow from Investing Activities</b>		
Purchase of fixed assets	(1,117.14)	(5,427.00)
Sale/Adjustment of Fixed Assets	-	137.73
Adjustment to capital work in progress and capital advance purchase of Investment	(82,897.80)	(54,523.93)
Other Non -current assets	(6.80)	-
<b>Net Cash from Investing Activities</b>	<b>(84,021.74)</b>	<b>(64,404.55)</b>
<b>C Cash flow from financing activities</b>		
Secured loans	4,241.94	109,278.72
Interest Expense	(2,004.98)	(1,272.71)
Dividend and Dividend Tax	(123.21)	(81.60)
<b>Net cash flow from financing activities</b>	<b>2,113.75</b>	<b>107,924.41</b>
<b>Net decrease in cash or cash equivalents</b>	<b>(68,870.19)</b>	<b>22,428.30</b>
<b>Opening Cash and cash equivalents</b>	78,510.63	54,115.25
<b>Add Upon Addition of Subsidiaries</b>	-	1,967.08
<b>Closing Cash and cash equivalents</b>	9,640.44	78,510.63

**For and on behalf of the Board**

Annexure to our report of date  
**FOR A.C GUPTA & ASSOCIATES**

Chartered Accountants.

Sd/-

**A.C Gupta**

Partner

Membership No.: 8565

Firm Regd. No. 008079N

PLACE : New Delhi

DATE : 30th May, 2013

Sd/-

**N.K. Taori**

Managing Director

Sd/-

**T.K. Laskar**

AVP (Finance & Accounts)

Sd/-

**Yogesh Kapur**

Director

Sd/-

**Jyoti Mishra**

Company Secretary

## **Note : 1**

### **Significant Accounting Policies and Notes to the Consolidated Accounts (Attached to and forming part of accounts for the Year Ended 31<sup>st</sup> March 2013)**

#### **1. ACCOUNTING POLICIES –**

##### **A. Principles of Consolidation :**

- i. The consolidated Financial Statement relates to OCL Iron and Steel Ltd (the Parent Company), Oriental Iron Casting Ltd (Subsidiary) & Aron Auto Ltd (Subsidiary)
- ii. The Consolidated Financial statements have been prepared on the basis of AS-21 issued by ICAI read along with the following assumptions :
  - (a) The Financial Statement of the parent company and its subsidiary companies have been combined on a line by line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra-group transactions, resulting in unrealized profit or losses.
  - (b) Investments of the parent company in the subsidiaries are eliminated against respective stake of the parent company.

##### **B. Notes to the Consolidated Financial Statements**

The notes to the consolidated financial statement intended to serve as a means of informative disclosure and guide to better understanding of the financial information about the economic activities and the economic resources controlled as single economic entity. Recognizing this purpose, the company has disclosed only such notes from the individual financial statement, which fairly presents the needed disclosures. Practical consideration and lack of uniformity on account of local laws and practices made it desirable to exclude notes to account and accounting policies which in the opinion of the management could be better viewed when referred to individual financial statements. Consolidated financial statement have been prepared using uniform accounting policies for like transaction and other events in similar circumstance.

## Notes on Consolidated Financial Statements for the Year ended 31st March, 2013

The previous year figures have been regrouped/reclassified, wherever necessary to conform to the current year presentation.

### Note : 2 Share Capital

Rs. In Lacs

Sr. No	Particulars	As At 31.3.2013	As At 31.3.2012
1	<b>AUTHORIZED CAPITAL</b>		
	34,00,00,000 (Prev. Year 34,00,00,000) Equity Shares of Re.1/- each	3,400.00	3,400.00
	7,00,00,000 (7,00,00,000) Preference Shares of Rs.10/- each	7,000.00	7,000.00
		<b>10,400.00</b>	<b>10,400.00</b>
2	<b>ISSUED, SUBSCRIBED &amp; PAID UP CAPITAL</b>		
	13,41,43,160 (Prev. Year 13,41,43,160) Equity Shares of Re.1/- each, fully paid up . Of the above, 13,36,43,160 Shares of Re.1/- each were issued to the Shareholders of OCL India Ltd during the year 2007-08 in terms of a scheme of arrangement	1,341.43	1,341.43
	5,30,05,000 (Prev. Year 5,30,05,000) 2% Non Cumulative Redemable preference shares of Rs.10/-each fully paid	5,300.50	5,300.50
	<b>Total</b>	<b>6,641.93</b>	<b>6,641.93</b>

#### Terms of redemption of preference shares

Preference Shares will not be redeemed before 10 years & not later than 12 years from the date of allotment i.e. August 2010 at such premium as may be decided by the board of directors in accordance with the provisions of Companies Act, 1956 or any re-enactment thereof.

