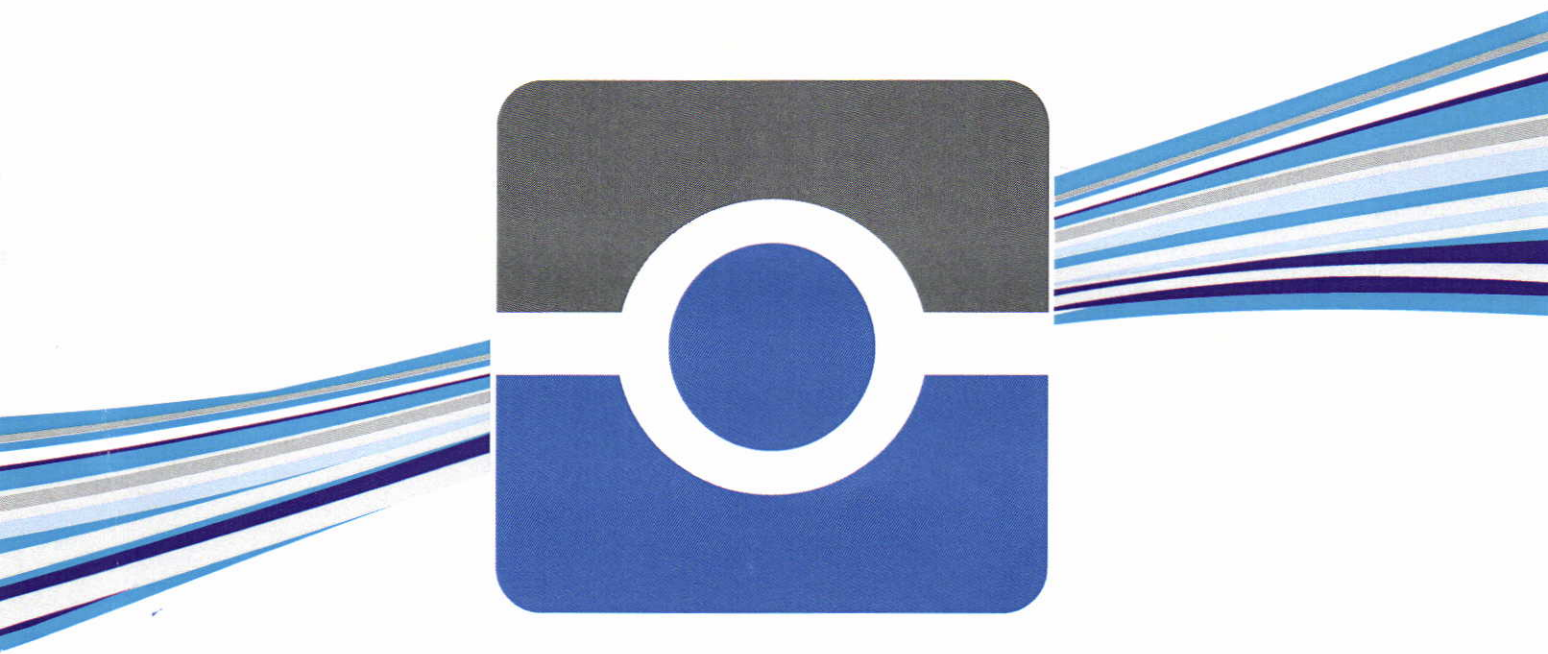


OCL IRON & STEEL LIMITED



SEVENTH ANNUAL REPORT 2011-12



OCL IRON & STEEL LIMITED

SEVENTH ANNUAL REPORT - 2011-2012

Board of Directors

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

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

Company Secretary & Compliance Officer

Ms. Jyoti Mishra

Auditors

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

Bankers

State Bank of India
Axis Bank
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: cbmsl@cal2.vsnl.net.in

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NOTICE

Notice is hereby given that the Seventh Annual General Meeting of the Members of OCL Iron and Steel Limited will be held on Friday, the 28th day of September, 2012 at the registered office of the Company at Vill. Lamloi, P.O. Garvana, Rajgangpur – 770 017 (Dist. Sundargarh, Orissa), at 10.00 a.m. to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and Audited Profit & Loss Account for the year ended on that date together with the Reports of the Directors and the Auditors thereon.
2. To declare dividend @ 2% on Redeemable Non Cumulative Preference Shares.
3. To appoint a Director in place of Mr. Aditya Malhotra who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Yogesh Kapur who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

Special Business

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Section 257 and all other applicable provisions, If any, of the Companies Act, 1956, (including any statutory modification(s) or enactment thereof for the time being in force), Mr. Sanjay Tiku, who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956, be and is hereby appointed as Director of the Company, liable to retire by rotation."
7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Section 257 and all other applicable provisions, If any, of the Companies Act, 1956, (including any statutory modification(s) or enactment thereof for the time being in force), Mr. Chetan Vimalkumar Shah, who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956, be and is hereby appointed as Director of the Company, liable to retire by rotation."
8. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Section 257 and all other applicable provisions, If any, of the Companies Act, 1956, (including any statutory modification(s) or enactment thereof for the time being in force), Mr. Vinod Kumar Uppal, who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956, be and is hereby appointed as Director of the Company, liable to retire by rotation."

By order of the Board
For OCL Iron and Steel Limited

Place : New Delhi
Date : 3rd September, 2012

Sd/-
(Jyoti Mishra)
Company Secretary

Notes:

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
- The Register of Members and Share transfer books of the Company will remain closed from September 24th, 2012 to September 28th, 2012 (both days inclusive).
- M/s CB Management Services (P) Limited, P-22, Bondel Road, Kolkata – 700 019 are the Registrars and Share Transfer Agents of the Company to handle transfers both in physical and electronic segments and other share related matters. Shareholders are requested to address all their correspondence to the Registrars at the above address.
- 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.
- 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. and 1.00 p.m. up to the date of the AGM.
- 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.
- The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. 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 Private Limited, Registrar and Transfer Agent of the Company.
- 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 Annual General Meeting.
- The Members attending the 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 upto a day preceding the day of Annual General Meeting.

INFORMATION REQUIRED TO BE FURNISHED UNDER CLAUSE 49 OF THE LISTING AGREEMENT IN RESPECT OF DIRECTORS BEING APPOINTED/ RE- APPOINTED

Name of Director	Mr. Aditya Malhotra	Mr. Yogesh Kapur	Mr. Sanjay Tiku	Mr. Chetan Vimal Kumar Shah	Mr. Vinod Kumar Uppal
Date of birth	29.11.1982	31.05.1961	27.01.1970	14.08.1961	14.11.1962
Qualification	MBA (Finance)	B.Com	B. Com MBA (Finance)	B.E. (Mech), MBA (Finance)	MBA
Date of appointment	17.02.2010	16.05.2009	10.07.2012	10.07.2012	10.07.2012
Expertise in specific functional areas	Project implementation, monitoring and financial matters	Marketing & Procurement	Administration & Accounts	Setting Up of Foundaries	Finance & Operations

List of other Companies* in which Directorships held (excluding foreign companies, private companies and alternate directorship)	B S Ispat Limited Gondwana Ispat Limited Aron Auto Limited	B S Ispat Limited Gondwana Ispat Limited Aron Auto Limited	Symbios Personnel Advices and Services Limited Amtek Tekfor Automotive Limited Amtek Defence Technologies Limited Amtek Brake Systems Limited Lotus Auto Engineering Limited Aron Auto Limited Stride Autoparts Limited Rollatainers Limited	Amtek India Limited Fenance Auto Limited Aron Auto Limited	Amtek Crankshafts (India) Limited Rollatainers Limited R T Packaging Limited Fenace Auto Limited Oriental Iron Casting Limited Aron Auto Limited
Shareholding in the Company	Nil	Nil	Nil	Nil	Nil

Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956

Item No. 6

Pursuant to the provisions of section 260 of the Companies Act, 1956 ("the Act") and Articles of Association of the Company, the Board of Directors of the Company ("The Board") had, at its meeting held on July 10, 2012, appointed, Mr. Sanjay Tiku, as an Additional Director of the Company. In terms of provisions of Section 260 of the Act, Mr. Sanjay Tiku will hold office up to the date of this Annual General Meeting.

The Company has received notice in writing from a member proposing the candidature of Mr. Sanjay Tiku for the office of Director of the Company under the provisions of section 257 of the Act. None of the Directors except Mr. Sanjay Tiku is concerned or interested in the said resolution.

Item No. 7

Pursuant to the provisions of section 260 of the Companies Act, 1956 ("the Act") and Articles of Association of the Company, the Board of Directors of the Company ("The Board") had, at its meeting held on July 10, 2012, appointed, Mr. Chetan VimalKumar Shah, as an Additional Director of the Company. In terms of provisions of Section 260 of the Act, Mr. Chetan VimalKumar Shah will hold office up to the date of this Annual General Meeting.

The Company has received notice in writing from a member proposing the candidature of Mr. Chetan VimalKumar Shah for the office of Director of the Company under the provisions of section 257 of the Act. None of the Directors except Mr. Chetan VimalKumar is concerned or interested in the said resolution.

Item No. 8

Pursuant to the provisions of section 260 of the Companies Act, 1956 ("the Act") and Articles of Association of the Company, the Board of Directors of the Company ("The Board") had, at its meeting held on July 10, 2012, appointed, Mr. Vinod Kumar Uppal, as an Additional Director of the Company. In terms of provisions of Section 260 of the Act, Mr. Vinod Kumar Uppal will hold office up to the date of this Annual General Meeting.

The Company has received notice in writing from a member proposing the candidature of Mr. Vinod Kumar Uppal for the office of Director of the Company under the provisions of section 257 of the Act. None of the Directors except Mr. Vinod Kumar Uppal is concerned or interested in the said resolution.

By order of the Board
For OCL Iron and Steel Limited

Place : New Delhi
Date : 3rd September, 2012

Sd/-
(Jyoti Mishra)
Company Secretary

DIRECTORS' REPORT

To
The Members,
OCL Iron and Steel Limited

Your directors take pleasure in presenting the Seventh Annual Report of the Company together with the Audited Accounts for the year ended 31st March 2012.

Financial Results

(Rupees in Lacs)

Particulars	Year ended 31 st March 2012	Year ended 31 st March, 2011
Revenue from Operations	31304.81	23630.81
Other Income	3219.30	1693.80
Total Revenue	34524.11	25324.61
Total Expenses	30339.56	22642.57
Profit before Interest, Depreciation and Tax	4184.55	2682.04
Interest	934.76	760.60
Depreciation	944.10	795.46
Profit/(loss) before tax	2305.69	1125.98
Tax Expenses	566.68	(50.00)
Profit after Taxation	1739.01	1175.98
Add balance brought forward from Previous Year	1260.40	899.82
Surplus Available	2999.41	2075.80
APPROPRIATION		
Transfer to Debenture Redemption Reserve Account	109.38	203.75
Transfer to Capital Redemption Reserve Account	530.05	530.05
Dividend on Preference Shares	106.01	69.98
Tax on Dividend of Preference Shares	17.20	11.62
Surplus carried to Balance Sheet	2236.77	1260.40

Performance

During the year under review, the Company achieved Revenue from Operations of Rs. 31304.81 lacs as compared to Rs. 23,630.81 lacs in the previous year. Profit before interest, depreciation and taxes stood at Rs. 4184.55 lacs as against Rs. 2682.04 lacs in previous year. Profit after Tax (PAT) stood at Rs. 1739.01 Lacs as against Rs. 1175.98 Lacs in the previous year.

