



**92<sup>nd</sup> ANNUAL REPORT AND ACCOUNTS**  
**for the year ended**  
**31 st March, 2010**

**THE ORISSA MINERALS DEVELOPMENT COMPANY LIMITED**

**(A Govt. of India Enterprise)**

"Sourav Abasan" 2nd Floor, AG-104, Sector-II,  
Salt Lake City, Kolkata-700091

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# BOARD OF DIRECTORS



Dr. Satish Chandra  
Chairman-cum-Managing Director



Dr. Dalip Singh – Director  
Joint Secretary, Ministry of Steel



Smt. Chandralekha Malviya – Director  
Economic Advisor, Ministry of Steel



Shri Ashok Vij  
Director



Shri Harsh Mahajan  
Director



Smt. Uma Menon  
Director



Shri Tapasendra Chattapadhyay  
Director

**THE ORISSA MINERALS DEVELOPMENT COMPANY LIMITED**

<b>Chairman cum Managing Director</b>	Dr. Satish Chandra	
<b>Directors</b>	Dr. Dalip Singh Smt Chandralekha Malviya Shri Tapasendra Chattopadhyay Shri Harsh Mahajan Shri Ashok Vij Smt Uma Menon	
<b>Executive Director (F&amp;A)</b>	Shri Champak Banerjee	
<b>Secretary</b>	Smt. S. Das	
<b>Auditors</b>	M/s Sarma & Co Chartered Accountants	
<b>Bankers</b>	State Bank of India	(Bikash Bhavan, GOC, Salt Lake, Kolkata)
	State Bank of India	(Barbil, Orissa)
	Bank of Baroda	(Barbil, Orissa)
	Standard Chartered Bank	(N. S. Road, Kolkata)
	Bank of India	(Salt Lake, Kolkata)
	Oriental Bank of Commerce	(Salt Lake, Kolkata)
	Axis Bank	(Salt Lake, Kolkata)
	IDBI Bank	(Salt Lake, Kolkata)
	Corporation Bank	(Salt Lake, Kolkata)
<b>Registered Office</b>	"Sourav Abasan", 2nd Floor, AG-104, Sector-II, Salt Lake City, Kolkata-700091 Tel : (033) 4016-9200 Fax : (033) 4016-9267 E-mail : info.birdgroup@nic.in Website : www.birdgroup.gov.in	
<b>Mines Office</b>	P. O. Thakurani, Via - Barbil, Dist. : Keonjhar, Orissa, Pin - 758035 Tel : (06767) 275218 / 379 / 382, Fax : (06767) 275530 E-mail : omdctk@dte.vsnl.net.in	
<b>Registrar and Share Transfer Agent</b>	CB Management Services (P) Limited P-22, Bondel Road, Kolkata-700019 Phone : (033) 4011-6700/11/18/23 Fax : (033) 2287-0263, E-mail : rta@cbmsl.com	

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**NOTICE**

Notice is hereby given that the 92nd Annual General Meeting of The Orissa Minerals Development Company Limited will be held at Purbashree Auditorium of Eastern Zonal Cultural Centre at Bhartiyam Cultural Multiplex, IB-201, Salt Lake, Kolkata-700106 on Tuesday, the 28th September 2010 at 11.30 A.M to transact the following business :

**As Ordinary Business :**

1. To receive, consider and adopt the Profit & Loss Account of the company for the year ended 31st March, 2010 and the Balance Sheet as at that date together with the Report of the Directors' and Auditors' and comments of the Comptroller and Auditor General of India thereon.
2. To declare dividend.
3. To appoint a Director in place of Dr. Dalip Singh, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Smt Chandralekha Malviya, who retires by rotation and, being eligible, offers herself for re-appointment
5. To fix remuneration of Auditors under provision of section 224(8)(aa) of the Companies Act, 1956

In this respect to consider and, if thought fit to pass, with or without modification, the following resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to section 224(8)(aa) of the Companies Act, 1956, that M/S Sarma & Co. Chartered Accountants, the Statutory Auditors of the company appointed by the Comptroller & Auditor General of India for the financial year 2010-11 under provision of section 619(2) of the Companies Act, 1956, be paid a remuneration plus out of pocket expenses as may be decided by the Board."

**As Special Business :**

To consider and, if thought fit, to pass with or without modification(s), the following resolutions as :

**6. An Ordinary Resolution :**

"RESOLVED THAT Dr. Satish Chandra who was appointed as an Additional Director of the Company and who holds office as such upto the date of the ensuing Annual General Meeting and in respect of whom a Notice under section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Dr Satish Chandra, as a candidate for the office of the Director of the company, be and is hereby appointed as Director of the company."

**7. An Ordinary Resolution :**

"RESOLVED THAT Shri Harsh Mahajan who was appointed as an Additional Director of the Company and who holds office as such upto the date of the ensuing Annual General Meeting and in respect of whom a Notice under section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Shri Harsh Mahajan as a Director, be and is hereby appointed as a Non Executive Independent Director of the Company whose period of office will be liable to determination by retirement by rotation."

**8. An Ordinary Resolution :**

**“RESOLVED THAT** Shri Ashok Vij who was appointed as an Additional Director of the Company and who holds office as such upto the date of the ensuing Annual General Meeting and in respect of whom a Notice under section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Shri Ashok Vij, as a Director, be and is hereby appointed as a Non Executive Independent Director of the Company whose period of office will be liable to determination by retirement by rotation.”

**9. An Ordinary Resolution :**

**“RESOLVED THAT** Smt Uma Menon who was appointed as an Additional Director of the Company and who holds office as such upto the date of the ensuing Annual General Meeting and in respect of whom a Notice under section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Smt Uma Menon as a Director, be and is hereby appointed as a Non Executive Independent Director of the Company whose period of office will be liable to determination by retirement by rotation.”

By Order of the Board  
Sd/-  
**Smt S. Das**  
Company Secretary

Registered Office :  
Sourav Abasan, 2nd Floor,  
AG-104, Sector – II,  
Salt Lake City  
Kolkata - 700 091

Dated : 13th August, 2010

**NOTES :**

- a) A MEMBER ENTITLED TO ATTEND AND VOTE 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.
- b) A blank form of proxy is enclosed which, if used, should be returned to the company duly completed not later than 48 hours before the commencement of the Annual General Meeting.
- c) Members are requested to bring their admission slips along with copy of the Report and Accounts to the Annual General Meeting.
- d) Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- e) Explanatory Statements pursuant to Section 173(2) of the Companies Act, 1956 relating to the Special Business to be transacted at the Annual General Meeting are annexed.
- f) The Register of Members and Share Transfer Books of the company will remain closed from 21st September, 2010 to 28th September, 2010(both days inclusive).
- g) The Dividend, after declaration, will be paid to those shareholders, whose names stand on the Register of Members on 28th September, 2010. The dividend in respect of shares held in the electronic form will be paid to the beneficial owners of shares, whose names appear in the list furnished by the Depositories for this purpose as on the end of business of 20th September, 2010.
- h) With a view to providing protection against fraudulent encashment of dividend warrants, the members were requested in the past to provide full particulars of their Bank Accounts. Those members who have not provided such information to our Registrars and Share Transfer Agents are again requested to provide the details quoting their Folio Number/ DP ID Number in the format enclosed. The shareholders will appreciate that the company will not be responsible for any loss arising out of such fraudulent encashment of dividend warrants. Further such of those shareholders who intend to receive their dividend amount through the NECS (National Electronic Clearing System) route at the specified centers are requested to furnish the relevant details in the form provided.
- i) Members can avail of the nomination facility by filing (Form 2B) with the company. Blank Forms will be supplied on request.
- j) Please note that as per the notifications of SEBI, the company's equity shares have been under compulsory demat trading mode for all the investors. You are therefore, requested to demat your shareholding to avoid inconvenience in future.
- k) To receive all communications promptly please update your address registered with the Company or DPS, as may be applicable.

**Information pursuant to Clause 49 of the Listing Agreement in connection with the Directors seeking appointment/re-appointment.**

Name of Director	Dr Satish Chandra	Dr Dalip Singh	Smt Chandralekha Malviya	Shri Harsh Mahajan	Shri Ashok Vij	Mrs Uma Menon
Date of Birth	1-01-1956	09-04-1956	30-06-1956	12-12-1955	05-05-1955	17-11-1972
Date of Appointment	29-10-2009	28-04-2008	20-07-2009	06-04-2010	06-04-2010	06-04-2010
Qualification	LLM PHD (Law)	Doctorate in Psychology	Masters in Economics M.Phil in Economic Development	BCom, PGD in Business Administration	B.Com. FCA	M. Sc. Environment Studies
Experience	Long experience in overall administration, personnel and legal matters. Group General Manager (Domestic), CONCOR, a Government of India Undertaking before joining as CMD	Jt. Secretary, Ministry of Steel, Government of India.	Economic Advisor, Ministry of Steel, Government of India	Former Cabinet Minister, Government of Himachal Pradesh, Agriculturist and Horticulturist	Senior Partner- M/S Lamba Vij & Co. Chartered Accountants	Associated with Ministry of Environment and Forest, Government of India
Directorship in other company	<ul style="list-style-type: none"> <li>The Bisra Stone Lime Company Limited</li> <li>Eastern Investments Limited</li> <li>The Karanpura Development Company Limited</li> </ul>	<ul style="list-style-type: none"> <li>Kudremukh Iron Ore Company Limited RINL</li> <li>Manganese Ore India Limited</li> <li>MSTC</li> <li>HSCL</li> <li>The Bisra Stone Lime Company Limited</li> <li>Eastern Investments Limited</li> <li>The Karanpura Development Company Limited</li> </ul>	<ul style="list-style-type: none"> <li>The Bisra Stone Lime Company Limited</li> <li>Eastern Investment Limited</li> <li>The Karanpura Development Company Limited</li> </ul>	Nil	<ul style="list-style-type: none"> <li>Principal PnbAsset Management Company Private Limited</li> <li>India Professional Services and Investments Limited</li> <li>Dedicated Digital Mechanics Company Private Limited</li> </ul>	Indian Institute of Sustainable Development
Chairman/Member	<ul style="list-style-type: none"> <li>The Bisra Stone Lime Company Limited</li> <li>Eastern Investments Limited</li> <li>The Karanpura Development Company Limited</li> </ul>	Nil	Nil	Nil	Nil	Nil
No. of shares held	Nil	Nil	Nil	Nil	Nil	Nil



**EXPLANATORY STATEMENTS PURSUANT TO SECTION 173(2) OF  
THE COMPANIES ACT, 1956**

**Item No. 6**

Dr. Satish Chandra, was inducted on the Board as an Additional Director of the Company effective from 29.10.2009 pursuant to the provisions of section 260 of the Companies Act, 1956 and Article No. 94 of the Articles of Association of the Company.

Dr. Chandra holds office till the date of the ensuing Annual General Meeting. A Notice from a member of the Company under section 257 of the Companies Act, 1956 has been received proposing the appointment of Dr Satish Chandra as a Director of the Company.

Your Directors recommend his appointment in the interest of the Company. No other director except Dr Chandra in his personal capacity is interested or concerned in the Resolution.

**Item No. 7**

Shri Harsh Mahajan, an eminent Agriculturist and Horticulturist, was inducted on the Board as an Additional Director of the Company effective from 06.04.2010 pursuant to the provisions of section 260 of the Companies Act, 1956 and Article No. 94 of the Articles of Association of the Company. He was deemed be an Independent director of the company. Shri Mahajan holds office till the date of the ensuing Annual General Meeting. A Notice from a member of the Company under section 257 of the Companies Act, 1956 has been received proposing the appointment of Shri. Mahajan as a Director of the Company.

Your Directors recommend his appointment as an Independent Director in the interest of the Company. No other director except Shri Mahajan in his personal capacity is interested or concerned in the Resolution.

**Item No. 8**

Shri Ashok Vij, a Fellow Member of the Institute of Chartered Accountants of India ( FCS ) and Senior Partner of M/s Lamba Vij & Co, a Chartered Accountants Firm of New Delhi was inducted on the Board as an Additional Director of the Company effective from 06.04.2010 pursuant to the provisions of section 260 of the Companies Act, 1956 and Article No. 94 of the Articles of Association of the Company. He was deemed to be an Independent director of the company.

Shri Vij holds office till the date of the ensuing Annual General Meeting. A Notice from a member of the Company under section 257 of the Companies Act, 1956 has been received proposing the appointment of Shri Vij as a Director of the Company. Your Directors recommend his appointment as an Independent director in the interest of the Company. No other director except Shri Vij in his personal capacity is interested or concerned in the Resolution.

**Item No. 9**

Smt Uma Menon, Director of the Indian Institute of Sustainable Development, New Delhi, was inducted on the Board as an Additional Director of the Company effective from 06.04.2010 pursuant to the provisions of section 260 of the Companies Act, 1956 and Article No. 94 of the Articles of Association of the Company. She was deemed to be an Independent director of the company. Smt Menon holds office till the date of the ensuing Annual General Meeting. A Notice from a member of the Company under section 257 of the Companies Act, 1956 has been received proposing the appointment of Smt Uma Menon as a Director of the Company.

Your Directors recommend her appointment as an Independent director in the interest of the Company. No other director except Smt Menon in her personal capacity is interested or concerned in the Resolution.

**PHYSICAL AND FINANCIAL PERFORMANCE AT A GLANCE**

<b>Particulars</b>	<b>2009-10</b>	<b>2008-09</b>	<b>2007-08</b>	<b>2006-07</b>	<b>2005-06</b>
<b>Production- Lakh Tonnes</b>					
Iron Ore	5.64	16.60	17.28	22.30	23.62
Manganese Ore	0.17	0.32	0.82	0.27	0.35
Sponge Iron	0.08	0.03	0.11	0.11	0.18
<b>Sales- Lakh Tonnes</b>					
Iron Ore	6.43	17.34	16.63	21.16	22.17
Manganese Ore	0.19	0.26	0.86	0.39	0.30
Sponge Iron	0.06	0.02	0.17	0.05	0.18
<b>Finance - Rs. in Crore</b>					
Turnover	82.35	271.81	246.31	308.66	260.06
Gross Margin	114.81	289.29	227.88	262.91	192.87
Profit Before Tax	112.26	286.24	224.46	259.00	188.88
Profit After Tax	74.44	181.81	148.84	173.46	129.93

**DIRECTORS' REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2010**

The Shareholders,

Your Directors are delighted to present the 92nd Annual Report and Accounts of the company for the financial year ended on 31st March, 2010.

**1. RESTRUCTURING & CHANGE OF COMPANY'S STATUS**

Restructuring scheme for the Bird Group of Companies as approved by the Ministry of Steel, Government of India and also the Union Cabinet was implemented on 19th March, 2010. The year 2009-10 thus became significant for the company since it had undergone transformation from a government managed company to a government company.

Change of status came into reality only through reorganization of share holding pattern of the company without any alteration of its capital structure. Eastern Investments Limited (EIL), another company under the group for restructuring, in pursuit of making OMDC as its subsidiary in due compliance of the terms of the approved scheme has acquired requisite number of shares of OMDC - major from the President of India on share swap basis and balance from LICl on direct payment basis as per the valuation of shares of both the companies in each case. Valuation of shares of the companies under purview of restructuring was conducted by registered valuer and approved by the Ministry. On EIL's conversion to a government company consequent to its making preferential allotment of equivalent number of shares in the name of the President of India, OMDC as subsidiary of EIL also attained the status of a government company in pursuance of section 617 of the Companies Act, 1956.

Shareholding pattern depicting percentage as well as number of shares before and after restructuring is shown as below :

Shareholders	After Restructuring		Before Restructuring	
	No. of shares	Percentage	No. of shares	Percentage
<b>President of India</b>	Nil	Nil	85,219	14.20%
<b>EIL</b>	300,089	50.01%	203,870	33.98%
<b>LICI</b>	92,500	15.42%	103,500	17.25%
<b>Nationalized Bank</b>	4,600	0.77%	4,600	0.77%
<b>Foreign Nationals</b>	950	0.16%	950	0.16%
<b>Others(Individual/ Body Corporate etc)</b>	201,861	33.64%	201,861	33.64%
<b>Total</b>	<b>600,000</b>	<b>100%</b>	<b>600,000</b>	<b>100%</b>

**2. FINANCIAL RESULTS**

	<b>For the year ended 31-03-2010 (Rs in crores)</b>	<b>For the year ended 31-03-2009 (Rs in crores)</b>
Profit and Loss account after charging all expenses but before providing for depreciation	<b>114.81</b>	289.29
Depreciation	<b>2.55</b>	3.05
Net profit before tax	<b>112.26</b>	286.24
Provision for tax (net)	<b>37.82</b>	104.44
Net profit after Tax	<b>74.44</b>	181.80
Balance b/f from previous year	<b>420.28</b>	320.42
	<b>494.72</b>	502.22
<b>Appropriations</b>		
General Reserve	<b>7.40</b>	50.00
Proposed Dividend	<b>11.16</b>	27.30
Dividend tax	<b>1.90</b>	4.64
Surplus transferred to Balance Sheet	<b>474.26</b>	420.28

**3. REVIEW OF THE RESULTS**

The year under review had been an eventful year for the company with so many remarkable events occurring like restructuring and change of company's status, planning of various value addition schemes even beyond its conventional areas in the perspective of the changing business scenario. That the year went in a different way, had its reflection also in the operating results of the company. Notwithstanding severe concern about mining leases and virtual stalemated position consequential thereof, your company remained on the track of profitability, though overall performance dipped significantly from the heightened level it had reached during last six years. Added to the constraints caused by the pendency of renewal of three major mining leases was the suspension order of stopping mining activities in respect of two mining leases issued by Indian Bureau of Mines (IBM) and State Forest dept. This resulted in set back in both the iron ore and the manganese ore segments thereby affecting the working results.

The company recorded a sales figure of Rs.82.35 crores during the year as compared to Rs.271.81crores for the previous year showing decrease to the extent of 69.70%. Profit before tax during the year stood at Rs.112.26 crores as compared to Rs.286.24 crores for the previous year declining by 60.78%.The net profit after tax registered a figure of Rs.74.44 crores dipping by 59.05% over Rs.181.80 crores for the previous year.

**4. DIVIDEND**

Based on the financial results your Board is pleased to recommend for the year a dividend of Rs 186/- per equity share of Rs 10/- each. This would involve a cash outgo of Rs 13.06 crores inclusive of Rs 1.90 crores towards tax on dividend.

