

NOTICE

Notice is hereby given that the 93rd 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, Sector-III, Salt Lake, Kolkata-700106 on Friday, the 16th September, 2011 at 11.00 A.M to transact the following business :

Ordinary Business :

1. To receive, consider and adopt the Profit & Loss Account of the company for the year ended 31st March, 2011 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 Shri Harsh Mahajan, who retires by rotation and, being eligible, offers himself for re-appointment.
4. 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 the Statutory Auditors of the Company, appointed by the Comptroller & Auditor General of India for the financial year 2011-12 under provision of Section 619(2) of the Companies Act, 1956, be paid a remuneration as may be determined by the Board plus out of pocket expenses for conduct of audit."

Special Business :

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

5. An Ordinary Resolution :

"RESOLVED that Shri Udai Pratap Singh, 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 Udai Pratap Singh, as a candidate for the office of the Director of the company, be and is hereby appointed as a Director of the company whose period of office will be liable to determination by retirement by rotation."

6. An Ordinary Resolution:

"RESOLVED that Shri A.P. Choudhary, 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 A.P. Choudhary, as a candidate for the office of the Director of the company, be and is hereby appointed as Director of the company whose period of office will be liable to determination by retirement by rotation."

7. An Ordinary Resolution :

“RESOLVED that Shri Umesh 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 Shri Umesh Chandra, as a candidate for the office of the Director of the company, be and is hereby appointed as 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 : 10th August, 2011

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) The Register of Members and Share Transfer Books of the company will remain closed from 8th September, 2011 to 16 th September, 2011 (both days inclusive).
- f) The Dividend, after declaration, will be paid to those shareholders, whose names stand on the Register of Members on 16th September, 2011. 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 7th September, 2011. The dividend shall be paid on and from 10th October, 2011.
- g) 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.
- h) Members can avail of the nomination facility by filing (Form 2B) with the company. Blank Forms will be supplied on request.
- i) 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.
- j) To receive all communications promptly please update your address registered with the Company or DPS, as may be applicable.
- k) 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.

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

Name of Director	Shri U. P. Singh	Shri A. P. Choudhary	Shri Umesh Chandra
Date of Birth	01.10.1958	26.12.1953	2.07.1954
Date of Appointment	01.06.2011	1.08.2011	1.06.2011
Qualification	Graduate in English, Sanskrit, History P. G. in Political Science.	Post Graduate in Design Engineering from Regional Engineering College, Rourkela.	Bachelor of Engineering.
Experience	Jt. Secretary. Ministry of Steel. Government of India.	Mr. Choudhary joined Rourkela Steel Plant in 1978 where he worked in Projects Department and was associated with modernization of RSP and also worked in Maintenance Department. From 1997 he worked in Corporate Office of SAIL, New Delhi and was reporting to chairman dealing with various issues related to technical, financial, commercial and industrial relations of all the units under SAIL. Prior to joining RINL he was executive Director in SAIL. Mr. Choudhary has joined RINL at most opportune time when he project (capacity Expansion) work is in full swing and 6.3 MT expanded capacity is getting commissioned. He joined RINL as Director (Projects) on 1st June, 2009. He is CMD, RINL from 01.08.2011.	He joined Visakhapatnam Steel Plant in 1990 as a manager and was given the task of setting up and heading a new Department known as Power Engineering Maintenance. He worked in various senior position in other departments such as Thermal Power Plant, Steel Melting Shop and was entrusted to head Central Maintenance Mechanical and a major Production Unit – Wire Rod Mill. He was holding the post of General Manager (power) with three prime departments, Thermal Power Plant, Distribution Network and PEM reporting him from November 2006. His area of wide experience is in the field of Precision alignment of high speed rotating machines, In-situ balancing, condition monitoring and predictive Maintenance. He is also well apt in QMS, EMS and OHSAS. He is also undergone specialised training in the field of Reliability Centered maintenance and is a certified lead auditor for Business Excellence Model.
Directorship in other company	1) The Orissa Minerals Development Company Limited. 2) The Bisra Stone Lime Company Limited. 3) Eastern Investments Limited. 4) MECON Ltd. 5) NMDC Ltd. 6) Neelachal Ispat Nigam Ltd.	1) M/s Rastriya Ispat Nigam Ltd. 2) M/s Eastern Investment Ltd. 3) The Bisra Stone Lime Company Ltd. 4) The Orissa Minerals Development Company Limited. 5) M/s RINMOIL Ferro Alloys Pvt. Ltd. 6) M/s Uttarbanga RINL Rail Karkhana Ltd. 7) M/s International Coal Ventures Ltd.	a) M/s RINL b) M/s RINMOIL Ferro Alloys Pvt Ltd c) IIM Vizag Chapter

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

Item No. 5

Shri Udai Pratap Singh, Joint Secretary, Ministry of Steel was inducted in the Board as an Additional Director of the Company effective from 1.06.2011 pursuant to the provisions of section 260 of the Companies Act, 1956 and Article No. 94 of the Articles of Association of the Company.

Shri Singh 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 Udai Pratap Singh as a Non- Executive Director of the Company.

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

Item No. 6

Shri A.P. Choudhary, CMD, RINL was inducted in the Board as an Additional Director of the Company effective from 1.08.2011 pursuant to the provisions of section 260 of the Companies Act, 1956 and Article No. 94 of the Articles of Association of the Company.

Shri A. P. Choudhary 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 Choudhary as a Director of the Company, holding the position of Ex-Officio Non-Executive Chairman.

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

Item No. 7

Shri Umesh Chandra, Director(Operations), RINL was inducted in the Board as an Additional Director of the Company effective from 1.06.2011 pursuant to the provisions of section 260 of the Companies Act, 1956 and Article No. 94 of the Articles of Association of the Company.

Shri 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 Shri Chandra as a Director of the Company, holding the position of Ex-Officio Non-Executive Director.

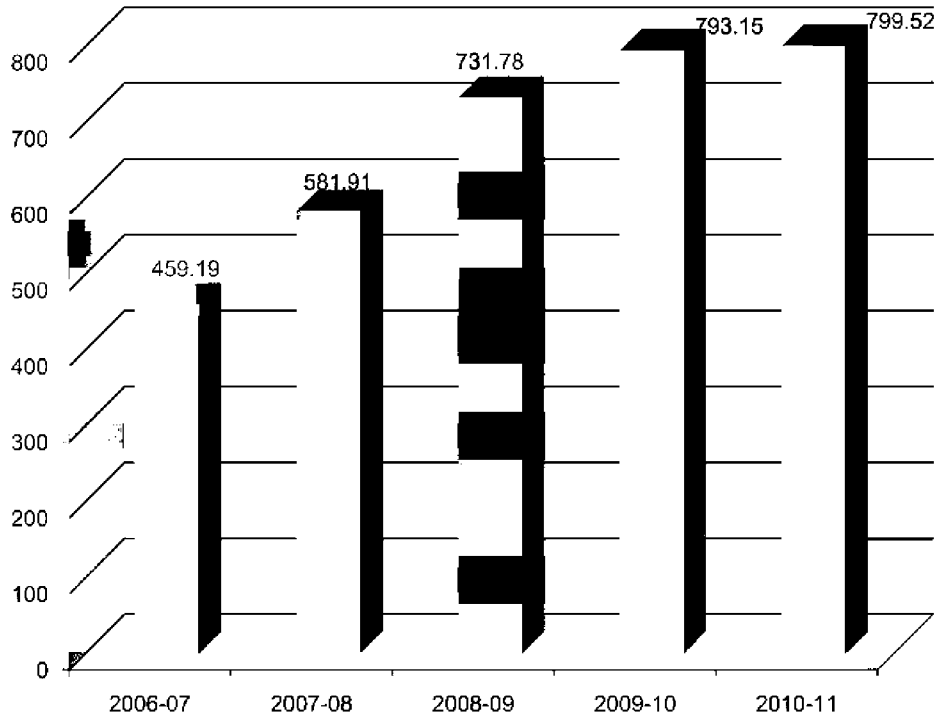
Your Directors recommend his appointment in the interest of the Company. No other director except Shri Chandra in his personal capacity is interested or concerned in the Resolution.

PHYSICAL AND FINANCIAL PERFORMANCE FOR LAST FIVE YEARS AT A GLANCE

Particulars	2006-07	2007-08	2008-09	2009-10	2010-11
Production- Lakh Tonnes					
Iron Ore	22.30	17.28	16.60	5.64	0.70
Manganese Ore	0.27	0.82	0.32	0.17	0.13
Sponge Iron	0.11	0.11	0.03	0.08	0.02
Sales- Lakh Tonnes					
Iron Ore	21.16	16.63	17.34	6.43	2.22
Manganese Ore	0.39	0.86	0.26	0.19	0.07
Sponge Iron	0.05	0.17	0.02	0.06	0.04
Finance - Rs. in Crore					
Turnover	299.93	246.31	271.81	82.35	44.83
Gross Margin	262.91	227.88	289.29	114.81	34.86
Profit Before Tax	259.00	224.46	286.24	112.26	13.34
Profit After Tax	173.46	148.84	181.81	74.44	7.72

Graph representing Net Worth for last 5 years

■ (₹) In crores



DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2011

Dear Members,

On behalf of the Board of Directors, I take pleasure in presenting the 93rd Annual Report on the performance of your company, together with the Audit Report and Audited Accounts, for the year ended 31st March, 2011 and the Report thereon by the Comptroller and Auditor General of India.

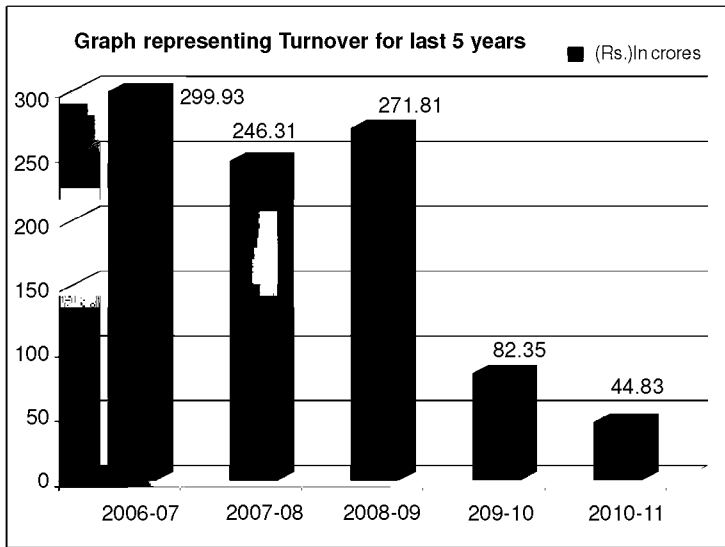
I am pleased to present in brief the financial performance of your company during the year under review in comparison to the earlier year as shown in Table : 1 below :

Table : 1

1. FINANCIAL PERFORMANCE

	For the year ended 31-03-2011 (Rs in Lacs)	For the year ended 31-03-2010 (Rs in Lacs)
Income :		
Sales	4,482.89	8,234.93
Other Operating Income	493.88	218.78
Other Income	4,939.30	7,136.16
Total Income	9,916.07	15,589.87
Total Expenditure	6430.13	4109.51
Profit and Loss account after charging all expenses but before providing for depreciation.	3485.94	11480.36
Depreciation	2151.36	254.79
Net profit before tax	1334.58	11225.57
Provision for tax (net)	562.58	3781.81
Net profit after Tax	772.00	7443.76
Balance b/f from previous year	47,425.64	42027.54
Profit available for appropriations	48,197.64	49,471.30
Appropriations :		
General Reserve	77.20	740.00
Proposed Dividend	115.80	1116.00
Dividend Tax	19.23	189.66
Surplus carried to Balance Sheet	47,985.41	47,425.64

It is observed from the above table that company's profitability had been abnormally low. The main reason of shortfall in revenue is almost nil mining operation, due to non availability of forest and environment clearance for which most of the formalities have been completed. Deposition of Rs. 81 crore as NPV to forest department and its capitalization has been the main cause of increase in depreciation during 2010-11 as compared to the year 2009-10. All the six mines are currently inoperative and it is expected that one mine namely Kolha Roida may come in operation in 3rd quarter of the current financial year and all remaining five mines may be operative by the end of the financial year, so main benefit will accrue in next financial year.