Dividend

The Board of Directors recommends dividend @ 2% on Redeemable Non Cumulative Preference Shares for the year ended 31st March, 2012. 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 will be Rs. 123.21 lacs (including dividend tax of Rs. 17.20 lacs)

Operations

During the year under review the Company produced 105840.00 MT of sponge iron and sold 28754.08 MT and 81888 MT of MS billets and sold 83961 MT.

The Company has generated 885.98 lac units of power during the year.

The Company's plant located at A-285, Chopanki Industrial Area, Chopanki, Bhiwadi, District Alwar, Rajasthan - 301019, having cold Rolling Facility, has become operational.

Directors

During the period under review, Mr. Sanjay Tikku, Mr. Chetan Vimal Kumar Shah and Mr. Vinod Kumar Uppal were appointed as Additional Director(s) in the Board of the Company. Pursuant to Section 260 of the Companies Act, 1956 their tenure as directors expires on the date of the present Annual

General Meeting. Notice(s) signifying the intention to appoint them as directors have been received from the members of the Company and accordingly respective resolutions to that effect have been provided in the notice of the Annual General Meeting as special business.

Mr. K.T. James, has resigned from the Directorship w.e.f. 10th July, 2012.

Mr. Aditya Malhotra and Mr. Yogesh Kapur retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Brief resume of the Directors proposed to be appointed/reappointed, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships/ chairmanships of Board Committees, as stipulated under clause 49 of the Listing Agreements with the Stock Exchanges in India, are provided in notice forming part of the 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 Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept open for inspection at the Registered Office of the Company and that of the respective subsidiary companies. The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary companies.

The Company's Subsidiaries are Aron Auto Limited and Oriental Iron Castings Limited.

Auditors Report

The Auditors Report is self explanatory and therefore, does not call for any further comments.

Auditors

M/s A.C. Gupta & Associates, Auditors of the Company vacate their office at the conclusion of ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept their appointment as statutory auditors of the Company, if appointed.

Cost Auditors

Pursuant to the Companies (Cost Accounting Records) Rules, 2011 issued by the Ministry of Corporate Affairs and Mr. Yash Pal Sardana (membership No. 17996) practising Cost Accountant, was appointed to Conduct audit of cost records of steel plant for the year ended 31 March, 2012. Cost Auditor Reports would be submitted within prescribed time.

Fixed Deposits

During the period under review, the Company has not accepted any public deposits within the meaning of Section 58A and 58AA of the Companies Act, 1956.

De-materialisation of shares

The Company's equity shares are available for de-materialization on both the depositories' viz., NSDL & CDSL. Shareholders may be aware that SEBI has made trading in your company's shares mandatory, in de-materialized form. As on 31st March 2012, 129317294 equity shares representing 96.40% of your Company's Equity share capital have been de-materialized.

Listing at Stock Exchange

The Shares of Company are listed on The Bombay Stock Exchange Limited, Mumbai and The National Stock Exchange of India Limited, Mumbai. The Company has paid annual listing fee to the Stock Exchanges for the year 2012 - 2013.

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 Earnings and Outgo, as required under Section 217(1)(e) of the Companies

Act, 1956 and rules prescribed there under i.e. the Companies (Disclosure of Particulars in Report of Board of Directors) Rules, 1988 are given in the Annexure and form part of this Report.

Corporate Governance

A separate section on Corporate Governance forming part of the Directors' Report and the certificate from the Company's Managing Director and auditors confirming compliance of Corporate Governance norms as stipulated in clause 49 of the Listing Agreement with the Indian Stock Exchanges is included in the Annual Report.

Management Discussion and Analysis

Management Discussion and Analysis of 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 Exchanges is presented in a separate section forming part of the Annual Report.

Directors' Responsibility Statement

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, as amended by the Companies (Amendment) Act, 2000 with respect to Directors' Responsibility Statement, it is hereby confirmed :-

- That in the preparation of the annual accounts for the year ended 31st March, 2012, the applicable Accounting Standards have been followed;
- That the Directors had 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 (31st March, 2012) and of the profit or loss of the Company for the period under review (2011-12);
- That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- That the Directors had prepared the annual accounts on a 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 Shareholders' and Investors' Grievances Committee of the Board periodically reviews the status of the redressal of investors' grievances.

Employee Welfare

Your Company demonstrated that it is a caring organization by constantly devising and implementing several welfare measures for the employees and their families. Employee welfare programmes and schemes were implemented with utmost zeal and they were constantly reviewed and improvements were made wherever necessary at the earliest.

Acknowledgement

Your Directors wish to place on record their appreciation to all the stakeholders including all the employees of the Company for their dedicated support, which has enabled the Company to continue to grow during the year under review. Your Directors also take this opportunity to offer their sincere thanks for the assistance from the Financial Institutions, Banks and other Government Authorities for their continued support.

By order of the Board
For OCL Iron and Steel Limited

Place : New Delhi
Date : 3rd September, 2012

Sd/-
(Yogesh Kapur)
Chairman

ANNEXURE-I TO THE DIRECTORS' REPORT 2011-12

STATEMENT CONTAINING PARTICULARS PURSUANT TO COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF DIRECTOR'S REPORT:

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

Total Foreign Exchange used and earned:

Used : 1625.17 Lacs

Earned : Nil

Form-A

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

	2011 - 12	2010 - 11
A) POWER AND FUEL CONSUMPTION		
a) Electricity Purchased		
Units (in lacs)	-	-
Total Amount (Rs.in lacs)	-	-
Rate/Unit(Rs.)	-	-
b) Own generation through power Generators :		
Units (in lacs)	885.98	881.62
Units per Tonne of fuel	1,115.57	1,144.00
Cost/unit (Rs.)	1.32	1.15
B) CONSUMPTION PER UNIT OF PRODUCTION (PER MT)		
STEEL		
Electricity (KWH)	839.92	830.29
Fuel Oil (Ltrs)	2.38	2.08
POWER		
Electricity (KWH)	0.11	0.10
Fuel		
Oil (Rs. in lacs)	0.00	0.01
Coal (Lacs Mt)	1.32	1.15

CORPORATE GOVERNANCE

I. Philosophy on Code of 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 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 with considerable experience in their respective fields. The Chairman of the Board is a Non-Executive Independent Director. The Board as at March 31, 2012 had a combination of one Executive Director and four Non-Executive Directors. Out of these, three directors are Independent. The details of the Directors with regard to their outside directorships, Committee positions as well as attendance at Board Meeting/AGM are as follows:

S. No.	Name of the Director	Status	Executive/ Non-Executive/ Independent	No. of Board Meetings attended	Attendance at the last AGM held on 30.09.2011	No. of other Directorships as on 31.03.12*	No. of Committees Positions held in other Public Companies as on 31.03.12**	
							Membership**	Chairmanship
1.	Mr. Yogesh Kapur	Chairman	Non-executive and Independent	7	P	3	Nil	Nil
2.	Mr. NandKishore Taori	Managing Director	Executive	8	NP	1	Nil	Nil
3.	Mr. Aditya Malhotra	Director	Non-Executive and Non Independent	8	NP	3	Nil	Nil
4.	Mr. K.T. James***	Director	Non-executive and Independent	1	NP	7	3	1
5.	Mr. Sanjiv Bhasin	Director	Non-executive and Independent	1	P	1	Nil	Nil
6.	Mr. Sanjay Tiku****	Director	Non-executive and Independent	NA	NA	8	2	Nil
7.	Mr. Chetan Vimalkumar Shah****	Director	Non-executive & Independent	NA	NA	3	2	Nil
8.	Mr. Vinod Kumar Uppal ****	Director	Non-executive and Independent	NA	NA	6	3	Nil

Notes:

- a) Nine Board meetings were held during the Financial Year 2011-12 on 07.04.2011, 14.05.2011, 11.08.2011, 03.09.2011, 14.11.2011, 26.11.2011, 10.12.2011, 14.02.2012, 29.03.2012.
- b) The Non Executive Chairman has not desired an office at the Company's expense.
- c) * Excludes foreign companies, private companies & Alternate directorship and Companies registered under Section 25 of the Companies Act, 1956.
- d) ** Includes only membership in Audit Committee and Share Transfer and Investor Grievance Committee.
- e) *** Mr. K.T. James has ceased to be Director of the Company wef 10/07/2012.
- f) **** Mr. Sanjay Tiku, Mr. Chetan Vimalkumar Shah and Mr. Vinod Kumar Uppal, have been appointed as Additional Director w.e.f. 10/07/2012.

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 and the same was dealt with appropriately. None of the Directors is disqualified for appointment as director under 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 are not related inter- se.

III. Audit Committee

The Board of the Company has constituted Audit Committee, comprising of three directors. All the members of the committee viz. Mr. Sanjiv Bhasin as its Chairman and Mr. Yogesh Kapur and Mr. Aditya Malhotra as its Members. The constitution of the Audit Committee meets the requirement of section 292A of the Companies Act, 1956. The power and role of the audit committee is as per the guidelines set out in the listing agreement and as prescribed under section 292A of the Companies Act, 1956.

During the period, the committee met 5 times and the attendance of members at the meetings was as follows:

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

IV. Remuneration of Directors

A) Non-Executive Directors

The remuneration of Non-Executive Directors (NEDs) is fixed by the Board of Directors subject to 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.

(A) The details of the remuneration paid to the Executive Directors provided as per accounts for the year ended March 31, 2012 are given below:-

Executive Director	Salary * (in Lacs)	Commission	Total (in Lacs)
Mr. N.K. Taori	40.18	–	40.18

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

(B) Details of sitting fees and Commission paid to the Directors during 2011-12 are mentioned below: (Amount in Rs.)

S.No.	Name of the Director	Sitting fees
1	Mr. Yogesh Kapur	70,000
2	Mr. NandKishore Taori	NIL
3	Mr. Aditya Malhotra	80,000
4	Mr. K.T. James	10,000
5	Mr. Sanjiv Bhasin	10,000

V. Share Transfer and Investors' Grievance Committee

Presently the Share Transfer and Investors Grievance Committee consists of two Directors i.e. Mr. Yogesh Kapur and Mr. Nand Kishore Taori. The Company Secretary acts as the Secretary of the Committee. During the year, no shareholder/investor complaints were received by the Company. During the year 2011-12, 4 meetings of the Committee were held.

The Company has also adopted a Code of Internal procedure and conduct for prevention of insider trading in the shares of the Company, pursuant to the Securities and Exchange Board of India (Prohibitions of Insider Trading) Regulation, 1992, as amended. The Board has designated Company Secretary as the Compliance Officer for this purpose and has authorized this Committee to monitor the compliances as required under the aforesaid Regulation.

VI. COMPLIANCE OFFICER

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

VII. GENERAL BODY MEETINGS

Date, time and place of Annual General Meetings held in last three years –

YEAR	DATE & TIME	LOCATION	WHETHER SPECIAL RESOLUTION(S) WERE PASSED
2008-09	30 th September, 2009 at 11.00 A.M.	At the registered office at Rajgangpur- 770017 (Orissa)	No Special resolution was passed
2009-10	30 th September, 2010 at 10.00 A.M.	At the registered office at Rajgangpur- 770017 (Orissa)	No Special resolution was passed
2010-11	30 th September, 2011 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 30th September, 2011 at 10.00 a.m. at the registered office 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.

VIII. 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.

(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. Further, the Company has also complied with the non-mandatory requirement relating to constitution of Shareholder Rights and establishing the Whistleblower Policy.