**5. OUTPUT AND DESPATCH**

There had been a setback in production of iron ore and manganese ore during the year like two previous years due to the constraints concerning non-renewal of three mining leases, the lease rights of which lie with Bharat Process and Mechanical Engineers Ltd (BPMEL) presently under liquidation. The problem was compounded this year owing to suspension order issued by the Indian Bureau of Mines (IBM)



and State Forest Dept for stopping mining activities in the mining lease of 1546.55 hectares (BPMEL- Thakurani) and in the mining leasehold of 1276.79 hectares(OMDC-Belkundi). Mining activities could also not be carried out during the year in the mining leaseholds of 266.77 hectares (BPMEL-Dalki) and 254.952 hectares(BPMEL-Roida). In respect of the former lease area ,the Central Tribunal has reversed the State decision cancelling the lease but the State Govt is yet to issue Mining Permission. In case of the later the Central Tribunal has set aside the impugned order of the State Government and State Govt has permitted their operation which is yet to be started .

Production of sponge iron, however, recorded improvement as compared to that of the previous year due to availability of non-coking coal and overcoming of logistic problems to certain extent.



Low production had adverse effect on despatches of both the iron ore and the manganese ore during the year resulting in poor performance. Despatch of sponge iron, however, improved from 2188 tonnes for the previous year to 5587 tonnes during the year.



**6. CAPITAL EXPENDITURE**

The company could not proceed with its value added items due to pendency of renewal of four mining leases and uncertainties prevailing over the issue. The company has the potential to augment its budget on capex, but constraints stand on the way. Endeavour is being made to overcome the impasse and go ahead with value added projects as a part of its future expansion and diversification programmes. During the year the company incurred some expenditure mainly towards implementation of AMR schemes aimed at increasing operational efficiency of the existing plants. The entire capital expenditure was funded out of internal accruals.

**7. FUTURE OUTLOOK**

In the current market scenario when competition is so stiff and extensive and technological obsolescence is so rapid, the only survival route is to take recourse to value addition schemes in diversified areas with simultaneous effort towards improving upon existing facilities. Company's future plan in this respect could not take desired shape mainly because of uncertainties with the renewal of three resourceful mining leases of the company. Impediments could not, however, put a halt to company's determination



to go ahead with its future value added schemes. The company is committed and geared also to move forward for sustenance and better future.

The company's immediate program was installation of a 2 MTPA Pelletizing Plant with 2 million tonne iron ore beneficiation facilities at Thakurani, Orissa. Project cost of which is around Rs.939.90 crores. An agency was appointed for carrying out iron ore beneficiation test results and providing flow sheet. Another accredited agency of State PWD dept was appointed to carry out soil test and submit report. Necessary steps are being taken



to expedite the work. Application has been submitted before the appropriate authority for allotment of land for commissioning of the plant. This



apart, combined application for registration of industry in Orissa for single window clearance has been submitted to Industrial Promotion and Investment Corporation Limited (IPICOL) of Orissa along with necessary application fee.

Expansion plan in respect of the existing 30000 TPA Sponge Iron Plant of the company at Thakurani, Orissa, is also being contemplated with an estimated cost of Rs.110 crores. Detailed Project Report (DPR) for the purpose is required to be drawn up. Initiation has been made in regard to appointment of a consultant for preparation of DPR.

The company is exploring opportunities to go for exploitation of Iron ore and other minerals like coal, Manganese, Diamond, gold etc, for which OMDC is looking forward for leases/buy properties from foreign countries directly/ under Special Purpose Vehicle/ Joint Ventures etc. The company also consider about exploring the opportunities of acquiring mining leases in other minerals in the state or other states within the country or outside the country. The company has put up an open invitation for Expression of Interest on business expansion in order to draw up a firm future plan on the basis of which the company may proceed with such schemes as would add value to the company.

#### **8. MOU SIGNED WITH THE MINISTRY FOR THE CURRENT FISCAL**

The company has signed Memorandum of Understanding ( MOU ) with the Administrative Ministry for the year 2010-11.

#### **9. REPORT ON THE ACTIVITIES OF THE JOINT VENTURE COMPANY (EAST INDIA MINERALS LIMITED)**

Performance of JVC was also affected during the year because of the bottlenecks faced with the mining leases. During the year under review the JVC registered a sales turnover of Rs. 57 .01 crores (Previous year Rs. 82.49 crores) with a net profit after tax Rs.11.08 crores(Previous year Rs. 24.24 crores).

#### **10. MINING LEASES – STATUS OF FOREST CLEARANCE AND RENEWAL**

Company's Mining lease area aggregates to 4365.262 hectares covering six mining leases in Barbil, District Keonjhar inclusive of three leasehold areas totaling 2068.272 hectares in the name of Bharat Process & Mechanical Engineers Limited (BPMEEL) which is under liquidation. Status of the six mining leases are given below :

i) Thakurani Iron & Mn Mines (1546.550 hectares) A/c BPMEL

The lease period expired on 30.09.2004. Revised RML application was submitted over 778.762 hectares. The mining lease could not be renewed due to lack of statutory clearances. However, mines were being operated under 'deemed renewal clause' of section 24A(6) of Mineral Concession Rules, 1960. Operation had been suspended due to restriction imposed by the State forest department and IBM. Necessary formalities have been completed for lifting of ban imposed by IBM and favourable action from IBM is expected shortly in this regard. The renewal application for forest diversion proposal is under process in the office of DFO, Keonjhar. Application for grant of temporary working permission is under process in the forest department. The application for enhancement of production and renewal of mining lease is under consideration of MOEF, Govt of India.



ii) Dalki Mn Mines (266.770 hectares) A/c BPMEL

Renewal application was filed for grant of 3rd renewal of mining lease for a period of 20 years effective from 01-10-1994. Forest clearance was obtained from MOEF, Government of India till 30.09.2014. However, mining operation was stopped after rejection of RML application by the State Government vide letter no. 12764/SM dated 24.08.2006.

On revision application, the Central Tribunal under the Ministry of Mines, Government of India reversed the State Government decision on 14.05.2010. The State Government has been approached for granting permission for mining operation in the perspective of the decision of the Central Tribunal. Application for obtaining environment clearance for enhanced production and renewal of mining lease is under process with the MOEF, Government of India. On submission of environment clearance, request of the company for renewal of the mining lease is expected to receive due consideration of the Ministry of Steel and Mines, Government of Orissa.

iii) Kolha Roida Iron & Mn Mines (254.952 hectares) A/c BPMEL

Lease period expired on 14.08.1996. The renewal application was filed for 20 years effective from 15.08.1996. Forest clearance was granted and the same is valid till 14.08.2016. Mining operation had been stopped after rejection of RML application by the State Government vide decision dated 16.11.2006. In spite of directives from Central Tribunal in Feb, 2009 the State Govt took about a year to allow OMDC for resumption of mining operation. Mining agency has been appointed, but it is yet to start work. Application for obtaining environment clearance for enhanced production and renewal of mining lease is under process with MOEF, Government of India. Once the environment clearance is obtained, process of renewal of mining lease may start at the State Government level.

iv) Belkundi Iron & Mn Mines (1276.770 hectare) A/c OMDC

Lease period expired on 15-08-2006. The 3rd RML application filed for 20 years effective from 16-08-2006 to 15-08-2026 was duly recommended by the Collector, Keonjhar and the Director of Mines, Orissa. Same is under process in the department of Steel and Mines, Government of Orissa. Forest clearance was co-terminus with lease period ended on 15.08.2006. Application for renewal of forest diversion proposal is under process in the office of D.F.O, Keonjhar. Mining operation was stopped by State Forest department. Application for grant of temporary working permission is under process in the forest department. Application for receiving environment clearance for enhanced production and renewal mining lease is under process with MOEF, Government of India. Once the forest clearance and environment clearance are obtained, request for renewal of mining lease may receive consideration of the State Government.



v) Bagiaboru Iron Mines (21.52 hectare) A/c OMDC

The lease period is valid till 30-09-2010. Forest clearance is co-terminus with lease period ending 30-09-2010. Presently the mine is in operation within certified broken-up forest land. RML application under M.C.Rule 1960 and F.C.Act 1980 has been filed before the stipulated date. Application for obtaining Forest & Environment clearance for enhanced production is under process with MOEF, Government of India.

vi) Bhadrasai Iron & Mn Mines (998.700 hectare) A/c OMDC

The lease period is valid till 30-09-2010. Forest clearance is co-terminus with the lease period ending 30-09-2010. The mining operation is being continued within certified broken up forest land and non forest land. RML application under M.C.Rule 1960 and F.C.Act 1980 has been filed before the stipulated date. Application for receiving environment & Forest clearance for enhanced production is under process with MOEF, Government of India.

As per the provision of Forest Conservation Act,1980 the Net Present Value(NPV) is to be deposited as per notified rate for the total forest land within leasehold area. Based on given notice issued by the Divisional Forest Officer, Keonjhar, OMDC has deposited the aggregate NPV amount of Rs. 68.48 crores for all the six leases.

Bank Guarantee had been submitted by OMDC to IBM towards mines closure plans for getting the mining plan approved in respect of Thakurani and Bagiaboru Mines. IBM has approved mining plan of Bagiaboru and approval for Thakurani is yet to come.

**11. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

A report on Management Discussion and Analysis of financial conditions and results of the operations of the company for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange, is enclosed and forms part of the report.

**12. CORPORATE GOVERNANCE**

A report on Corporate Governance along with the certificate from a Practising Company Secretary regarding compliance of the conditions of Corporate Governance as stipulated under Clause 49 of the Listing agreement with the Stock exchange also forms part of this annual report.

**13. COMPLIANCE CERTIFICATE**

Compliance Certificate from a Practising Company Secretary as regards compliance with the provisions of the Companies Act, 1956 in terms of section 383A(1) of the Act is annexed with and forms part of this report.

**14. CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Your company is fully aware of its responsibility in this respect. Consequent to this obligation, the company spent about Rs.0.25 crores during the year towards various welfare schemes concerning local areas as well as periphery development. In the previous year 2008-09 the company has spend Rs. 4.89 crores on CSR. The Company has a long standing tradition of supporting the larger communities that it connects with by fostering education, health, drinking water, construction of roads and other social measures and cultural activity of the local people in the area belonging mostly to the tribal categories. It runs hospitals where not only the relatives of the employees but also local inhabitants, not even associated with the company, can avail of medical treatment. Every year the company maintains a budget provision of reckonable amount towards CSR programmers. This year also the expenditure under CSR have been estimated at Rs.3 crores.



**15. VOLUNTARY RETIREMENT SCHEME**

In order to rationalize manpower of the company the management has introduced the “Voluntary Retirement Scheme for non-executive employees of the company ” with effect from 1.02.2010. It will be effective till 31.03.2011.

**16. STEPS TAKEN FOR POLLUTION CONTROL**

The company has taken various steps in order to protect and improve the ambient and aesthetics of the mining area. Steps were taken to minimise dust operations during crushing and screening operation, drilling and blasting operation, haulage of ore/minerals and at the sponge iron plant. Some of the steps taken by the company are under noted below :

- i) Afforestation: 30,000 nos. of seedlings were planted during the year over an area of 11.992 hectares with a total expenditure of Rs.3.36 lacs.
- ii) Developing green belt around crushing and screening plants, Sponge Iron Plant, along haul roads and in colony area.
- iii) Dust suppression system: Water sprinkling arrangement has been made through pressurised nozzles at all the crusher units.
- iv) Seasonal monitoring of environmental parameters is carried out at mines and sponge iron plant.
- v) Conveyers at crusher plants have been covered with GI sheets to prevent air pollution. Boulder walls were constructed at the toe of waste dumps to avoid wash off during monsoon.
- vi) Provision of dust extraction system has been made at Crusher Plant and Wagon drills.
- vii) Protective equipment is provided to the workmen engaged in drilling, blasting, crushing, screening and operating HEMM.

**17. PARTICULARS OF THE EMPLOYEES**

Provision of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particular of Employees) Rules, 1975 as amended is not attached in respect of remuneration of any employee of the Company.

**18. IMPLEMENTATION OF RIGHT TO INFORMATION ACT, 2005**

Your company is proactively complying with the provisions of the Right To Information Act,2005. All the information sought under the Act have been furnished within the stipulated time period.

**19. PROGRESSIVE USE OF HINDI**

During the year under report, your company continued its efforts for the progressive use of official language in all its mines and Head Office. Successful efforts were made to use official language in administrative as well as in technical fields.



**20. VIGILANCE**

Your company has its vigilance department headed by Chief Vigilance Officer and assisted by two Dy. Managers(Vigilance) The functions of vigilance department include both preventive and punitive actions for all the mines of the company and for the registered office at Kolkata. Your company's Vigilance Dept is continuing its efforts for system improvements and procedures to bring more and more transparency. Your company's Vigilance Department has conducted various training programmes, interactive sessions for Vigilance awareness among the employees.

**ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

**Energy Conservation**

The energy used for mining and ancillary activities as well as running of Sponge Iron Plant constitutes electrical energy only. For conservation of electrical energy following measures have been adopted :

- Proper metering arrangement.
- Installation of MCB of proper rating at quarters at phased manner.
- Installation of pole fuses for individual consumers.
- Installation of MCCB with overhead relay facility at switch room.

a) Electricity units consumed :	39,01,439	(Rs 1.26 crores)
b) <u>P.O.L</u>	<u>Purchased</u>	<u>Consumed</u>
	(Ltrs/kg)	(Ltrs/kg)
Diesel	363470	359394
Petrol	509	509
Lubricants	9511	10737

**Technology absorption**

The company has not adopted any new technology during the year. Nor any specific technology has been absorbed for its operational activities.

	Rs (in crores)	
<u>Foreign Exchange Earned and Outgo</u>	<u>2009-10</u>	<u>2008-09</u>
Foreign Exchange Earned	NIL	NIL
Expenditure in Foreign Currency	NIL	NIL

**22. AUDITORS**

Based on the recommendation of the office of the Comptroller and Auditor General of India (CAG) Sarma & Co, Chartered Accountants was appointed Auditors of the company for the year under review. Status of the company changed during the end of the year from government managed company to government company. Auditor in a government company is appointed by CAG pursuant to provision of section 619(2) of the Companies Act, 1956.

M/s Sarma & Co., Chartered Accountants were appointed by CAG as Statutory Auditors of the company for the financial year 2010-11 to conduct audit for the said year. Remuneration of the Auditor shall, however, be fixed by the company in general meeting or in such manner as the company in general meeting may determine. Accordingly a resolution has been proposed by your Directors at the ensuing Annual General Meeting for consideration.

**23. COMMENTS BY THE COMPTROLLER AND AUDITOR GENERAL OF INDIA (CAG) ON THE ACCOUNTS OF THE COMPANY FOR THE YEAR ENDED 31ST MARCH, 2010.**

Comments of CAG are annexed with the Report.

The Comptroller and Auditor General of India(CAG) have conducted the supplementary Audit u/s 619(3) (b) of the Companies Act,1956 of the financial statements of The Orissa Minerals Development Company Limited for the year ended 31.03.2010. During the course of audit, the audit team have observed that a detail report on status of the leases be given in the Annual Accounts for information of the stakeholders. In this regard a detail report on Mining leases/ status of Forest Clearance and renewal of leases has been given in para 10 of this Directors Report.

The Audit team have further observed that the income from interest on fixed deposits amounted to Rs. 67.91 crores does not include accrued interest of Rs. 1.48 crores. It has been assured that the necessary corrective action shall be taken during the Financial year 2010-11.

**24. DIRECTORATE**

Like previous year, this year also there had been significant change in the Directorate.

Dr. Satish Chandra joined as Managing Director effective from 29th October, 2009 (A/N) and was elevated to Chairman cum Managing Director from 1st December, 2009. Based on the appointment letter issued by the Ministry in this regard consent of the shareholders was obtained for confirmation of Dr. Chandra as CMD by conduct of Postal Ballot.

A notice under section 257 of the Companies Act, 1956 has been received from a member to appoint Dr. Satish Chandra as a regular director on the Board at the ensuing AGM.

Shri K. J. Singh held additional charge of Chairman cum Managing Director till 19th July, 2009. From 20th July, 2009, Shri Singh as director of the company held additional charge of Managing Director only till 29th October, 2009. Shri Singh ceased to be director of the company from 29th October, 2009 (A/N).

Shri P. K. Bishnoi remained as Non-Executive Chairman of the Board till 30th November, 2009 and thereafter ceased to hold the office from 1st December, 2009.

Shri C. G. Patil ceased to be director on the Board from 28th February, 2010 (A/N).

Shri C. Banerjee ED, (F&A) ceased to be director on the Board from 27.08.2009.

Smt Uma Menon has been appointed as an additional director from 6th April, 2010 to be deemed as Independent director to hold office till the next AGM.

A notice under section 257 of the Companies Act, 1956 has been received from a member to appoint Smt Uma Menon as a regular director on the Board at the ensuing Annual General Meeting ( AGM ) to hold office as part time independent director subject to retirement of directors by rotation.

Shri Harsh Mahajan has been appointed as an additional director from 6th April, 2010 to be deemed as Independent director to hold office till the next AGM.

A notice under section 257 of the Companies Act, 1956 has been received from a member to appoint Shri Harsh Mahajan as a regular director on the Board at the ensuing AGM to hold office as part time independent director subject to retirement of directors by rotation.

Shri Ashok Vij has been appointed as an additional director from 6th April, 2010 to be deemed as Independent director to hold office till the next AGM.

A notice under section 257 of the Companies Act, 1956 has been received from a member to appoint Shri Ashok Vij as a regular director on the Board at the ensuing AGM to hold office as part time independent director subject to retirement of directors by rotation.

Dr. Dalip Singh retires by rotation and, being eligible, offers himself for re-appointment.

Smt Chandralekha Malviya retires by rotation and, being eligible, offers herself for re-appointment.

**25. DEPOSIT**

The Company has not accepted any deposit pursuant to Section 58A of the Companies Act, 1956.

**26. DIRECTORS' RESPONSIBILITY STATEMENT**

As required under Section 217 (2AA) of the Companies Act, 1956, your Directors confirm that –

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- b) The Directors have selected such accounting policies and applied them consistently and made

judgements, and estimates that are reasonable and prudent so as to give a true and fair view of the;

- state of affairs of the company at the end of the financial year and
  - profit or loss of the company for that period.
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and to prevent and detect fraud and irregularities.
- d) The Directors have prepared the annual accounts on a going concern basis.

#### **27. LISTING**

The Company's shares are listed at The Calcutta Stock Exchange Limited. The listing fee is paid upto 31st March, 2011. Trading at BSE platform under CSE-BSE arrangement has started from 4th August, 2010.

#### **28. DEPOSITORY SYSTEM**

The Company's shares are under compulsory demat mode. The Company has entered into agreement with National Securities Depository Limited (NSDL) and Central Depository Services (I) Limited (CDSL). There is satisfactory progress in the process of dematerialisation. Members still having certificates in physical form are requested to dematerialise their holdings for operational convenience.