#### 2A RECONCILIATION OF SHARES

NO. OF SHARES (In Lacs)

S. No.	Particulars	As At 31.3.2013		As At 31.3.2012	
		No. of Share	Amount	No. of Share	Amount
a)	<b>EQUITY SHARES</b>				
	Shares outstanding at beginning of year	1,341.43	1,341.43	1,341.43	1,341.43
	Shares Issued during the year	-	-	-	-
	Shares bought back during the year	-	-	-	-
	<b>Shares outstanding at the end of the year</b>	<b>1,341.43</b>	<b>1,341.43</b>	<b>1,341.43</b>	<b>1,341.43</b>
b)	<b>PREFERENCE SHARES</b>				
	Shares outstanding at the beginning of the year	530.05	5,300.50	530.05	5,300.50
	Shares Issued during the year	-	-	-	-
	Shares bought back during the year	-	-	-	-
	<b>Shares outstanding at the end of the year</b>	<b>530.05</b>	<b>5,300.50</b>	<b>530.05</b>	<b>5,300.50</b>

**2B** 133,643,160 shares of Re. 1/- each allotted on 31.03.2008 for consideration other than cash Pursuant to the Scheme of Demerger

#### 2C Name of Shareholders holding more than 5% of share capital

	As At 31.3.2013		As At 31.3.2012		
	No. of Shares held (In Lacs)	%	No. of Shares held (In Lacs)	%	
1	<b>Equity Share</b>				
	Garima Buildprop Pvt Ltd	1,006.07	75%	1,006.07	75%
2	<b>Preference Shares</b>				
	Brassco Estate Pvt. Ltd.	530.05	100%	530.05	100%

**Note : 3 Reserve & Surplus****Rs. In Lacs**

<b>Sr. No</b>	<b>Particulars</b>	<b>As At 31.3.2013</b>	<b>As At 31.3.2012</b>
1	<b>Capital Reserve</b>		
	Opening Balance	4,817.29	4,817.29
	Add:Current year transfer	-	-
	Less: Written back during current year	-	-
	<b>Closing balance</b>	<b>4,817.29</b>	<b>4,817.29</b>
2	<b>Preference Shares Redemption Reserve</b>		
	Opening Balance	1,060.10	530.05
	Add:Current year transfer	530.05	530.05
	Less: Written back during current year	-	-
	<b>Closing balance</b>	<b>1,590.15</b>	<b>1,060.10</b>
3	<b>Securities Premium Reserve</b>		
	Opening Balance	47,704.50	47,704.50
	Add:Addition during the current year	-	-
	Less: Written back during current year	-	-
	<b>Closing balance</b>	<b>47,704.50</b>	<b>47,704.50</b>
4	<b>Debenture Redemption Reserve</b>		
	Opening Balance	656.26	546.88
	Add:Current year transfer	109.38	109.38
	Less: Written back during current year	-	-
	<b>Closing balance</b>	<b>765.64</b>	<b>656.26</b>
5	<b>Surplus (Profit &amp; Loss Account)</b>		
	Opening Balance	1,836.23	1,260.40
	Add:Profit/(Loss) for the year	(1,062.06)	1,338.47
	<b>Less: Appropriations</b>	-	-
	Transferred to Debenture Redemption Reserve	109.38	109.38
	Transferred to Preference Share Redemption Reserve	530.05	530.05
	Dividend on Preference Share	106.01	106.01
	Tax on Dividend on Preference Share	17.20	17.20
	<b>Closing balance</b>	<b>11.53</b>	<b>1,836.23</b>
	<b>Total</b>	<b>54,889.11</b>	<b>56,074.38</b>

**Note: 4 Long Term Borrowings**

Rs. In Lacs

Sr. No	Particulars	As At 31.3.2013	As At 31.3.2012
<b>A)</b>	<b>Secured loan</b>		
1	<b>Bonds/Debentures</b>		
	9.20% Secured Redemable Non-Convertible Debentures (Redemable during 2014-15 to 2016-17)	3,500.00	3,500.00
2	<b>Rupees Term Loans</b>		
	– From Bank	113,673.21	111,670.40
3	<b>Foreign currency Loans</b>		
	- External commercial borrowings	38,072.51	35,809.55
4	Other Loans	–	23.84
	<b>Total</b>	<b>155,245.72</b>	<b>151,003.79</b>