2. REVIEW OF THE FINANCIAL PERFORMANCE

The company recorded sales of Rs. 4482.89 lacs during the year as compared to Rs. 8234.93 lacs for the previous year showing decrease to the extent of 45.56 %. Profit before tax during the year stood at Rs.1334.58 lacs as compared to Rs. 11,225.57 lacs for the previous year declining by 88.11%. The net profit after tax registered a figure of Rs. 772.00 lacs dipping by 89.63 % over Rs. 7443.76 lacs for the previous year.

Closure of Mines owing to non availability of forest and environmental clearance coupled with the restriction imposed on

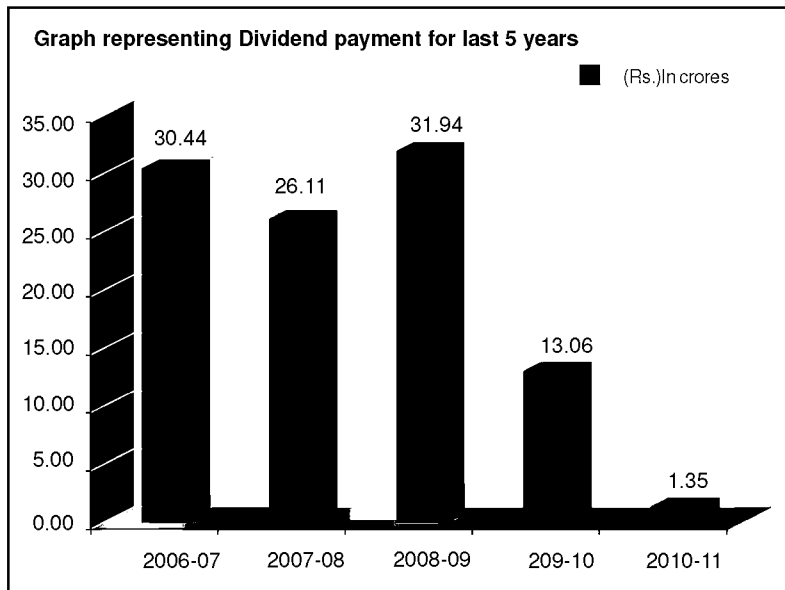
the transporting of minerals have affected production and dispatches adversely and resulted in decline in sales realization by 45.56 % which resulted in negative growth in profitability.

3. DIVIDEND

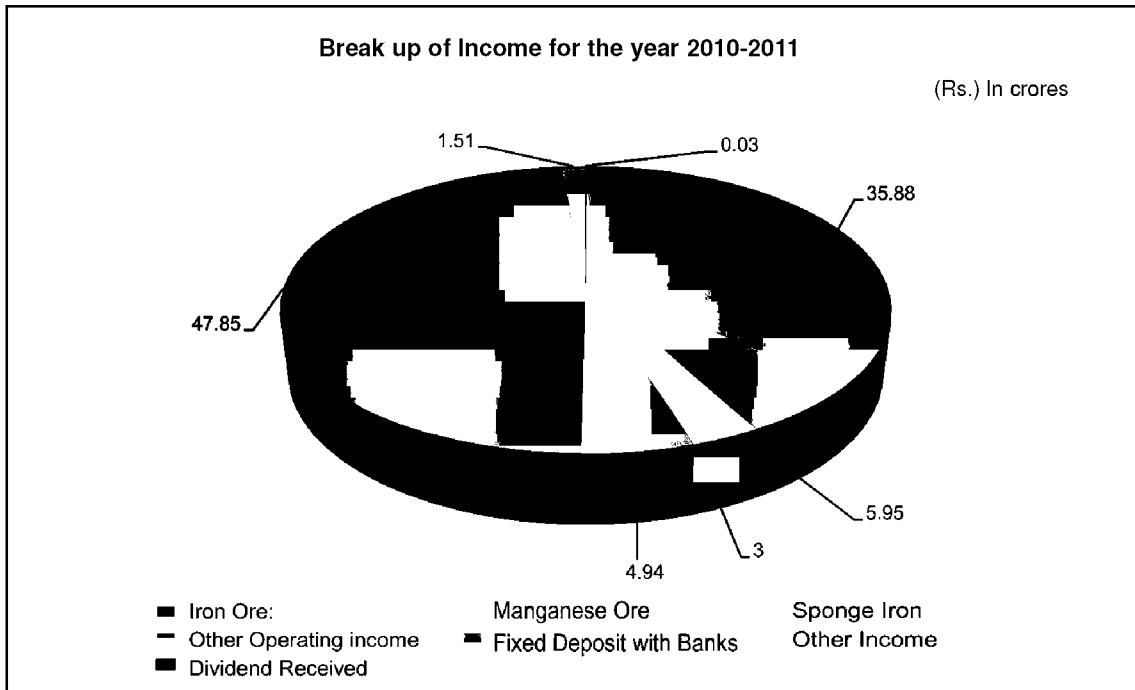
Based on the financial results, your Board is pleased to recommend for the year a dividend of Rs. 19.30 per equity share of Rs. 10/- each. This would involve a cash outgo of Rs.135.03 lacs inclusive of Rs 19.23 lacs towards tax on dividend.

4. OUTPUT AND DESPATCH

Two mines namely Bhadrasai Iron and Mn. Mines & Bagiaburu Iron Mines produced iron ore and Manganese ore till 30.09.2010. The sponge iron plant was in production up to



May, 2010 and had been out of production from June, 2010 due to non availability of sponge grade iron ore in view of closure of mines. The production of iron ore and manganese ore could not be



resumed as leases of all six mines of OMDC expired which needed fresh forest and environment clearance. The process of obtaining Environment & Forest Clearance is in progress. Low production had adverse effect on despatches of both the iron ore and the manganese ore during the year resulting in poor physical and financial performance.

5. FUTURE OUTLOOK

The management of your company has a well laid out plan for a revival in future. It has made plans to get forest clearances for four mines and obtain environment clearances for all six mines and to ensure renewal of all the mining leases. These achievements will lead to expected productions of 10 MTPA of iron ore and 1 MTPA of manganese ore in near future. It is also planned to set up 2 MTPA iron ore beneficiation plant and 2 MTPA pelletisation plant. As a part of its social responsibility towards communities, it plans to further ensure socio economic development programmes for villagers living in mining areas and to strive for a zero accident rate by improving safe mining practices.

6. RESTRUCTURING STATUS

In accordance with the Cabinet decision dated 10.09.2009, 51% shareholding, (i.e. 7,36,638 shares) of Government of India in EIL was transferred to Rashtriya Ispat Nigam Limited (RINL). Thus RINL has become the holding company of EIL, and its subsidiaries OMDC and BSLC are now also subsidiaries of RINL w.e.f 05.01.2011

7. MOU SIGNED WITH THE RINL FOR THE CURRENT FISCAL YEAR

The company has signed Memorandum of Understanding (MOU) with Rashtriya Ispat Nigam Limited (RINL) for the year 2011-12, gross sales was estimated to Rs. 240 crores with Gross Margin of Rs. 180 Crores, with the assumption that mining operation would be resumed with effect from April, 2011 after getting environment clearance for Kolha Roida mines.

8. REPORT ON THE ACTIVITIES OF THE JOINT VENTURE COMPANY (EAST INDIA MINERALS LIMITED)

Performance of East India Minerals Limited (EIML) was also affected during the year because of the bottlenecks faced with the mining leases. During the year under review, EIML registered a sales turnover of Rs.5.06 Crores (Previous year Rs. 57.01 crores) with a net loss of Rs 5.12 crores (Previous year net profit after tax was Rs.11.08 crores)

9. MINING LEASES – STATUS OF RENEWAL**a. Dalki Mn Mines (266.77 Hects) M/s. BPMEL**

Lease period expired on 30.09.1994. The 3rd RML application filed within stipulated time for 20 years w.e.f 01.10.1994. The forest clearance obtained from Ministry of Environment & Forest (MOEF), Govt. of India is valid up to 30.09.2014. The mining operation was stopped after rejection of RML application by the state Govt. vide letter no. 12764/SM dated 24.08.2006. The revision application filed with Ministry of Mines, Govt. of India was disposed off on 14/05/2010 setting aside the rejection order of the State Govt. with direction to maintain the status quo prior to rejection order. The company have deposited an amount of Rs. 4,75,38,330/- towards NPV as per Hon'ble Supreme Court's directive following Central Empowered Committee (CEC) recommendations. The Public Hearing for environment clearance was conducted successfully on 25/02/2011. For environmental clearance for Dalki mines, the project was presented before the Expert Appraisal Committee (EAC) of MOEF, Govt. of India, New Delhi on 20.7.2011. The committee has considered and recommended the project for issue of formal environmental clearance from MOEF. It may take some time for issue of formal environmental clearance by MOEF, after which mining operation can be resumed. Once Environment clearance is obtained, the Dalki mines would be fulfilling all condition for renewal and accordingly State Government will initiate the process of renewal of mining lease.

b. Kolha Roida Iron & Mn Mines (254.952 hecets) M/s. BPMEL

The Lease period expired on 14.08.1996. The 3rd RML application was filed within stipulated time for 20 years w.e.f 15.08.1996. The Forest Clearance is valid up to 14.08.2016. The Mining operation was stopped after rejection of RML application by the State Government vide order no. III (A)/SM-14/03-16733 dated 16.11.2006. The Revision Application filed with Central Tribunal was disposed off on dated 02.02.2009 which set aside the rejection order by directing the State Government to maintain the status quo prior to the rejection order which was duly complied by Steel & Mines Dept., Govt. of Orissa on 21.01.2010. On receiving the aforesaid order necessary steps were taken to restore mining operation. However, DDM, Joda insisted for environmental clearance for commencement of mining operations in view of latest CEC guidelines which necessitate fresh environment clearance after expiry of mining lease. The application for obtaining environmental clearance for enhancement of production and renewal of mining lease is under consideration of MOEF, Government of India in pursuance of successful Public Hearing

conducted on 3.11.2010. The NPV amount of Rs. 5,07,31,350/- has been deposited with DFO, Keonjhar in compliance to the Hon'ble Supreme Court direction following CEC recommendations. It may take sometime for issue of formal environmental clearance by MOEF, after which mining operation may be resumed in next four months and Government of Orissa may start proces of renewal of mining lease.

c. Thakurani Iron & Mn Mines(1546.55 hecets.) M/s BPMEL (Revised RML application submitted over 778.762 hecets)