(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). All Board members and senior management personnel have confirmed compliance with the Code for the year 2011-12. A declaration to this effect signed by the Managing Director & CEO of the Company is provided elsewhere in the Annual Report.

(D) Disclosure of Accounting Treatment :

In the preparation of financial statements for the year ended on March 2012; 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 preferential issues of warrants etc. :

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

IX. MEANS OF COMMUNICATION

Results for quarter ended 30th June 2011, 30th September 2011, 31st December 2011 and 31st March 2012 have been published in English (Business Standard) and also in a vernacular language newspaper (Utkal Mail).

The Company also uploads its financial results, shareholding pattern and other information on its website i.e. www.oclsteel.in

NSE Electronic Application Processing System (NEAPS): NEAPS is a web based application designed by NSE for corporates. The Shareholding Pattern and Corporate Governance Report are also filed electronically on NEAPS.

A Management Discussion and Analysis Report which forms part of the Annual Report is given by means of a separate annexure and is attached to the Directors' Report.

X. 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 - 301019.
Last Annual General Meeting: Day / Date/ Time/Venue:	Friday, the 30 th September, 2011 at 10.00 AM Vill. Lamloi, P.O. Garvana, Rajgangpur:- 770 017, Distt: Sundargarh, Orissa.
Financial Year	1 st April to 31 st March
Last Book Closure	22 nd September, 2011 to 30 th September, 2011
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 2012-13 to BSE & NSE within the stipulated time.
ISIN CODE	INE196J01019
Stock Code-Equity Share:	
BSE	533008
NSE	OISL

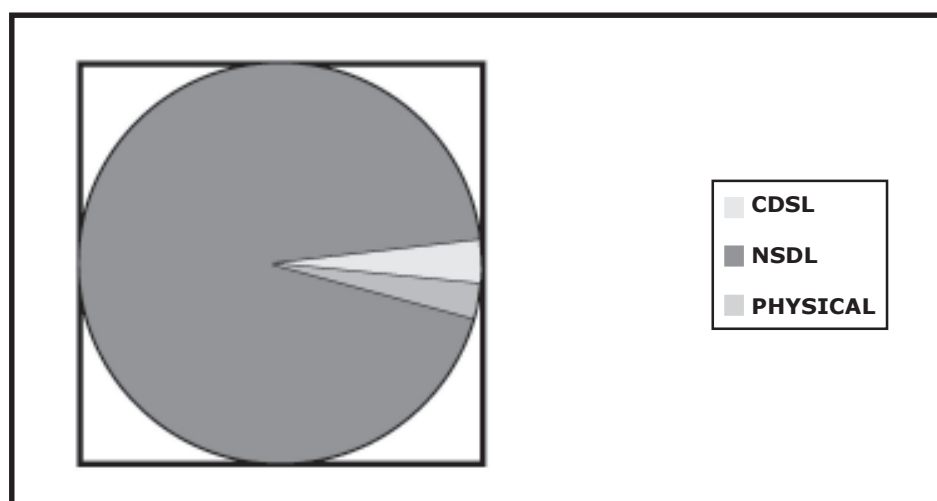
B) Financial Calendar:

FINANCIAL CALENDER: (Tentative & Subject to change)	
First Quarter Results	Mid of August, 2012
Second Quarter Results	Mid of November, 2012
Third Quarter Results	Mid of February, 2013
Fourth Quarter Results	Mid of May, 2013

The Company's quarterly un-audited results and half yearly un-audited results are subjected to limited review by Auditors and Annual results are subjected to Audit by the Statutory Auditors. Quarterly un-audited and annual audited results are published in newspapers and are also provided to the Stock Exchanges.

C) Dematerialization of Shares and Liquidity:

The shares of the Company are in compulsory Demat Segment and are available for trading in both the Depositories, namely, NSDL and CDSL, as on 31st March 2012, 129317294 equity shares constituting 96.40% of the total paid up equity capital of the Company have been dematerialized with NSDL and CDSL.

**D) Share Transfer system and Share Transfer Agent:**

Pursuant to directions of SEBI, the facility to hold the Company's shares in electronic form is available to the shareholders as the Company has joined both Depositories namely NSDL & CDSL. Share Transfer documents for physical transfer and requests for dematerialization of shares may be sent to Company's Share Transfer Agents;

E) 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: cbmsl@cal2.vsnl.net.in

F) Market price data: Monthly High/Low prices per share during 2011-2012:

Months	BSE		NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April, 2011	60.00	42.50	60.55	43.25
May, 2011	52.00	42.00	52.70	42.30
June, 2011	45.45	37.25	45.90	38.85
July, 2011	59.00	37.30	56.00	38.00
August, 2011	59.90	47.25	57.00	47.10
September, 2011	57.00	49.05	60.00	47.35
October, 2011	54.90	46.10	50.75	46.00
November, 2011	49.90	36.50	54.95	37.35
December, 2011	52.60	38.10	50.00	40.05
January, 2012	58.75	45.00	54.90	44.95
February, 2012	53.75	42.00	52.75	47.20
March, 2012	51.95	37.75	51.00	37.30

BOMBAY STOCK EXCHANGE

Historic Graphs



Historic Graph 01-04-2011 to 31-03-2012

NATIONAL STOCK EXCHANGE

Historic Graphs



Historic Graph 01-04-2011 to 31-03-2012

G) Shareholding pattern as on 31st March, 2012:

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	4919859	3.67
Bodies Corporate	11601991	8.65
Resident Individuals	15725182	11.72
Non-Resident Individual	853504	0.64
Foreign National	54240	0.04
Clearing Member	136514	0.10
TOTAL	134143160	100

H) Distribution of Shareholding as on 31st March, 2012:

Range of Shares	No. of Holders	No. of Shares
Upto 5000	9362	7249418
5001-10000	415	2942450
10001-20000	195	2698852
20001-30000	46	1108086
30001-40000	30	1074425
40001-50000	11	506218
50001-100000	33	2316837
100001 and above	24	116246874
Total	10116	134143160

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 st Jan & 1 st July every year	Half yearly	9.20	INE196J07016	21 st Jan 2017	1 crore	AXIS Bank Ltd. 13 th 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:-

As on date there are no outstanding FCCB's/Warrant or any other convertible instruments.

K) INVESTORS CORRESPONDENCE MAY BE ADDRESSED TO:-**Ms. Jyoti Mishra**

Vill. Lamloi, PO. Garvana,
Rajgangpur-770 017.
Distt: Sundargarh, Orissa,

By order of the Board
For OCL Iron and Steel Limited

Place : New Delhi
Date : 3rd September, 2012

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 Year ended on 31st March, 2012 as stipulated in clause 49 of the Listing Agreement of the said Company with 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 shareholders/ Investors Grievance Committee has maintained records to show the Investors Grievance and certify that as at 31.03.2012, 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 AC Gupta & Associates
Chartered Accountants**

Place : New Delhi
Date : 3rd September, 2012

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

DECLARATION BY CEO UNDER CLAUSE 49 OF THE LISTING AGREEMENT

As required under 49 of the Listing Agreement with Stock Exchange, it is hereby confirmed that for the year ended 31st March, 2012, 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 Employee Code of Conduct, as applicable to them.

Place : New Delhi
Date : 3rd September, 2012

Sd/-
N. K. Taori
Managing Director

CEO AND CFO CERTIFICATION

We, N.K.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 31.03.2012 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 31.03.2012 are fraudulent, illegal or violation 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 : 3rd September, 2012

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

Sd/-
N.K. 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 2011-12, increasing to 1490 million metric tons (MT)^{\$} which was an annual growth of 4.34% over the previous year. Growth in steel production was significantly diverse across regions. Crude steel production in Asia during 2011-12 was 954 million MT^{\$} a growth of 5.46% compared to the prior year. During this period, India maintained its ranking as the 5th largest producer in the world, with production volume of 72.2million MT^{\$}, a 5.09% growth year-over-year. Over the five year period from 2005-06 to 2011-12, India's crude steel production grew at a compound annual growth rate (CAGR) of 11.4%. This growth has been primarily driven by capacity expansions and steady capacity utilization remained steady between 89-91% over the same period.

2. Opportunities and Threats

a) Opportunities:

The 11th Five-year plan (2007-12) has approved a total outlay of Rs 55,000 Lacs* (\$10 Billion) for the steel industry#. This spending is expected to be driven by a significant investment allocation of Rs 2,695,000 Lacs* (\$490 billion) by this plan for the infrastructure sector, comprising power, roads highways, railways, ports, airports, mining and irrigation.

A key infrastructure initiative by the government involves the creation of dedicated rail freight corridors. In the initial phase, two such corridors are being planned – from Delhi-to-Mumbai which has a Japanese collaboration and Delhi-to -Kolkata which will span a total length of 3,300km. The implementation of these plans over the coming years is expected to directly benefit the steel industry.

The Government is also focusing on key manufacturing sectors such as the automotive industry in order to boost economic growth. India's automobile industry is expected to grow from Rs 401,500 Lacs* (\$73 billion) currently 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. Despite this growth, vehicle penetration remains low providing an attractive long term outlook for growth in this industry. Total passenger car production in India is expected to increase to 9 million units by 2020. Attracted by the growth prospects of the Indian steel Industry, numerous global steel players have been planning to enter the market or have already announced expansion plans in India.

b) Threats:

The cost of iron ore and coal constitute major cost of production. The availability of quality materials is another threat to the company. 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. Overall, a potential slow down could be a serious threat to the steel industry as a whole. There has been land acquisition issues throughout India as well as slowed clearances from statutory bodies have considerably impacted the growth targets and slowed down new steel capacity expansion as many projects became non starter due to above. The central and state government needs to address these issues quickly.

3. Segment-wise/product-wise performance

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 tones per annum (TPA). During FY2011-12, total production of steel was 81888 MT. 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.

^{\$} - Source: World Steel Association

*(@ Rs 55/\$)

#Indian Ministry of steel annual report

Direct Reduced Iron/Sponge Iron (DRI)

The company produces DRI primarily for captive consumption. The total DRI production capacity is currently 120,000 tons per annum (TPA). During FY 2011-12, total production of DRI was 105,840 MT.

Power

The other key input in the iron and steel manufacturing process is steady and reliable power supply. All of the company's power requirements are met through its captive power plant located at the Rajganpur facility. Power at the Rajganpur 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 885.98 lacs units of power during the year 2011-12 as compared to 881.62 lacs units of power during the year 2010-11.

Expansion

Company has received MoEF clearance for expansion of steel making capacity and power capacity at the existing location. The major orders for the expansion project have been released and the construction is in full swing. Apart from this the company has forayed into value added products and industries.

Cold Rolling Mill:

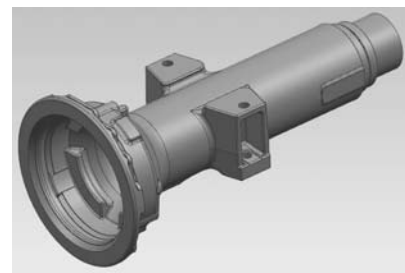
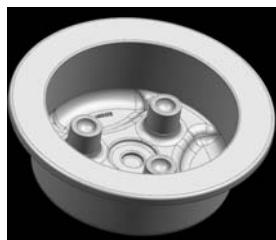
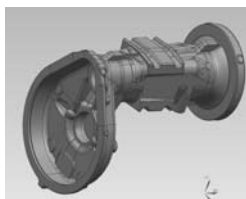
The company has established a Cold Rolling Facility, located in Chopanki [Rajasthan], which equipped with an imported 3-Station Cold Rolling Mill and a Straightening and Cutting Machine. Plant's input is in the shape of round wire rods and output in the form of profile sections. Facility includes in-house 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 know how 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. Investment shall be suitably safe guarded by extended Warranty, Performance Guarantee, Long term Technical support, Consignment Spares storage at Site, Product Proving Conditions and online support facility from supplier.