**Notes:**

- There is no default in repayment of loans and payment of interest as on Balance sheet date.
- Rupee Term Loan of Rs. 55,161 Lacs & NCDs of Rs. 3,500 Lacs are secured by way of equitable mortgage on all immovable properties situated at Vill. Lamloi, P.O Garvana, Rajgangpur, Distt Sundergarh, Orissa ranking pari-passu inter-se save & except the prior charge in favour of banks over inventories and book debts to secure working capital facilities.
- Rupee Term Loan of Rs. 40,000 lacs is secured by way of subservient charge on movable fixed assets of the project situated at Vill. Lamloi, P.O Garvana, Rajgangpur, Distt Sundergarh, Orissa.
- External Commercial Borrowing/INR term loan Rs. 38,072.51 lacs & Rs. 13,500 lacs respectively, are secured by way of first ranking & exclusive security over all fixed assets of the project situated at Plot No-A-285 Chopanki Industrial Area, Chopanki, Distt-Alwar, Rajasthan & Plot No-SP-256 Industrial Area Kehrani, Distt-Alwar, Rajasthan.
- Rupee Term Loan of Rs. 10003.09 Lacs are Secured by way of Equitable Mortgage on all Fixed Assets of Subsidiaries Situated at Nagpur Maharastra.

6	<b>Repayment Schedule</b>		
	<b>2014-15</b>		<b>16,970.75</b>
	<b>2015-16</b>		<b>32,104.83</b>
	<b>2016-17</b>		<b>43,769.58</b>
	<b>2017-18</b>		<b>40,637.25</b>
	<b>2018-19</b>		<b>10,170.95</b>
	<b>2019-20</b>		<b>8,917.37</b>
	<b>2020-21</b>		<b>2,675.00</b>
			<b>155,245.73</b>

**Note : 5 Deferred Tax Liabilities (Net)**

Rs. In Lacs

Sr. No	Particulars	As At 31.3.2013	As At 31.3.2012
	Opening Balance	1,151.51	1,705.33
	Add: Provided during the year	–	–
	Less: Reversal during the year	(741.65)	(553.82)
	<b>Total</b>	<b>409.86</b>	<b>1,151.51</b>

**Note: 6 Long Term Provisions**

Rs. In Lacs

Sr. No	Particulars	As At 31.3.2013	As At 31.3.2012
	<b>Provision for Employee Benefit</b>		
a)	Gratuity	74.10	34.37
b)	Leave Encashment	83.46	35.59
	<b>Total</b>	<b>157.56</b>	<b>69.96</b>



**Note: 7 Short Term Borrowings****A) Secured**

Rs. In Lacs

<b>Sr. No</b>	<b>Particulars</b>	<b>As At 31.3.2013</b>	<b>As At 31.3.2012</b>
1	Deposits/ Retention money	489.04	399.14
2	Working capital borrowings	2,738.80	3,932.95
	<b>Total</b>	<b>3,227.84</b>	<b>4,332.09</b>

**Note:** Working capital facilities are secured by hypothecation of raw material, semi-finished goods, stock-in-process, consumable stores and book debts of the Company.

**B) Unsecured**

Rs. In Lacs

<b>Sr. No</b>	<b>Particulars</b>	<b>As At 31.3.2013</b>	<b>As At 31.3.2012</b>
	Others	459.93	509.93
	<b>Total</b>	<b>459.93</b>	<b>509.93</b>

**Note : 8 Trades Payable**

Rs. In Lacs

<b>Sr. No</b>	<b>Particulars</b>	<b>As At 31.3.2013</b>	<b>As At 31.3.2012</b>
1	Trade Payable	955.41	2,256.63
2	Advance From Customers	1,106.74	806.51
	<b>Total</b>	<b>2,062.15</b>	<b>3,063.14</b>

**Note : 9 Other Current Liabilities**

Rs. In Lacs

<b>Sr. No</b>	<b>Particulars</b>	<b>As At 31.3.2013</b>	<b>As At 31.3.2012</b>
a)	Current maturities of long- term debt	4,990.88	1,768.81
b)	Interest accrued but not due on borrowings	594.84	79.40
c)	Unclaimed bonus	4.74	4.12
d)	TDS and other Taxes payable	502.62	207.54
e)	Personel Expenses Payable	99.53	85.46
f)	Other expense payable	196.64	132.03
g)	Other Liabilities*	10,933.57	36,474.00
	<b>Total</b>	<b>17,322.82</b>	<b>38,751.36</b>

\*Includes Creditors for Capital Goods, Temporary Overdraft, other short terms Liabilities etc.