The validity of 2nd RML period was up to 30.09.2004 and formal clearance was co-terminus with the lease period. The 3rd RML application was filed within stipulated time for 20 years w.e.f 01.10.2004. The application is under process in the Steel and Mines Department, Govt. of Orissa. The mining operation was stopped in December, 2004 due to suspension order issued by State Forest Department and IBM. The suspension order by IBM was lifted on 17.09.2010 with operating permission in the non forest area. However operation could not resumed due to CEC (Central Empowered Committee) guidelines, which require fresh environment clearance after expiry of mining leases. The company have deposited an amount of Rs. 26,00,11,370/- towards NPV as per Hon'ble Supreme Court's directive following CEC recommendations. The Forest Diversion Proposal (FDP) and Temporary Working Permission (TWP) in respect of the lease hold area is under consideration of the Forest Deartment of Government of Orissa. The term of reference (TOR) for environment clearance in respect of the lease hold area was approved by Expert Appraisal Committee (EAC) of Ministry of Environment & Forest (MOEF), Govt of India. The Environmental Impact Assessment (EIA) and Environmental Management Plan (EMP) report was submitted with Orissa State Pollution Control Board (OSPCB). The public hearing for environment clearance conducted successfully on 25.02.2011. However the project could not be taken up for consideration by the Expert Appraisal Committee (EAC) of Ministry of Environment and Forest, Government of India due to non availability of stage-1 Forest clearance which has become mandatory with effect from 31st March, 2011 as per directive of the MOEF, Government of India. Land for compensatory afforestation of the project have been allotted. Required formalities for stage-1 forest clearance have been completed. Once Environment clearance is granted, State Government of Orissa will start the process of renewal of mining lease.

d. Belkundi Iron & Mn. Mines (1276.79 hect.) M/s. O.M.D.Co Ltd

Lease period expired on 15-08-2006. The 3rd renewal was filed within stipulated time for 20 years w.e.f 16.8.2006. The application was duly recommended by Collector, Keonjhar and Director of Mines, Orissa. Same is under process in the Department of Steel and Mines, Government of Orissa. The Forest clearance was co-terminus with lease period ending on 15.08.2006. Application for renewal of forest diversion proposal (FDP) is under process with Department of Forest, Government of Orissa. The required non forest land/degraded forest land for Compensatory Afforestation have been allotted. The NPV amount of Rs. 32,72,41,480/- has been deposited with DFO, keonjhar in compliance to the Hon'ble supreme Court direction following CEC recommendations. The Public Hearing for environment clearance was conducted successfully on 25/02/2011. Final Environment clearance will be granted once stage-1 forest clearance is obtained. Necessary formalities for stage-1 forest clearance have been completed. The renewal of mining lease will be taken up by the state Government once enviroment clearance is obtained after grant of stage-1 forest clearance.

e. **Bagiaburu Iron Mines (21.52 hecets) M/s O.M.D.Co. Ltd**

The lease period expired on 30-09-2010. The Forest clearance was co-terminus with lease period, which expired on 30-09-2010. The RML application under M.C. Rule, 1960 and F. C. Act, 1980 was filed with in the stipulated time and the same is under process with State Government. The required non forest land has already been allotted. The Forest Diversion Proposal (FDP) and Temporary Working Permission (TWP) are under consideration of the Department of Forest, Government of Orissa. The NPV amount of Rs. 32,39,010/- has been deposited with DFO Keonjhar in compliance with the Hon'ble Supreme Court direction following CEC recommendations. The Public Hearing for Environment Clearance was conducted successfully on 25/02/2011. Final Environment clearance will be granted once stage-1 forest clearance is obtained. Necessary formalities for stage-1 forest clearance have been completed. The renewal of mining lease will be considered by the Government of Orissa once environment clearance is obtained.

f. **Bhadrasai Iron & Mn. Mines (998.70 hecets.) M/s. O.M.D.Co. Ltd**

The lease period expired on 30-09-2010. The Forest clearance was co-terminus with lease period which expired on 30-09-2010. The RML application under M.C. Rule, 1960 and F. C. Act, 1980 was filed with in the stipulated time and the same is under process with State Government. The process of allotment of required non forest land / degraded forest land for Compensatory Afforestation is in a advance stage and may be allotted any time to OMDC. The NPV amount of Rs. 12,79,37,610/- has been deposited with DFO Keonjhar in compliance with the Hon'ble Supreme Court direction following CEC recommendations. The application for obtaining environment clearance for increase production and renewal of mining lease is under process in MOEF, Government of India. The public hearing to this effect was conducted successfully on 03.11.2010. Formalities for stage-1 forest clearance are at advance stage. Once environment clearance is granted, State Government of Orissa may start the process of renewal of mining lease.

10. 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.

11. CORPORATE GOVERNANCE

A report on Corporate Governance along with the certificate from a Practising Company Secretary regarding compliance of the conditions of Corporate Governance pursuant to Clause 49 of the Listing agreement with the Stock exchanges also forms part of this Directors' Report.

12. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Corporate Social Responsibility(CSR) has been accorded prime importance by your company and is an important parameter of the MOU. CSR activities focus on environmental care, education, health care, drinking water, women's empowerment, family welfare, social initiatives including sports and cultural activities and other measures. These are implemented as per guidelines issued by the Dept. of Public Enterprises (DPE).

The company believes that for its sustainable development, it needs to be responsive to its social obligations. Therefore as part its Corporate Social Responsibility, the company has been actively associated in contributing towards welfare and upliftment of the community at large, especially the weaker sections of the society.

For the year 2010-11, an amount of Rs. 2.16 crores was set aside for CSR activities. From this, an amount of Rs. 0.83 crores has already been spent by OMDC on construction of school building along with provision of furniture, provision of tap drinking water in four villages, under



Ms. Tulsi Munda, Padmasri, Shri Jaswant Singh Lagori Honorable Member of Parliament, Keonjhar and Dr. Satish Chandra, Chairman cum Managing Director, OMDC, distributing Bi-cycles to the girl students of the village in mines.



School building constructed by OMDC in Dalki village

(50 numbers), and provision of transformers and extensions of electric lines and dry toilets are under progress. It also proposes to aid SSG Group, provide financial assistance for technical training, providing training for sewing/tailoring to women and giving them sewing machines at free of cost to promote self employment. There are plans for expenditures on water supply, health and hygiene, educational support, games and sport, socio-cultural Programme etc. As per MOU, OMDC will spend 5% of the disposable income on CSR activities during 2011-12.

OMDC Jaldhara Scheme, providing bi-cycle to the girl students of the villages falling in mines. The CSR activities undertaken by OMDC cover as many as 18 (eighteen) numbers of revenue villages in the core and buffer zones of OMDC lease hold area. The demography population covered under the CSR scheme is more than 20,000, out of which 65% is SC/ST population in villages.

The balance amount of Rs. 1.33 crores is being spent by OMDC under major expenditure heads such as construction of concrete roads, construction of boundary wall of Thakurani and Roida play grounds, providing solar street lights to tribal villages



Drinking water supply system constructed and maintained by OMDC in mines villages.

13. VOLUNTARY RETIREMENT SCHEME

In order to rationalize manpower of the company, the management has introduced the “Voluntary Retirement Scheme” with effect from 1.02.2010. It will be effective till 31.03.2012. However so far no employees had obtained VRS .

14. STEPS TAKEN FOR SAFETY AND POLLUTION CONTROL

The company has taken safety measures according to provision of Mines Act, Rules, Regulations and Guidelines towards safety of the employees engaged in mining and allied activities. Necessary safety devices, tools and implements have been provided to the concerned employees. Safe practices pertaining to different activities in mining operations are implemented and also new practices are adopted by visiting neighbouring mines and by participation of workers in safety exhibitions. Basic and refresher training is imparted to the workers working in the vocational training center functioning in the mines.

As a mining company, your company adheres to the pollution control norms laid down by various regulatory authorities for maintenance and in preservation of environment in the mining areas. These rules and regulations are aimed at conservation and in providing a habitable livelihood for people who work and live in the vicinity. As a mining company, OMDC is conscious of its role in preservation of environment and maintaining ecological balance.

15. PARTICULARS OF THE EMPLOYEES

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

16. 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. All the relevant manuals pertaining to RTI Act, 2005 have been hoisted on BGC's website. The RTI queries are regularly replied through a Public Information Officer at its Corporate Office and through Assistant Public Information Officer at operational sites of OMDC. Replies are generally sent within a specified time period, whenever delay is likely due to collection of information, an interim reply is always sent.

17. PROGRESSIVE USE OF HINDI

Efforts for the implementation and progressive use of Official language were made by OMDC in all its production Units and Head Office during the year 2010-11.

18. EMPOWERMENT OF WOMEN

The company continues to accord due importance to gender equality linked to ability. A Women Grievance Cell is functioning in the Company to redress grievance of women employees.

19. WELFARE OF WEAKER SECTIONS

Your Company has diligently followed the guidelines issued by the Government of India from time to time in regard to reservation in services for SCs/STs/OBCs/Physically Handicapped /Ex- serviceman, etc.

20. VIGILANCE

Your company has its vigilance department headed by Chief Vigilance Officer of HSCL and assisted by one Assistant Manager(Vigilance), BGC. 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 systematic improvements to bring more and more transparency in working. Your company's Vigilance Department has conducted various training programmers, interactive sessions for creating Vigilance awareness among the employees. The company observes its vigilance awareness week in the month of November every year.

System improvement has been achieved/improved in the following areas :

- a) Codification of all service rules and their implementation with the Board Approval.
- b) Efforts have been made to improve contract management.
- c) Barricades, drop gates, road barriers/naka and trench have been made to prevent theft and pilferages, besides improving the deployment of CISF.
- d) Disbursement of all payments through electronic medium.
- e) MIS system has been introduced at Head Office to collect information on Production, Sales, Fund position etc on daily basis.
- f) Sale of material through E- auction.
- g) To have better accountability in movement of minerals, a system of "Custodian" of stock in each mine has been introduced.
- h) Installation of weighbridges at all the vital exit points and such weighbridge to be connected with computer in order to ensure automatic recording of minerals received at the various plots/ stockyards to be reconciled on day to day basis. It is being implemented in phased manner.

21. Grievance Redressal Mechanism (GRM)

Grievance Redressal Mechanism (GRM) is in place in your company at unit level and at corporate level. Nodal officers have been notified for this purpose. The name and designation of the officer have been posted in the company's website www.birdgroup.gov.in.

22. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Energy Conservation

The Company consumes purchased electricity. For conservation of electrical energy, following measures have been adopted :

- Proper metering arrangement.

- Installation of MCB of proper rating at quarters in a phased manner.
- Installation of pole fuses for individual consumers.
- Installation of MCCB with overload relay facility at switch room.

Technology absorption

The company has not absorbed any new technology during the year for its operational activities.

Foreign Exchange Earnings and Outgo :

There was no transaction in foreign exchange during the year 2010-11.

23. AUDITORS

Consequent to implementation of the approved restructuring scheme, the company has been converted into a government company pursuant to section 617 of the Companies Act, 1956, as a subsidiary of Eastern Investments Limited, which is a government company. The Auditors of the company shall therefore be appointed/ re-appointed by the Comptroller and Auditor General of India (CAG) pursuant to provision of section 619(2) of the Companies Act, 1956.

In terms of provision of Section 224(8) (aa) of the Companies Act, 1956 inserted by the Companies Amendment Act, 2000 the remuneration of the Auditors will be fixed by the company in General Meeting or in any 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.