Entire project has been planned and executed in-line with prevailing international trends in the casting industries. Products and Process has been bench marked with international standards which includes highly efficient material handling systems.



4. Outlook

The domestic demand-supply scenario for power, DRI, Iron ore and HRPL are favorable. The demand for sponge iron/DRI is continuously increasing both in domestic as well as global market. Based on a GDP growth rate of 7 – 7.5% the National Steel Policy 2005 had projected steel consumption to grow at 7% annually and steel production to reach 110 million MT 2019-20. These estimates are highly likely to be exceeded as it has been assessed that, on a most likely scenario basis, crude steel production capacity in the country by the year 2012-13 will be close to 110 million MT.

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.

Steel consumption growth in India has been consistently higher than production growth, resulting in the country becoming a net importer of crude steel since 2007-08. Exports have also declined during this period as a result of this increased domestic demand. This trend is expected to continue with a majority of the steel produced in India being consumed domestically.

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.

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. Audit planning and executions are oriented towards a review of internal controls in the functional areas of the company. 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 sales and operating income of Rs. 34524.11 lacs compared to Rs. 25324.61 lacs in the previous year. FY 2011-12 gross profits before interest, depreciation and taxes stood at Rs. 4184.55 lacs compared to Rs. 2,682.04 lacs in previous year.

During FY2011-12, total DRI production at all four kilns was 105840 MT, compared to 92,781 MT in FY 2010-11. During the year, company produced 81,888 MT of MS billets compared to 74,512 MT in FY 2010-11. The company has taken plant shutdown for 11 days for installation and enhancement of pollution control equipment. The capacity utilization of steel plant was 96.3% as against 88% in the previous year.

DRI	FY 2011-12		FY 2010-11	
	Days of Operation	Production – MT	Days of Operation	Production – MT
Kiln # 1	332	26,515	310	24,294
Kiln # 2	334	26,582	279	21,701
Kiln # 3	331	25,534	303	23,161
Kiln # 4	333	27,209	299	23,625
Total Production:		105,840		92,781

Steel	FY 2011-12		FY 2010-11	
	Days of Operation	Production – MT	Days of Operation	Production – MT
IF # 1 & 2	330 Days (6643 Heats)	81,888	319 Days (6105 Heats)	74,512

8. Human Resource and Industrial Relations

The company had -720 employees as on 31st March, 2012 which includes contractor, departmental, contractual, trainees & staff executives. Industrial relations remained cordial during the year. To meet ever growing competition in the market it is necessary to have efficient work-force. Therefore, employees need to be continuously trained to upgrade their knowledge and skills. The company has started an empowerment programmed for a section of employees as major step towards human resource development.

9. Statutory Compliance

The company secretary, as committee 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 and 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 statues and other incidental factors.

AUDITORS' REPORT

To,
The Members,
OCL Iron and Steel Limited

We have audited the attached Balance Sheet of OCL Iron and Steel Limited as at 31st March 2012, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As required by the Companies (Auditors' Report) Order, 2003 (as amended) by the companies (Auditors' Report) (amended) order, 2004 (together the order) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraph 4 and 5 of the said order.

Further to our comments in the Annexure referred to above, we report that:

- (i) 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;
- (ii) 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.
- (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement of the company, dealt with by this report are in agreement with the books of account.
- (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- (v) On the basis of written representations received from the directors, as on 31st March 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2012 ;
 - (b) in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
 - (c) in the case of Cash Flow Statement, of the cash flow for the year ended on that date.

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

Sd/-
(A.C. GUPTA)

Place : New Delhi
Dated : 3rd September, 2012

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

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE OF OCL IRON AND STEEL LIMITED FOR THE YEAR ENDED 31st March 2012

- (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 inventory 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 is maintaining proper records of inventory. 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 not granted/taken any loans secured or unsecured to/from the Companies and joint ventures, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, 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 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 carryout nor have carried out any detailed examination of such accounts and 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
Total					1000.65

(x) The company has not any accumulated losses at the end of the financial year 31st March, 2012. 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 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 whereof 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 & on behalf of
A.C Gupta & Associates
Chartered Accountants

Sd/-
(A.C. GUPTA)
Partner

Membership No. 8565
Firm Regd. No. 008079N

Place : New Delhi
Dated : 3rd September, 2012

Balance Sheet as on 31st March, 2012

Rs. In Lacs

Particulars	Note No	As At 31.3.2012	As At 31.3.2011
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	1	6,641.93	6,641.93
Reserves and Surplus	2	56,474.92	54,859.12
Non-Current Liabilities			
Long-term borrowings	3	140,970.55	30,995.00
Deferred tax liabilities (Net)	4	1,789.63	1,705.32
Long term provisions	5	69.96	35.48
Current Liabilities			
Short-term borrowings	6	4,332.09	3,496.66
Trade payables	7	3,063.14	1,979.09
Other current liabilities	8	35,572.60	418.53
Short-term provisions	9	192.99	135.22
Total		249,107.81	100,266.35
Assets			
Non-current assets			
Fixed assets	10		
Tangible assets		14,505.95	10,657.95
Capital work-in-progress		20,497.22	24,771.11
		35,003.17	35,429.06
Non-current investments			
Long term loans and advances	11	19,855.00	0.00
Current assets	12	61,850.02	3,166.23
Inventories	13	5,003.36	2,817.85
Trade receivables	14	1,586.44	1,328.81
Cash and cash equivalents	15	78,426.92	54,115.25
Short-term loans and advances	16	46,358.86	3,283.26
Other current assets	17	1,024.04	125.89
Total		249,107.81	100,266.35

As per our report of even date attached.

For A.C GUPTA & ASSOCIATES

Chartered Accountants.

For and on behalf of the Board

A.C Gupta

Partner

Membership No.: 8565

Firm Regd. No. 008079N

PLACE : New Delhi

DATE : 3rd September, 2012

Sd/-
N.K. Taori
Managing Director

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

Sd/-
Yogesh Kapur
Chairman

Sd/-
Jyoti Mishra
Company Secretary

Profit and Loss statement for the year ended 31st March, 2012

Rs. In Lacs

Particulars	Note No	For the Year Ended 31.3.2012	For the Year Ended 31.3.2011
Revenue from operations	18	31,304.81	23,630.81
Other Income	19	3,219.30	1,693.80
Total Revenue		34,524.11	25,324.61
Expenses:			
Cost of materials consumed	20	26,031.41	19,215.45
Purchase of Stock-in-Trade		-	-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	21	155.24	(265.92)
Employee benefit expense	22	886.72	833.50
Financial costs	23	934.76	760.60
Depreciation and amortization expense		944.10	795.46
Other expenses	24	3,266.19	2,859.49
Total Expenses		32,218.42	24,198.63
Profit before tax		2,305.69	1,125.98
Tax expense:			
(1) Current tax		461.32	224.41
(2) Deferred tax		84.32	(81.95)
(3) MAT Credit (Entitlement)/Availment		21.04	(192.46)
Profit(Loss) from the period from continuing operations		1,739.01	1,175.98
Earning per equity share:			
(1) Basic		1.20	0.88
(2) Diluted		1.20	0.88

As per our report of even date attached.
For A.C GUPTA & ASSOCIATES
Chartered Accountants.

For and on behalf of the Board

A.C Gupta
Partner
Membership No.: 8565
Firm Regd. No. 008079N

Sd/-
N.K. Taori
Managing Director

Sd/-
Yogesh Kapur
Chairman

PLACE : New Delhi
DATE : 3rd September, 2012

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

Sd/-
Jyoti Mishra
Company Secretary

Cash Flow Statement for the year ended 31.03.2012

Rs. In Lacs

	For the year Ended 31.03.2012	For the year Ended 31.03.2011
A. Cash Flow arising Operating Activities		
Net Profit before Taxes	2,305.69	1,125.98
Adjustment for :		
Depreciation	944.10	795.46
Interest expense	934.76	760.60
Operating Profit before Working Capital Changes	4,184.55	2,682.04
Adjustment for Working Capital changes		
Inventories	(2,185.51)	(567.06)
Trade & Other receivables	(257.63)	111.59
Other Current assets	(898.15)	(109.25)
Loans & Advances	(43,159.15)	(757.14)
Current liabilities and provisions	37,124.19	550.77
Net Cash from Working Capital changes	(9,376.25)	(771.09)
Cash flow from Operating Activities	(5,191.69)	1,910.95
Income Tax (Paid) / refund (incl TDS)	(433.43)	(225.04)
Net Cash flow from Operating Activities	(5,625.12)	1,685.91
B. Cash Flow on Investing Activities		
Purchase of fixed assets	(4,792.10)	(1,685.02)
Adjustment to capital work in progress and capital advance	(54,517.74)	(26,532.92)
purchase of Investment	(19,855.00)	-
Net Cash from Investing Activities	(79,164.84)	(28,217.94)
Net cash flow on financing activities		
Secured loans	110,118.00	27,760.64
Share Capital & share premium	-	53,005.00
Interest Expense	(934.76)	(760.60)
Preference Dividend and Dividend Tax	(81.60)	-
Net cash flow from financing activities	109,101.64	80,005.04
Net decrease in cash or cash equivalents	24,311.67	53,473.01
Opening Cash and cash equivalents	54,115.25	642.24
Closing Cash and cash equivalents	78,426.92	54,115.25

As per our report of even date attached.

For A.C GUPTA & ASSOCIATES

Chartered Accountants.

For and on behalf of the Board

A.C Gupta

Partner

Membership No.: 8565

Firm Regd. No. 008079N

PLACE : New Delhi

DATE : 3rd September, 2012

Sd/-

N.K. Taori

Managing Director

Sd/-

T.K. Laskar

AVP (Finance & Accounts)

Sd/-

Yogesh Kapur

Chairman

Sd/-

Jyoti Mishra

Company Secretary

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, 2012

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

Note : 1 Share Capital

Rs. In Lacs

Sr. No	Particulars	As At 31.3.2012	As At 31.3.2011
1	AUTHORIZED CAPITAL 34,00,00,000 (Prev. Year 34,00,00,000) Equity Shares of Rs.1/- each 7,00,00,000 (7,00,00,000) Preference Shares of Rs.10/- each	3,400.00 7,000.00	3,400.00 7,000.00
		10,400.00	10,400.00
2	ISSUED, SUBSCRIBED & PAID UP CAPITAL 13,41,43,160 (Prev. Year 13,41,43,160) Equity Shares of Rs.1/- each, fully paid up . Of the above, 13,36,43,160 Shares of Rs.1/- each were issued to the Shareholders of OCL India Ltd during the year 2007-08 in terms of a scheme of arrangement 5,30,05,000 (Prev. Year 53005000) 2% Non Cumulative Reedemable preference shares of Rs.10/-each fully paid	1,341.43 5,300.50	1,341.43 5,300.50
	Total	6,641.93	6,641.93

1A RECONCILIATION OF SHARES

NO. OF SHARES (In Lacs)

S.No.	Particulars	As At 31.3.2012	As At 31.3.2011
a)	EQUITY SHARES		
	Shares outstanding at the beginning of the year	1,341.43	1,341.43
	Shares Issued during the year		
	Shares bought back during the year		
	Shares outstanding at the end of the year	1,341.43	1,341.43
b)	PREFERENCE SHARES		
	Shares outstanding at the beginning of the year	530.05	530.05
	Shares Issued during the year	-	530.05
	Shares bought back during the year	-	-
	Shares outstanding at the end of the year	530.05	530.05