**Note: 10 Short Term Provisions**

Rs. In Lacs

<b>Sr. No</b>	<b>Particulars</b>	<b>As At 31.3.2013</b>	<b>As At 31.3.2012</b>
1	Provision for Bonus	61.87	69.78
2	Proposed Dividend on Preference share	106.01	106.01
3	Tax on Proposed Dividend on preference share	17.20	17.20
4	Contingent Provisions on Standard Assets	1.03	0.18
	<b>Total</b>	<b>186.11</b>	<b>193.17</b>

**Note : 11 Fixed Assets**

Rs. In Lacs

Sr. No.	Particulars	Gross Block				Depreciation				Net Block	
		Value as on 31.03.12	Additions during the year	Deductions during the year	Value as on 31.03.13	Value as on 31.03.12	Addition during the year	Deduction during the year	31.3.2013	WDV as on 31.03.13	WDV as on 31.03.12
<b>A)</b>	<b>Tangible Assets</b>										
1	Land	4,841.60	618.58	-	5,460.18	-	-	-	-	5,460.18	4,841.60
2	Building	5,091.15	196.98	-	5,288.13	424.78	265.87	-	690.65	4,597.48	4,666.37
3	Plant and Equipment	19,680.09	199.33	-	19,879.42	4,330.46	1,097.81	-	5,428.27	14,451.15	15,349.63
4	Furnitures & Fixtures	116.17	31.92	-	148.09	41.07	11.71	-	52.78	95.31	75.10
5	Vehicles	104.59	55.28	-	159.87	34.22	11.53	-	45.75	114.12	70.37
6	Office Equipment	16.59	14.21	-	30.80	0.92	1.33	-	2.25	28.55	15.67
7	Mine Development	2,052.77	-	-	2,052.77	44.30	153.22	-	197.52	1,855.25	2,008.47
	<b>TOTAL (A)</b>	31,902.96	1,116.30	-	33,019.26	4,875.75	1,541.47	-	6,417.22	26,602.04	27,027.21
<b>B)</b>	<b>Intangible Assets</b>										
1	Other	-	0.85	-	0.85	-	0.06	-	0.06	0.79	-
	<b>TOTAL (B)</b>	-	0.85	-	0.85	-	0.06	-	0.06	0.79	-
<b>C)</b>	<b>Intangible Assets Under Development</b>										
		25.04	-	-	25.04	-	-	-	-	25.04	25.04
	<b>TOTAL (C)</b>	25.04	-	-	25.04	-	-	-	-	25.04	25.04
	<b>TOTAL [A + B + C] (Current Year)</b>	31,928.00	1,117.15	-	33,045.15	4,875.75	1,541.53	-	6,417.28	26,627.87	27,052.25
	<b>Previous year</b>	15,474.60	16,694.17	240.77	31,928.00	3,857.20	1,035.48	16.93	4,875.75	27,052.25	
	Capital work-in-progress	-	-	-	-	-	-	-	-	75,894.78	28,436.39

**Note : 12 Non-current investments**

Rs. In Lacs

Sr. No	Particulars	As At 31.3.2013	As At 31.3.2012
	<b>Unquoted investment (valued at cost)</b>		
	1100 (1100) Equity shares of Vimla Infrastructure (India) Pvt. Ltd. of Rs. 10/- each	1.10	1.10
	<b>Total</b>	<b>1.10</b>	<b>1.10</b>

**Note : 13 Long Term Loans and Advances**

Rs. In Lacs

Sr. No	Particulars	As At 31.3.2013	As At 31.3.2012
1	<b>Loans &amp; Advances</b>	97,956.37	62,516.96
2	<b>Security Deposit</b>	100.03	75.75
	<b>Total</b>	<b>98,056.40</b>	<b>62,592.71</b>