#### **29. SHIFTING OF REGISTERED OFFICE**

The company has purchased its own office premises and shifted its registered office to "Sourav Abasan" AG-104, Sector-II, Salt Lake, Kolkata-700091 from 2nd August, 2010.

#### **30. ACKNOWLEDGEMENT**

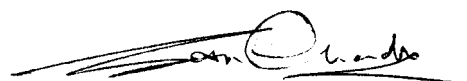
Your Directors take this opportunity to express their grateful appreciation for the continued support and guidance received from the Government of India especially the Ministry of Steel, the Ministry of Environment and Forest and the Ministry of Corporate Affairs. The Directors place on records their thanks to the Government of Orissa, the Railways, the Bankers, the Customers, Suppliers and the Shareholders for their continued co-operation. The Directors also wish to convey their appreciation to all the employees of the organisation for their valuable contributions and support.

#### **Registered Office :**

Sourav Abasan", 2nd Floor,  
AG-104, Sector-II, Salt Lake City,  
Kolkata-700091

Date : 13th August, 2010

For and on behalf of the Board



**(DR. SATISH CHANDRA)**

Chairman cum Managing Director

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

1) **INDUSTRIES STRUCTURE AND DEVELOPMENT**

a) **Indian Economy**

The year 2008 saw a global financial crisis, which threatened to push the world into recession. While many countries in the world including some countries in Europe still continue to be in the grip of recession, India has shown admirable resilience and quickly jumped on the path of recovery.

Global meltdown and severe drought down in 2009 brought down the annual growth rate to 6.5% in 2008-09 from a high of 9% achieved in previous years. The growth rate started picking up. In 2009-10 the growth rate was 7.4%. An overall economic expansion of 8.5% is expected to be achieved in the current fiscal provided determined efforts are made to that effect in all sectors. Optimism has been expressed at government level for continuous growth and expecting rising inflation dip to 5-6% by this year end.

b) **Industrial Growth**

Industrial output in India grew 11% in the financial year 2009-10 against 2.8% in the previous fiscal when the global slowdown hit the economy. Growth in industrial output was good enough to ensure over 7% economic growth during 2009-10.

Manufacturing which makes up nearly 80% of the index for industrial production, grew by 14.3% whereas mining sector recorded an increase of 11% and electricity generation by 7.7%. Because of negative growth in certain sectors like jute, textile products and wool, silk and manmade fibre textile overall growth in industrial output was restricted to 10.4% during the year. Fourteen out of the 17 industrial groups showed positive growth in March, 2010.

High growth in capital goods sector reflects confidence of the industry in future expansion. A surge in capital goods is showing that production lines are being expanded in anticipation of high demand. Growth in consumer durables indicates the people's confidence in the economy.

c) **Steel Sector**

Since independence the Indian steel industry has traversed a long way and responded to the challenges of the highs and lows of the business cycles. From a negligible global presence, Indian steel industry is now globally recognized for its product quality. The Iron and Steel industry contributes around 2% of Gross Domestic Product ( GDP ). India had risen to be the 5th largest producer of crude steel in the world and also the largest sponge iron producing country in the world in 2009, a rank it has held on since 2002.

The National Steel Policy 2005 had projected steel production of 110 million tonnes by 2019-20. These estimates are likely to be exceeded and crude steel production in the country is expected to be nearly 124 million tonnes by the year 2011-12. This assessment was made by the Ministry of Steel while reviewing the investment scenario in the steel sector.

The Eleventh Five Year Plan (2007-12) has also emphasised on the importance of usage of steel in the country, especially in the rural areas, that will result in economic growth and development and rising income levels in the household sector.

d) **Mining Industry**

India's iron ore production during the year 2009-10 is estimated to be 226 million tonnes registering an increase of about 5% over 2008-09 iron ore production of 215.44 million tonnes.

The exports of iron ore have continuously kept on rising over the years and it is felt that this may lead to continuous depletion of iron ore resources. As per recommendations made in the National Mineral Policy, 2007, there was an agreement that iron ore resources of the country should be conserved for the use of domestic steel industry. It has been decided that although conservation of iron ore resources of the country is of paramount importance, the same may not be achieved by banning or capping the export of iron ore but by taking recourse to appropriate fiscal measures. With this in view export duty has been imposed on export of iron ore and iron ore fines. The present rates of duty on iron ore export effective from 21.12.2009 are 5% ad-valorem for iron ore fines(all sorts) and 10% ad-valorem for iron ore other than fines(including lumps and pellets).

India possesses large resources of good quality iron ore located in a number of States such as Andhra Pradesh, Chattisgarh, Goa, Jharkhand, Karnataka, Orissa, etc. The reserves are adequate to meet the growing requirement for indigenous consumption. Thus the scenario seems to be comfortable. Use of iron ore fines has also helped improve the situation.

2) **Segment-wise performance**

Production quantity-wise and despatch quantity as well as value-wise pertaining to the three segments of the company are given as below :

**Production**

	<u>2009-2010</u> (tonnes)	<u>2008-2009</u> (tonnes)
Manganese Ore	16,624	32,484
Iron Ore	5,63,901	16,59,967
Sponge Iron	8,469	2,984

**Despatch / Sales**

Manganese Ore (MT)	18,834	25,834
Rs in Crore	3.20	25.60
Iron Ore (MT)	6,43,323	17,34,086
Rs in Crore	74.46	244.69
Sponge Iron (MT)	5,587	2,188
Rs in Crore	4.69	1.53

3) **Discussion on financial performance of the company**

a) **Sales from Operations and Profit**

(Rs in crores)

	2009-10	2008-09	Change	Change in %
Sales	82.35	271.81	(-) 189.46	(-) 69.70
Profit before tax and depreciation	114.81	289.29	(-) 174.48	(-) 60.31
Profit before tax	112.26	286.24	(-) 173.98	(-) 60.78
Profit after tax and depreciation	74.44	181.80	(-) 107.36	(-) 59.05

Sales value declined by 69.70% because of low production of ores arising out of uncertainties over renewal of three mining leases and also suspension order issued by IBM and/or State Forest department for stopping mining activities in two mining leases. Low sales value resulted in less profit during the year.

Despatch has further adversely affected due to restriction imposed by IBM over the operation of the railway siding.

b) **Payment to employees**

(Rs in crores)

	2009-10	2008-09	Change	Change in %
Payment to & Provision for employees	14.66	16 .16	(-) 1.50	(-) 9.28

Employment cost has decreased marginally.

c) **Other expenditure**

(Rs in crores)

	2009-10	2008-09	Change	Change in %
Mining, Selling & Administrative Exp	37.06	43.23	(-) 6.17	(-) 14.27

Because of decline in production in all the segments, expenditure for the purpose of mining has reduced by 14.27%.

d) **Fixed Assets**

(Rs in crores)

	2009-10	2008-09	Change	Change in %
Gross Block	55.69	52.35	3.34	6.38
Less: Depreciation	34.51	31.96	2.55	7.98
Net Block	21.18	20.38	0.80	3.93

Gross block as well as net block have shown marginal increase as compared to the previous year due to addition of some assets during the year.

e) **Stock-Trade**

(Qty in tonnes)

(Rs in crores)

	2009-10		2008-09		Change		Change in %	
	Qty	Value	Qty	Value	Qty	Value	Qty	Value
Iron Ore	547250	18.53	488868	12.37	58382	6.16	11.94	49.80
Manganese Ore	16820	3.72	18899	1.13	(-) 2079	2.59	(-)11.00	229.20
Sponge Iron	3804	3.10	1369	1.21	2435	1.89	177.87	156.20

Physical stock of iron ore as well as value increased due to accumulation at mines site consequent to suspension order for stopping operations in two mines. In respect of manganese ore stock decreased physically whereas sponge iron stock increased marginally due to augmented production to certain extent. Value of stock of manganese ore increased due to high grade stock.

f) **Consumption of raw materials for Sponge Iron Plant**

(Qty in tonnes)

(Rs in crores)

	2009-10		2008-09		Change		Change in %	
	Qty	Value	Qty	Value	Qty	Value	Qty	Value
Coal indigenous	21924	3.41	7791	1.36	14133	2.05	181.40	150.74
Dolomite	21	0.002	26	0.002	(-) 5	0	(-) 19.23	0

Consumption of coal has increased due to enhanced production of Sponge Iron during the year.



**g) Sundry debtors**

(Rs in crores)

	2009-10	2008-09	Change	Change in %
Gross Debtors	3.67	2.00	1.67	83.50
Less : Provision for Doubtful debts	1.90	1.73	0.17	9.83
Net Debtors	1.77	0.27	1.50	555.56

Sundry debtors have shown rising trend contrary to that of the previous year.

**h) Loans and Advances**

(Rs in crores)

	2009-10	2008-09	Change	Percentage
Loans and Advances	257.22	302.10	(-) 44.88	(-) 14.86

Loans and advances decreased by 14.86% as compared to the previous year.

**i) Current Liabilities**

(Rs in crores)

	2009-10	2008-09	Change	Percentage
Current Liabilities	77.04	83.61	(-)6.57	(-)7.86

Current liabilities decreased by 7.86%.

**j) Appropriation**

The company has transferred Rs 7.40 crores to the General Reserve during the year (Previous year Rs 50 crores).

**k) Dividend**

The Board of directors of the company recommended a dividend of Rs 186/- per share of Rs 10/- for the year ended 31<sup>st</sup> March, 2010 subject to the approval of the shareholders. The dividend will be paid on 6,00,000 equity shares of Rs 10/- each. The total payment on account of dividend would be Rs 13.06 crores (including tax on dividend amounting to Rs 1.90 crores).

**4) Internal Control System and their Adequacy**

The CEO and the CFO certification provided in the relevant section of the Annual Report specifies the adequacy of the internal control systems and procedures of the company.

**5) Outlook**

With reserve of about 206 million tonnes of iron ore and 44 million tonnes of manganese ore in its mining leaseholds, company's position is quite satisfactory for sustenance of the activities for a long duration. Systematic and scientific development of mines is imperative for stepping up production and the management is quite aware of the measures that are needed to be taken in this regard. However, delay in the renewal of four mining leases has been retarding progress towards systematic and scientific development of mines since management is not in a position to act as per planning.

Government's policy always emphasizes upon value addition in the form of steel making in respect of the iron ore producing companies. In consonance with the said policy, the company had set up a 30,000 TPA sponge iron plant. The company is considering about setting up of a 2 MTPA Pelletizing plant and 2 million tonnes beneficiation plant at Thakurani, Orissa. As steel demand and prices rise

worldwide, companies that can make pellets stand to gain a supply edge. Value-added iron ore will catch on, as the easy days of getting high quality lumps are over, with demand rising. Apart from the pelletizing plant various other business development schemes are under surveillance including diversification schemes in the field of non-conventional energy

6) **Opportunity and Threats**

The opportunities before the company are –

- i) satisfactory reserves of iron ore and manganese ore in the mining leaseholds;
- ii) improving market scenario and rising demand of iron ore;
- iii) expected rising demand of manganese ore;
- iv) satisfactory cash reserve;
- v) standing clientele base;
- vi) scope for value addition especially in the mineral based industry.
- vii) Intrinsic capacity to expand

When there are signs of silver lining, threats are also prevalent to overcast shadow over the favourable journey. Non renewal and non transfer of three major mining leaseholds (which are in the name of BPMEL) constitutes real threat. Protracted uncertainty in this respect is hitting company's production. Simultaneously expansion and diversification activities are also being in jeopardy due to non issuance of forest and environmental clearance. The company is, however, sparing no pains to overcome the obstacles and resolve the critical issue in the greater interest of the company.

7) **Industrial Relation and Human Research Management**

Industrial relation remained more or less cordial at the mines and also at the head office.

Men on roll of the company as on 31st March, 2010 had been 885 as compared to 792 as on 31st March, 2009.

Training programme is taken up intermittently to enhance the skill-sets of the employees in alignment with their respective roles.

8) **Risks and Concerns**

It is a well known fact that risk is an essential part of any business. If these risks are properly managed, a company will have ample opportunity to run smoothly and expand its activities. As a matter of fact Enterprise Risk Management (ERM) is a process that covers the entire organisation in which all the functions are involved to identify and assess the various strategic, operational, social and economic risks being faced by the company in its day to day activities and thereafter determine the responses to either mitigate the risk or eliminate the same.

Most of the companies in India now recognise ERM as a critical management issue. This is apparent from the importance assigned to ERM within the organisation and the resources being devoted to building ERM capabilities. OMDC is no exception to that in making sustained efforts to build up ERM capabilities to mitigate risks affecting company's business objectives and enhance stakeholders' value.

## **CORPORATE GOVERNANCE REPORT**

### **COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

Corporate governance aims at increasing value of a concern. This is achieved through ethical behaviour, transparency and resorting to a policy of 'fairness' and 'informed decision making'. The Company has always laid emphasis on good corporate governance and this endeavour is based on the belief that corporate governance is a voluntary and self disciplined code that ensures compliance with regulatory norms while being responsive to the needs of the stakeholders. The company shall continue to follow the philosophy of good corporate governance and practices ensuring openness, fairness, professionalism and accountability with a view to creating organisation excellence leading to increasing employee and customer satisfaction and shareholder value.

### **COMPOSITION OF BOARD OF DIRECTORS**

The Board of directors of your company presently comprises seven directors on the Board. Chairman cum Managing director, two Government nominee directors, one LIC nominee director and three Independent directors appointed on the basis of nomination from the Ministry. LIC nominee director is also deemed as Independent director. Three Independent directors on Ministry's nomination were appointed during current fiscal on 6th April, 2010.

The table enumerated below gives the composition of the Board during the year under review and other relevant details including, *inter alia*, the outside directorship held by each of the director :

Name of Director	Category	No. of Board Meetings Attended	Attendance in last AGM	No. of other Directorships	Details of other Board Committee Membership		Remarks
					Member	Chairman	
Dr Satish Chandra	Govt. Appointed Executive Director Chairman-cum MD	3	No	3	–	–	Appointed from 29-10-2009(A/N) Continuing
Dr. Dalip Singh	Govt. Nominee Non-Executive Director	6	No	6	–	–	Continuing
Smt Chandralekha Malviya	Govt. Nominee Non-Executive Promoter Director	3	No	3	–	–	Continuing
Shri Tapasendra Chattopadhyay	Independent Non – Executive Director (Nominee of LIC)	4	No	1	–	–	Continuing
Shri K.J.Singh	Govt. Nominee Non-Executive Promoter Director	3	Yes	7	–	–	Ceased from 29-10-2009
Shri P.K.Bishnoi	Govt. Nominee Non-Executive Director	2	Yes	6	–	–	Ceased from 01-12-2009
Shri C. G. Patil	Non-Executive Director	3	Yes	5	–	–	Ceased from 28-02-2010
Shri C.Banerjee	Executive Director	1	Yes	3	–	–	Ceased from 27-08-2009

The position of continuity of directorship has been shown as on 31st March, 2010.

**THE ORISSA MINERALS DEVELOPMENT COMPANY LIMITED**

The Board met 6 (six) times during the year and the time gap between two Board Meetings did not exceed four months in any case.

Details of Board Meetings held during the year 2009-2010 :

Date of Board Meeting	Strength of the Board	Director's present
26-06-2009	4	3
28-07-2009	7	5
29-10-2009	6	5
01-12-2009	6	4
22-01-2010	5	4
19-03-2010	5	4

**Brief resume of the Director retiring by rotation**

Name of Director	Dr Dalip Singh	Smt Chandralekha Malviya
Date of Birth	09-04-1956	30-06-1956
Date of Appointment	28-04-2008	20-07-2009
Qualifications	Doctorate in Psychology	Masters in Economics M.Phil in Economic Development
Experience	Jt. Secretary, Ministry of Steel, Government of India.	Economic Advisor Ministry of Steel, Government of India.
Directorship in other Companies	1) Kudremukh Iron Ore Company Limited. 2) Rashtriya Ispat Nigam Ltd. 3) MSTC 4) HSCL 5) Manganese Ore India Ltd. 6) The Bisra Stone Lime Company Limited 7) Eastern Investments Ltd. 8) The Karanpura Development Company Limited	The Bisra Stone Lime Company Limited Eastern Investments Limited The Karanpura Development Company Limited
Chairman / Membership of the committes(s) of other companies	Nil	Nil
No. of shares held in his/her name or beneficial basis	Nil	Nil

All major decisions are placed before the Board for its consideration and decision. The following information is placed before the Board along with specific agenda items :

- Annual operating plans & budgets, capital budgets and any updates.
- Quarterly, half yearly and annual financial results.

- Minutes of Audit Committees and other Committees of the Board.
- Notices u/s 274(1)(g) of the Companies Act, 1956.
- Materially important show cause notice, litigation, prosecution and penalty notice.
- Fatal or serious accidents or dangerous occurrences, any material effluents and pollution problems.
- Any issue which involves possible public or product liability claims of substantial nature.
- Transactions which involve substantial payment.
- Social / Community initiatives.
- Events which is not in normal course of business.

### **CODE OF CONDUCT**

The Company has formulated and implemented Code of Conduct for all Board Members and Senior Management of the Company in compliance with Clause 49 of the Listing Agreement. The same has also been posted at the Company's website at [www.birdgroup.gov.in](http://www.birdgroup.gov.in). All Board Members and Senior Management personnel affirm compliance with the code on annual basis. A declaration to this effect for the relevant year duly signed by the Chairman cum Managing director of the Company is annexed with this report.

### **BOARD COMMITTEES**

The terms of reference of Board Committees are determined by the Board from time to time. Presently the Company has three (3) committees – Audit Committee, Shareholders' / Investors' Grievance Committee, and Remuneration Committee. All the decisions pertaining to the constitution of the committees, appointment of members and fixing of terms of reference for committee members are taken by the Board of Directors.

#### **i) AUDIT COMMITTEE**

Because of unavoidable circumstances, no meeting of the Audit Committee could be held during the year. However, the committee was re-constituted at the meeting of the Board of directors held on 30th April, 2010. The reconstituted committee comprises the following members who are all Independent Directors of the company:

- |                         |                           |
|-------------------------|---------------------------|
| 1. Shri Ashok Vij       | Chairman of the Committee |
| 2. Shri Harsh Mahajan   | Member                    |
| 3. Shri T Chattopadhyay | Member                    |

### **FUNCTIONS OF THE COMMITTEE**

1. Review of functioning of the company with the management and/or Internal Auditors and/or Statutory Auditors with regard :
  - i) company's financial statements and reports;
  - ii) disclosure of company's financial information to ensure that the same are correct, sufficient and credible;
  - iii) changes / improvements in financial / accounting practices;
  - iv) adequacy of Internal Audit functions and systems: and
  - v) charter of Audit Committee.
2. holding discussions with :
  - i) statutory auditors, before and after audit on the scope and area of concern;
  - ii) internal auditors on its significant findings and also failure of Internal control systems if any; and
  - iii) management before submission of financial statements to the Board.
3. compliance with Accounting Standards, legal requirements and ethical code.