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

1C	SHARES HELD BY	NO. OF SHARES (In Lacs)	%
	Garima Buildprop Pvt Ltd	1,006.07	75%

Note : 2 Reserve & Surplus

Rs. In Lacs

Sr. No	Particulars	As At 31.3.2012	As At 31.3.2011
1	Capital Reserve		
	Opening Balance	4,817.29	4,817.29
	Add: Addition during the year	-	-
	Less: Written back during current year	-	-
	Closing balance	4,817.29	4,817.29

2	Preference Shares Redemption Reserve		
	Opening Balance	530.05	0.00
	Add: Addition during the year	530.05	530.05
	Less: Written back during current year	-	-
	Closing balance	1,060.10	530.05
3	Securities Premium reserve		
	Opening Balance	47,704.50	-
	Add: Addition during the year	-	47,704.50
	Less: Written back during current year	-	-
	Closing balance	47,704.50	47,704.50
4	Debenture Redemption Reserve		
	Opening Balance	546.88	343.13
	Add: Addition during the year	109.38	203.75
	Less: Written back during current year	-	-
	Closing balance	656.26	546.88
5	Surplus (Profit & Loss Account)		
	Opening Balance	1,260.40	899.82
	Add: Profit for the year	1,739.01	1,175.98
	Less: Appropriations		
	Transferred to Debenture Redemption Reserve	109.38	203.75
	Transferred to Capital Redemption Reserve	530.05	530.05
	Dividend on Preference Share	106.01	69.98
	Tax on Dividend on Preference Share	17.20	11.62
	Closing balance	2,236.77	1,260.40
	Total	56,474.92	54,859.12

Note : 3 Long Term Borrowings

A) Secured loan		Rs. In Lacs	
Sr. No	Particulars	As At 31.3.2012	As At 31.3.2011
1	Bonds / Debentures		
	Secured Redeemable Non-Convertible Debentures 9.20% (Redeemable during 2014-15 to 2016-17)	3,500.00	3,500.00
2	Term Loan		
	- From Bank	101,661.00	27,495.00
3	External Commercial Borrowing	35,809.55	-
	Total	140,970.55	30,995.00

Note:

Rupee term debt of Rs. 48,160 Lacs and NCDs of Rs 3,500 Lacs are secured by way of equitable mortgage on all immovable properties of the project 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 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 at Vill Lamloi, P.O Garvana, Rajgangpur, Distt Sundergarh, Orissa.

External Commercial Borrowing/INR term loan of Rs. 35,810 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.

Note : 4 Deferred Tax Liabilities (Net)

Rs. In Lacs

Sr. No	Particulars	As At 31.3.2012	As At 31.3.2011
	Opening Balance	1,705.32	1,787.27
	Add: Provided during the year	84.31	-
	Less: Reversal during the year	-	81.95
	Total	1,789.63	1,705.32

Break up of Deferred Tax

Rs. In Lacs

Sr. No	Particulars	As At 31.3.2012	As At 31.3.2011
	Liabilities		
	- Depreciation	1,800.82	1,708.29
	Assets		
	- Others (i.e allowed on payment basis)	(11.19)	(2.97)
	Net Liability / (Assets)	1,789.63	1,705.32

Note: 5 Long Term Provisions

Rs. In Lacs

Sr. No	Particulars	As At 31.3.2012	As At 31.3.2011
	Provision from Employment Benefit		
	a) Gratuity	34.37	7.51
	b) Leave Encashment	35.59	27.97
	Total	69.96	35.48

Note: 6 Short Term Borrowings Secured

Rs. In Lacs

Sr. No	Particulars	As At 31.3.2012	As At 31.3.2011
1	Deposits/ retention money	399.14	397.21
2	Working capital limit	3,932.95	3,099.45
	Total	4,332.09	3,496.66

Note:

- 1) 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 : 7 Trades Payable

Rs. In Lacs

Sr. No	Particulars	As At 31.3.2012	As At 31.3.2011
1	Trade Payable	2,256.63	1,581.17
2	Advance From Customers	806.51	397.92
	Total	3,063.14	1,979.09

Note : 8 Other Current Liabilities

Rs. In Lacs

Sr. No	Particulars	As At 31.3.2012	As At 31.3.2011
a)	Interest accrued but not due on borrowings	79.40	79.40
b)	TDS and other Taxes payable	194.73	182.14
c)	Unclaimed Bonus	4.12	3.61
d)	Personel Expenses Payable	85.46	112.90
e)	Other expense payable	126.59	40.48
f)	Other Liability	35,082.30	-
	Total	35,572.60	418.53

Note : 9 Short Term Provisions

Rs. In Lacs

Sr. No	Particulars	As At 31.3.2012	As At 31.3.2011
1	Provision for bonus	69.78	53.62
2	Dividend on preference shares	106.01	69.98
3	Tax on Dividend on preference shares	17.20	11.62
	Total	192.99	135.22

Note : 11 Non-current Investments

Rs. In Lacs

Sr. No	Particulars	As At 31.3.2012	As At 31.3.2011
1	Investment in Equity Instrument Unquoted Long Term		
	1,98,50,000 equity shares of Rs 10 each of Oriental Iron casting Ltd. (previous year NIL)	19,850.00	-
	50,000 equity shares of Rs 10 each of Aron Auto Ltd (previous year NIL)	5.00	-
	Total	19,855.00	-

Note : 12 Long Term Loans and Advances

Rs. In Lacs

Sr. No	Particulars	As At 31.3.2012	As At 31.3.2011
1	Capital advance Unsecured, Considered Good :	61,798.78	3,149.60
2	Security Deposit Secured, Considered Good :	51.24	16.63
	Total	61,850.02	3,166.23

Note: There is no loan to any directors or other officers of the company

Note : 10 Fixed Assets

Rs. in Lacs

Sr. No.	Particulars	Gross Block			Depreciation			Net Block		
		Value as on 01.04.11	Additions during the year	Deductions during the year	Value as on 31.03.12	Value as on 31.03.11	Addition during the year	Deduction during the year	Value as on 31.03.12	WDV as on 31.03.11
A)	Tangible Assets									
1.	Land	316.89	765.50	-	1,082.39	-	-	-	1,082.39	316.89
2.	Building	2,794.45	1,252.64	-	4,047.09	186.30	205.99	392.29	3,654.80	2,608.15
3.	Plant and Equipment	10,977.42	2,759.39	-	13,736.81	3,322.17	724.47	4,046.64	9,690.17	7,655.25
4.	Furnitures & Fixtures	97.52	14.57	-	112.09	30.10	10.64	40.74	71.35	67.42
5.	Vehicles	35.01	-	-	35.01	24.77	3.00	27.77	7.24	10.24
	TOTAL (A) Current Years	14,221.29	4,792.10	-	19,013.39	3,563.34	944.10	-	14,505.95	10,657.95
	Previous Year	12,536.27	1,685.02	-	14,221.29	2,767.88	759.46	-	10,657.95	-
B)	Capital Work-in-progress	-	-	-	-	-	-	-	20,497.22	24,771.11

Note : 13 Inventories

Rs. In Lacs

Sr. No	Particulars	As At 31.3.2012	As At 31.3.2011
1	Raw Material	3,111.51	1,004.74
2	Work-in-Progress	334.78	17.35
3	Finished Goods	850.13	1,322.80
4	Stores & Spares	706.94	472.96
	Total	5,003.36	2,817.85

Note : 14 Trade Recievables

Rs. In Lacs

Sr. No	Particulars	As At 31.3.2012	As At 31.3.2011
1	Outstanding for more than six months		
	a) Unsecured, Considered Good :	530.93	564.33
	b) Doubtful	52.53	52.53
	Less: Provision for Bad and Doubtful Debts	52.53	52.53
2	Others	-	-
	Unsecured, Considered Good :	1,055.51	764.48
	Total	1,586.44	1,328.81

Note : 15 Cash & Cash Equivalent

Rs. In Lacs

Sr. No	Particulars	As At 31.3.2012	As At 31.3.2011
1	Cash-in-Hand	1.73	1.33
2	Cheque in Hand	54.25	-
3	Bank Balance		
	a) FD against LC Margin	52.33	-
	b) FD's	75,593.25	47,451.41
	c) Current Account	2,725.36	6,662.51
	Total	78,426.92	54,115.25

Note : 16 Short Terms Loans and Advances

Rs. In Lacs

Sr. No	Particulars	As At 31.3.2012	As At 31.3.2011
1	Loans & Advances		
	a) Unsecured, Considered Good :	46,133.87	2,982.66
	b) Doubtful	12.61	12.61
	Less: Provision for doubtful debts	12.61	12.61
		-	-
2	Income Tax Payments (Net of Provisions)	17.96	72.53
3	MAT Credit Entitlement	207.03	228.07
	Total	46,358.86	3,283.26

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 : 17 Other Current Assets

Rs. In Lacs

Sr. No	Particulars	As At 31.3.2012	As At 31.3.2011
1	Interest accrued on deposits	1,024.04	125.89
	Total	1,024.04	125.89

Note : 18 Revenue From Operation

Rs. In Lacs

Sr. No	Particulars	For the Year Ended 31.3.2012	For the Year Ended 31.3.2011
i)	Sales of Products		
	a) Sponge Iron	6,370.77	4,261.42
	b) Steel	27,905.79	20,110.56
	c) Power	-	264.05
ii)	Other Operating Revenues	268.84	1,270.68
	Less:		
iii)	Excise Duty	3,240.59	2,275.90
	Total	31,304.81	23,630.81

Note : 19 Other Income

Rs. In Lacs

Sr. No	Particulars	For the Year Ended 31.3.2012	For the Year Ended 31.3.2011
i)	Interest Income	3,193.20	1,696.17
ii)	Excess Provisions written Back	26.10	(2.37)
	Total	3,219.30	1,693.80

Note : 20 Cost of Material consumed

Rs. In Lacs

S.No	PARTICULARS	For the Year Ended 31.3.2012	For the Year Ended 31.3.2011
i)	Opening Raw material	1,004.74	693.38
ii)	Add: Purchase of raw material	28,138.18	19,526.81
iii)	Less: Closing Stock of Raw material	3,111.51	1,004.74
	Total	26,031.41	19,215.45

Note : 20.1 Imported and Indigenous Raw materials

Rs. In Lacs

Sr. No	Particulars	For the Year Ended 31.3.2012		For the Year Ended 31.3.2011	
		%	AMT	%	AMT
i)	Imported		NIL		NIL
ii)	Indigenous	100	26,031.41	100	19,215.45

Note : 21 Change in Inventories

Rs. In Lacs

Sr. No	Particulars	For the Year Ended 31.3.2012		For the Year Ended 31.3.2011	
i)	Opening WIP		17.35		37.79
ii)	Less: Closing WIP		334.78		17.35
	Total (A)		(317.43)		20.44
iii)	Opening Finished Goods		1,322.80		1,036.44
iv)	Less: Closing Finished Goods		850.13		1,322.80
	Total (B)		472.67		(286.36)
	TOTAL(A+B)		155.24		(265.92)

Note : 22 Employee Benefit Expenses

Rs. In Lacs

Sr. No	Particulars	For the Year Ended 31.3.2012		For the Year Ended 31.3.2011	
i)	Salaries and Wages		710.14		674.05
ii)	Contribution to provident fund		120.14		86.44
iii)	Staff Welfare Expenses		56.44		73.06
	Total		886.72		833.55