**Note :** No loan is given to any directors or other officers of the company.

**Note : 14 Inventories**

Rs. In Lacs

Sr. No	Particulars	As At 31.3.2013	As At 31.3.2012
1	Raw Material	4,107.10	3,244.91
2	Work-in-Progress	465.37	334.78
3	Finished Goods	2,904.94	884.59
4	Stores & Spares	769.28	706.94
5	Others	2.26	2.27
		-	-
	<b>Total</b>	<b>8,248.95</b>	<b>5,173.49</b>

**Note:**

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

**Note : 15 Trade Receivables**

Rs. In Lacs

Sr. No	Particulars	As At 31.3.2013	As At 31.3.2012
<b>1</b>	<b>Outstanding for more than six months</b>		
	a) Unsecured, Considered Good :	461.09	534.42
	b) Doubtful	52.53	52.53
	Less: Provision for Bad and Doubtful Debts	(52.53)	(52.53)
<b>2</b>	<b>Others</b>		
	a) Unsecured, Considered Good :	1,877.00	1,057.48
	<b>Total</b>	<b>2,338.09</b>	<b>1,591.90</b>

**Note: 16 Cash & Cash Equivalent**

Rs. In Lacs

<b>Sr. No</b>	<b>Particulars</b>	<b>As At 31.3.2013</b>	<b>As At 31.3.2012</b>
1	<b>Cash-on-Hand</b>	29.33	29.44
2	<b>Bank Balance</b>		
a)	Fixed Deposit against LC margin	56.97	52.33
b)	Fixed Deposits maturing within 12 months	6,198.92	75,623.47
c)	Current Account	3,355.22	2,751.14
3	<b>Cheques or draft on Hand</b>	-	54.25
	<b>Total</b>	<b>9,640.44</b>	<b>78,510.63</b>

**Note : 17 Short Terms Loans and Advances**

Rs. In Lacs

<b>Sr. No</b>	<b>Particulars</b>	<b>As At 31.3.2013</b>	<b>As At 31.3.2012</b>
1	a) Loans & Advances	8,138.16	45,887.46
	b) Doubtful	12.61	12.61
	Less: Provision for doubtful debts	(12.61)	(12.61)
2	Income Tax payment ( Net of Tax Provision)	147.53	16.73
3	MAT Credit Entitlement	47.86	207.03
	<b>Total</b>	<b>8,333.55</b>	<b>46,111.22</b>

**Note : 18 Other Current Assets**

Rs. In Lacs

<b>Sr. No</b>	<b>Particulars</b>	<b>As At 31.3.2013</b>	<b>As At 31.3.2012</b>
1	Interest accrued on deposits	63.11	1,024.04
2	Interest accrued on loan & advance	-	4.45
3	Mininig O/B adjustment Account	439.33	344.10
	<b>Total</b>	<b>502.44</b>	<b>1,372.59</b>

**Note 19 : Revenue From Operations**

Rs. In Lacs

<b>Sr. No</b>	<b>Particulars</b>	<b>For the Year Ended 31.3.2013</b>	<b>For the Year Ended 31.3.2012</b>
i)	Sales of Products (Net of Excise)	30,250.20	31,078.32
ii)	Other Operating Revenues	2,828.67	268.84
	<b>Total</b>	<b>33,078.87</b>	<b>31,347.16</b>

**Note 20: Other Income**

Rs. In Lacs

<b>Sr. No</b>	<b>Particulars</b>	<b>For the Year Ended 31.3.2013</b>	<b>For the Year Ended 31.3.2012</b>
i)	Interest Income	1,968.42	3,194.75
ii)	Excess Provisions written Back	-	26.10
iii)	Net Gain on Foreign currency transaction	0.41	-
iv)	Other Income	4.53	-
	<b>Total</b>	<b>1,973.36</b>	<b>3,220.85</b>

**Note : 21 Cost of Material consumed**

Rs. In Lacs

<b>Sr. No</b>	<b>Particulars</b>	<b>For the Year Ended 31.3.2013</b>	<b>For the Year Ended 31.3.2012</b>
i)	Opening Raw material	3,244.91	1,138.14
ii)	Add: Purchase of raw material	31,170.97	27,794.08
iii)	Less: Closing Stock of Raw material	4,107.10	3,244.91
	<b>Total</b>	<b>30,308.78</b>	<b>25,687.31</b>