24. COMMENTS BY THE COMPTROLLER AND AUDITOR GENERAL OF INDIA (CAG) ON THE ACCOUNTS OF THE COMPANY FOR THE YEAR ENDED 31ST MARCH, 2011.

Comptroller and Auditor General of India (CAG) had conducted Supplementary Audit under Section 619(3) (b) of the Companies Act, 1956 of the financial statements of The Orissa Minerals Development Company Ltd. for the year ended 31st March, 2011. But they have no further comments to offer upon or supplement to the Statutory Auditors' Report under Section 619(4) of the Companies Act, 1956.

25. DIRECTORATE

The following persons were appointed as Additional Directors on the Board of the Company.

SI.No.	Name of the Director	w.e.f
1.	Shri A.P. Choudhary, CMD, RINL nominated as an Ex-Officio Non- Executive Chairman of the company	1.08.2011
2.	Shri U.P. Singh, Joint Secretary, Ministry of Steel nominated as Government Nominee Director on the Board of the company	1.06.2011
3.	Shri Umesh Chandra, Director (Operations), RINL nominated as an Ex-Officio Non- Executive Director on the Board of the company.	1.06.2011

The following Directors ceased to be Director on the Board of the Company.

Sl.No.	Name of the Director	w.e.f
1.	Smt Chandralekha Malviya, Economic Advisor, Ministry of Steel	29.09.2010
2.	Dr. Dalip Singh, Joint Secretary, Ministry of Steel	1.06.2011
3.	Shri P.K. Bishnoi, CMD, RINL, holding the position of Ex-officio Non-Executive Chairman of the Company.	31.07.2011A/N

The Board places on record its deep appreciation for the valuable contribution made by Smt Chandralekha Malviya, Dr. Dalip Singh and Shri P.K. Bishnoi during their tenure on the Board of the Company.

Dr. Satish Chandra, Chairman cum Managing Director of the Company has been redesignated as Managing Director of the company with effect from 16.06.2011 vide Ministry's letter no. 8(20)/2009-RM II dated 16.06.2011.

26. DEPOSIT

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

27. 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 judgments', 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 asset of the company and to prevent and detect fraud and irregularities.
- (d) The Directors have prepared the annual accounts on a going concern basis.

28. LISTING

The Company's shares are listed at The Calcutta Stock Exchange Limited and also traded in Bombay Stock Exchange under permitted category and National Stock Exchange. The listing fee is paid upto 31st March, 2012.

29. 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.

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 organization for their valuable contributions and support.

For and on behalf of the Board

Registered Office :

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

(Shri A. P. Choudhary)
Chairman

Date : 10th August, 2011

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1) INDUSTRIES STRUCTURE AND DEVELOPMENT

a) Indian Economy

The Indian economy is on a road to recovery from the difficult days it faced in the recent past. The global financial crisis continues to haunt major economies in the world even today. Whilst India, with its growing population which has a better purchasing power today, is one of the largest emerging markets in the world. The rate of growth in the Indian economy began to move up from 6.5% in 2008-2009 to 7.4% in 2009-2010. India logged on yearly GDP growth rate of 8.5% for the financial year ending 31st March 2011, which is expected to improve further in the ongoing fiscal year.

b) Industrial Growth

The increase in demand for capital goods for the year 2010-2011 underlines the growth and future expansion of the country's economy. A growth in consumer durables reflects the confidence in the India's economic performance in the months to follow. This is supported with a growth in domestic demand for goods that is increasing. Inflation too is expected to be controlled in near future.

Industrial Production of three core industries of manufacturing, mining and electricity, slowed down in March 2011 to 7.8% compared to 10.5% in the same month in 2010. A recovery and stabilization of the economy is expected in 2011-2012.

c) Steel Sector

India has emerged as the 5th largest producer of crude steel and recorded a growth rate of 2.7% and emerged as the largest sponge iron producer in the world. The industry is looking forward for expansion plans of steel companies including the public sector units. If implemented in schedule time, India would become the second largest crude steel producer in the world by the year 2016. The growth in infrastructure and other allied activities arising out of increased outlays in these sectors by the Government of India has rejuvenated the steel market in the country and the building of capacities to cater to the diversified demands in the main thrust area in the immediate future. It is expected that demand for steel may grow @ 10% in coming years.

d) Mining Industry

The Indian Bureau of Mines (IBM), has noted that iron ore resources in the country amount to a total of 26 billion tonnes, of which 15 billion tonnes are haematite and 11 billion tonnes magnetite. The quality of the Indian resources is excellent, with high Fe content and high share of lumpy ore. Almost 60 % of the haematite resources have Fe grades above 62 % and 45 % lumpy ore, 33 % fines and 12 % classified as lump with fines and the balance not classified. India had been exporting half its produce in the past years. However, it is felt that exports may lead to depletion of resources that may be well used by the domestic industry. Thus, as per recommendations of the National Mineral Policy, 2007, it has been decided to conserve iron ore resources of the country for the use of domestic steel industry. It has also been decided that although conservation of domestic iron ore resources is of paramount importance, much may not be achieved by banning or capping the export of iron ore alone, but by taking recourse to appropriate fiscal measures. With this in view 20% export duty has been imposed on export of iron ore and iron ore fines.

2) **Segment-wise performance**

Production quantity-wise and despatched quantity as well as value-wise pertaining to the three segments of the company are given as below in Table : 1

Table : 1

Production (MT)	2010-2011	2009-2010
Manganese Ore	13,322	16,624
Iron Ore	69,836	5,63,901
Sponge Iron	2,423	8,469
Despatch (MT)		
Manganese Ore	6,507	18,834
Iron Ore	2,22,350	6,43,323
Sponge Iron	4,209	5,587
Sales (Rs. in Lacs)		
Manganese Ore	594.74	319.82
Iron Ore	3588.02	7445.93
Sponge Iron	300.13	469.18

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

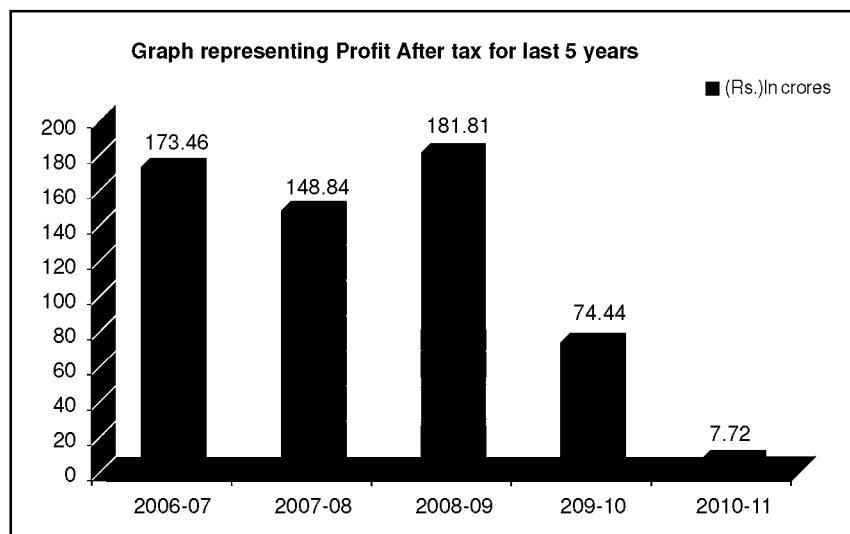
The financial performance of the Company under major heads are placed hereinbelow :

a) Sales from Operations and Profit are shown in Table 2 :

Table : 2

(Rs. In Lacs)

	2010-11	2009-10	Change	Change in %
Sales	4482.89	8234.93	(-) 3752.04	(-) 45.56
Profit before tax and depreciation and exceptional item	3772.50	11480.36	(-)7707.86	(-)67.14
Profit before tax and depreciation	3485.94	11480.36	(-) 7994.42	(-) 69.64
Profit before tax	1334.58	11225.57	(-)9890.99	(-)88.11
Profit after tax	772.00	7443.76	(-) 6671.76	(-) 89.63



Closure of Mines owing to non availability of forest and environmental clearance coupled with the restriction imposed on the transporting of minerals have affected production and dispatches adversely and resulted in decline in sales realization by 45.56 %. Lowering down of sales realization has in turn affected negatively the generation of profit.

Profit before tax was Rs.1334.58 lacs compared to Rs. 11225.57 lacs in the previous financial year 2009-10 recording a decrease of 88.11%. Profit after tax was Rs.772.00 lacs compared to Rs.7443.76 lacs in the previous financial year 2009-10 recording a decrease of 89.63%

b) Payment to & Provision for employees are shown in Table : 3

Table : 3

(Rs. In lacs)

	2010-11	2009-10	Change	Change in %
Payment to & Provision for employees	2755.07	1520.25	1234.82	81.22

Increase in employment cost is evidenced by 81.22% mainly due to consideration of provision of Rs. 825 Lacs for the revision of salaries and wages awaiting Central Governments approval. Besides absorption of 130 employees of The Karanpura Development Company Ltd. and Scott & Saxby Ltd. in company's pay role as per restructuring scheme and rising I.D.A resulted in increase in employees cost.

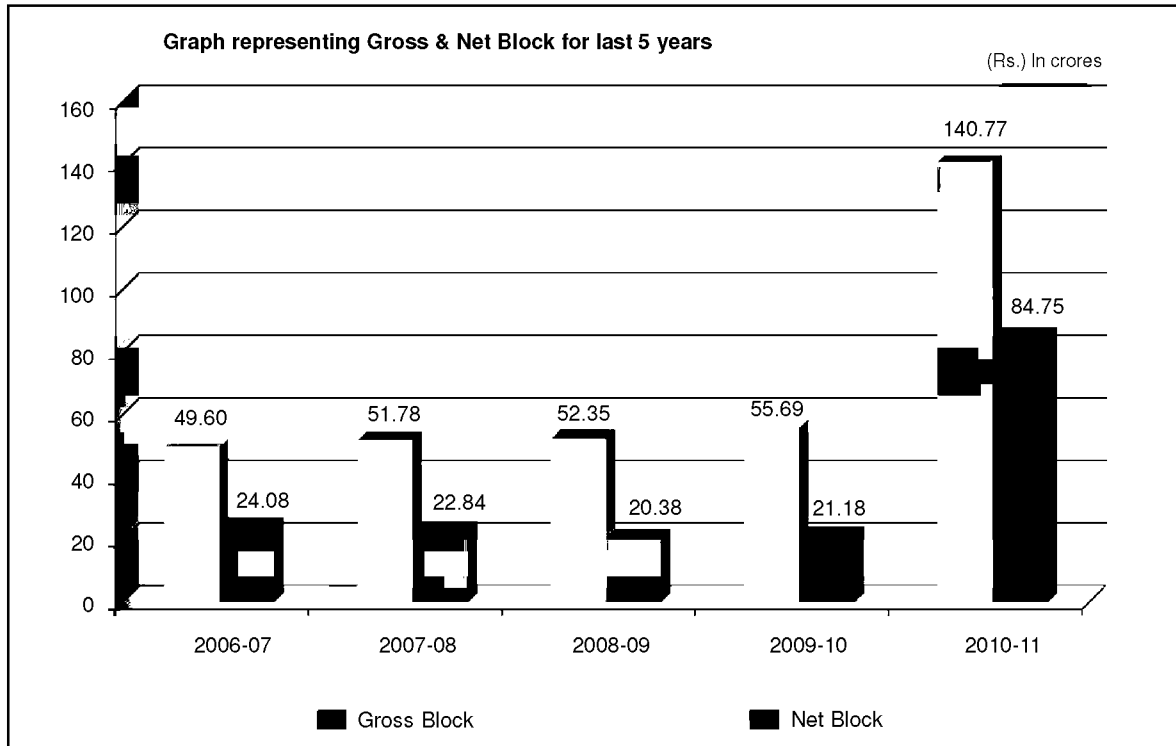
c) Fixed Assets are shown in Table : 4

Table : 4

(Rs. In lacs)