**ii) SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE**

The Board of Directors of the company constituted a Shareholders' / Investors' Grievance committee consisting of Shri K.J.Singh and the Company Secretary. The committee met two times during the year on 26.06.2009 and 29.07.2009. With cessation of directorship of Shri K.J.Singh during the year, the committee could not function for the full term of the year.

However, the committee was re-constituted at the meeting of the Board of directors held on 30th April, 2010. The reconstituted committee comprises the following members who are all Independent Directors of the company :

- |                         |                              |
|-------------------------|------------------------------|
| 1. Smt Uma Menon        | Chairperson of the Committee |
| 2. Shri T Chattopadhyay | Member                       |

**Functions and activities :**

The Committee examines and redresses the grievances of shareholders / investors. The committee reviews the redressal of investor complaints pertaining to transfer of shares, non-receipt of balance sheet, non-receipt of dividends etc. During the year under review the Company did not receive any investor complaint and no complaint was lying pending unresolved as on 31-03-2010. This committee *inter-alia*, approves issue of duplicate certificates, reviews all matters connected with security transfers and other processes and meets as and when required. The Company's shares are in compulsorily demat trading mode in the Stock Exchanges. Shares in physical mode if lodged for transfer are processed by the RTA and get returned to the shareholders within the stipulated time. The committee also oversees the performance of the Registrar and Transfer Agents, CB Management Services (P) Ltd ('Registrars') and recommends measures for overall improvement in the quality of investor services. The Board of Directors of the Company have delegated the powers of approving transfer, transmission and issue of duplicate securities to the Company's Registrars, subject to placing of a summary statement of transfer/transmission, etc of securities of the Company at all meetings of the said Committee as well as to the Board of Directors.

During the year under review the following cases of transfer / transmission / issue of duplicate shares were received and processed :

	<u>No. of cases.</u>	<u>No. of Equity Shares involved</u>
1. Transfer of shares	22	86578
2. Transmission of shares	7	2700
3. Issue of duplicate share certificates	6	86989

During the year the total number of requests received for dematerialisation and number of shares dematerialised is given below :

	<u>No. of requests</u>	<u>No. of Equity shares</u>
NSDL	23	9710
CDSL	11	877

**Compliance Officer :**

Mrs. S Das, Company Secretary  
 Address : "Sourav Abasan", 2nd Floor, AG-104, Sector-II, Salt Lake City, Kolkata - 700 091  
 Tel : (033) 4016-9200  
 Fax : (033) 4016-9267  
 e-mail : info.birdgroup@nic.in  
 Website : www.birdgroup.gov.in

Pursuant to new Clause 47(f) of the listing agreement, the Company's e-mail for grievance redressal purpose is info.birdgroup@nic.in where complaints can be lodged by the investors.

**iii) REMUNARATION COMMITTEE**

The company did not have any Remuneration Committee till the year under review since it was not mandatory under the provisions of the corporate governance rules and regulations. Need was, however, felt for constitution of a Remuneration Committee for fixing remuneration of Executives at various levels and accordingly a committee has of late been formed. The committee comprises the following members who are all Independent Directors of the company :

- |    |                      |                           |
|----|----------------------|---------------------------|
| 1. | Shri Harsh Mahajan   | Chairman of the Committee |
| 2. | Shri Ashok Vij       | Member                    |
| 3. | Shri T Chattopadhyay | Member                    |

**SITTING FEES PAID DURING THE YEAR**

The Company pays sitting fees to its directors barring the Executive directors and Government Nominee directors at the rate of Rs 3500/- for each meeting of the Board and/or Committees thereof as attended by the members of the Board and/or Committee.

The sitting fees paid during the financial year 2009-2010 to the Directors are as follows :

Name of the Director	Sitting Fees (Rs)
Shri Tapasendra Chattopadhyay From the current financial year, the sitting fees has been enhanced from 3500/- to Rs.7500/-	14,000/-

The Company does not have any ADRs / GDRs / Warrant scheme for stock option / convertible instruments. No non-executive directors are holding any shares of the company.

**CEO/CFO Certification**

Pursuant to Clause 49V of the listing agreement Dr. Satish Chandra CEO and Shri C. Banerjee, CFO of the company have reported to the Board certifying that the financial statements as well as cash flow statement for the year ended 31st March, 2010 have been reviewed by them and that to the best of knowledge and belief the statements do not contain any untrue or misleading statements. The statements present true and fair view of the company's affairs and that were in compliance with the existing accounting standards, applicable laws and regulations. CEO and CFO have further reported that no transactions were entered into by the company during the year which appeared to be fraudulent, illegal or violative of the company's code of conduct. Internal control system existed and deficiencies in this regard were disclosed to the auditors and audit committee. There have been no instances of significant fraud either by management or an employee having a significant role in the company's internal control systems over financial reporting during the year under review.

**THE ORISSA MINERALS DEVELOPMENT COMPANY LIMITED****GENERAL BODY MEETINGS**

The last three Annual General Meetings were held as under :

<b>YEAR</b>	<b>VENUE</b>	<b>DATE</b>	<b>TIME</b>
2008-09	PURBASHREE AUDITORIUM Eastern Zonal Cultural Centre, IB - 201, Sector - III, Salt Lake City, Kolkata – 700106	29-09-2009	03-00 PM
2007-08	PURBASHREE AUDITORIUM Eastern Zonal Cultural Centre, IB - 201, Sector - III, Salt Lake City, Kolkata – 700106	19-09-2008	11-00 AM
2006-07	AIKATAN Eastern Zonal Cultural Centre, IA - 290, Sector - III, Salt Lake City, Kolkata – 700097	26-09-2007	10-30 AM

Details of Special Resolutions passed at last three years' Annual General Meetings :

<b>Date of Annual General Meeting</b>	<b>No. of Special Resolution passed</b>	<b>Details of Special Resolution</b>
26-09-2007	1 (One)	Appointment of Shri S. K. Garg as ED (C&CP) of the Companies Act.
19-09-2008	Nil	Nil
29-09-2009	Nil	Nil

No Extra Ordinary General Meeting was held during the last three years.

During the year, One Extra Ordinary General Meeting (EOGM) of the company was held on 19th March, 2010. The resolution was duly passed at this EOGM as detailed below :

<b>Date of passing the Resolution</b>	<b>Number of Ordinary Resolution passed</b>	<b>Details of Ordinary resolution</b>
19th March,2010	1(One)	Consent has been accorded by the shareholders of OMDC towards restructuring scheme which has been approved by the Union Cabinet and also the consent for conversion of OMDC as subsidiary of Eastern Investments Limited(EIL), an Investment Company under the Bird Group.

Details of Resolutions passed through Postal Ballot in the last three years : Nil

During the year, however, Postal Ballot was conducted for appointment of Managing director on the basis of



approval of the appointment by the Administrative Ministry. The resolution was duly passed on 30-04-2010 as detailed below :

<b>Date of passing the Resolution</b>	<b>Number of Ordinary Resolution passed</b>	<b>Details of Ordinary resolution</b>
30-04-2010	1 (one)	Appointment and fixation of remuneration of the Chairman cum Managing director

**DISCLOSURES :**

- a. Related Party Transactions :** Details of transactions with related parties during the year have been furnished in the Schedule 17 and Notes on Accounts of the Annual Accounts.
- b. Non-compliance/strictures/penalties imposed :** No non-compliance/strictures /penalties have been imposed on the Company by the SEBI or the Stock Exchange or any statutory authorities on any matters relating to the capital markets during the last three days.
- c. Accounting Treatments :** In the preparation of financial statements, the Company has followed the Accounting Standards issued by ICAI. The significant accounting policies which are consistently applied have been set out in the Notes on Accounts.
- d. Risk Management :** Risk evaluation and management is a continuing process for the organisation. A detailed exercise on risk management covering the entire gamut of operations of the company is being planned during the current fiscal.
- e. Details of compliance with mandatory requirements and adoption of non-mandatory requirements :** The Company has complied with the mandatory requirements of Clause 49 of the Listing Agreement and DPE Guidelines on Corporate Governance.
- f. Whistle Blower Policy :** Whistle Blower policy has been introduced in the company and affirmed that no personnel has been denied access to the Audit Committee.

In respect of non-mandatory requirements as prescribed in Clause 49 of the Listing Agreement, the extent of compliance is as under:

- The Chairman cum Managing Director of the Company who is in whole time employment, is the Chairman of the Board. Therefore, there is no need for maintenance of a separate Chairman's office. Independent Directors are nominated by Ministry of Steel, Govt of India for a tenure not exceeding three years.
  - In respect of Remuneration Committee, details has been outlined in Sl.(iii) under the heading of Board Committees.
  - No specific training programmers were arranged for Board members. However, at the Board/ Committee Meetings, detailed presentations are made by senior executives/ professionals/ consultants on business related issues, risk assessment etc.
- g. Other than the sitting fees paid (Rs. 7,500/- per sitting as determined by the Board of Directors) part time Directors have no pecuniary relationship or transactions with the Company during the year under report.
  - h. Items of expenditure debited in books of accounts, which are not for the purposes of the business : Nil
  - i. Expenses incurred which are personal in nature and incurred for the Board of Directors and Top Management. Nil

**SUBSIDIARY COMPANY**

The Company does not have any subsidiary Company.

**MEANS OF COMMUNICATION**

The quarterly, half-yearly and the annual financial results are published in English and vernacular newspapers and also furnished to the stock exchanges with whom the Company has listing arrangements to enable them to put them on their websites. Such results were published, inter-alia, in “Financial Express” in English on an all India basis and “Dainik Statesman” in Bengali (vernacular) language from Kolkata. The company has its own web-site [www.birdgroup.gov.in](http://www.birdgroup.gov.in) wherein all relevant information along with the financial results are displayed. Annual report, all price sensitive information or clarifications on the decisions of the Board are communicated immediately to the Stock Exchanges for dissemination to the shareholders.

**GENERAL SHAREHOLDER INFORMATION**

**i) AGM Details**

Date	28th September, 2010
Venue	“Purbashree Auditorium” Eastern Zonal Cultural Centre, Bhartiyam Cultural Multiplex, IB-201, Salt Lake, Kolkata-700 106
Time	11.30 A.M.
Book closure dates	21st September, 2010 to 28th September, 2010
Dividend payment date	12th October, 2009

- ii) Last date of submission of ECS : On or before 10th September, 2010 to  
mandate / Bank particulars CB Management Services (P) Ltd  
P-22, Bondel Road,  
Kolkata – 700019.  
Ph : (033) 2280-6692-93-94/2486  
Fax : (033) 2247-0263  
e-mail : [cbmsl1@cal2.vsnl.net.in](mailto:cbmsl1@cal2.vsnl.net.in)

**iii) Financial Calendar (Tentative)**

S/No.	Approval / Adoption of	on or before
1	1st Quarter ending 30th June, 2010	15th August, 2010
2	Half yearly ending 30th September, 2010	15th November, 2010
3	3rd Quarter ending 31st December, 2010	15th February, 2011
4	Year ending 31st March, 2011	15th May 2011
5	Next Annual General Meeting	September, 2011

iv) **Listing of stock exchange** : The Calcutta Stock Exchange Limited,  
7, Lyons Range, Kolkata – 700001.  
The company has paid listing fees upto  
31st March, 2010.

v) **Stock code** : 25058

vi) **Market price data of the Company's shares in the Calcutta Stock Exchange Association Limited (CSE) :**

The monthly high & low price of the shares of OMDC for the period 17.10.2009 to 31.03.2010 :-

	<b>High (Rs)</b>	<b>Low (Rs)</b>
Oct 17, 09 to Oct 30, 09	27900.00	23400.00
November 2009	26749.00	23000.00
December 2009	27200.00	24750.00
January 2010	24050.00	21800.00
February 2010	22300.00	20100.00
March 2010	22000.00	20000.00

vii) **Depositories with whom Company has entered into agreement**

<b>Name</b>	<b>ISIN Code</b>
Central Depository Services (India) Limited (CDSL)	INE 725E01016
National Securities Depository Limited (NSDL)	INE 725E01016

viii) **Registrar and Share Transfer Agent** : CB Management Services (P) Ltd  
P-22, Bondel Road,  
Kolkata – 700019.  
Ph : (033) 4011-6700/11/18/23  
Fax : (033) 2287-0263  
e-mail : rta@cbmsl.com

**THE ORISSA MINERALS DEVELOPMENT COMPANY LIMITED**

ix) **Physical/NSDL/CDSL/Summary Report as on 31st March, 2010**

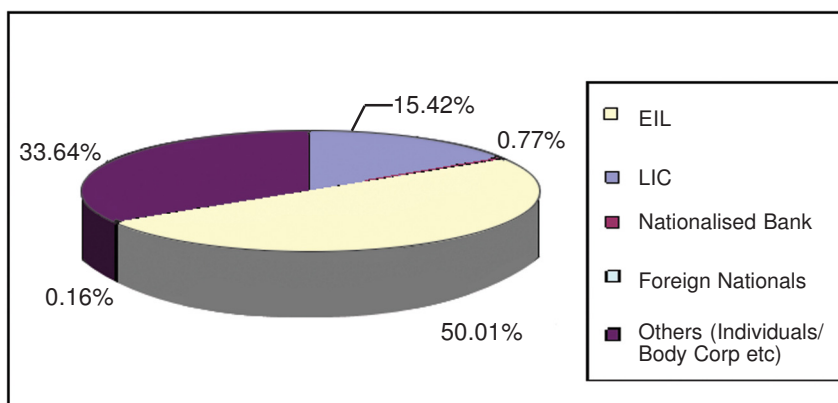
<b>PARTICULARS</b>	<b>SHARES</b>	<b>%</b>	<b>NO. OF SHAREHOLDERS</b>	<b>%</b>
PHYSICAL	345255	57.54	263	11.06
NSDL	123303	20.55	1483	62.36
CDSL	131442	21.91	632	26.58
<b>TOTAL</b>	<b>600000</b>	<b>100.00</b>	<b>2378</b>	<b>100.00</b>

x) **Top Ten Shareholders of the company as on 31st March, 2010.**

<b>Sl. No.</b>	<b>Name of the Shareholder</b>	<b>No. of shares held</b>	<b>% of Shareholding</b>
1	Eastern Investments Limited	300089	50.01
2	Life Insurance Corporation of India	92500	15.42
3	Murari Lal Sarawagi	12650	2.11
4	Mahendra Girdharilal Wadhwani	9198	1.53
5	Aspi H Tangree	7600	1.27
6	3A Capital Services Limited	6708	1.11
7	All Bank Finance Limited	6600	1.10
8	Dhruv Agarwala	5500	0.92
9	Misrilal Jain	4950	0.82
10	Darius R Madon	3900	0.65
	<b>TOTAL</b>	<b>443161</b>	<b>74.94</b>

xi) **Categories of Shareholders with Shareholding Pattern as on 31-03-2010**

<b>Shareholders</b>	<b>% of holding and No. of shares</b>
EIL	50.01% 300,089
LIC	15.42% 92,500
Nationalised Bank	0.77% 4,600
Foreign Nationals	0.16% 950
Others (Individuals/ Body Corp etc)	33.64% 201,861



**xii) Dividend History (Last three years)**

Financial year ended	Dividend per Share (Rs)	Total Dividend (Rs in crores)
31-03-2007	434.00	26.02
31-03-2008	372.00	26.11
31-03-2009	455.00	27.30

Note : Total dividend is exclusive of dividend tax

**xiii) Unclaimed Dividend**

Financial year	Date of declaration of Dividend	Total Dividend (Rs in crores)	Unclaimed Dividend as on 31-03-2010	Due for transfer to IEPF on
2003-04	1-10-2004	0.30	75,865.00	30-09-2011
2004-05	21-10-2005	21.84	50,15,192.00	20-10-2012
2005-06	10-10-2006	19.50	50,60,250.00	09-10-2013
2006-07	09-10-2007	26.02	70,32,136.00	08-10-2014
2007-08	10-10-2008	26.11	66,75,362.00	09-10-2015
2008-09	16-10-2009	27.30	66,98,965.00	15.10.2016

**xiv) Mines Location**

- a) Thakurani Iron & Manganese Mines  
The O.M.D.Co. Ltd  
At/P.O. Thakurani, Via – Barbil,  
District : Keonjhar, (Orissa)  
Pin : 758035
  
- b) Belkundi Bagiaburu Iron Mines  
The O.M.D.Co. Ltd,  
At/P.O. Nalda, Via – Barbil,  
District : Keonjhar, (Orissa)  
Pin : 758035

- c) Bhadrasahi Iron and Manganese Mines  
The O.M.D.Co. Ltd  
At Kolha, Roida. Via – Joda,  
District : Keonjhar, (Orissa)  
Pin : 750038
- d) OMDC Sponge Iron Plant  
The O.M.D.Co. Ltd  
At/P.O. Thakurani, Via Barbil,  
District : Keonjhar, (Orissa)  
Pin : 758035

xv) **Secretarial Audit Report**

The secretarial Audit Report of the Company prepared in terms of SEBI Circular No. D & CC/FITTC/ CIR-16/2002 dated 31st December, 2002 reconciling the total shares held in both the depositories, viz – NSDL and CDSL and in physical form along with the total issued / paid up capital of the Company is placed before the Board of Directors and duly submitted to the Stock Exchange(s) for each quarter.

xvi) **Address for correspondence :**

The shareholders may address their communications / suggestions / grievances / queries to :

CB Management Services (P) Ltd

P – 22, Bondel Road,

Kolkata – 700019.

Phone: (033) 4011-6700 / 11 / 18 / 23

Fax : (033) 2287-0263

E mail : rta@cbmsl.com

OR

The Orissa Minerals Development Company Limited

“Sourav Abasan”, 2nd Floor,

AG-104, Sector-II, Salt Lake City,

Kolkata-700091

Tel : (033) 4016-9200

Fax : (033) 4016-9267

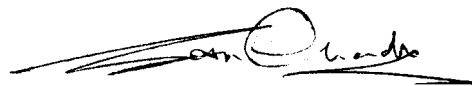
E-mail : info.birdgroup@nic.in

Website : www.birdgroup.gov.in

**Declaration regarding compliance by the Board Members and Senior Management Personnel with the Company's Code of Conduct is annexed herewith.**

This is to confirm that the company has adopted Code of Conduct for its Board members and senior management personnel. These codes are available on the company's website.

I confirm that the company has in respect of the financial year ended 31st March, 2010 received from the senior management team of the company and the members of the Board affirmation as regards compliance with the Code of Conduct as applicable to them.