Note : 23 Financial Cost

Rs. In Lacs

Sr. No	Particulars	For the Year Ended 31.3.2012		For the Year Ended 31.3.2011	
A)	Interest Expense				
	Debenture interest		322.00		322.00
B)	Other Borrowing Costs		612.76		438.60
	Total		934.76		760.60

Note : 24 Other Expenses

Rs. In Lacs

Sr. No	Particulars	For the Year Ended 31.3.2012	For the Year Ended 31.3.2011
i)	Consumption of stores and spares parts	1,172.17	1,131.56
ii)	Power and fuel	8.70	2.14
iii)	Repairs to buildings	47.07	2.02
iv)	Repairs to machinery	53.18	73.53
v)	Repairs to other	1.80	2.00
vi)	Insurance	34.67	21.84
vii)	Rates and taxes, excluding, taxes on income	443.63	145.67
viii)	Payments to Contractors for Services	459.21	468.18
ix)	Payments to Outside Agencies	135.44	175.98
x)	Rent	33.68	27.10
xi)	Excise Duty on Stock and Others	(30.01)	27.52
xii)	Freight, Transportation and Handling	23.14	10.58
xiii)	Commission to Selling Agents	107.85	93.56
xiv)	Charity & Donations	13.38	4.81
xv)	Travelling & conveyance	111.50	101.92
xvi)	Director's fee	1.70	3.60
xvii)	Periphery Development	45.92	14.97
xviii)	Transport charges	429.80	391.83
xix)	Advertisement and Publicity	8.24	10.67
xx)	Legal and professional Charges	56.08	13.48
xxi)	Bank Charges	39.33	49.69
xxii)	Telephone, communication & postage charges	20.30	19.51
xxiii)	Business Promotion Expenses	9.14	2.95
xxiv)	Printing & Stationery	14.42	10.61
xxv)	Demurrage Charges & Indent Fee	-	5.19
xxvi)	Books & Periodicals	0.34	0.26
xxvii)	Membership & Subscription Charges	2.32	8.66
xxviii)	Miscellaneous Expenses	14.78	23.38
xix)	Recruitment & Training	2.41	9.65
xx)	Auditors Remuneration	6.00	6.63
	Total	3,266.19	2,859.49

Note : 24.1 Auditors Payments

Rs. In Lacs

Sr. No	Particulars	For the Year Ended 31.3.2012	For the Year Ended 31.3.2011
i)	As Auditor	3.00	3.00
ii)	For taxation matters	1.00	1.00
iii)	For management services	1.58	2.00
iv)	For reimbursement expenses	0.42	0.63
	Total	6.00	6.63

Note : 24.2 Imported and Indigenous Spare Parts

Rs. In Lacs

Sr. No	Particulars	For the Year Ended 31.3.2012		For the Year Ended 31.3.2011	
		%	AMT	%	AMT
i)	Imported	1.14	13.31	0.31	3.52
ii)	Indigenous	98.86	1158.86	99.69	1128.04

Note : 25 Contingent Liabilities not provided for in respect of

Rs. In Lacs

Sr. No	Particulars	For the Year Ended 31.3.2012		For the Year Ended 31.3.2011	
i)	Disputed Sales tax / VAT / Entry Tax demand (including interest & penalty)		693.33		483.92
ii)	Disputed Excise Demand		307.32		160.65
iii)	Bank Guarantees issued by bank on company's behalf		47.17		6.12
iv)	Letter of credit issued on behalf of company (outstanding amount)		6.39		199.00
	Total		1,054.21		849.69

Note : 25.1

Rs. In Lacs

Particulars	For the Year Ended 31.3.2012	For the Year Ended 31.3.2011
Estimated amount of contracts remaining to be Executed on capital amount (Net of advances)	26,515.69	32,578.58
	<u>26,515.69</u>	<u>32,578.58</u>

Note : 26 Value of Imports calculated on C.I.F basis

Rs. In Lacs

Sr. No	Particulars	For the Year Ended 31.3.2012		For the Year Ended 31.3.2011	
i)	Raw material		NIL		NIL
ii)	Components and spare parts		13.31		3.52
iii)	Capital goods		77.43		-
	Total		90.74		3.52

Note : 26.1 Expenditure in Foreign currency

Rs. In Lacs

Sr. No	Particulars	For the Year Ended 31.3.2012		For the Year Ended 31.3.2011	
i)	Professional & consultant Fees		1,147.68		-
ii)	Interest		386.75		-
	Total		1,534.43		-

Note : 27 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	8.75%
Expected rate of future salary increase	10%

Sr. No	Particulars	For the Year Ended 31.3.2012	For the Year Ended 31.3.2011
1)	Gratuity (Funded)		
1.A)	Change in present value of obligations		
	Present value of obligations at beginning of period	57.75	45.26
	i) Interest cost	4.68	3.64
	ii) Current service cost	17.65	15.74
	iii) Benefits paid	(3.35)	(2.78)
	iv) Actuarial loss on Obligations	5.74	(4.11)
	v) Plan amendments	-	-
	Present Value of Obligations at the end of the period	82.47	57.75
1.B)	Changes in Fair Value of Plan Assets		
	Present value of obligations at beginning of period	50.24	27.14
	Expected return on plan assets	3.96	3.09
	Actual Company contributions	(2.38)	23.03
	Actuarial gain/(Loss)	(0.37)	(0.24)
	Employees Contributions	-	-
	Benefits Paid	(3.35)	(2.78)
	Plan assets at the end of the period	48.1	50.24
1.C)	Liability recognized in the Balance Sheet		
	Present value of obligations at the end of period	82.47	57.75
	Fair Value of plan assets as at the year end	48.1	50.24
	Funded/Unfunded status	(34.37)	(7.51)
	Unrecognized Actuarial Gain/(Loss)	-	-
	Net (Assets) (Not recognized)/Liability recognized in Balance sheet	34.37	7.51
1.D)	Expenses recognized in Profit and Loss Account		
	Current service cost	17.65	15.74
	Past service cost	-	-
	Interest Cost	4.68	3.64
	Expected return on plan assets	(3.96)	(3.09)
	Net Actuarial Gain/(Loss) recognized during the year	6.11	(3.87)
	Total Expenses recognized in Profit and Loss Account	24.48	12.42
2)	Leave Encashment(Unfunded)		
2.A)	Change in present value of obligations		
	Present value of obligations at beginning of period	27.97	46.79
	i) Interest cost	2.32	3.65
	ii) Current service cost	3.51	3.03
	iii) Benefits paid	(0.37)	(5.68)
	iv) Actuarial loss on Obligations	2.16	(19.82)
	v) Plan amendments	-	-
	Present Value of Obligations at the end of the period	35.59	27.97

2.B) Liability recognized in the Balance Sheet		
Present value of obligations at the end of period	35.59	27.97
Fair Value of plan assets as at the year end	-	-
Funded/Unfunded status	35.59	27.97
Unrecognized Actuarial Gain/(Loss)	-	-
Net(Assets) (Not recognized)/Liability recognized in Balance sheet	35.59	27.97
2.C) Expenses recognized in Profit and Loss Account		
Current service cost	3.51	3.03
Past service cost	-	-
Interest Cost	2.32	3.65
Expected return on plan assets	-	-
Net Actuarial Gain/(Loss) recognized during the year	2.16	(19.82)
Total Expenses recognized in Profit and Loss Account	7.99	-13.14

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

Rs. In Lacs

	31.3.2012	31.3.2011
Net Profit /(Loss) after current & deferred tax and Preference Dividend & dividend tax	1,615.80	1,175.98
Weighted average number of equity shares of Rs 1/-each	1,341.43	1,341.43
EPS (Rs.) - Basic and Diluted	1.20	0.88

Note : 29 Segment Reporting (AS-17)

Rs. In Lacs

Segment Reporting

Particulars	2011-2012			2010-2011		
	Sponge & Steel	Power	Total	Sponge & Steel	Power	Total
Segment Revenue						
External	34,276.56	-	34,276.56	24,371.98	264.05	24,636.02
Inter segment		2,985.75	2,985.75		2,692.15	2,692.15
Segment Result						
PBIT	(336.10)	426.33	90.23	(1,016.10)	1,221.72	205.62
Less : Interest			934.76			760.60
Add: Unallocable Income			3,150.22			1,680.96
PBT	(336.10)	426.33	2,305.69	(1,016.10)	1,221.72	1,125.98
Prov for Tax - current			461.32			224.41
- Def			84.32			(81.95)
- Mat Credit (Entitlement)/Availment			21.04			(192.46)
PAT			1,739.01			1,175.98
Other Information						
Segment Assets	30,144.74	11,693.88	41,838.62	18,220.51	5,704.66	23,925.17
Segment Liability	3,311.07	273.34	3,584.41	1,914.92	114.22	2,029.14
Unallocable Assets			121,522.30			75,659.42
Unallocable Liabilities			4,361.76			394.22
Depreciation	648.77	295.33	944.10			795.46
Non cash Expenses Other than depreciation						
Provision for cash encashment	7.99		7.99	(13.14)		(13.14)
Provision for Gratuity	26.86		26.86	7.54		7.54

Note : 30 Related party Transaction (AS-18)**A) Related parties and their relationships**

- i) Key Managerial Persons (KMP)
N.K Taori (Managing Director)
Aditya Malhotra (Director)
- ii) Oriental Iron Casting Limited (Subsidiary)
Aaron Auto Limited (Subsidiary)

B) Transaction with the above related party

Rs. In Lacs

Sr. No	Particulars	For the Year Ended 31.3.2012	For the Year Ended 31.3.2011
i)	Key Managerial Persons (KMP)		
	Remuneration	40.18	29.6
	Director sitting Fee and Commission	0.80	1.50
	Amount Payable at year end	Nil	Nil
ii)	Capital advances to subsidiary	1350.14	Nil

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

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

1	Name of Subsidiary	a) b)	Oriental Iron Casting Limited Aron Auto Limited
2	Date from which it Become subsidiary	a) b)	2nd January 2012 4th February 2012
3	Financial year of the Subsidiary ended on	a) b)	31st March 2012 31st March 2012
4	Shares of the subsidiary Held by Ocl Iron & Steel Limited	a) b)	19850000 shares @ Rs 10 each fully paid-up 50000 shares @ Rs 10 each fully paid-up
4A	Extent of holding	a) b)	99.75 % 100.00 %
5	Net aggregate Profit/loss For the current year	a) b)	(401.56) Lacs Rs Nil
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.	a) b)	Nil Nil
7	Net Aggregate amount Received as Dividends For previous financial year since becoming subsidiary delt with in account of Holding Comapany in the financial year.	a) b)	Nil Nil

Financial Summary Relating to Subsidiaries Companies As At 31st March 2012

Rs. In Lacs

S.No	Name of Subsidiary Company	Reporting Currency	Capital	Reserve	Total Asset	Total Liability	Investment	Income	Profit before Tax	Provision for Tax	Profit after Tax	Proposed Dividend
1.	Oriental Iron Casting Limited	INR	1,990.00	(400.48)	10,857.19	10,857.19	1.10	43.89	(561.09)	(159.53)	(401.56)	Nil
2.	Aron Auto Limited	INR	5.0	-	1,889.18	1,889.18	-	Nil	Nil	Nil	Nil	Nil

AUDITORS' REPORT

To,
The Board of Directors,
OCl Iron and Steel Ltd.,

We have audited the attached Consolidated Balance Sheet of OCL IRON AND STEEL LTD. & its subsidiaries as at 31st MARCH 2012, the Consolidated Profit & Loss Account and also consolidated Cash-Flow Statement for the year ended 31st MARCH 2012.