	2010-11	2009-10	Change	Change in %
Gross Block	14,076.83	5568.56	8508.27	152.79
Less : Depreciation	5602.32	3450.96	2151.36	62.34
Net Block	8474.51	2117.60	6356.91	300.19

Deposit of Net present value of Rs. 8175 lacs and purchase of Plant & Machinery, new office premises at Delhi, furniture and the effects of impairment of Fixed Assets all together with a financial implication of Rs 333 lacs has resulted in increase of Gross Block by 152.79%, Depreciation by 62.34% and Net Block by 300.19%.



d) Loans and Advances are shown in Table : 5

Table : 5

(Rs. In lacs)

	2010-11	2009-10	Change	Change in %
Loans and Advances	7,444.11	25,721.53	(-)18,277.42	(-)71.06

Loans and advances decreased by 71.06% compared to previous year for adjustment of Advance Tax in the final assessment and capitalization of security deposit on account of deposit of Net Present Value(NPV)

e) Current Liabilities are shown in Table : 6

Table : 6

(Rs. In lacs)

	2010-11	2009-10	Change	Change in %
Current Liabilities	8384.64	7704.26	680.38	8.83%

Current Liabilities increased marginally by 8.83% for making provision for site reclamation expenses, Royalty, Leave encashment and CSR.

f) Appropriation

The company has transferred Rs. 77.20 lacs to the General Reserve during the year compared to previous year's Rs. 740 lacs.

g) Dividend

The Board of directors of the company recommended a dividend of Rs.19.30/- per share of Rs.10/- for the year ended 31st March, 2011 subject to the approval of the shareholders. The total payment on account of dividend would be Rs 135.03 lacs inclusive of Rs.19.23 lacs towards tax on dividend.

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.

The internal controls have been designed to provide a reasonable assurance with regard to maintaining of proper accounting controls, monitoring of operations, protecting assets from unauthorized use or losses, compliances with regulations and for ensuring reliability with financial reporting. The Company has continued with its efforts to align all its processes and controls with best practices in these areas as well.

The Audit Committee of the Board actively reviews the adequacy and effectiveness of internal control systems and suggests improvements to strengthen the same. The Internal control systems are commensurate with the size of the Company. However, the company always strives to strengthen its internal control systems and internal audit. The reports containing significant Audit findings are submitted to the Audit Committee of the Company and to the Board through the Audit Committee.

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 ensuring sustainable growth of the company by having synergy with all stakeholders and maximization of return.

It is the mission of the company to follow best corporate governance practices with utmost transparency. To promote ecological balance and mineral conservation and also to ensure high level customer satisfaction and welfare of employees & socio economic development of villagers living in mining area are the main outlook of the company.

6) SWOT Analysis

Strengths :

- One of the oldest mining companies in India with established continuous profit making track record.
- Strong financials with consistent profitability and debt free balance sheet. Net worth as on 31.03.2011 stood Rs. 799.52 crore, signifying high leveraging capacity.
- High level of resource reserve potential. Estimated resource reserves are to the tune of 206 million tonnes of Iron ore and 44 million tonnes of Manganese ore.

- Market capitalization is very high.
- Satisfactory cash reserve.
- Intrinsic capacity to expand.

Weaknesses :

- BP MEL is the lessee of three of the six mines currently being operated by OMDC. These leases need to be transferred in OMDC's name in order to secure long term sustainability.
- Shortage of qualified professional manpower in almost all the departments of OMDC.
- Inadequate infrastructure in the company for movement of ore by rail and road may have an adverse effect on the dispatches.

Opportunities :

- Demand for iron ore is continuously on the rise leading to economic development of the country.
- Opening up of economy has thrown lot of opportunities for OMDC to go for value addition projects. OMDC can leverage its resources successfully for future growth.
- Favorable regulatory changes being initiated by the Central Government from time to time to align the mining rules with the global standards may enable the company to look for new mining areas.

Threats

Non renewal of mining leases and non transfer of three major mining leaseholds which are in the name of BP MEL constitutes real threat. Risk factors such as high inflation, rising energy prices, uncertain domestic and international political environment, change in government policies could affect the company's performance adversely.

7) Industrial Relation and Human Resource 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, 2011 had been 817 as compared to 885 as on 31st March, 2010.

A system of Permanent Negotiation Mechanism (PNM) has been introduced to have meetings with Unions at a fixed intervals for creating better understanding between Management and Workers. Training programme is taken up intermittently to enhance the skill-sets of the employees in alignment with their respective roles. Salary and wages have been revised as per applicable PSU scale of 2007, with the approval of Board and same will be implemented with the approval of Government.

8) Risks and Concerns

It is a well known fact that risk is an essential part of any business. Risk management encompasses all areas of the Company's activity. Once a business risk is identified, the risk management processes and systems implemented by the Company are aimed at providing the necessary framework to manage the risk. OMDC is no exception to that in making sustained efforts to build up process to mitigate risks affecting company's business objectives and enhance stakeholders' value.

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is based on the principle of fairness, equity, transparency, accountability and dissemination of information. OMDC believes in maintaining highest standards of Corporate Governance as a part of its legacy and constitution.

1. BOARD OF DIRECTORS

1.1. Composition of the Board of Directors as on 31st March, 2011 :

1.	Functional Director including CMD(whole time)	1
2.	Non-executive Government Director	1
3.	Non-executive Independent Director(Non-official) including one LIC nominee director	4
	Total	6

The Board of directors of your company comprises six directors on the Board headed by Chairman cum Managing director, a Government nominee director, three Independent directors appointed on the basis of nomination from the Ministry of Steel and one Independent Director nominated by Life Insurance Corporation of India (LIC). Majority of the Directors are non-executive directors.

1.2. Details of Board Meetings held during the year 2010-2011

During the year 2010-2011, six (6) Board Meetings were held, the details of which are given below :-

Date of Board Meeting	Strength of the Board	Director's present
30.04.2010	7	6
24.05.2010	7	7
13.08.2010	7	6
12.11.2010	6	5
05.01.2011	6	5
14.02.2011	6	5

1.3. Board Agenda and Material

The meetings of the Board are normally scheduled well in advance unless there is any urgency. The Company Secretary in consultation with Chairman and Managing Director, sends notice of each Board meeting in writing to each Director. The Board agenda, backed by comprehensive background information to enable the Board to take decision, is circulated to the Directors in advance. The members of the Board have access to all information of the Company and are free to recommend inclusion of any matter in agenda for discussion. In case of need, the senior

management is invited to attend the Board Meetings to provide additional inputs relating to the items being discussed and /or giving presentation to the Board. The Board meets at least once in a quarter. However, additional meetings are held, whenever necessary. In case of exigencies the resolution is also passed by circulation.

1.4. The table enumerated below gives the composition of the Board during the year 2010-11 and other relevant details including, *inter alia*, the outside directorship held by each of the director :

a) Executive Directors

Name & Designation	Financial Year 2010-11 Attendance at			As on Date				Remarks
	No. of Board Meetings Held during the tenure	No. of Board Meetings Attended	Attendance in last AGM (28.09. 2010)	No. of Directorship in other companies and partnership in firms		*No. of Committee position held in Public Limited Companies including OMDC		
				**Director	Partner	Chairman	Member	
Dr. Satish Chandra (Chairman-cum Managing Director)	6	6	Yes	2	0	0	0	Appointed from 29-10-2009 (A/N) Continuing

b) Non Executive Directors

Name & Designation	Financial Year 2010-11 Attendance at			As on Date				Remarks
	No. of Board Meetings Held during the tenure	No. of Board Meetings Attended	Attendance in last AGM (28.09. 2010)	No. of Directorship in other companies and partnership in firms		*No. of Committee position held in Public Limited Companies including OMDC		
				**Director	Partner	Chairman	Member	
i. Part –time official Directors								
- (ex-officio) Govt. Nominees								
Smt Chandralekha Malviya (Economic Advisor, Ministry of Steel) Upto 28.09.2010	3	3	No.	2	0	0	0	Ceased from 29-09-2010

THE ORISSA MINERALS DEVELOPMENT COMPANY LIMITED

Name & Designation	Financial Year 2010-11 Attendance at			As on Date				Remarks
	No. of Board Meetings Held during the tenure	No. of Board Meetings Attended	Attendance in last AGM (28.09. 2010)	No. of Directorship in other companies and partnership in firms		*No. of Committee position held in Public Limited Companies including OMDC		
				**Director	Partner	Chairman	Member	
Dr. Dalip Singh (Jt. Secretary, Ministry of Steel) from 28-04-2008	6	5	No.	5	0	0	2	Continuing during the year 2010-11. Ceased from 1.06.2011
ii.Part-time Independent Directors								
Smt. Uma Menon (from 06.04.2010)	6	6	Yes	2	0	3	2	Continuing
Shri Ashok Vij (from 06.04.2010)	6	6	Yes	2	1	1	1	Continuing
Shri Harsh Mahajan (from 06.04.2010)	6	5	No.	2	0	2	3	Continuing
Shri Tapasendra Chattopadhyay (Nominee of LIC) from 23.02.2009	6	3	No.	NIL	0	0	2	Continuing

* In accordance with Clause 49 of the Listing Agreement, Chairmanship/ Membership of only the Audit Committees and Shareholders'/ Investors' Grievance Committees of all Public limited companies have been considered.

** The other Directorships held by Directors as mentioned above, do not include Directorships of Foreign Companies, Section 25 Companies and Private limited Companies.

- Notes :**
- (i) Directors are not related to each other;
 - (ii) Directors do not have any pecuniary relationships or transactions with the Company;
 - (iii) The Directorships/Committee Memberships are based on the latest disclosure received from Directors;
 - (iv) None of the Director is a Member of more than 10 Committees or Chairman of more than 5 Committees, across all the Companies in which he/she is a Director.

1.5 Brief resume of the Director retiring by rotation

Name of Director	Shri Harsh Mahajan
Date of Birth	12-12-1955
Date of Appointment	06-04-2010
Qualification	B. Com, PGD in Business Administration
Experience	Former Cabinet Minister, Government of Himachal Pradesh, Agriculturist and Horticulturist
Directorship in other Companies	a) The Bisra Stone Lime Company Ltd. b) Eastern Investments Ltd.
No. of shares held in his/ her name or beneficial basis	NIL

2. BOARD COMMITTEES**Constitution of Committees of Board of Directors :**

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.

2.1. AUDIT COMMITTEE OF BOARD

The primary function of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities by reviewing the financial reports; the Company's systems of internal controls regarding finance, accounting and legal compliance that management and the Board have established; and the Company's auditing, accounting and financial reporting process generally. The Audit Committee reviews reports of the Internal Auditors, meets Internal Auditors, Statutory Auditors and discusses their findings, suggestions and other related matters and reviews major accounting policies followed by the Company. The Audit Committee reviews with management financial statements. The terms of reference of the committee are as spelt out in Listing Agreement and DPE Guidelines on Corporate Governance.

The Audit Committee of OMDC comprises of three members, out of which all are non executive independent directors.