**Note : 22 Change in Inventories**

Rs. In Lacs

<b>Sr. No</b>	<b>Particulars</b>	<b>For the Year Ended 31.3.2013</b>	<b>For the Year Ended 31.3.2012</b>
i)	Opening WIP	334.78	361.45
ii)	Less: Closing WIP	465.37	334.78
	<b>Total</b>	<b>(130.59)</b>	<b>26.67</b>
iii)	Opening Finished Goods	884.59	1,378.47
vi)	Less: Closing Finished Goods	2,904.94	884.59
	<b>Total</b>	<b>(2,020.35)</b>	<b>493.88</b>
	<b>Grand Total</b>	<b>(2,150.94)</b>	<b>520.55</b>

**Note : 23 Employee Benefits Expense**

Rs. In Lacs

<b>Sr. No</b>	<b>Particulars</b>	<b>For the Year Ended 31.3.2013</b>	<b>For the Year Ended 31.3.2012</b>
i)	Salaries and Wages	901.06	725.78
ii)	Contribution to provident & other funds	210.03	120.65
iii)	Staff Welfare Expenses	95.12	57.16
	<b>Total</b>	<b>1,206.21</b>	<b>903.59</b>

**Note : 24 Finance Cost**

Rs. In Lacs

<b>Sr. No</b>	<b>Particulars</b>	<b>For the Year Ended 31.3.2013</b>	<b>For the Year Ended 31.3.2012</b>
	Interest Expense	2,004.98	1,272.71
	<b>Total</b>	<b>2,004.98</b>	<b>1,272.71</b>

**Note : 25 Depreciation And Amortization Expenses**

Rs. In Lacs

<b>Sr. No</b>	<b>Particulars</b>	<b>For the Year Ended 31.3.2013</b>	<b>For the Year Ended 31.3.2012</b>
i)	Depreciation	1,541.53	1,035.48
ii)	Preliminary Expenses W/o	0.09	0.09
	Less : Depreciation capitalised.	(0.24)	(0.00)
	Less : Mining Depreciation trf to minning cost.	(155.50)	(0.04)
	<b>Total</b>	<b>1,385.88</b>	<b>1,035.53</b>

**Note : 26 Other Expenses**

Rs. In Lacs

<b>Sr. No</b>	<b>Particulars</b>	<b>For the Year Ended 31.3.2013</b>	<b>For the Year Ended 31.3.2012</b>
i)	Advertisement and Publicity	9.41	8.47
ii)	Auditor's Remuneration	14.43	6.58
iii)	Bank Charges	51.32	41.97
iv)	Books & Periodicals	0.63	0.34
v)	Business Promotion Expenses	9.87	9.14
vi)	Charity & Donations	9.66	13.38
vii)	Commission to Selling Agents	118.62	116.34
viii)	Consumption of stores and spares parts	1,194.93	1,172.17
ix)	Director's Sitting Fee	0.80	1.70
x)	Excise Duty on Stock and Others	222.23	(32.34)
xi)	Freight, Transportation and Handling	43.75	23.14
xii)	General office Expenses	8.89	2.51
xiii)	Insurance	55.33	34.67
xiv)	Legal and professional Expenses	57.36	58.29
xv)	Membership & Subscription Expenses	6.69	2.32
xvi)	Miscellaneous Expenses	12.20	14.74
xvii)	Net Loss on Sale of Asset	0.00	79.60
xviii)	Packing Expense	22.17	0.00
xix)	Payments to Contractors for Services	560.20	465.63
xx)	Payments to Outside Agencies	95.07	135.44
xxi)	Periphery Development	19.54	45.92
xxii)	Power and Fuel	110.17	13.66
xxiii)	Printing & Stationery	18.67	14.84
xxiv)	Provision for Standard Assets	0.85	0.00
xxv)	Rates and Taxes, Excluding, Taxes on Income	339.53	452.17
xxvi)	Recruitment Expenses	3.35	2.41
xxvii)	Rent	25.85	36.83
xxviii)	Repairs to Buildings	34.49	47.07
xxix)	Repairs to Machinery	92.89	53.38
xxx)	Repairs to Other	14.16	2.11
xxxi)	Royalty Expenses	16.83	
xxxii)	Telephone, Communication & Postage Charges	30.46	20.95
xxxiii)	Transport Expenses	411.05	430.00
xxxiv)	Travelling & Conveyance	159.80	123.53
xxxv)	Vehicle hire & Running Expenses	38.29	6.76
	<b>Total</b>	<b>3,809.49</b>	<b>3,403.72</b>