**(DR. SATISH CHANDRA)**  
CHAIRMAN CUM MANAGING DIRECTOR

Place : Kolkata  
Date : 24th May, 2010

**CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE  
GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

**CERTIFICATE**

To  
The Members of  
THE ORISSA MINERALS DEVELOPMENT COMPANY LIMITED

I have examined all the relevant records of THE ORISSA MINERALS DEVELOPMENT COMPANY LIMITED (hereinafter referred to as 'the Company') for the purpose of certifying compliance with the conditions of the Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchange for the year ended 31st March, 2010.

I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of certification.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to the procedures and implementation thereof adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion of the financial statements of the Company.

In my opinion and to the best of my information and according to explanations given to me, I certify that

- (a) the Company has complied with the conditions of corporate governance as stipulated in the above mentioned Listing Agreement **subject to my remarks at para (b) below**. I state that no investor grievance was pending for a period exceeding one month as per the records maintained by the Company except where disputed or subjudiced or where policy decision is imperative.
- (b) **the Company has not fully complied with the provisions of Clause 49 of the Listing Agreement in regard to maintaining the requisite strength of Independent Directors, Constitution of Audit Committee and conducting of meetings of different Committees constituted under the above said clause.**

I further state that compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.



**SUNIL KUMAR BANERJEE**  
Practising Company Secretary  
FCS 2189; CP No 4652

Place : Kolkata  
Date : 9th August, 2010



**COMPLIANCE CERTIFICATE**

To  
The Members of  
THE ORISSA MINERALS DEVELOPMENT COMPANY LIMITED  
AG-104, 2nd Floor, Sourav Abasan,  
Salt Lake City, Sector- III,  
Kolkata- 700 091.

CIN : L51430WB1918PLC003026  
Nominal Capital : Rs. 60, 00,000/-  
Paid-up Capital : Rs. 60, 00,000/-


I have examined the registers, records, books and papers of THE ORISSA MINERALS DEVELOPMENT COMPANY LIMITED (hereinafter referred to as 'the Company') as required to be maintained under the Companies Act, 1956 (the Act) and the Rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2010. In my opinion and to the best of my information and according to papers, documents and records submitted before me and examinations thereof as well as explanations furnished to me by the officers of the Company, I certify that in respect of the aforesaid financial year :

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this Certificate as per provisions of the Act and the Rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns within the period as stated in Annexure 'B' to this certificate, with the Registrar of Companies, West Bengal under the Act and the Rules made there under.
3. The Company, being a public limited, further comments are not required. The Company was converted during the year to a Government company effective from 19th March, 2010 under section 617 of the Act pursuant to a Restructuring Scheme duly approved by the Ministry and the Union Cabinet.
4. The Board of Directors duly met six (6) times on 26th June, 2009, 28th July, 2009, 29th October, 2009, 1st December, 2009, 22nd January, 2010 and 19th March, 2010 during the year under review, in respect of which meetings proper notices were given and the proceedings were properly recorded and signed, including circular resolutions passed, in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members and share transfer book from 21st to 29th September, 2009 (both days inclusive).
6. The Annual General Meeting for the financial year ended on 31st March, 2009 was held on 29th September, 2009 after giving proper notice to the members of the company and the resolutions passed thereat were duly recorded in the Minute Book maintained for the purpose.
7. One Extra Ordinary General Meeting of the Members of the Company was held during the financial year.

**THE ORISSA MINERALS DEVELOPMENT COMPANY LIMITED**

8. During the year the Company did not advance any loan to its directors or persons or firms referred to under section 295 of the Act, but had given loans to two companies under same management as detailed out in para 24 of this certificate.
9. The Company did not enter into any contracts falling within the purview of section 297 of the Act.
10. The Company had made necessary entries in the Register maintained under section 301 of the Act for the disclosures made by the directors in terms of provisions of the section 299 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government, as the case may be.
12. The Company had issued duplicate share certificates during the financial year.
13.
  - a) The Company had delivered all share certificates lodged for transfer or transmission within the stipulated period.
  - b) The Company deposited requisite amount in a separate bank account as dividend was declared by the company during the year.
  - c) The Company posted warrants to members as dividend was declared by the Company during the year.
  - d) The Company transferred the unpaid/unclaimed amount in unpaid dividend account. The Company was not required to transfer any application money due for refund, matured deposits, matured debentures and interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investors Education and Protection Fund.
  - e) The Company had duly complied with the requirement of section 217 of the Act.
14. The Board of directors of the Company was duly constituted. There were appointments of additional directors during the year under review. There was no appointment of any alternate director or director to fill casual vacancy during the year under report.
15. There was appointment of full time Managing director during the year with effect from 29th October, 2009 (A/N). The appointment was approved by the shareholders by Postal Ballot, Application was subsequently submitted to the Central Government during the current financial year for approval under section 316(4) of the Act, appointment having been made for more than two companies.
16. The Company did not appoint any sole selling agent during the financial year.
17. The Company was not required to obtain any approval of the Central Government, Company Law Board, Regional Director, Registrar of Companies or such other authorities as may be prescribed under the various provisions of the Act during the financial year except as stated in para 15 of this certificate.
18. The directors of the Company have disclosed their interest in other firms / companies to the Board of directors as required under provisions of the Act.
19. The Company had not issued shares or debentures or other securities during the year under certification.
20. The Company had not bought back any shares during the financial year.
21. The Company has not issued any preference shares and debentures and hence redemption of preference shares and / or debentures does not arise.

22. There were no transactions necessitating the Company to keep in abeyance the right to dividend, right shares and bonus shares pending registration of transfer of shares.
23. The Company had not invited / accepted any deposit including any unsecured loan falling within the purview under sections 58A or 58AA of the Act read with the Companies (Acceptance of Deposit) Rules, 1975 during the year.
24. The Company has no borrowing.
25. The Company had given advances appearing to be in the nature of loan to one company against job orders and had also given direct loan to another company, both companies being under the same management. The cases seem to be not in consonance with the provisions of the Act. The Company has not given any guarantees or provided securities to other bodies corporate during the year.
26. The Company did not alter any provisions of the Memorandum of Association with respect to situation of the Company's registered office from one state to another during the financial year under certification.
27. The Company did not alter any provisions of the Memorandum with respect to the object of the Company during the financial year under scrutiny.
28. The Company did not alter any provisions of Memorandum with respect to the name of the Company during the financial year under certification.
29. The Company did not alter any provisions of the Memorandum with respect to the share capital of the Company during the year under certification.
30. The company had altered its Articles of Association during the financial year.
31. As per records available and information given there was no prosecution initiated against or show cause notices received by the Company and no fine or penalty or any other punishment was imposed on the Company during the financial year for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has deposited both the employees' and employer's contributions to provident fund in time with the prescribed authorities pursuant to section 418 of the Act.



**SUNIL KUMAR BANERJEE**  
Practising Company Secretary  
FCS 2189; CP No 4652

Place : Kolkata  
Date : 9th August, 2010

**Annexure: "A"**

**Registers as maintained by the Company**

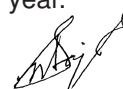
- Member's register under sections 150 and 151 of the Act.
- Minutes books of Board meeting and general meeting under section 193 of the Act.
- Register of contracts under section 301 of the Act.
- Register of directors under section 303 of the Act.
- Register of directors' shareholding under section 307 of the Act.
- Register of Charges under section 143 of the Act.
- Register of Investments under section 49 of the Act.
- Common Seal Register.

**Annexure: "B"**

**Forms and Returns as filed by the Company with the Registrar of Companies, West Bengal during the financial year ended on 31st March, 2010**

SI No.	Forms/Returns	Particulars	Date of Filing	Remarks
1	Form 23AC and 23ACA	Balance Sheet and Profit & Loss A/c for the year ended 31st March, 2009	22.10.2009	Within Stipulated period
2	Form 66	Compliance Certificate Under section 383A(1) of the Act for the year ended 31st March, 2009	06.10.2009	Within Stipulated time
3	Form 20B	Annual Return under section 159 and 161 of the Act made up to 29th Sept, 2009	28.11.2009	Within Stipulated time
4	Form 32	Appointment of Director (Smt. Chandralekha Malviya)	15.09.2009	Beyond stipulated time
5	Form 32	Appointment of Director (Shri P. K. Bishnoi, C. G. Patil and C. Banerjee)	06.08.2009	Within Stipulated time
6	Form 32	Cessation of Director (Shri C. Banerjee)	15.09.2009	Within Stipulated period
7	Form 32	Appointment of directors at AGM (Regularisation of four directors)	22.10.2009	Within Stipulated period
8	Form 23	Special Resolutions Passed at AGM	19.10.2009	Within Stipulated time
9	Form 32	Appointment of director (Dr. Satish Chandra) and Cessation of director (Shri K. J. Singh)	19.11.2009	Within Stipulated time
10	Form 32	Appointment of Managing director (Dr. Satish Chandra)	07.12.2009	With additional fee
11	Form 32	Cessation of director (Shri P. K. Bishnio)	30.01.2010	With additional fee

Note : Some Returns and Forms for the year were filed during the current financial year.



**SUNIL KUMAR BANERJEE**  
Practising Company Secretary  
FCS 2189; CP No 4652

Place : Kolkata  
Date : 9th August, 2010

**REPORT OF CEO & CFO FOR THE FINANCIAL YEAR 2009-10**

We, the Chairman cum Managing Director as CEO and ED(F&A) as CFO report to the Board that :

- a) We have reviewed the financial statements and cash flow statement for the year ended 31st March, 2010 and that to the best of our knowledge and belief :
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) these statements together present true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b) There were, to the best of our knowledge and belief, no transactions entered into by the company during the year 2009-10 which were fraudulent, illegal and violative of company's code of conduct.
- c) We accept responsibilities for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors deficiencies in the design or operation of such internal controls of which we are aware and steps we have taken or proposed to take to rectify the deficiencies.
- d) We have indicated to the auditors :
  - i) significant changes if any, in internal control during the year;
  - ii) significant changes if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements.
- e) As regards the transactions of the company during the year 2009-10 is concerned it is to declare that we are not aware of any significant fraud and involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

The report is exclusively for the transactions entered into by the company during the financial year 2009-10.



(C.BANERJEE)  
CHIEF FINANCE OFFICER (CFO)



(Dr. Satish Chandra)  
CHIEF EXECUTIVE OFFICER (CEO)

**AUDITORS' REPORT  
TO THE MEMBERS OF  
THE ORISSA MINERALS DEVELOPMENT COMPANY LIMITED  
FOR THE YEAR 2009-2010**

1. We have audited the attached Balance Sheet of The Orissa Minerals Development Company Limited as at 31st March 2010 and also the Profit and Loss Account of the above company for the year ended on that date and annexed thereto and Cash Flow Statement for the period ended on that date.
2. 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.
3. We have conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform our audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for expressing our opinion on financial statements of the company.
4. As required by the Companies (Auditor's report) Order, 2003 called as CARO 2003, vide notification no. GSR 480(E) dated 12th June, 2003, 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 paragraphs 4 and 5 of the said Order.
5. 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 it appears from our examination of those books.
  - iii) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - iv) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report together with Notes on Accounts (Schedule – 18B) and other notes appearing in various schedules and Significant Accounting Policies (Schedule – 18A) of the Company comply with the Accounting Standards referred in sub-section (3C) of Section 211 of the Companies Act.
  - v) On the basis of written declaration received from the Directors which were taken on record by the Board of Directors, none of the Directors of the Company is disqualified from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts of the Company together with the Significant Accounting Policies (Schedule – 18A) and read with Notes on Accounts (Schedule – 18B) particularly to the note No. 17 regarding restructuring expenses Rs.36.19 lacs is not related to normal course of business of the company, 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 case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010.
- (b) in case of the Profit & Loss Account, of the Profit for the year ended on that date; and
- (c) in the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

For **SARMA & CO.**  
Chartered Accountants

Sd/-  
**(P. K. Ghosh)**  
Partner  
(M. No. 002553)

Place : Kolkata

Date : 24th May 2010.

**COMPANIES (AUDITORS' REPORT) ORDER, 2003**

QUERIES	COMMENTS
<p>(i) (a) Whether the Company is maintaining proper records showings full particulars, including quantitative details and situation of fixed assets.</p> <p>(b) Whether these fixed assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of Accounts.</p> <p>(c) If a substantial part of Fixed Assets have been disposed off during the year, whether it has affected the going concern.</p>	<p>The Company has maintained proper record showing full particulars including quantitative details and situations of fixed assets.</p> <p>The fixed Assets have not been physically verified by departmental Head and no discrepancies has been determined by the management.</p> <p>No substantial parts of fixed assets have been disposed off during the year.</p>
<p>(ii) (a) Whether physical verification of inventory has been conducted at reasonable intervals by the Management.</p> <p>(b) Are the procedures of physical verification of inventory followed by the Management reasonable and adequate in relation to the size of the company and the nature of its business? If not, the inadequacies in such procedures should be reported.</p> <p>(c) Whether the company is maintaining proper records of Inventory and whether any material discrepancies were noticed on physical verification and if so, whether the same have been properly dealt with in the books of accounts.</p>	<p>Physical verification of inventory has been made at reasonable intervals.</p> <p>The procedure and interval of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and nature of its business.</p> <p>The Company maintains proper records of inventory. The discrepancies noticed on verification between the physical stock and book record were not material and it has been properly dealt with in the accounts.</p>
<p>(iii) (a) Has the company either granted or taken loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Act? If so, give the number of parties and amount involved in the transactions.</p> <p>(b) Whether the rate of interest and other terms and conditions of loans given or taken by the company, secured or unsecured, are prima facie prejudicial to the interest of the company.</p> <p>(c) Whether payment of the principle amount and interest are also regular.</p>	<p>Loan given to associate companies, the Register has been maintained under Section 301 of the Companies Act. Scott and Saxby Rs. 104.42 lacs and KDCL Rs. 28.77 lacs.</p> <p>Interest rate and other terms and condition of loan are not prejudicial to the interest of the company.</p> <p>No payment of Principal and Interest has been made during the year.</p>



<p>(d) If overdue amount is more than one lakh, whether reasonable steps have been taken by the company for recovery/ payment of the principal and interest.</p>	<p>Steps has been taken but no recovery from Associate Companies Scott and Saxby and KDCL.</p>
<p>(iv) Is there an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods? Whether there is a continuing failure to correct major weaknesses in internal control.</p>	<p>In our opinion and according to the information and explanation given to us there are adequate internal control procedures commensurate with the size of the company and the nature of the business for the purchase of inventory and fixed assets but there is scope of improvement.</p>
<p>(v) (a) Whether transactions that need to be entered into a register in pursuance of Section 301 of the Act have been so entered.</p> <p>(b) Whether each of these transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.</p> <p>(This information is required only in case of transactions exceeding the value of five lakh rupees in respect of any party and in any one of financial year).</p>	<p>According to the information and explanations given to us, we are of the opinion that the transactions that needed to be entered in to the register maintained under section 301 of the Companies Act, 1956 have been so entered.</p> <p>According to the information and explanations given to us, where each of such transaction exceeding Rupees five lacs in value have been made at the price which are prima facie reasonable having regard to the prevailing market price at the relevant time.</p>
<p>(vi) In case the company has accepted deposits from the public, whether the directives issued by the Reserve Bank of India and the provisions of sections 58A and 58AA of the rules framed there under, where applicable, have been complied with. If not the nature of contravention should be stated, if an order has been passed by the Company Law Board whether the same has been complied with or not.</p>	<p>The company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Companies Act, 1956, read with the directives issued by the Reserve Bank of India.</p>
<p>(vii) In the case of listed companies and/or other companies having a paid-up capital and reserve exceeding Rs. 50 lakh as at the commencement of the financial year concerned, having an average annual turnover exceeding five crore rupees for the period of three consecutive financial year immediately preceding the internal audit system commensurate with its size and nature of its business.</p>	<p>A firm of Chartered Accountant has been appointed as Internal Auditors of the company. In our opinion there is scope for improvement.</p>
<p>(viii) Where maintenance of cost records has</p>	<p>Maintenance of cost records under Section 209(1)</p>

**THE ORISSA MINERALS DEVELOPMENT COMPANY LIMITED**

<p>been prescribed by the Central Government under clause (d) of sub-section (1) of Section 209 of the Act, whether such accounts and records have been made and maintained.</p>	<p>(d) of the Companies Act, 1956 is not applicable to this Company.</p>																						
<p>(ix) (a) Is the company regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, income tax, sales tax, wealth tax, custom duty, excise duty cess and any other statutory dues with the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as at the last day of the financial year concerned for a period more than six months from the date they became payable, shall be indicated by the auditor.</p> <p>(b) In case dues of sales tax/income tax/ custom tax/ wealth tax / excise duty/ cess have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending may please be mentioned. (A mere representation to the department shall not constitute the disputes.)</p>	<p>According to the information and explanation made available to us, undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Royalty etc. are deposited on regular basis to the appropriate authorities. As explained there is no undisputed amount payable in respect of the aforesaid dues as on 31st March 2010 outstanding for a period of more than six months from the date they had become payable.</p> <p>According to the information and explanations made available to us, details of disputes dues as on 31.03.2010 are as follows :</p> <table border="1" data-bbox="815 972 1439 1453"> <thead> <tr> <th>Name of Statute</th> <th>Nature of Dues</th> <th>Forum where dispute is pending</th> <th>Amount (Rs.)</th> </tr> </thead> <tbody> <tr> <td>Orissa VAT</td> <td>Sales Tax</td> <td>High court</td> <td>26,67,117</td> </tr> <tr> <td rowspan="3">Central Sales Tax</td> <td rowspan="3">Sales Tax</td> <td>Asstt. Commissioner</td> <td>10,43,975</td> </tr> <tr> <td>Asstt. Commissioner</td> <td>7,72,68,197</td> </tr> <tr> <td>Asstt. Commissioner</td> <td>50,20,858</td> </tr> <tr> <td rowspan="2">Orissa Entry Tax</td> <td rowspan="2">Entry Tax</td> <td>Add. Commissioner</td> <td>34,79,287</td> </tr> <tr> <td>Asstt. Commissioner</td> <td>22,68,182</td> </tr> </tbody> </table>	Name of Statute	Nature of Dues	Forum where dispute is pending	Amount (Rs.)	Orissa VAT	Sales Tax	High court	26,67,117	Central Sales Tax	Sales Tax	Asstt. Commissioner	10,43,975	Asstt. Commissioner	7,72,68,197	Asstt. Commissioner	50,20,858	Orissa Entry Tax	Entry Tax	Add. Commissioner	34,79,287	Asstt. Commissioner	22,68,182
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		Asstt. Commissioner	50,20,858																				
Orissa Entry Tax	Entry Tax	Add. Commissioner	34,79,287																				
		Asstt. Commissioner	22,68,182																				
<p>(x) Whether in case of a company which has been registered for a period not less than five years, its accumulated losses at the end of the financial year are not less than fifty per cent of its net worth and whether it has incurred cash losses in such financial year and in the financial year immediately preceding such financial year also.</p>	<p>There is no accumulated loss.</p>																						
<p>(xi) Whether the company has defaulted in repayment of dues to a financial institution or bank or debenture holders. If yes, the period and amount of default to be reported.</p>	<p>The Company has not accepted any deposits/ loans from banks or any other financial institutions or debenture holders. The company had repaid the bank loan.</p>																						

**THE ORISSA MINERALS DEVELOPMENT COMPANY LIMITED**

<p>(xii) Whether adequate documents and records are maintained in cases where the company has granted loans and advances on the basis of security by way of pledge of shares, debenture and other securities, if not, the deficiencies to be pointed out.</p>	<p>According to the information and explanations made available to us, no loans or advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.</p>
<p>(xiii) Whether the provisions of any special statute applicable to chit fund have been duly complied with. In respect of nidhi/mutual benefit fund/societies :</p> <p>(a) Whether the net owned funds to deposit liability ratio is more than 1.20 as on the date of Balance Sheet.</p> <p>(b) Whether the company has complied with the prudential norms on income recognition and provisioning against sub-standard / default / loss assets.</p> <p>(c) Whether the company has adequate procedures for appraisal of credit proposals / requests, assessment of credit need and repayment capacity of the borrowers.</p> <p>(d) Whether the repayment schedule of various loans granted by nidhi is based on the repayment capacity of the borrower and would be conducive to recovery of the loan amount.</p>	<p>Not Applicable</p>
<p>(xiv) If the company is dealing or trading in shares, securities, debentures and other investments, whether proper records have been maintained of the transactions and contracts and whether timely entries have been made therein; also whether the shares, securities, debentures and other securities have been held by the company in its own name except to be extent of the exemption if any, granted under Section 49 of the Act.</p>	<p>Not Applicable</p>
<p>(xv) Whether the company has given any guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof and prejudicial to the interest of the company</p>	<p>No</p>
<p>(xvi) Whether term loans were applied for the purpose for which the loans were obtained.</p>	<p>NIL</p>

**THE ORISSA MINERALS DEVELOPMENT COMPANY LIMITED**

(xvii)	Whether the funds raised on short term basis have been used for long term investment and vice-versa. If yes, the nature and amount is to be indicated.	NIL
(xviii)	Whether the company has made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act and if so, whether the price at which shares have been issued in prejudicial to the interest of the company.	No such allotment has been made.
(xix)	Whether securities have been created in respect of debenture issued.	No debenture issued.
(xx)	Whether the management has disclosed on the end use of money raised by public issues and the same has been verified.	Not Applicable
(xxi)	Whether any fraud on or by the company has been noticed or reported during the year. If yes, the nature and the amount involved is to be indicated.	No fraud was reported by the Management and we have not come across any fraud case during our course of Audit during the year.