These financial statements are the responsibility of Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Auditing Standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our 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.

In Our Opinion and on the basis of information and explanations given to us, the Consolidated Financial Statements 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 OCl Iron and Steel Ltd. and its subsidiaries as at 31st March 2012; and
- b) In the case of the consolidated Profit & Loss Account, of the *profit* 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)

Partner

Membership No. 8565
Firm Regd. No. 008079N

Place : New Delhi
Dated : 3rd September, 2012

Consolidated Balance Sheet as on 31st March, 2012

Rs. In Lacs

Particulars	Note No	As At 31.03.2012
EQUITY AND LIABILITIES		
Shareholder's Funds		
Share Capital	1	6,641.93
Reserves and Surplus	2	56,074.45
Non-Current Liabilities		
Long-term borrowings	3	151,003.79
Deferred tax Liabilities	4	1,151.51
Long term provisions	5	69.96
Minority Interest		62.87
Current Liabilities		
Short-term borrowings	6	4,842.02
Trade payables	7	3,063.14
Other current liabilities	8	38,751.36
Short-term provisions	9	193.17
Total		261,854.20
Assets		
Non-current assets		
Fixed assets	10	
Tangible assets		27,027.21
Capital work-in-progress		28,436.39
Intangible assets under development		25.04
		55,488.64
Goodwill (In Persuance of Consolidation)		10,993.67
Non-current investments	11	1.10
Long term loans and advances	12	62,592.71
Other Non Current assets		18.25
Current assets		
Inventories	13	5,517.59
Trade receivables	14	1,591.90
Cash and cash equivalents	15	78,510.63
Short-term loans and advances	16	46,111.22
Other current assets	17	1,028.49
Total		261,854.20

For and on behalf of the Board

As per our report of even date attached.

FOR A.C GUPTA & ASSOCIATES

Chartered Accountants.

A.C Gupta

Partner

Membership No.: 8565

Firm Regd. No. 008079N

PLACE : New Delhi

DATE : 3rd September, 2012

Sd/-

N.K. Taori

Managing Director

Sd/-

T.K. Laskar

AVP (Finance & Accounts)

Sd/-

Yogesh Kapur

Chairman

Sd/-

Jyoti Mishra

Company Secretary

Consolidated Profit and Loss statement for the year ended 31st March, 2012

Rs. In Lacs

Particulars	Note No	For the Year Ended 31.3.2012
Revenue from operations	18	31,347.16
Other Income	19	3,220.85
Total Revenue		34,568.01
Expenses:		
Cost of materials consumed	20	26,031.41
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	21	176.45
Employee benefit expense	22	903.59
Financial costs	23	1,272.71
Depreciation and amortization expense	24	1,035.53
Other expenses	25	3,403.72
Total Expenses		32,823.41
Profit before tax		1,744.60
Tax expense:		
(1) Current tax		461.32
(2) Deferred tax Asset		(75.22)
(3) MAT Credit Entitlement		21.04
Profit / (Loss) for the Year		1,337.46
Less: Minority Interest		(1.08)
Profit / (Loss) for the Year carried to Consolidated Balance Sheet		1,338.54
Earning per equity share:		
(1) Basic		0.91
(2) Diluted		0.91

For and on behalf of the Board

As per our report of even date attached.

FOR A.C GUPTA & ASSOCIATES

Chartered Accountants.

A.C Gupta

Partner

Membership No.: 8565

Firm Regd. No. 008079N

PLACE : New Delhi

DATE : 3rd September, 2012

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 31.03.2012

Rs. In Lacs

For the Year Ended 31.03.2012

A	Cash Flow arising Operating Activities	
	Net Profit before Taxes	1,744.60
	Adjustment for :	
	Depreciation	1,035.57
	Interest expense	1,272.71
	(Profit)/Loss on Sale of Fixed Assets	79.60
	Operating Profit before Working Capital Changes	4,132.48
	Adjustment for Working Capital changes	
	Inventories	(2,238.82)
	Trade & Other receivables	(257.64)
	Other Current assets	(898.15)
	Loans & Advances	(39,968.66)
	Current liabilities and provisions	18,572.66
	Net Cash from Working Capital changes	(24,790.61)
	Cash flow from Operating Activities	(20,658.13)
	Income Tax (Paid) / refund (incl TDS)	(433.43)
	Net Cash flow from Operating Activities	21,091.56
B	Cash Flow on Investing Activities	
	Purchase of fixed assets	(5,427.00)
	Sale of Fixed Asset	137.73
	Adjustment to capital work in progress and capital advance purchase of Investment	(54,523.93)
		(4,591.35)
	Net Cash from Investing Activities	(64,404.55)
C	Net cash flow on financing activities	
	Secured loans	109,278.72
	Interest Expense	(1,272.71)
	Preference Dividend and Dividend Tax	(81.60)
	Net cash flow from financing activities	107,924.41
	Net increase in cash or cash equivalents	22,428.30
	Opening Cash and cash equivalents	54,115.25
	Add Upon Addition of Subsidiaries	1967.08
	Closing Cash and Cash equivalents	78,510.63

For and on behalf of the Board

As per our report of even date attached.

FOR A.C GUPTA & ASSOCIATES

Chartered Accountants.

A.C Gupta

Partner

Membership No.: 8565

Firm Regd. No. 008079N

PLACE : New Delhi

DATE : 3rd September, 2012

Sd/-

N.K. Taori

Managing Director

Sd/-

T.K. Laskar

AVP (Finance & Accounts)

Sd/-

Yogesh Kapur

Chairman

Sd/-

Jyoti Mishra

Company Secretary

Significant Accounting Policies and Notes to the Consolidated Accounts (Attached to and forming part of accounts for the Year Ended 31st March 2012)

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.

Note : 1 Share Capital

Rs. In Lacs

Sr. No	Particulars	AS AT 31.03.2012
1	AUTHORIZED CAPITAL 34,00,00,000 Equity Shares of Rs.1/- each 7,00,00,000 Preference Shares of Rs.10/- each	3,400.00 7,000.00 10,400.00
2	ISSUED, SUBSCRIBED & PAID UP CAPITAL 13,41,43,160 Equity Shares of Rs.1/- each, fully paid 5,30,05,000, 2% Non Cumulative Redeemable preference shares of Rs.10/- each, fully paid	1,341.43 5,300.50 6,641.93
Total		6,641.93

1A **RECONCILIATION OF SHARES EQUITY SHARES**

No. of Shares (in Lacs)

Particulars	As At 31.03.2012
Shares outstanding at the beginning of the year	1,341.43
Shares Issued during the year	
Shares bought back during the year	
Shares outstanding at the end of the year	1,341.43

b) **PREFERENCE SHARES**

No. of Shares (in Lacs)

Particulars	As At 31.03.2012
Shares outstanding at the beginning of the year	530.05
Shares Issued during the year	-
Shares bought back during the year	-
Shares outstanding at the end of the year	530.05

Note : 2 Reserve & Surplus

Rs. In Lacs

Sr. No	Particulars	As At 31.03.2012
1	General Reserve Opening Balance Add: Addition during the year Less: Written back during current year	4,817.29 - - 4,817.29
2	Capital Redemption Reserve Opening Balance Add: Addition during the year Less: Written back during current year	530.05 530.05 - 1,060.10
3	Securities Premium reserve Opening Balance Add: Addition during the year Less: Written back during current year	47,704.50 - - 47,704.50

4	Debenture Redemption Reserve	
	Opening Balance	546.88
	Add: Addition during the year	109.38
	Less: Written back during current year	-
	Closing balance	656.26
5	Surplus (Profit & Loss Account)	
	Opening Balance	1,260.40
	Add: Profit for the year	1,338.54
	Less: Appropriations	-
	Transferred to Debenture Redemption Reserve	109.38
	Transferred to Capital Redemption Reserve	530.05
	Dividend on Preference Share	106.01
	Tax on Dividend on preference share	17.20
	Closing balance	1,836.30
	Total	56,074.45

Note : 3 Long Term Borrowings
A) Secured loan

Rs. In Lacs

Sr. No	Particulars	As At 31.03.2012
1	Bonds / Debentures	
	Secured Redeemable Non-Convertible Debentures	3,500.00
	9.20% (Redeemable during 2014-15 to 2016-17)	
2	Term Loan	
	- From Bank	111,670.40
3	External Commercial Borrowing	35,809.55
4	Other Loans & Advances	23.84
	Total	151,003.79

Note:

Rupee term debt of Rs. 48,160 Lacs and NCDs of Rs 3,500 Lacs are secured by way of equitable mortgage on all immovable properties of the project 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 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 at Vill Lamloi, P.O Garvana, Rajgangpur, Distt Sundergarh, Orissa.

External Commercial Borrowing/INR term loan of Rs. 35,810 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.

Note : 4 Defferred Tax Liabilities (Net)

Rs. In Lacs

Sr. No	Particulars	As At 31.03.2012
	Opening Balance	1,705.33
	Add: Provided during the year	(553.82)
	Less: Reversal durig the year	-
	Total	1,151.51

Note: 5 Long Term Provisions Rs. In Lacs

Sr. No	Particulars	As At 31.03.2012
a)	Provision from Employment Benefit Gratuity	34.37
b)	Leave Encashment	35.59
	Total	69.96

Note: 6 Short Term Borrowings Rs. In Lacs
A) Secured

Sr. No	Particulars	As At 31.03.2012
1	Deposits/retention money	399.14
2	Working capital limit	3,932.95
	Total	4,332.09

B) Unsecured Rs. In Lacs

Sr. No	Particulars	As At 31.03.2012
1	Others	509.93
	Total	509.93

Note : 7 Trades Payable Rs. In Lacs

Sr. No	Particulars	As At 31.03.2012
1	Trade Payable	2,256.63
2	Advance From Customers	806.51
	Total	3,063.14

Note : 8 Other Current Liabilities Rs. In Lacs

Sr. No	Particulars	As At 31.03.2012
a)	Current maturities of long- term debt	1,768.81
b)	Interest accrued but due on borrowings	79.40
c)	Unclaimed bonus	4.12
d)	TDS and other Taxes payable	207.54
e)	Personel Expenses Payable	85.46
f)	Other expense payable	132.03
g)	Other Liability	36,474.00
	Total	38,751.36

Note : 9 Short Term Provisions Rs. In Lacs

Sr. No	Particulars	As At 31.03.2012
1	Provision for Bonus	69.78
2	Dividend on Preference share	106.01
3	Tax on Dividend on preference share	17.20
4	Contingent Provisions on Standard Assets	0.18
	Total	193.17