**Note : 26.1 Auditors Payments**

Rs. In Lacs

<b>Sr. No</b>	<b>Particulars</b>	<b>For the Year Ended 31.3.2013</b>	<b>For the Year Ended 31.3.2012</b>
i)	As Auditor	4.03	3.58
ii)	For taxation matters	1.00	1.00
iii)	For management services	8.77	1.58
iv)	For reimbursement of expenses	0.63	0.42
	<b>Total</b>	<b>14.43</b>	<b>6.58</b>

**Note : 27 Contingent Liabilities not provided for in respect of**

Rs. In Lacs

<b>Sr. No</b>	<b>Particulars</b>	<b>For the Year Ended 31.3.2013</b>	<b>For the Year Ended 31.3.2012</b>
i)	Disputed Sales tax/VAT /Entry Tax demand (including interest & penalty)	693.33	693.33
ii)	Disputed Excise Demand	307.32	307.32
iii)	Bank Guarantees issued by bank on company's behalf	111.93	106.37
iv)	Letter of credit issued on behalf of company (outstanding amount)	6.39	6.39
	<b>Total</b>	<b>1,118.97</b>	<b>1,113.41</b>

**Note : 27.1**

Rs. In Lacs

<b>Sr. No</b>	<b>Particulars</b>	<b>For the Year Ended 31.3.2013</b>	<b>For the Year Ended 31.3.2012</b>
	Estimated amount of contracts remaining to be executed on capital amount (Net of advances)	17,822.10	26,515.69
		<b>17,822.10</b>	<b>26,515.69</b>

**Note : 28 Earning per share (EPS) (AS-20)**

Rs. In Lacs

<b>Sr. No</b>	<b>Particulars</b>	<b>For the Year Ended 31.3.2013</b>	<b>For the Year Ended 31.3.2012</b>
	Net Profit /(Loss) after current tax, deferred tax preference dividend and minority interest	(1,185.27)	1,215.25
	Weighted average number of equity shares of Re. 1/-each	1,341.43	1,341.43
	EPS (Rs.) - Basic and Diluted	(0.88)	0.91

ATTENDANCE SLIP



OCL IRON & STEEL LIMITED

Registered Office: Vill - Lamloi, P.O. - Garvana, Rajgangpur - 770 017 (Distt. Sundargarh, Orissa)

Name of the Shareholder / Proxy\* DP ID\*\* Folio No.
Client ID\*\* No. of Shares held

I/We hereby record my/our presence at the Eighth Annual General Meeting of the Company held at Vill- Lamloi, P.O.-Garvana, Rajgangpur - 770 017 (Distt. Sundargarh, Orissa) on Friday, the 27th day of September, 2013 at 10.00 a.m.

SIGNATURE OF THE SHAREHOLDER/PROXY\*

\* Strike out whichever is not applicable.
\*\* Applicable for investors holding shares in electronic form.
Note : Please handover the slip at the entrance of the Meeting venue.

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PROXY FORM



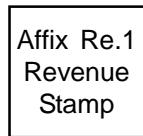
OCL IRON & STEEL LIMITED

Registered Office: Vill - Lamloi, P.O. - Garvana, Rajgangpur - 770 017 (Distt. Sundargarh, Orissa)

I/We ..... of ..... in the district of ..... being a member/members of OCL IRON AND STEEL LIMITED hereby appoint.....of.....in the district of..... or failing him/her.....of.....in the district of ..... as my/our proxy to vote for me/us on my/our behalf at the Eighth Annual General Meeting of the Company to be held on Friday, the 27th day of September, 2013 at 10.00 a.m. and at any adjournment thereof.

Signed this.....day of.....2013.

Folio No. DP ID\*
No. of Shares held Client ID No.:



\*Applicable for investors holding shares in electronic form.

Notes:

- 1. Proxy need not be a member.
2. The form of proxy, duly signed across Re. 1 revenue stamp should reach the Company, not less than 48 hours before the time fixed for the Meeting.



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**OCL**  **STEEL**

**OCL IRON & STEEL LIMITED**

**Registered Office :**

Vill : Lamloi, P.O.: Garvana

Rajgangpur : 770 017

Distt : Sundargarh, Orissa