The committee comprises the following members:-

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

The Company Secretary of the Company, is acting as the Secretary to the Committee. Head of Internal Auditor and Statutory Auditors are also invited to attend the meetings of the Audit Committee.

2.2 BRIEF DESCRIPTION OF TERMS OF REFERENCE

The role of the Audit Committee shall include the following:

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing with the management, the annual financial statements before submission to the Board for approval, with particular reference to :
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgement by management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions.
 - Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.

- To look into the reasons for substantial defaults in the payment to the depositors, debenture-holders, shareholders (in case of non-payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower Mechanism, in case the same is existing.
- Approval of appointment of CFO by the Audit Committee.
- To review the follow up action on the audit observations of the C & AG audit.
- Review and pre-approve all related party transactions in the company.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

2.3 Details of the Audit Committee Meetings held during the year 2010-2011

During the year 2010-2011, six (6) Audit Committee Meetings were held, the details of which are given below :

Date of Audit Committee Meeting	Strength of the Committee	Director's present
24.05.2010	3	3
12.08.2010	3	2
27.09.2010	3	3
11.11.2010	3	3
05.01.2011	3	2
13.02.2011	3	3

3. SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

The Shareholders/ Investors' Grievance Committee of OMDC comprises of the following members who are all Independent Directors of the company :

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

3.1 Functions and activities :

The Committee examines and redresses the grievances of shareholders/investors. The committee inter-*alia*, approves issue of duplicate certificates, reviews all matters connected with security transfers, transmission 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.

3.2 Details of Shareholders' / Investors' Grievance Committee Meetings held during the year 2010-2011.

During the year 2010-2011, four (4) Shareholders'/Investors' Grievance Committee Meetings were held, the details of which are given below :

Date of Shareholders' / Investors' Grievance committee Meetings	Strength of the Committee	Director's present
24.05.2010	2	2
12.08.2010	2	1
11.11.2010	2	2
14.02.2011	2	2

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

	No. of cases	No of Equity Shares involved
1. Transfer of shares	13	632
2. Transmission of shares	4	706
3. Issue of duplicate share certificates.	3	800

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

	No. of requests	No. of Equity shares
NSDL	45	12,230
CDSL	12	3,100

During the year the total number of requests received for rematerialisation and number of shares rematerialised is given below :

	No. of requests	No. of Equity shares
NSDL	1	1

3.4. Compliance Officer :

Mrs. S Das, Company Secretary
 Address : "Sourav Abasan", 2nd Floor, AG-104, Sector-II, Salt Lake City, Kolkata - 700 091
 Tel : (033) 4016-9228
 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.

4. REMUNARATION COMMITTEE

The remuneration of the whole time Directors is fixed by the Government of India, as OMDC is a Government Company in terms of Section 617 of the Companies Act, 1956. The pay scales of the other employees are also fixed in line with guidelines issued by the Department of Public Enterprises [DPE]. However, OMDC has constituted a Remuneration Committee, headed by an Independent Director of the Company, for the purpose of determining the Performance Related Pay (PRP) of its executives, in line with DPE Guideline.

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 |

During the year 2010-2011 Remuneration Committee Meeting was held only once on 24/05/2010 and was attended by all the members.

5. OTHER FUNCTIONAL COMMITTEES

Apart from the above, the Board constitutes, from time to time, functional committees with specific terms of reference as it may deem fit. Meetings of such committees are held as and when the need for discussing the matter concerning the purpose arises. Time schedule for holding the meetings of such committees are finalized in consultation with the committee members.

6. SITTING FEES PAID DURING THE YEAR

The Government Nominee Directors are not eligible for sitting fees for the meeting attended by them. The non official independent directors are paid sitting fee, as per the provision of the Companies Act, 1956 and Government's Guidelines for attending each meeting of the Board/ Committee(s) of the Board or otherwise incurred in the execution of their duties as Directors and reimbursed actual expenditure for attending the meeting of Board/Board Committees. At present, the company is paying sitting fees of Rs.7,500/- for each such meeting.

The sitting fees paid during the financial year 2010-2011 to the Directors are as follows

Name of the Director	Sitting Fees (Rs)
1. Shri Tapasendra Chattopadhyay	82,500
2. Smt.Uma Menon	82,500
3. Shri Harsh Mahajan	90,000
4. Shri Ashok Vij	1,05,000

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.

7. GENERAL BODY MEETINGS

The details of the last three Annual General Meetings of the company are given below :

YEAR	VENUE	DATE	TIME
2007-08	“PURBASHREE AUDITORIUM” Eastern Zonal Cultural Centre, Bhartiyam Cultural Multiplex, IB - 201, Sector - III, Salt Lake City, Kolkata – 700106	19-09-2008	11-00 AM
2008-09	“PURBASHREE AUDITORIUM” Eastern Zonal Cultural Centre, Bhartiyam Cultural Multiplex, IB - 201, Sector - III, Salt Lake City, Kolkata – 700106	29-09-2009	03-00 PM
2009-10	“PURBASHREE AUDITORIUM” Eastern Zonal Cultural Centre, Bhartiyam Cultural Multiplex, IB-201, Salt Lake City, Kolkata-700 106	28.09. 2010	11.30 A.M

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

Date of Annual General Meeting	No. of Special Resolution passed	Details of Special Resolution
19-09-2008	Nil	Nil
29-09-2009	2	<ul style="list-style-type: none"> Article 5 of the Articles of Association of the company substituted by new Article, relates to Allotment of shares New Article 125A relates to Power of the Company to enter into re-organization/re-structuring scheme inserted after Article 125 of the Articles of Association of the Company.
28.09. 2010	Nil	Nil

Details of Extra Ordinary General Meeting held during the last three Years :

During the last three years, one Extra Ordinary General Meeting was held on 19.03.2010 at PURBASHREE AUDITORIUM, Eastern Zonal Cultural Centre, Bhartiyam Cultural Multiplex, IB-201, Salt Lake, Kolkata-700106. The following resolutions were duly passed at this Extra Ordinary General Meeting :-

Year	Extra ordinary General Meeting (EOGM)	No. of Resolution Passed	Details of Ordinary Resolution
2007-08	No	No	No
2008-09	No	No	No
2009-10	Yes	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

No Extra Ordinary General Meeting was held during the year 2010-11.

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

During the year, however, Postal Ballot was conducted for appointment of chairman-cum-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 :

Date of passing the Resolution	Number of Ordinary Resolution passed	Details of Ordinary Resolution
30-04-2010	1 (one)	Appointment and fixation of remuneration and other terms and condition of the appointment of Dr. Satish Chandra, the Chairman cum Managing director of the Company.

8. 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 hoisted at the Company's website at 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 Chairman cum Managing Director of the company is annexed with this report.

9. CEO/CFO Certification

The certification under Clause 49(V) of the Listing Agreement by CEO and CFO to the Board is appended to this report.

10. DISCLOSURES :

- a. **Related Party Transactions:** Details of transactions with related parties during the year have been furnished in the Schedule 19 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 in general. 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 organization. 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. OMDC being a PSU, the guidelines of Central Vigilance Commission (CVC) are applicable which provides adequate safeguard against victimization of the employees and affirmed that no personnel has been denied access to the Audit Committee.
- g. **Disclosure under Clause 53 of the Listing Agreement regarding certain agreements with the media companies** :

Pursuant to the requirement of Clause 53 of the Listing Agreement, the company would like to inform that no agreement(s) have been entered with media companies and/or their associates which has resulted/ will result in any kind of shareholding in the Company and consequently any other related disclosures viz., details of nominee(s) of the media companies on the Board of the company, any management control or potential conflict of interest arising out of such agreements, etc are not applicable.

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

❖ **The Board** :

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 appointed by Ministry of Steel, Govt. of India for a tenure not exceeding three years.

❖ **Remuneration Committee** :

In respect of Remuneration Committee, details has been outlined in SI.4.

❖ **Shareholder Rights** :

The Quarterly Financial Results of the Company are published widely in leading newspapers.

The said results are also hoisted on the website of the Company.

❖ **Audit Qualification:**

The Company always aims to present unqualified financial statements.

❖ **Training of Board Members :**

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.

❖ **Mechanism for evaluating Non Executive Board Members :**

Being a PSU, the Non Executive Directors are appointed by Government of India. The Company has not adopted any mechanism for evaluating individual performance of Non Executive Board Members.

- h. 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.
- i. Items of expenditure debited in books of accounts, which are not for the purposes of the business : Nil
- j. Expenses incurred which are personal in nature and incurred for the Board of Directors and Top Management : Nil

11. SUBSIDIARY COMPANY

The Company does not have any subsidiary Company.

12. 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 "Business Standard" in English on an all India basis and "Dainik Statesman" in Bengali (vernacular) language from Kolkata.

In accordance with Clause 54 of the Listing Agreement, the Company has maintained a functional web-site at www.birdgroup.gov.in wherein all relevant information about the company viz., details of its business, financial information, shareholding pattern, compliance with corporate governance, contact information of the designated officials of the company who are responsible for assisting and handling investor grievances, etc 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.

In addition, the Company communicates major achievements and important events taking place in the Company through Press, Electronic Media and also on its Website.

13. GENERAL SHAREHOLDER INFORMATION

i) AGM Details

Date	16th September, 2011
Venue	“Purbashree Auditorium” Eastern Zonal Cultural Centre, Bhartiyam Cultural Multiplex, IB-201, Salt Lake, Kolkata-700 106
Time	11.00 A.M
Book closure dates	8th September to 16th September (both days inclusive)
Dividend payment date	10th October, 2011

- ii) Last date of submission of ECS mandate / Bank particular** : on or before 7th September, 2011
CB Management Services (P) Ltd
P-22, Bondel Road,
Kolkata – 700019.

iii) Financial Calendar (Tentative)

S/No.	Approval / Adoption of	on or before
1.	1st Quarter ending 30th June, 2011	14th August, 2011
2.	Half yearly ending 30th September, 2011	14th November, 2011
3.	3rd Quarter ending 31st December, 2011	14th February, 2012
4.	Year ending 31st March, 2012	15th May, 2012
5.	Next Annual General Meeting within September,	2012

- iv) Listing of stock exchange** :
- (i) THE CALCUTTA STOCK EXCHANGE LIMITED,
7, LYONS RANGE, KOLKATA - 700001.
 - (ii) BOMBAY STOCK EXCHANGE
1ST, FLOOR, PHIROZE JEEJEEBHOY TOWERS
BOMBAY SAMACHAR MARG
MUMBAI-400 001
 - (iii) NATIONAL STOCK EXCHANGE,
EXCHANGE PLAZA, PLOTNO.-C/1,
BLOCK-G
BANDRA-KURLA COMPLEX
BANDRA(E)
MUMBAI-400 051

The company has paid the annual listing fees for the year 2011-12.

The Company has paid custodial fees for the year 2011-12 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), on the basis of number of beneficial accounts maintained by them as on 31st March, 2011.