For **SARMA & CO.**  
Chartered Accountants

Sd/-  
**(P. K. Ghosh)**  
Partner  
(M. No. 002553)

Place : Kolkata

Date : 24th May 2010.

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STATEMENT  
OF  
ACCOUNTS

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**THE ORISSA MINERALS DEVELOPMENT COMPANY LIMITED**

**BALANCE SHEET AS AT 31ST MARCH, 2010**

	Schedule No.	31st March, 2010 Rs. in Crores	31st March, 2010 Rs. in Crores	31st March, 2009 Rs. in Crores	31st March, 2009 Rs. in Crores
<b>SOURCES OF FUNDS</b>					
<b>1. Shareholders' Fund</b>					
a) Capital	1	0.60		0.60	
b) Reserve & Surplus	2	<u>792.56</u>	<u>793.16</u>	<u>731.18</u>	<u>731.78</u>
<b>TOTAL</b>			<u>793.16</u>		<u>731.78</u>
<b>APPLICATION OF FUNDS</b>					
<b>1. Fixed Assets</b>					
a) Gross Block		55.69		52.35	
b) Depreciation	3	<u>34.51</u>		<u>31.97</u>	
c) Net Block			21.18		20.38
Discarded assets			—		0.02
d) Capital Work in progress at cost			<u>1.30</u>		<u>16.56</u>
			<u>22.48</u>		<u>36.96</u>
<b>2. Investments</b>	4		8.10		11.20
<b>3. Deferred Tax Asset ( Net)</b>			0.68		0.44
<b>4. Current Assets, Loans &amp; Advances</b>					
a) Inventories	5	27.57		16.44	
b) Sundry Debtors	6	1.77		0.27	
c) Cash & Bank Balances	7	757.04		717.91	
d) Other Current Assets	8	17.72		21.82	
e) Loans & Advances	9	<u>257.22</u>		<u>302.10</u>	
		1061.32		1,058.54	
<b>Less : Current Liabilities &amp; Provisions</b>					
a) Liabilities & Provisions	10	<u>299.42</u>		<u>375.36</u>	
<b>Net Current Assets</b>			<u>761.90</u>		<u>683.18</u>
<b>TOTAL</b>			<u>793.16</u>		<u>731.78</u>
Segment Reporting	16				
Related Party Disclosure	17				
Notes on Accounts	18				

Note : The Schedule referred to above form an integral part of the Balance Sheet

This Balance Sheet referred to in our report of even date

Signed pursuant to the provisions of Section 215 of the Companies Act, 1956 in authentication of this Balance Sheet.

**FOR SARMA & CO.**

On behalf of the Board

CHARTERED ACCOUNTANTS

Sd/-  
**Dr. Satish Chandra**  
CMD  
Sd/-  
**P. K. Ghosh**  
PARTNER  
(M. No. 002553)

Sd/-  
**Dr. Dalip Singh**  
Director  
Sd/-  
**U. Menon**  
Director  
Sd/-  
**S. Das**  
Company Secretary

Sd/-  
**C. Malviya**  
Director  
Sd/-  
**T. Chattopadhyay**  
Director

Sd/-  
**A. Vij**  
Director  
Sd/-  
**C. Banerjee**  
Executive Director  
(F&A)

Kolkata, Dated the 24th May, 2010

Company Secretary

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010**

Particulars	Schedule No.	<u>31st March, 2010</u> Rs. In Crores	<u>31st March, 2009</u> Rs. In Crores
<b>INCOME</b>			
Sales	11	82.35	271.81
Other Income	12	73.55	75.08
Increase/(Decrease) in Stock-in-Trade	13	10.63	1.79
		<u>166.53</u>	<u>348.68</u>
<b>EXPENDITURE</b>			
Payment to & Provision for employees	14	14.66	16.16
Other Mining, Selling & Administrative exp	15	37.06	43.23
Depreciation		2.55	3.05
		<u>54.27</u>	<u>62.44</u>
<b>Net Profit Before Tax</b>		<u>112.26</u>	<u>286.24</u>
Provision for Income tax-Current		(38.06)	(103.93)
Provision for tax Fringe Benefit Tax		—	(0.17)
Provision for Tax -Deferred		0.24	(0.33)
<b>Net Profit After Tax</b>		<u>74.44</u>	<u>181.80</u>
Balance brought forward		420.28	320.42
<b>Profit available for appropriation</b>		<u>494.72</u>	<u>502.22</u>
Appropriations :			
Proposed Dividend		11.16	27.30
Dividend Tax		1.90	4.64
General Reserve		7.40	50.00
		<u>20.46</u>	<u>81.94</u>
<b>Surplus transferred to Balance Sheet</b>		<u>474.26</u>	<u>420.28</u>
Earning per Share (Rs.)- Basic and Diluted		1,240.64	3,030.00
Segment Reporting	16		
Related Party Disclosure	17		
Notes on Accounts	18		

Note : The Schedule referred to above form an integral part of the Profit & Loss Account

This is the Profit & Loss Account referred to in our report of even date

Signed pursuant to the provisions of Section 215 of the Companies Act, 1956 in authentication of this Balance Sheet.

**FOR SARMA & CO.**

CHARTERED ACCOUNTANTS

Sd/-  
**P. K. Ghosh**  
PARTNER  
(M. No. 002553)

Sd/-  
**Dr. Satish Chandra**  
CMD

Sd/-  
**H. Mahajan**  
Director

Sd/-  
**Dr. Dalip Singh**  
Director

Sd/-  
**U. Menon**  
Director

Sd/-  
**S. Das**

Company Secretary

On behalf of the Board

Sd/-  
**C. Malviya**  
Director

Sd/-  
**T. Chattopadhyay**  
Director

Sd/-  
**A. Vij**  
Director

Sd/-  
**C. Banerjee**  
Executive Director  
(F&A)

Kolkata, Dated the 24th May, 2010

**SCHEDULES**

	<u>31st March, 2010</u>		<u>31st March, 2009</u>	
	Rs. In Crores	Rs. In Crores	Rs. In Crores	Rs. In Crores
<b><u>SCHEDULE-1</u></b>				
<b>CAPITAL</b>				
<b><u>Authorised</u></b>				
6,00,000 Equity Shares of Rs. 10/- each		<u>0.60</u>		<u>0.60</u>
<b><u>Issued and Subscribed</u></b>				
6,00,000 ordinary shares of Rs. 10/- each		<u>0.60</u>		<u>0.60</u>
<b>Held by Holding Company (EIL)</b>				
3,00,089 ordinary shares of Rs. 10/-				
<b>Held by others</b>				
2,99,911 ordinary shares of Rs. 10/-				
Notes : Of the Subscribed Capital				
1) 30,000 ordinary shares have been allotted as fully paid -up pursuant to a contract without payment being received in cash				
2) 5,00,000 ordinary shares have been allotted as fully paid up Bonus Shares by way of Capitalisation of General Reserve				
 <b><u>SCHEDULE-2</u></b>				
<b>RESERVE AND SURPLUS</b>				
<b>Capital reserve</b>		<b>0.90</b>		<b>0.90</b>
(Arising out of Revaluation of Fixed Assets)				
<b>General Reserve</b>				
Balance as per last Accounts	<b>310.00</b>		260.00	
Add : Transferred during the year	<u>7.40</u>	<b>317.40</b>	<u>50.00</u>	310.00
Profit & Loss Account		<b>474.26</b>		420.28
		<u><b>792.56</b></u>		<u>731.18</u>



**SCHEDULE-3**

**FIXED ASSET**

Rs. in Crores

PARTICULARS	Cost/Book value of Assets as at 01.04.2009	Additions during the year	Assets Sold/ Adjusted During the year	Adjusted Cost/Book value of Assets as at 31.03.2010	Depre- ciation as at 01.04.2009	Depre- ciation added during the year	Depre- ciation adjusted for asset sold	Depre- ciation as at 31.03.2010	Net Value of Asset as at 31.03.2010	Net Value of Asset as at 31.03.2009
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
LAND #	0.00	—	—	—	—	—	—	—	0.00	0.00
LEASEHOLD LAND	1.97	—	—	1.97	0.07	0.02	—	0.09	1.88	1.90
BUILDING	8.16	3.29	—	11.45	2.53	0.33	—	2.86	8.59	5.63
LEASEHOLD PROPERTIES	4.40	—	—	4.40	3.88	0.11	—	3.99	0.41	0.51
RAILWAY SIDING	3.74	0.01	—	3.75	1.95	0.25	—	2.20	1.55	1.79
PLANT & MACHINERY	31.82	0.06	0.08	31.80	22.32	1.70	—	24.02	7.79	9.50
FURNITURE & FIXTURE	0.52	0.09	0.03	0.58	0.34	0.04	—	0.38	0.20	0.18
PROSPECTING AND DEVELOPMENT	1.51	—	0.00	1.51	0.76	0.07	—	0.83	0.67	0.75
MOTOR VEHICLES	0.23	—	—	0.23	0.11	0.03	—	0.14	0.09	0.12
	<b>52.35</b>	<b>3.45</b>	<b>0.11</b>	<b>55.69</b>	<b>31.96</b>	<b>2.55</b>	<b>0.00</b>	<b>34.51</b>	<b>21.18</b>	<b>20.38</b>
DISCARDED ASSETS AWAITING DISPOSAL	0.02	—	0.02	0.00	—	—	—	—	0.00	0.02
<b>TOTAL</b>	<b>52.37</b>	<b>3.45</b>	<b>0.13</b>	<b>55.69</b>	<b>31.96</b>	<b>2.55</b>	<b>0.00</b>	<b>34.51</b>	<b>21.18</b>	<b>20.40</b>
PREVIOUS YEAR	51.80	0.61	0.05	52.36	28.95	3.05	0.03	31.96	20.40	22.86

# As the figures in the statement are in crores and the cost/book value of the land in col. no. 1, 9 & 10 is in Rs. 28,020/- the same is not reflected.

**THE ORISSA MINERALS DEVELOPMENT COMPANY LIMITED**

	31st March, 2010		31st March, 2009	
	Rs. In Crores	Rs. In Crores	Rs. In Crores	Rs. In Crores
<b>SCHEDULE 4</b>				
<b>INVESTMENTS - LONG TERM</b>				
<b>QUOTED :</b>				
9.5% Tax Free Sardar Sarovar Nigam Limited Bonds 120 Nos. of Bonds (Face Value 10,000)	0.00		0.13	
7% I.D.B.I OMNI Bonds 10 Nos. of Bonds (Face Value 10,00,000)	1.00		1.00	
8.95% Gujrat Electricity Bonds 100 Nos. of Bonds (Face Value 1,00,000)	1.04		1.04	
11.50% IDBI 2004 Bonds 600 Nos. of Bonds (Face Value 1,000)	0.00		0.06	
14.15% MSRDC Non Convertible Bonds 200 Nos. of Bonds (Face Value 100000)	0.00		2.46	
7.5% APPFC Bonds 20 Nos. of Bonds (Face Value 10,00,000)	2.00		2.00	
12% Gujrat Electricity Bonds 4 Nos. of Bonds (Face Value 10,00,000)	0.00		0.45	
13.5% MSRDC Non Convertible Bonds 100 Nos. of Bonds (Face Value 1,00,000)	<u>1.23</u>	<u>5.27</u>	<u>1.24</u>	<u>8.37</u>
<b>In Other Company</b>				
The East India Clinic Ltd 5% Non - Redeemable Debenture Stock, 1957 (Value of the Investment is Rs. 5000/-) #	—		—	
The Sijua (JHERRIAH) Electric Supply Co. Ltd 100 Nos of Ordinary Shares @ Rs. 10/- each (Value of the Investment is Rs. 1000/-) #	—		—	
The Eastern Investments Limited 25434 Nos of Ordinary Shares @Rs. 10/-each	<u>0.02</u>	<u>0.02</u>	<u>0.02</u>	<u>0.02</u>
<b>UNQUOTED :</b>				
EAST INDIA MINERALS LIMITED 2811010 Nos of Equity Shares @Rs 10/- each fully paid up (Total Book Value is Rs. 15.28 crores)		<u>2.81</u>		<u>2.81</u>
		<u>8.10</u>		<u>11.20</u>

Market Value of Quoted investments -Rs 4.981crore (P.Y Rs. 7.63 crore)

# As the figures in the statement are in crores, and the amount of investment is in rupees thousand, the same is not reflected

**THE ORISSA MINERALS DEVELOPMENT COMPANY LIMITED**

	<u>31st March, 2010</u>		<u>31st March, 2009</u>	
	Rs. In Crores	Rs. In Crores	Rs. In Crores	Rs. In Crores
<b><u>SCHEDULE 5</u></b>				
<b>INVENTORIES</b>				
(As taken, valued and certified by the management)				
Stock of Raw Materials		1.47		1.05
Stores & Spare Parts		0.75		0.67
Stock in Trade	25.35		14.72	
Less : Provision for Stock	—	25.35	—	14.72
<b>TOTAL</b>		<u>27.57</u>		<u>16.44</u>

**SCHEDULE 6**

**SUNDRY DEBTORS**

**Sundry Debtors -Unsecured**

**a) Debts outstanding for a period exceeding six months**

Considered Good	0.35		0.07	
Considered Doubtful	1.90		1.73	1.80
b) Other Debts : Considered Good	1.42	2.25	0.20	
Considered doubtful	—	1.42	—	0.20
		<u>3.67</u>		<u>2.00</u>
Less : Provision for Doubtful Debts		1.90		1.73
		<u>1.77</u>		<u>0.27</u>

Note :Debts due from Associate Company / Companies under the same Management (included in Sundry Debtors)

- 1) The Bisra Stone Lime Company Limited - **Rs. 92.59 lacs** (2008-09 Rs 62.94 lacs)
- 2) Eastern Investments Limited - **Rs 3.20 lacs** (2008-09 Rs 1.75 lacs)
- 3) Scott & Saxby Limited - **Rs.2.99 lacs** (2008-09 Rs 2.92 lacs)
- 4) The Karanpura Development Co. Ltd - **Rs. 10.07 lacs** (2008-09 Rs 9.47 lacs)

**THE ORISSA MINERALS DEVELOPMENT COMPANY LIMITED**

	<u>31st March, 2010</u>		<u>31st March, 2009</u>	
	Rs. In Crores	Rs. In Crores	Rs. In Crores	Rs. In Crores
<b><u>SCHEDULE-7</u></b>				
<b>CASH AND BANK BALANCES</b>				
Cash in Hand (As certified by the management)		<b>0.03</b>		0.04
Balance with Scheduled Banks -				
In Current Account	<b>7.81</b>		5.18	
In Short Term Deposit Account	<b>749.20</b>	<b>757.01</b>	<b>712.68</b>	<b>717.86</b>
		<b>757.04</b>		<b>717.91</b>

**SCHEDULE 8**

**OTHER CURRENT ASSETS : (Unsecured Considered Good)**

Interest Accrued :

On Short Term Deposits with Bank	<b>17.57</b>		21.49
On Other Investments	<b>0.15</b>		0.33
	<b>17.72</b>		<b>21.82</b>

**SCHEDULE 9**

**LOANS AND ADVANCES - Unsecured**

Advance recoverable in cash or in kind or for value to be received :

Considered Good	<b>2.46</b>		3.25
Considered Doubtful	<b>2.46</b>	<b>4.92</b>	<b>2.40</b>
<b>Less : Provision for Doubtful Advances</b>		<b>2.46</b>	<b>2.40</b>
		<b>2.46</b>	<b>3.25</b>

Security Deposit

<u>Considered Good</u>		<b>14.89</b>	1.62
Advance payment of tax		<b>239.87</b>	297.23
		<b>257.22</b>	<b>302.10</b>