Note : 10 Fixed Assets

Rs. In Lacs

Sr. No.	Particulars	Dep Rate	Gross Block				Depreciation				Net Block WDV as on 31.03.12		
			Value as on 31.03.11 year	Additions during the year	Deductions during the year	Value as on 31.03.12	Value as on 31.03.11 year	Addition during the year	Deduction during the year	Value as on 31.03.12			
A)	Tangible Assets												
1	Land		1,181.11	3,660.49	-	4,841.60	-	-	4,841.60	-	-	-	4,841.60
2	Building		2,817.45	2,273.70	-	5,091.15	-	214.50	4,666.37	424.78	-	424.78	4,666.37
3	Plant and Equipment		10,991.61	8,688.48	-	19,680.09	-	3,535.97	15,349.63	794.49	-	4,330.46	15,349.63
4	Furnitures & Fixtures		100.34	15.83	-	116.17	-	30.37	75.10	10.70	-	41.07	75.10
5	Vehicles		336.74	2.01	234.16	104.59	-	46.29	70.37	4.69	16.76	34.22	70.37
6	Office Equipment		22.85	0.35	6.61	16.59	-	0.82	15.67	0.27	0.17	0.92	15.67
7	Mine Development		-	2,052.77	-	2,052.77	-	33.47	2,008.47	10.83	-	44.30	2,008.47
	TOTAL (A)		15,450.10	16,693.63	240.77	31,902.96	240.77	3,857.20	27,027.21	1,035.48	16.93	4,875.75	27,027.21
B)	Intangible Assets Under Development												
			24.50	0.54	-	25.04	-	-	25.04	-	-	-	25.04
	TOTAL (B)		24.50	0.54	-	25.04	-	-	25.04	-	-	-	25.04
	Total [A + B] (Current Year)		15,474.60	16,694.17	240.77	31,928.00	240.77	3,857.20	27,052.25	1,035.48	16.93	4,875.75	27,052.25
C)	Capital Work-in-progress		-	-	-	-	-	-	-	-	-	-	28,436.39

Note : 11 Non-current investments

Rs. In Lacs

Sr. No	Particulars	As At 31.03.2012
1	Vimla Infrastructure (India) Pvt Ltd.	1.10
	Total	1.10

Note : 12 Long Term Loans and Advances

Rs. In Lacs

Sr. No	Particulars	As At 31.03.2012
1	Capital advance Unsecured, Considered Good :	62,516.96
2	Security Deposit Secured, Considered Good :	75.75
	Total	62,592.71

Note : 13 Inventories

Rs. In Lacs

Sr. No	Particulars	As At 31.03.2012
1	Raw Material	3,244.91
2	Work-in-Progress	678.88
3	Finished Goods	888.59
4	Stores & Spares	706.94
5	Others	2.27
	Total	5,517.59

Note : 14 Trade Recievables

Rs. In Lacs

Sr. No	Particulars	As At 31.03.2012
1	Outstanding for more than six months a) Unsecured, Considered Good : b) Doubtful Less: Provision for Bad and Doubtful Debts	534.42 52.53 52.53
2	Others Unsecured, Considered Good :	- 1,057.48
	Total	1,591.90

Note: 15 Cash & Cash Equivalent

Rs. In Lacs

Sr. No	Particulars	As At 31.03.2012
1	Cash-in-Hand	29.44
2	Bank Balance a) FD against LC margin b) FD's c) Current Account	52.33 75,623.47 2,751.14
		78,426.94
3	Cheques in Hand	54.25
	Total	78,510.63

Note : 16 Short Terms Loans and Advances

Rs. In Lacs

Sr. No	Particulars	As At 31.03.2012
1	Loans & Advances	
	a) Secured, Considered Good :	44,796.99
	b) Unsecured, Considered Good :	1,090.47
	c) Doubtful	12.61
	Less: Provision for doubtful debts	(12.61)
2	Income Tax payment (Net of Tax Provision)	16.73
3	MAT Credit Entitlement	207.03
	Total	46,111.22

Note : 17 Other Current Assets

Rs. In Lacs

Sr. No	Particulars	As At 31.03.2012
1	Interest accrued on deposits	1,024.04
2	Interest accrued on loan & advance	4.45
	Total	1,028.49

Note : 18 Revenue From Operation

Rs. In Lacs

S.NO	Particulars	For the Year Ended 31.3.2012
i)	Sales of Products	34,323.27
ii)	Other Operating Revenues	268.84
	Less:	
iii)	Excise Duty	3,244.95
	Total	31,347.16

Note 19: Other Income

Rs. In Lacs

S.NO	Particulars	For the Year Ended 31.3.2012
i)	Interest Income	3,194.75
ii)	Excess Provisions written Back	26.10
	Total	3,220.85

Note: 20 Cost of Material consumed

Rs. In Lacs

S.NO	Particulars	For the Year Ended 31.3.2012
i)	Opening Raw material	1,138.14
ii)	Add: Purchase of raw material	28,138.18
iii)	Less: Closing Stock of Raw material	3,244.91
	Total	26,031.41

Note: 21 Change in Inventories

Rs. In Lacs

S.NO	Particulars	For the Year Ended 31.3.2012
i)	Opening WIP	361.45
ii)	Less: Closing WIP	678.88
	Total	(317.43)

iv)	Opening Finished Goods	1,378.47
v)	Less: Closing Finished Goods	884.59
		493.88
	Total	176.45

Note : 22 Employee Benefit Expenses

Rs. In Lacs

S.NO	Particulars	For the Year Ended 31.3.2012
i)	Salaries and Wages	725.78
ii)	Contribution to provident fund	120.65
iii)	Staff Welfare Expenses	57.16
	Total	903.59

Note : 23 Financial Cost

Rs. In Lacs

S.NO	Particulars	For the Year Ended 31.3.2012
A)	Debenture interest	322.00
B)	Other Borrowing Costs	950.71
	Total	1,272.71

Note : 24 Depreciation And Amortisation Expenses

Rs. In Lacs

S.NO	Particulars	For the Year Ended 31.3.2012
i)	Depreciation	1,035.48
ii)	Preliminary Expenses W/o	0.09
	Less : Mining Depreciation trf to mining costing	0.04
	Total	1,035.53

Note : 25 Other Expenses

Rs. In Lacs

S.NO	Particulars	For the Year Ended 31.3.2012
i)	Net Loss on Sale of asset	79.60
ii)	Consumption of stores and spares parts	1,172.17
iii)	Power and fuel	13.66
iv)	Repairs to buildings	47.07
v)	Repairs to machinery	53.38
vi)	Repairs to other	2.11
vii)	Insurance	34.67
viii)	Rates and taxes, excluding, taxes on income	452.17
ix)	Payments to Contractors for Services	465.63
x)	Payments to Outside Agencies	135.44
xi)	Rent	36.83
xii)	Excise Duty on Stock and Others	(32.34)
xiii)	Freight, Transportation and Handling	23.14
xiv)	Loading and Unloading charges	116.34
xv)	Tender Fees	13.38
xvi)	Travelling & conveyance	123.43
xvii)	Director's Remuneration	1.70
xviii)	Director's Travelling & Conveyance	0.10
xix)	Vehicle hire & running Expenses	52.68
xx)	Transport charges	430.00

xxi)	Advertisement and Publicity	8.47
xxii)	Legal and professional Charges	58.29
xxiii)	Bank Charges	41.97
xxiv)	Telephone, communication & postage charges	20.95
xxv)	Business Promotion Expenses	9.14
xxvi)	Printing & Stationery	14.84
xxvii)	General office expense`	2.51
xxviii)	Books & Periodicals	0.34
xxix)	Membership & Subscription Charges	2.32
xxx)	Recruitment Expenses	2.41
xxxi)	Miscellaneous Expenses	14.74
xxxii)	Auditor Remuneration	6.58
Total		3,403.72

Note : 25.1 Auditors Payments

Rs. In Lacs

S.NO	Particulars	For the Year Ended 31.3.2012
i)	As Auditor	3.58
ii)	For taxation matters	1.00
iii)	For management services	1.58
iv)	For reimbursement expenses	0.42
Total		6.58

Note : 26 Contingent Liabilities not provided for in respect of

Rs. In Lacs

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

Note : 26.1

Rs. In Lacs

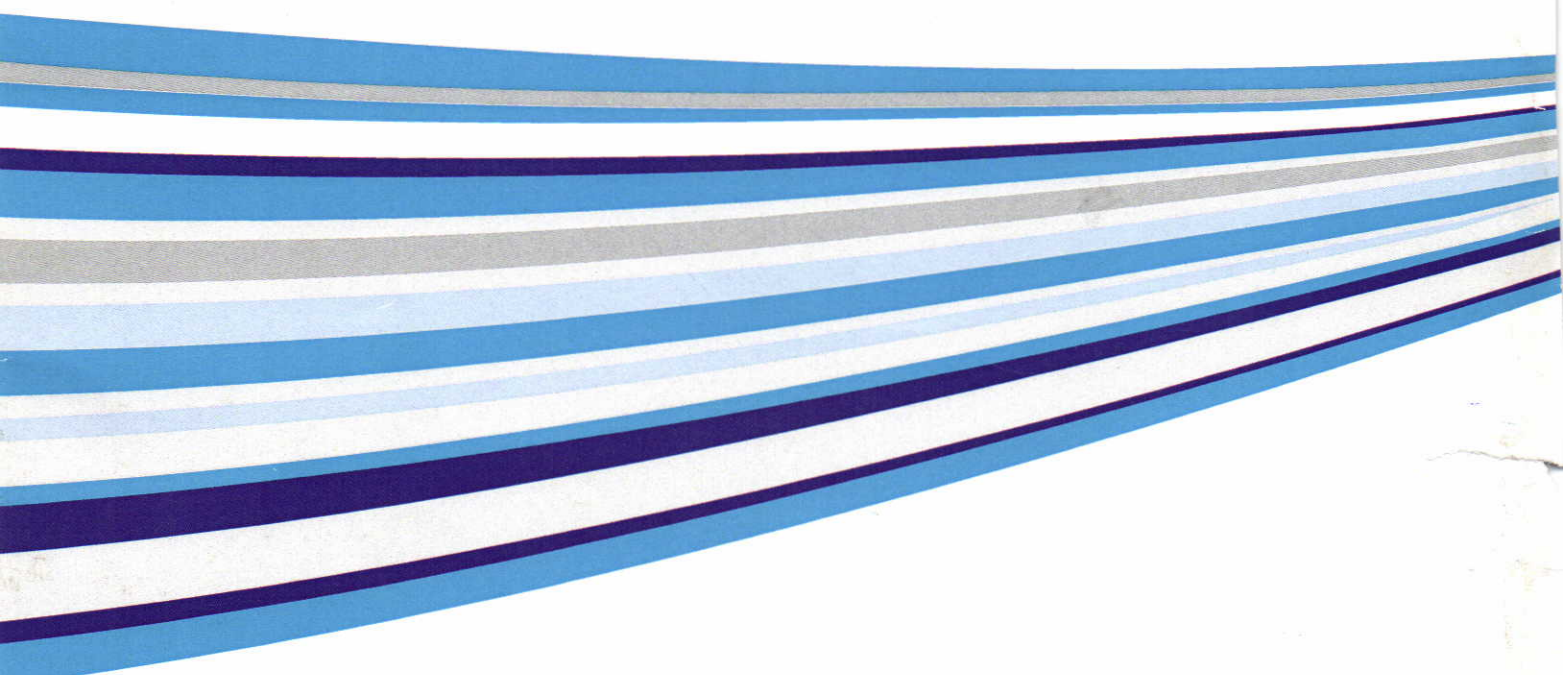
Particulars	For the Year Ended 31.3.2012
Estimated amount of contracts remaining to be Executed on capital amount (Net of advances)	26,515.69
	26,515.69

Note : 27 Earning per share (EPS) (AS-20)

Rs. In Lacs

Particulars	For the Year Ended 31.3.2012
Net Profit /(Loss) after current & deferred tax, Minority Interest and preference dividend & dividend tax	1,215.33
Weighted average number of equity shares of Rs 1/-each	1,341.43
EPS (Rs.)- Basic and Diluted	0.91

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OCL  STEEL

OCL IRON & STEEL LIMITED

Registered Office :

Vill : Lamloi, P.O.: Garvana

Rajgangpur : 770 017

Distt : Sundargarh, Orissa