(v) **Stock code** : 25058(CSE), 590086(BSE), ORISSAMINE (NSE)

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

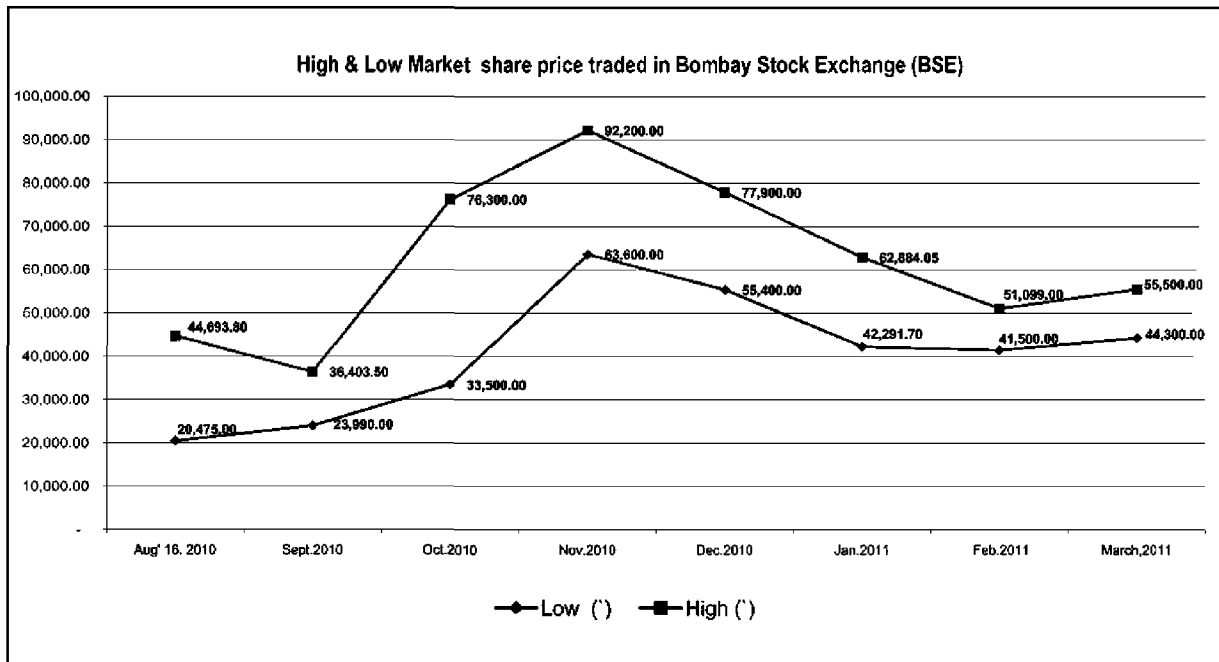
The monthly high & low price of the shares of OMDC for the period April, 2010 to March, 2011.

Month	High (Rs.)	Low (Rs.)
April, 2010.	26,570.15	21000.00
May	25,500.00	24000.00
June	23,800.00	21000.00
July	23,000.00	19,500.00
August	42,565.50	20,474.95
Sept.10 to March, 11	No Quotation	No Quotation

(vii) **Market price data of the Company's shares in the Bombay Stock Exchange Association Limited (BSE) :**

The monthly high & low price of the shares of OMDC for the period 16th August 2010 to 31st March, 2011.

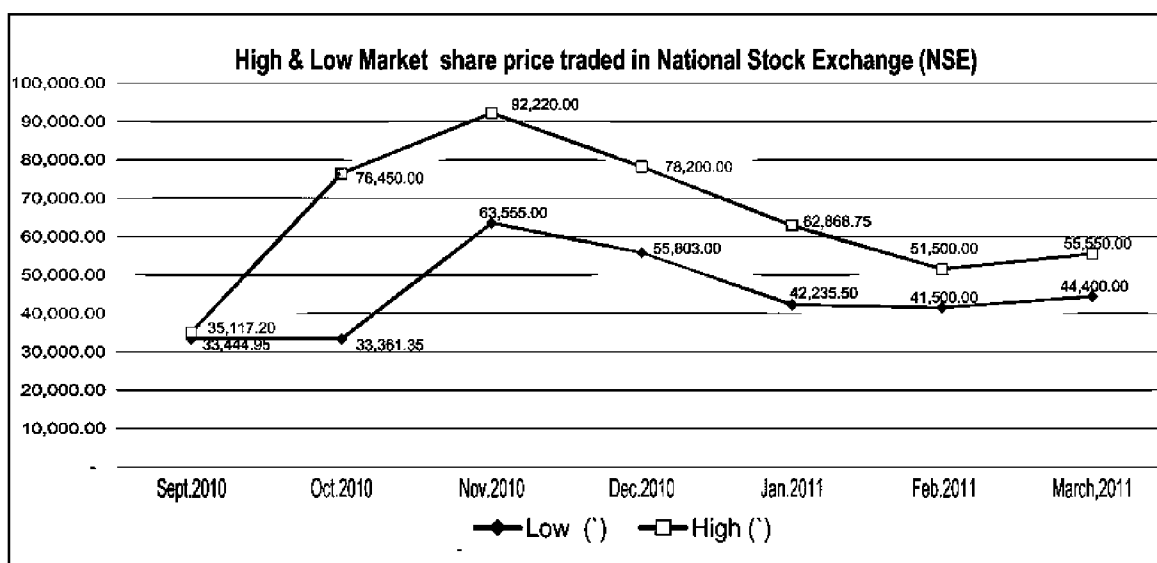
Month	High (Rs)	Low (Rs)
August16, 2010 to August 31st, 2010	44,693.80	20,475.00
September, 2010	36,403.50	23,990.00
October, 2010	76,300.00	33,500.00
November, 2010	92,200.00	63,600.00
December, 2010	77,900.00	55,400.00
January, 2011	62,884.05	42,291.70
February, 2011	51,099.00	41,500.00
March, 2011	55,500.00	44,300.00



viii) Market price data of the Company's shares in the National Stock Exchange Association Limited (NSE) :

The monthly high & low price of the shares of OMDC for the period 29th September 2010 to 31st March, 2011.

Month	High (Rs.)	Low (Rs.)
29th September, 2010 & 30th September, 2010	35117.20	33,444.95
October, 2010	76450.00	33,361.35
November, 2010	92,220.00	63,555.00
December, 2010	78,200.00	55,803.00
January, 2011	62,868.75	42,235.50
February, 2011	51,500.00	41,500.00
March, 2011	55,550.00	44,400.00



ix) Depositories with whom Company has entered into agreement

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

x) Corporate Identification Number : Corporate identity number(CIN) of the Company, allotted by the Ministry of Corporate Affairs, Government of India is L51430WB1918SGC003026.

xi) Registrar and Share Transfer Agent : CB Management Services (P) Ltd
 P-22, Bondel Road,
 Kolkata – 700019.
 Ph : (033) 4011-6700/11/18/23/29
 Fax : (033) 4011-6739
 e-mail : rta@cbmsl.com

xii) Physical/NSDL/CDSL/Summary Report as on 31st March, 2011

PARTICULARS	SHARES	%	NO. OF SHAREHOLDERS	%
PHYSICAL	329926	54.99	213	2.44
NSDL	133270	22.21	5395	61.72
CDSL	136804	22.80	3133	35.84
TOTAL	600000	100.00	8741	100.00

xiii) Top Ten Shareholders of the company as on 31st March, 2011.

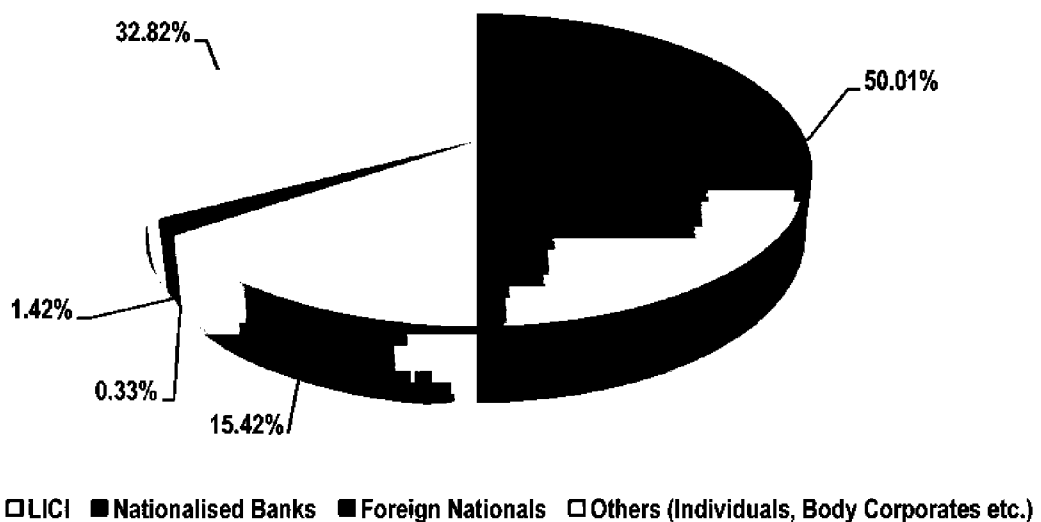
Sl. No.	Name of the Shareholder	No. of shares held	% of Shareholding
1.	Eastern Investments Limited	300089	50.014
2.	Life Insurance Corporation of India	92500	15.417
3.	Mahendra Girdharilal	9123	1.521
4.	Aspi H Tangree	7573	1.262
5.	3A Capital Services Limited	7263	1.211
6.	The Property Company Private Ltd.	7050	1.175
7.	All Bank Finance Limited	6600	1.100
8.	Misrilall Jain	4950	0.825
9.	Darius R Madon	3900	0.650
10.	Hitesh Satishchandra Doshi	3040	0.507
	TOTAL	442088	73.6805

xiv) Categories of Shareholders with Shareholding Pattern as on 31-03-2011

Shareholders	No. of shares and % of holding
1. Government (Central and State)	0 0.00%
2. Government Companies (Eastern Investments Limited)	30089 50.01%
3. Public Financial Companies (LIC)	92,500 15.42%
4. Nationalised and Other Banks	2000 0.33%
5. Mutual Funds	10 0.00%
6. Venture Capital	0 0.00%
7. Foreign holding [Foreign Institutional Investor(s) Foreign Company(ies). Foreign Financial Institution(s) Non Resident Indians, Or Overseas Corporate Bodies Or others.]	8510 1.42%

Shareholders	No. of shares and % of holding
8. Body corporate (not mentioned above)	43008 7.17%
9. Directors or relatives of Directors	0 0.00%
10. Other top fifty (50) shareholders (other than listed above)	62051 10.34%
11. Indian Public	90564 15.10%
12. Others	
a) Clearing Members	1268 0.21%
b) Custodian of Enemy Property for India	0.00 0.00
TOTAL	600,000 100.00