**Note : Advances due from Companies under the same management :**

**Scott & Saxby Limited - Rs. 104.42 lacs**

**The Karanpura Development Company Limited -Rs. 28.77 lacs**

**THE ORISSA MINERALS DEVELOPMENT COMPANY LIMITED**

	<u>31st March, 2010</u>		<u>31st March, 2009</u>	
	Rs. In Crores	Rs. In Crores	Rs. In Crores	Rs. In Crores
<b><u>SCHEDULE 10</u></b>				
<b>CURRENT LIABILITIES</b>				
Unpaid/ Unclaimed Dividend	3.06		2.91	
Sundry Creditors	40.64		40.61	
Customer's Balance/ advance from customers	33.33		40.08	
Grant in Aid - Ministry of Labour	<u>0.01</u>	77.04	<u>0.01</u>	83.61
<b>PROVISIONS</b>				
Provision for Income Tax	209.32		259.81	
Proposed Dividend	11.16		27.30	
Tax on Proposed Dividend	<u>1.90</u>		<u>4.64</u>	
		<u>222.38</u>		<u>291.75</u>
		<u>299.42</u>		<u>375.36</u>
<b><u>SCHEDULE 11</u></b>				
<b>SALES</b>				
Iron ore		74.46		244.69
Manganese ore		3.20		25.60
Sponge iron		<u>4.69</u>		<u>1.53</u>
		<u>82.35</u>		<u>271.82</u>
<b><u>SCHEDULE 12</u></b>				
<b>OTHER INCOME</b>				
<b>Interest Income</b>				
On Investment - Long term	0.60		0.88	
On Fixed Deposit with Banks	<u>67.91</u>	68.51	<u>58.84</u>	59.72
Miscellaneous Income		0.95		2.45
Establishment Charges		1.10		2.53
Liabilities no longer required written back		0.14		9.35
Dividend Received		<u>2.85</u>		<u>1.04</u>
		<u>73.55</u>		<u>75.08</u>
<b><u>SCHEDULE 13</u></b>				
<b>INCREASE/ (DECREASE ) IN STOCK</b>				
Closing Stock		25.35		14.72
Opening Stock		<u>14.72</u>		<u>12.93</u>
Stock Increase / (Decrease)		<u>10.63</u>		<u>1.79</u>
<b><u>SCHEDULE 14</u></b>				
<b>PAYMENTS &amp; BENEFITS - EMPLOYEES :</b>				
a) Salaries, Wages & Allowances		9.88		8.39
b) Gratuity		0.67		3.89
c) Contribution to P.F and other funds		1.68		1.48
d) Staff & Worker's Welfare :				
Wages	1.04		0.98	
Stores	0.48		0.53	
Others	<u>0.91</u>		<u>0.89</u>	2.40
		<u>14.66</u>		<u>16.16</u>

**THE ORISSA MINERALS DEVELOPMENT COMPANY LIMITED**

	31st March, 2010		31st March, 2009	
	Rs. In Crores	Rs. In Crores	Rs. In Crores	Rs. In Crores
<b>SCHEDULE 15</b>				
<b>OTHER MINING, ADMINISTRATIVE &amp; SELLING EXPENSES</b>				
<b><u>Contract Labour</u></b>				
Mining	7.39		11.64	
Development & Over Burden Removal	2.58		2.32	
Ores Transporting	0.07		0.31	
Others	2.14		2.06	
C. S. R.	0.25	12.43	4.89	21.22
Stores & Spares Consumed		1.56		1.58
Raw Materials Consumed		3.41		1.36
Power & Fuel		1.32		1.21
Repairs & Maintenance -Plant & Machinery				
Wages	0.82		0.77	
Stores	0.45		0.57	
Contract Repairs	0.53	1.80	0.55	1.89
Repairs & Maintenance-Building				
Stores	0.03		0.01	
Contract Repairs	0.33	0.36	0.35	0.36
General Repairs		0.03		0.01
Rent		0.15		0.05
Rates & Taxes		0.15		0.12
Insurance		0.04		0.04
Royalty		4.17		2.70
Selling Expenses :				
Siding Charges	0.01		—	
Handling Charges	0.06		0.21	
Analysis Charges	0.20		0.19	
Demurrage	0.02		0.02	
Wagon Loading	0.62		1.19	
E -Auction	0.46		1.75	
Railway Freight	—	1.37	0.04	3.40
Peripheral Development		0.09		0.09
Directors Fees		0.00		—
Law Charges		0.26		0.52
Bank & Financial Charges		0.16		0.03
Loss on sale of Investments		0.51		0.20
Prior Period Adjustments		0.04		0.09
Provision for Doubtful Debts		0.01		0.37
Provision for Doubtful Advances		0.20		0.59
Provision for Leave Encashment		0.54		0.31
Provision for WIP		0.12		—
Impairment loss		0.13		—
Miscellaneous Expenses		8.21		7.09
		<b>37.06</b>		<b>43.23</b>

**SCHEDULE - 16**

**SEGMENT REPORTING FOR THE YEAR ENDED 31ST MARCH, 2010**

	<b>IRON ORE</b> (Rs. In Crores)	<b>MANGANESE ORE</b> (Rs. In Crores)	<b>SPONGE IRON PLANT</b> (Rs. In Crores)	<b>CONSOLIDATED TOTAL</b> (Rs. In Crores)
<b>A. REVENUE</b>				
<b>Segment Revenue</b>				
External Sales	<b>74.46</b>	<b>3.20</b>	<b>4.69</b>	<b>82.35</b>
	<i>244.69</i>	<i>25.60</i>	<i>1.52</i>	<i>271.81</i>
Inter Segment Sales	-	-	-	-
<b>Total Revenue before Tax and Interest</b>	<b>74.46</b>	<b>3.20</b>	<b>4.69</b>	<b>82.35</b>
	<i>244.69</i>	<i>25.60</i>	<i>1.52</i>	<i>271.81</i>
<b>B. RESULTS</b>				
<b>Segment Result</b>				
	<b>46.39</b>	<b>(0.17)</b>	<b>(0.48)</b>	<b>45.74</b>
	<i>200.32</i>	<i>19.13</i>	<i>(2.03)</i>	<i>217.42</i>
Unallocated(Expenses)/Income(Net)				<b>66.52</b>
				<i>9.11</i>
Operating Profit				<b>112.26</b>
				<i>226.53</i>
Interest Expenses				-
				-
Interest Income				<b>68.51</b>
				<i>59.71</i>
Net Profit (Loss)				<b>112.26</b>
				<i>286.24</i>
<b>C. OTHER INFORMATION</b>				
<b>Segment Assets</b>				
	<b>54.94</b>	<b>6.10</b>	<b>10.48</b>	<b>71.52</b>
	<i>47.82</i>	<i>5.31</i>	<i>12.51</i>	<i>65.64</i>
Unallocated Corporate Assets				<b>1,021.06</b>
				<i>1,041.50</i>
Total Assets				<b>1,092.58</b>
				<i>1,107.14</i>
Segment Liabilities	<b>69.13</b>	<b>7.68</b>	<b>0.23</b>	<b>77.04</b>
	<i>47.83</i>	<i>5.31</i>	<i>3.32</i>	<i>56.46</i>
Unallocated Corporate Liabilities				<b>222.38</b>
				<i>318.90</i>
Total Liabilities				<b>299.42</b>
				<i>375.36</i>
Capital Expenditure	<b>0.73</b>	<b>0.08</b>	-	<b>0.81</b>
	<i>0.43</i>	<i>0.05</i>	-	<i>0.48</i>
Depreciation	<b>1.60</b>	<b>0.18</b>	<b>0.72</b>	<b>2.50</b>
	<i>1.80</i>	<i>0.20</i>	<i>1.00</i>	<i>3.00</i>
Non Cash Expenditure Other Than Depreciation	<b>1.51</b>	-	-	<b>1.51</b>
	<i>1.17</i>	-	-	<i>1.17</i>

Note : (i) Prevailing Sale Value of Iron Ore as consumed by the Sponge Iron Plant has been considered for the purpose of Raw material consumed by the Sponge iron Segment and as income of Iron Ore Segment for the purpose segmental result, though no Inter Segment Sales has not been effected.

(ii) Figures relating to current year have been indicated in bold letters.

**SCHEDULE - 17**

**RELATED PARTY DISCLOSURE**

**LIST OF RELATED PARTIES WITH WHOM THE COMPANY HAD TRANSACTIONS etc.**

**A. Present Co./Associates/Group Companies & Joint Ventures :**

**Present Companies**

Eastern Investments Limited

**Associates/Group Companies**

- i) The Bisra Stone Lime Company Limited.
- ii) Scott & Saxby Limited.
- iii) The Karanpura Development Company Limited

**Joint Ventures**

East India Minerals Limited.

**B. Key Management Personnel :**

- i. **Dr. Satish Chandra** MD/CMD  
(From 29.10.2009 (A/N))
- ii. **Dr. Dilip Singh** Director  
(From 28.04.2008)
- iii. **Smt. C. Malviya** Director  
(From 20.07.2009)
- iv. **Shri P. K. Bishnoi** Non-executive Chairman  
(From 20.07.2009 to 30.11.2009)
- v. **Shri K. J. Singh** Director (Holding additional charge  
(From 06.11.2008 to 20.07.2009) of Chairman Cum Managing Director)  
Director (Holding additional charge of  
(From 20.07.2009 to 29.10.2009)(F/N) Managing Director)
- vi. **Shri J. P. Shukla** Director  
(From 25.08.2006 to 20.07.2009)
- vii. **Shri C. G. Patil** Director  
(From 20.07.2009 to 28.02.2010 A/N)
- viii. **Shri C. Banerjee** Director  
(From 20.07.2009 to 26.08.2009)  
Executive Director (F & A)  
(From 04.12.2008)
- ix. **Shri T. Chottopadhyay** Director  
(From 23.02.2009)



**DISCLOSURE OF TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES  
AND THE STATUS OF THE OUTSTANDING BALANCES AS ON 31.03.2010**

	Parents / Subsidiaries Rs. In Crores	Associates/ Gr. Cos. Rs. In Crores	Joint Venture Rs. In Crores	Key Management Personnel & Relatives Rs. In Crores
1. Loans / Advances given & recovered/adjusted				
- BSLC	—	(0.07)	—	—
- Scott & Saxby	—	0.20 (0.20)	—	—
- KDCL	—	0.20	—	—
2. Common expenses borne by associate company and recovered				
- EIL	0.01			
3. Interest charged	—	—		
4. Service received	—	—		
5. Raw material purchased	—	—		
6. Establishment charges recoverable and recovered				
- EIML			(1.10)	
7. Amount due and outstanding as on 31/03/10 and provisions made on such outstanding				
- BSLC		0.92 (0.77)		
- EIL		0.03 —		
- Scott & Saxby		1.07 (1.07)		
- KDCL		0.39 (0.39)		
- EIML				
8. Guarantees provided	—	—		

Note : 1. Figures in bracket indicate the amount recovered/adjusted/provision.

2. The figures stated in point No. 1 relate to transaction made during the year.

**SCHEDULE-18A**

**01. Significant Accounting Policies**

a) **Convention :**

The financial statements have been prepared in accordance with the relevant presentational requirement of the Companies Act, 1956 and the acceptable Accounting Standards in India. A summary of significant accounting policies which have been applied consistently is set out below.

b) **Basis of Accounting :**

The financial statements have been prepared in accordance with the historical cost convention.

c) **Fixed Assets and Depreciation :**

i) Fixed assets are stated at cost of acquisition including appropriate incidental expenses except for certain items of fixed assets which were revalued on 30.06.1978 and 30.06.1982 and shown at replacement cost.

ii) The cost of replacements/modifications of plant and machinery, wherever the same, in the opinion of the management, would result in improvements in reliability of the assets concerned and useful economic life thereof, are capitalised.

iii) Prospecting and Development expenses excepting those in the nature of preliminary and preoperative and included under fixed assets are charged off in the year in which they are incurred.

iv) Capital work in progress includes advances paid for capital jobs.

v) Depreciation on assets other than Leasehold Properties and Prospecting and Development are provided on written down value method at the rates specified in Schedule XIV of the Companies Act, 1956. Depreciation on leasehold properties being expenditure incurred for renewal of mining leases as per terms stipulated by the appropriate authority, are written off in equal installments spread over the life of the lease, whereas addition on account of Prospecting and Development is amortized at the rate of 10% on W.D.V. method. Differential amount of depreciation arising out of revaluation of fixed assets is not adjusted to the concerned reserve.

d) **Investments :**

Investments are shown at cost, less permanent fall in value of investment, if any. Current investments are stated at cost or market value, whichever is lower.

e) **Inventories :**

Stock in trade is stated at cost or market value whichever is lower. Cost comprises of expenditure incurred in the normal courses of business in bringing such stocks to their location and includes appropriate overhead. Stock of stores and spare parts is valued at weighted average cost and stores-in-transit are stated at their invoice value.

f) **Revenue Recognition :**

Mercantile system of accounting is followed with recognition of income and expenditure on accrual basis except those with significant uncertainties.

g) **Sales**

Sales represent invoiced value of goods supplied less sales tax, excise duty and discount but include royalty.

**h) Retirement Benefits :**

**i) General Description of defined benefit scheme :**

**Gratuity :** Payable on separation @ 15 days pay for each completed year of service to eligible employees who render continuous service of 5 years or more. Maximum amount in the case of separation is Rs. 3.50 lacs for each Employees. The gratuity is being covered under "Group Gratuity cum Life Insurance Scheme" with LIC of India and the provision on account of gratuity is being made as per the actuarial valuation given by LIC.

**Leave Encashment :** Payable on separation to eligible employees who have accumulated earned leave. Maximum accumulated leave 240 days is encashable at the time of separation. Liability of Leave salary is provided on the basis of actuarial valuation as per AS-15 (Revised, 2005).

**Superannuation Benefit :** Payable on separation to eligible executives of the Company. This fund is also being managed by the LIC of India as per scheme. The Company makes annual contribution to the fund and apart from this the Company has no liability whatsoever on this account. Contribution to Superannuation Fund is provided on actuarial basis.

**i) Consideration for use of Company's facilities :**

Consideration received from the authority given for use of a part of the available facilities of the company is recognized as revenue in the year of receipt/realisation.

**j) Government Grants :**

Grant in Aids/Subsidies received from Government and,

i) related to revenue are deducted in reporting to related expense.

ii) related to specific fixed assets are deducted from the cost of such assets.

**k) Provision for Current and Deferred Tax**

Provision for current tax is made after taking into consideration benefits admissible under the provision of the Income Tax Act , 1961. Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws enacted or substantially enacted on the Balance Sheet date. The deferred tax asset is recognized and carried forward only to the extent there is a reasonable certainty that the assets will be recognized in future.

**l) Prior Period Items/Use of Estimates :**

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and the estimates are recognized in the period in which the results are known/materialize.

**m) Provisions, Contingent Liabilities and Contingent Assets :**

A provision is recognized when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on best estimates required to settle the obligation at the balance sheet date .A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is neither recognized nor disclosed.

n) **Impairment of fixed assets**

Consideration is given at each balance date to determine whether there is any indication of impairment of the carrying amount of the Company's fixed assets. If any indication exists, an assets recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount.

**SCHEDULE-18B**

**NOTES ON ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2010**

01. **Contingent Liabilities not provided for :-**

(Rs. In Crore)

	<b>Current Year</b>	<b>Previous Year</b>
Claims Not acknowledged as debt		
I. Suits against the company	268.20	268.20
II. Sales Tax/Income Tax etc.	9.17	9.17
III. Others	13.10	—

02. Pursuant to the amendments of the Orissa Land Reforms Act, Sub-Collector, Champua had served a Notice against the Company for alleged unauthorized possession of 10.79 acres of leasehold land on the ground that the said land belongs to Adivasis and based on that, the Revenue Inspector asked OMDC to vacate the land. The Company filed an appeal before the Addl. District Magistrate. The appeal was not allowed. During April, 1999 the Company filed a writ application and obtained Stay Order from the Hon'ble High Court of Orissa to maintain the status quo about the possession of the land until further order

03. **Lease Matters**

Status of grant of renewal of mining lease of area totaling 4365.262 hectares including lease rights granted to erstwhile Bharat Process and Mechanical Engineers Ltd. (BP MEL), which is under liquidation covering 2068.272 hectre is detailed below :

- a) **1546.55 hectre (BP MEL-Thakurani) :** The 2nd RML period expired on 30.09.2004. Renewal application filed for 20 years w.e.f. 01.10.2004. The application is under process in the Steel & Mines department, Govt of Orissa. The Mining Operation has been stopped due to suspension order issued by I.B.M. & State forest dept. The renewal application for forest diversion proposal is under process in the Office of D.F.O, Keonjhar. Application for grant of Temporary Working Permission is under process in the Forest Dept. The application for obtaining Env't. Clearance for enhanced production is under process in MOEF, Govt. of India.
- b) **266.77 hectre (BP MEL-Dalki) :** Lease period expired on 30.09.1994. Renewal application filed for 20 years w.e.f. 01.10.1994. The forest clearance obtained from MOEF, Govt. of India is valid upto 30.09.2014. The mining operation has been stopped after rejection of RML application by the State Govt. vide letter No. 12764/SM dtd. 24.08.2006. The revision application & stay petition filed with Ministry of Mines, Govt. of India. The hearing on stay petition has been completed on 26.03.2007. GovL of India, Ministry of Mines has passed an interim stay order on the operation of the impugned order dated 24.08.2006 passed by the State Govt. rejecting the 3rd RML application till disposal of the revision application which is pending with the central tribunal. The application for obtaining Env'l. Clearance for enhanced production is under process in MOEF, Govt. of India.

- c) **254.952 hectre (BPMEL-Roida)** : The lease period expired on 14.08.1996. The renewal application filed for 20 years w.e.f. 15.08.1996. The forest clearance granted is valid up to 14.08.2016. The Mining operation has been stopped after rejection of RML application by the State Govt. .The revision application has been disposed off by the State Govt. setting aside the impugned order No. III(A)/SM-14/03-16733 dtd. 16.11.2006 of the State Govt. directing to maintain the status quo operating prior to the date of passing of the impugned order. On receiving the aforesaid order necessary steps are being taken to restore the Mining operation. Mining operation is likely to resume in May' 2010. The application for obtaining Env't. Clearance for enhanced production is under process in MOEF, Govt. of India.
- d) **1276.79 hectre (OMDC-Belkundi)** : Lease period expired on 15.08.2006. The renewal application filed for 20 years w.e.f. 16.08.2006. The application has been duly recommended by Collector, Keonjhar & Director of Mines, Orissa. Same is under process in the department of Steel & Mines, Govt. of Orissa. The forest clearance was co-terminus with lease period ending 15.08.2006. Application for renewal of forest diversion proposal is under process in the office of D.F.O. Keonjhar. The Mining Operation has been stopped due to suspension order issued by State Forest Dept.. Application for grant of Temporary Working Permission is under process in the Forest Dept. The application for obtaining Env't. Clearance for enhanced production is under process in MOEF, Govt. of India.
- e) **21.52 hectre (OMDC-Bagiaburu)** : The lease period valid up to 30.09.2010. The forest clearance is co-terminus with lease period ending 30.09.2010. At present the mine is in operation within broken-up forest land. The RML application under M.C.Rule 1960 & F.CAct 1980 has been filed before the stipulated date. The application for obtaining Env't. Clearance for enhanced production is under process in MOEF, Govt. of India.
- f) **998.70 hectre (OMDC-Roida)** : The lease period valid up to 30.09.2010. The forest clearance is co-terminus with lease period ending 30.09.2010. The mining operation is continuing within broken up forest area and non-forest area. The RML application under M.C.Rule 1960 & F.CAct 1980 has been filed before stipulated date . The application for obtaining Env't. Clearance for enhanced production is under process in MOEF, Govt of India.
04. In terms of the Memorandum of Understanding (MOU) dated 24.04.1992 between the Company and Usha Rectifier Corporation (I) Limited (now Usha India Limited) and an agreement dated 04.10.1993 between the Company and East India Minerals Limited (EIML), the Joint Venture Company (JVC), certain facilities in the form of land for construction of plant, railways siding etc. were provided to EIML on right to use basis, initially for a period of 20 years depending upon the leasehold rights of the company, as consideration towards of 26% of the paid up equity shares of the JVC. As per the terms of the MOU as well as the agreement, permission for mining in the leasehold areas was also extended to the JVC against establishment charges to be paid by them for such permission, Necessary charges payable by EIML in this regard has been taken into income as establishment charges. Minerals raised by EIML in terms of the said arrangement 2,04,158 M.T. (Previous Year 5,15,968 M.T.) however has not been included to arrive at Company's production and therefore not shown under quantitative information vide para 9A below.
05. Dividend received during the year Rs.2.81crore (Previous Year Rs.1.41 crore) from the Joint Venture Company (EIML) upto 31.03.2010.No further dividend has been declared by EIML.

06. Disclosures, as required under Accounting Standard (AS) – 15 ( revised ) on 'Employee Benefits', in respect of defined benefit obligations are :

**(a) Reconciliation of present value of defined benefit obligations :**

(Rs. In Crores)

Sl. No.	Particulars	Leave Encashment
i)	Present value of projected benefit obligations, as at 1st April, 2010	1.68
ii)	Service Cost	0.23
iii)	Interest Cost	0.09
iv)	Actuarial gains (-)/ losses (+)	0.21
v)	Past service cost	0.00
vi)	Benefits paid	(0.09)
vii)	Present value of projected benefit obligations, as on 31st March, 2010 (i+ii+iii+iv-v-vi)	2.12

**(b) Expenses recognized in the statement of Profit & Loss Account for the year ended 31st March, 2010**

(Rs. In Crores)

Sl. No.	Particulars	Leave Encashment
i)	Service Cost	0.23
ii)	Interest Cost	0.09
iii)	Actuarial gains (-)/ losses (+)	0.22
iv)	Past service cost	0.00
v)	Expected return on plan assets	0.00
vi)	Amount charged to – Employees Remuneration and Benefits (i+ii-iii+iv+v)	0.54

**(c) Actuarial assumptions**

Sl. No.	Description	As at 31 <sup>st</sup> March, 2010
i)	Discount Rate (per annum)	8.00%
ii)	Mortality rate	LIC (1994-96) ultimate

Sl. No.	Description	As at 31 <sup>st</sup> March, 2010	
iii)	Withdrawal rate (per annum)	Ages from 20-25	0.50%
		Ages from 25-30	0.30%
		Ages from 30-35	0.20%
		Ages from 35-50	0.10%
		Ages from 50-55	0.20%
		Ages from 55-60	0.30%
iv)	Salary escalation	5%	
v)	Method	Projected unit Credit Method	
vi)	Future salary increases (which has been set in consultation with the Company), take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.		

**07. Miscellaneous expenses include**

	<b>2009-2010</b>	2008-2009
	<b><u>Rs. In Crore</u></b>	<u>Rs. In Crore</u>
Auditors' Remuneration(excluding Service Tax)		
For Audit Fees	<b>0.015</b>	0.015
For limited review	<b>0.009</b>	0.009
For Tax Audit Fees	<b>0.006</b>	0.006

**08. Disclosure in respect of Loans and Advances in the nature of Loan pursuant to Clause 32 of the Listing Agreement :**

	<b>Outstanding Balance as on 31.03.2010 Rs. In Crore</b>	Maximum Balance during the year Rs. In Crore
Loans and advances in the nature of loans given to Associates		
Scott & Saxby Limited (Unsecured )	<b>1.04</b> <b>(0.55)</b>	1.04
KDCL (Unsecured )	<b>0.29</b> <b>(0.07)</b>	0.29
Investment by loanee in the shares of the Company	—	—
(The company does not have any subsidiary)	—	—
(Figures within bracket represent those relating to earlier)		

9. STOCK ANALYSIS

A. STOCK

	Opening Stock		Closing Stock	
	2009-10 M.T	2008-09 M.T	2009-10 M.T	2008-09 M.T
Manganese Ore “ Rs. In Crore	18899 1.13	12995 0.71	16820 3.72	18899 1.13
Iron Ore “ Rs. In Crore	488868 12.37	639576 11.83	547250 18.53	488868 12.37
Sponge Iron* “ Rs. In Crore	1369 1.21	499 0.39	3804 3.10	1369 1.21

\* After adjusting 11 M.T. excess found on physical verification

B. OUTPUT

	2009-2010 M.T.	2008-2009 M.T.
Manganese Ore	16624	32484
Iron Ore	563901	1659967
Sponge Ore	8469	2984

C. SALES

	2009-2010 M.T.	2008-2009 M.T.
Manganese Ore : M.T. Rs. in crore	18834 3.20	25834 25.60
Iron Ore : M.T. Rs. In crore	643323 74.46	1734086 244.69
Sponge Ore : M.T. Rs. In crore	5587 4.69	2188 1.53

D. CONSUMPTION OF RAW MATERIALS AT SPONGE IRON PLANT

	2009-2010		2008-2009	
	M.T.	Rs. in crore	M.T.	Rs. in crore
Coal	21924	3.41	7791	1.36
Dolomite	21	0.002	26	0.002
Imported Coal	—	—	—	—

[Consumption of Iron ore for the purpose of production of sponge iron 12680 M.T. (Previous year 4674 M.T.) has not been considered, this however does not have any effect on the overall profitability.]

10. Value of stores and Spare parts consumed

	<u>2009-2008</u>	<u>2008-2009</u>
(all indigenous) Rs. in Crore	1.56	1.58



11. (a) Outstanding balances in respect of Sundry Debtors, Loans and Advances (including balances from associate companies), Sundry Creditors, Advance from Customer Security Deposits etc. are subject to confirmation/reconciliation and consequential adjustments if any.
- (b) The Company does not have any Sundry Creditors due more than 100 thousands and remaining outstanding for more than 30 days. Current Year NIL (previous year-NIL) for SSI unit.

12. As per practice followed by the company, dividend amount deposited with the bank is discharged through warrants/ECS/Bank drafts, the amounts involved are directly debited at the time issuing such drafts, however drafts, if any remaining un-encashed at the end of the year are reflected as unpaid dividend balances.

13. Deferred Tax Assets comprises of the following :

	<b>31.03.2010</b> Rs. in crore	31.03.2009 Rs. in crore
<b>Deferred Tax assets</b>		
Expenditure deductible on payment/deferred Basis including provision for doubtful debts	<b>1.59</b>	0.50
Timing difference on account of Depreciation of Fixed Assets	<b>0.43</b>	0.80
<b>Deferred Tax Liability</b>		
Timing difference on accounts of Depreciation of Fixed Assets		
Net Deferred Tax Assets/(Liabilities) @ 33.99%	<b>0.68</b>	0.44

14. **Earning per share**

Earning per share has been computed as under

	<b>31.03.2010</b>	31.03.2009
(a) Profit/Loss after Taxation (Rs. in crore)	<b>74.44</b>	181.81
(b) No. of Ordinary Shares	<b>6,00,000</b>	6,00,000
(c) Earning per Share (Face value Rs. 10/- per share (a)/(b) (Basic and diluted) (in rupees)	<b>1240.64</b>	3030.15

15. The amount outstanding for forest clearance Rs.13.18 crore (P.Y. Rs. 13.18 Crores) has been kept as Security Deposit subject to the approval of mining lease renewal obtained from State Government.

16. The Company has made expenditure as per guidelines of Central Government towards CSR Programme and incurred Rs.0.25 Crore.

17. **Restructuring of OMDC**

- (i) As communicated by the Ministry of Steel, Government of India vide their letter no. 8(14)/2007-RMII(Pt.File)(Vol III) dated 30.09.2009, the Union Cabinet in their meeting held on 10th September, 2009 has approved the 'Restructuring Scheme' of Bird Group of Companies including The Orissa Minerals Development Company Ltd. (OMDC). The said Restructuring Scheme has also approval of the Board as well as Shareholders.

**THE ORISSA MINERALS DEVELOPMENT COMPANY LIMITED**

- (ii) As per approved Restructuring Scheme, Eastern Investments Limited (EIL) has acquired additional 96219 number of equity shares of OMDC from President of India & LIC. With such additional acquisition of shares the total holding of EIL in OMDC has gone up to 3,00,089 Equity Shares (50.01%) and thus, OMDC became a subsidiary Company of EIL w.e.f. 19th March, 2010.
- (iii) EIL being a Government Company, by virtue of the holding Government of India in EIL to the tune of 66.79% of its total paid up capital, OMDC also becomes a Government Company being subsidiary of EIL as per provision of Section 617 of the Companies Act, 1956.
- (iv) In accordance with the approved Restructuring Scheme, the employees of the Sister Concerns i.e. The Karanpura Development Co. Ltd. (KDCL) and Scott & Saxby Limited (SSL) had been adjusted in OMDC. As per approval of the Board, the expenses for implementation of the approved Restructuring Scheme, as a whole, is being incurred by the Company for its Sister Concerns. During the financial year 2009-10, the Company has incurred Rs. 36.19 lacs (Rupees thirty six lacs and nineteen thousand only) under the said allotment and the same has been debited to Profit & Loss Account.
18. In the current year, the Company had written down the value of certain Plant and Machinery by Rs. 0.13 Crores. This amount is disclosed in the Profit and Loss Account under Impairment Loss.
19. The capital commitment of the Company is Rs. 2.18 Crores.
20. Previous years figures have been re-grouped and rearranged wherever necessary.

Signed pursuant to the provisions of Section 215 of the Companies Act, 1956 in authentication of the Balance Sheet

**FOR SARMA & CO.**

CHARTERED ACCOUNTANTS

Sd/-  
**P. K. Ghosh**  
PARTNER  
(M. No. 002553)

Sd/-  
**Dr. Satish Chandra**  
CMD  
Sd/-  
**H. Mahajan**  
Director

Sd/-  
**Dr. Dalip Singh**  
Director  
Sd/-  
**U. Menon**  
Director  
Sd/-  
**S. Das**

Company Secretary

On behalf of the Board

Sd/-  
**C. Malviya**  
Director  
Sd/-  
**T. Chattopadhyay**  
Director

Sd/-  
**A. Vij**  
Director  
Sd/-  
**C. Banerjee**  
Executive Director  
(F&A)

Kolkata, Dated the 24th May, 2010

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

(Rs. In thousands)

**(1) Registration Details**

Registration No.	3026	State Code	021
Balance Sheet Date	31st March 2010		
	Date Month Year		

**(2) Capital Raised During the year : (Amount in Rs. Thousand)**

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement/others	NIL

**(3) Position of Mobilisation And Deployment of Funds : (Amount in Rs. Thousand)**

Total Liabilities	79,31,569	Total Assets	79,31,569
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**Source of Funds**

Paid up Capital	6,000	Reserve & Surplus	79,25,569
Unsecured Loan	Nil		

**Application of Funds**

Net Fixed Assets	2,24,807.62	Investment	81,012.53
Net Current Assets	76,19,039.99	Misc Expenditure	NIL
Accumulated Loss	NIL		

**(4) Performance of Company : (Amount in Rs. Thousand)**

Turnover	8,23,492.51	Total Expenditure	5,42,675.06
Profit/Loss before Tax	11,22,608.62	Profit/Loss after Tax	7,44,385.74
Earning per share in Rs.	1,240.64	Dividend Rate (%)	186

**(5) Generic Names of The Principal Products/Services of Company  
( As per Moneytary Terms )**

Item code No. (ITC Code)	260111.01
Product Description	IRON ORE
Item code No. (ITC Code)	260200.04, 260200.03, 260200.01
Product Description	MANGANESE ORE
Item code No. (ITC Code)	3303
Product Description	SPONGE IRON

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010**

	<u>31st March, 2010</u>		<u>31st March, 2009</u>	
	Rs. In crores	Rs. In crores	Rs. In crores	Rs. In crores
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit / (Loss) before Tax		<b>112.26</b>		286.24
Adjustments for :-				
Depreciation	<b>2.55</b>		3.05	
Interest Income	<b>(68.51)</b>		(59.71)	
Dividend Income	<b>(2.85)</b>		(1.04)	
Liabilities no longer required	<b>(0.14)</b>		(9.34)	
Loss on sale of Investments	<b>0.51</b>		0.20	
Provision for WIP	<b>0.12</b>			
Impairment loss	<b>0.13</b>			
Provision for Doubtful Debt	<b>0.01</b>		0.37	
Provision for Doubtful Advances	<b>0.20</b>		0.59	
		<b>(67.98)</b>		(65.88)
Operating Profit Before Working Capital Changes		<b>44.28</b>		220.36
Inventories	<b>(11.13)</b>		(2.71)	
Debtors	<b>(1.51)</b>		1.67	
Loans & Advances	<b>0.45</b>		14.94	
Trade Payable	<b>(6.71)</b>	<b>(18.90)</b>	<b>(23.81)</b>	<b>(9.91)</b>
Cash generated from operations		<b>25.38</b>		210.45
Direct taxes Paid		<b>(31.13)</b>		(118.38)
<b>Net Cash Flow from Operating Activities</b>		<b>(5.75)</b>		<b>92.07</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>				
Proceeds from sale of Investments	<b>2.59</b>		1.30	
(Purchase) /sale of fixed asset	<b>(1.37)</b>		(0.64)	
Dividend received	<b>2.85</b>		5.66	
Interest received	<b>72.60</b>		63.53	
<b>Net Cash Flow in Investing Activities</b>		<b>76.67</b>		<b>69.85</b>

**C CASH FLOW FROM FINANCING ACTIVITIES**

Payment of Dividend	(27.15)		(21.62)
Payment of Dividend Tax	<u>(4.64)</u>		<u>(3.79)</u>
<b>Net Cash Flow From Financing Activities</b>		<b><u>(31.79)</u></b>	<b><u>(25.41)</u></b>
Increase / Decrease in Cash & Cash Equivalent (A+B+C)		<b>39.13</b>	136.51
Cash & Cash Equivalent (Opening Balance)		<b><u>717.91</u></b>	<u>581.40</u>
Cash & Cash Equivalent (Closing Balance)		<b><u>757.04</u></b>	<u>717.91</u>

- Note : i) Cash & Cash equivalent include Fixed Deposits with scheduled Banks.  
 ii) Figures of the previous years/period have been regrouped and rearranged wherever necessary.  
 iii) Negative figures have been indicated in brackets.

This is the Cash Flow Statement referred to in our report of even date.

**FOR SARMA & CO.**

CHARTERED ACCOUNTANTS

Sd/-  
**P. K. Ghosh**  
PARTNER  
(M. No. 002553)

Sd/-  
**Dr. Satish Chandra**  
CMD  
Sd/-  
**H. Mahajan**  
Director

On behalf of the Board

Sd/-  
**Dr. Dalip Singh**  
Director  
Sd/-  
**U. Menon**  
Director  
Sd/-  
**S. Das**

Company Secretary

Sd/-  
**C. Malviya**  
Director  
Sd/-  
**T. Chattopadhyay**  
Director

Sd/-  
**A. Vij**  
Director  
Sd/-  
**C. Banerjee**  
Executive Director  
(F&A)

Kolkata, Dated the 24th May, 2010

**ENTRANCE PASS**

**THE ORISSA MINERALS DEVELOPMENT COMPANY LIMITED**  
**(To be presented at the entrance)**

**ATTENDANCE SLIP :** 92ND ANNUAL, GENERAL MEETING ON 28TH SEPTEMBER, 2010 AT 11.30 A.M. AT PURBASHREE AUDITORIUM OF EASTERN ZONAL CULTURAL CENTRE, IB-201, SECTOR-III, SALT LAKE CIITY, KOIKATA- 700106

**Folio No.** ..... **DP ID No.** ..... **Client A/c No** .....

**Name of the Shareholder :** .....

**Signature of the Shareholder** .....  
(Only shareholders/proxies are allowed to attend the meeting)

**PROXY FORM**

**THE ORISSA MINERALS DEVELOPMENT COMPANY LIMITED**

I/We..... of..... being a member (s) of THE ORISSA MINERALS DEVELOPMENT COMPANY LIMITED hereby appoint.....of.....or failing him .....of.....or failing him..... of.....as my/our proxy to attend and vote for me/ us and on my / our behalf at the Annual General Meeting of The Orissa Minerals Development Company Limited to be held on Tuesday, 28th September, 2010 and at any adjournment thereof.

**Folio No.** ..... **DP ID No.** ..... **Client A/c No** .....

No. of shares held .....

Signed this ..... day of September, 2010.

Affix rupee  
one  
Revenue  
Stamp

**BANK ACCOUNT PARTICULARS/ECS MANDATE FORM**

I/We..... do hereby authorize THE ORISSA MINERALS DEVELOPMENT COMPANY LIMITED.

- To Print the following details on my/our dividend warrant.
- To credit my dividend amount directly to my Bank account by ECS.

(\* Strike out whichever is not applicable.) My /our Folio No. : .....

Particulars of Bank Account : **DP ID No**..... **Client A/c NO**.....

A. Bank Name : .....

B. Branch Name : .....  
Address (for Mandate only)

C. 9 Digit Code number of the bank & branch : .....  
as appearing on the MICR cheque

D. Account Type (Saving/ Current) : .....

E. Account No. as appearing on the cheque book : .....

F. STD Code & Telephone No. : .....

MAIL TO - **CB Management Services(P) Ltd**  
**P-22, Bondel Road, Kolkata- 700019**  
**or to your Depository Participant if**  
**you hold shares in electronic form.**

.....  
Signature of the shareholder

Please attach the photocopy of a cheque or a blank cancelled cheque issued by your Bank relating to your above account for verifying the accuracy of the 9 digit code number.

**In case you are holding shares in demat form, kindly advise your Depository Participant to take note of your Bank Account Particulars/ ECS mandate.**