Share holding pattern as on 31st March, 2011

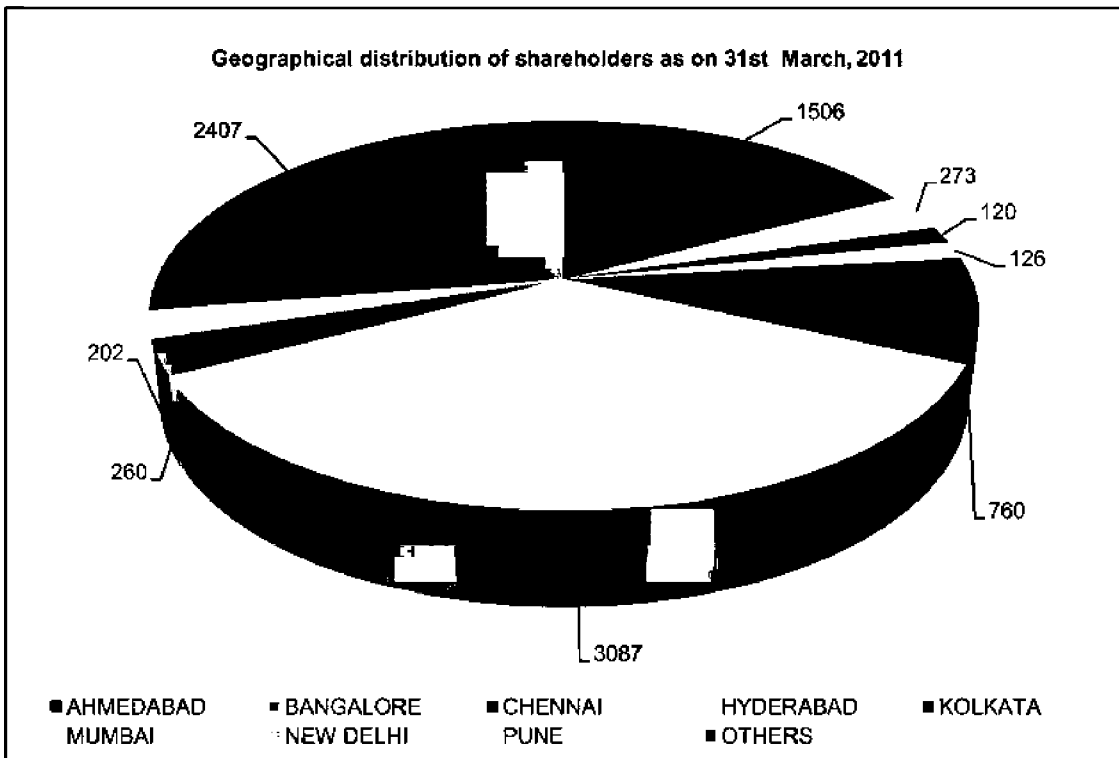
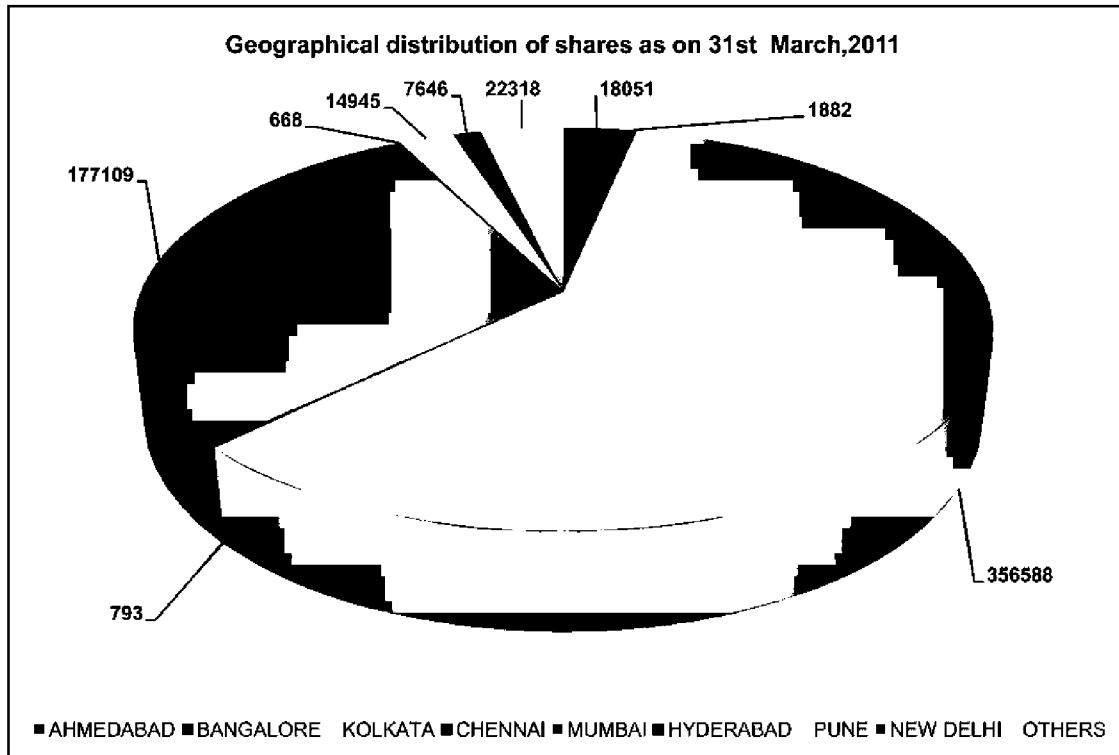


xv) Distribution of shareholding by size as on 31.03.2011

Category	No. of Shareholders		No. of shares	
	Total	% of Shareholder	Total	% to Share Capital
1-500	8682	99.33	114299	19.05
501-1000	31	0.35	21316	3.55
1001-2000	12	0.14	16629	2.77
2001-3000	2	0.02	5668	0.95
3001 – 4000	4	0.05	13990	2.33
4001- 5000	2	0.02	9000	1.50
5001-10000	4	0.05	30559	5.09
10001-50000	1	0.01	11000	1.84
50001-100000	2	0.02	177719	29.62
100001 And Above	1	0.01	199820	33.30
Total	8741	100.00	600000	100.00

xvi) Geographical Analysis Report as on 31st March, 2011

State	No. of Shareholders	% of Shareholder	No. of Shares	% of Shares
AHMEDABAD	1506	17.23	18051	3.01
BANGALORE	273	3.12	1882	0.31
CHENNAI	120	1.37	793	0.13
HYDERABAD	126	1.44	668	0.11
KOLKATA	760	8.69	356588	59.43
MUMBAI	3087	35.32	177109	29.52
NEW DELHI	260	2.98	7646	1.28
PUNE	202	2.31	14945	2.49
OTHERS	2407	27.54	22318	3.72
TOTAL	8741	100.00	600000	100.00



xvii) Dividend History (Last five years)

Financial year ended	Dividend per Share (₹)	Total Dividend (₹ in crores)
31.03.2007	434.00	26.02
31.03.2008	372.00	22.32
31.03.2009	455.00	27.30
31.03.2010	186.00	11.16
31.03.2011	19.30	1.16

Note : Total dividend is exclusive of dividend tax



xviii) Unclaimed Dividend

Financial year	Date of payment of Dividend	Total Dividend (Rs in crores)	Unclaimed Dividend as on 31-03-2011	Due date for transfer of unclaimed dividend amount to the IEPF
2003-04	1.10.2004	0.30	Rs.73,615	30.09.2011
2004-05	21.10.2005	21.84	Rs. 46,69,392	20.10.2012
2005-06	10.10.2006	19.50	Rs.46,54,000	09.10.2013

Financial year	Date of payment of Dividend	Total Dividend (Rs in crores)	Unclaimed Dividend as on 31-03-2011	Due date for transfer of unclaimed dividend amount to the IEPF
2006-07	09.10.2007	26.02	Rs.64,90,612	08.10.2014
2007-08	10.10.2008	22.32	Rs.59,88,812	09.10.2015
2008-09	16.10.2009	27.30	Rs.57,64,850	15.10.2016
2009-10	12.10.2010	11.16	Rs.30,61,932	11.10.2017

The unclaimed dividend declared in respect of the financial year 2003-04 is in the process of being transferred to the Investor Education & Protection Fund (IEPF) administered by the Central Government.

Separate letter have already been sent on 13th April,2011 to the Members who are yet to encash the dividend for the financial year 2003-04 indicating that the unclaimed amount will be transferred to IEPF, if not claimed by the members before the due date of transfer to the said Fund. Members are once again requested to utilize this opportunity and get in touch with the Company's Registrar and Share Transfer Agents M/s CB Management Services (P) Limited at their communication address for encashing the unclaimed dividends standing to the credit of their account.

Members are further requested to note that after completion of 7 years, no claims shall lie against the said Fund or Company for the amounts of dividend so transferred, nor shall any payment be made in respect of such claims.

xix) Reconciliation of Share Capital Audit

The reconciliation of share capital audit 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.

- xx) 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

Other Offices at :

- a) New Delhi : Bird Group of Companies
Core-IV, II Floor, Scope Minar,
Laxmi Nagar District Centre,
New Delhi-110092
- b) Bhubaneswar : Bird Group of Companies
Plot No-2132/5131/5161
Jayadev Nagar
Nageswar Tangi
Bhubaneswar- 751002
Tele Fax: 0674-2430237

xxi) 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 / 23/29
Fax : (033) 4011-6739
E mail : rta@cbmsl.com

OR

Company Secretary
The Orissa Minerals Development Company Limited
“Sourav Abasan”, 2nd Floor,
AG-104, Sector-II, Salt Lake City,
Kolkata-700091
Tel : (033) 4016-9228
Fax : (033) 4016-9267, E-mail : info.birdgroup@nic.in, Website : www.birdgroup.gov.in

xxii) **Cautionary Statement :**

Details given here in above relating to various activities and future plans may be 'forward looking statements' within the meaning of applicable laws and regulations. The actual performance may differ from those Expressed or implied.

xxiii) **Certificate :**

The Company has obtained a Certificate from CS A. K. Labh, Practicing Company Secretary of M/s A. K. Labh & Co., *Company Secretaries* regarding compliance of Corporate Governance as stipulated in Clause 49 of the Listing agreement and the same is enclosed herewith.

All material requirements with respect to Corporate Governance as stipulated in the Listing Agreement have been complied with.

**DECLARATION AS REQUIRED UNDER CLAUSE 49 I(D) OF THE LISTING
AGREEMENT WITH THE STOCK EXCHANGES**

In compliance with Clause 49 I(D) of the Listing Agreement, all the Members of the Board and senior management personnel have affirmed compliance with the Code of Conduct for the year ended 31st March, 2011.



(SATISH CHANDRA)

Chief Executive Officer & Chairman cum
Managing Director

Place : Kolkata

Date : 5th May, 2011

CERTIFICATE ON CORPORATE GOVERNANCE

**To the Members of
THE ORISSA MINERALS DEVELOPMENT COMPANY LIMITED**

We have examined the compliance of conditions of Corporate Governance by **M/S THE ORISSA MINERALS DEVELOPMENT COMPANY LIMITED** for the year ended 31st March, 2011 as stipulated in Clause 49 of the Listing Agreement with the stock exchanges and as amended by the SEBI vide its Circular dated 9th October, 2004 and as implemented by the Company for the year under report.

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

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

We have been explained that no investor grievance was pending for a period exceeding one month against the Company as per the records maintained by the Company as well as by the share transfer agent.

We further state that such compliances 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.

**For A. K. LABH & CO.
Company Secretaries**



(CS A. K. LABH)
Proprietor
C.P.-3238

Place : Kolkata

Dated : 08.07.2011

**CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO)
CERTIFICATION PURSUANT TO CLAUSE 49(V) OF THE LISTING AGREEMENT**

We, Dr. Satish Chandra, Chief Executive Officer(CEO) and Managing Director(MD) and Shri A.K.Ghosh, Chief Financial Officer of The Orissa Minerals Development Company Limited (OMDC), to the best of our knowledge and belief certify that:

- a) We have reviewed the financial statements and cash flow statement for the year ended 31st March, 2011 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 a true and fair view of the company's affairs and are in compliance with 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 2010-11 which were fraudulent, illegal and violative of the company's code of conduct.
- c) We accept responsibilities for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Company's Auditors and the Audit Committee :
 - i) significant changes if any, in internal control over financial reporting 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; and
 - iii) As regards the transactions of the company during the year 2010-11 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 over financial reporting.



(A. K. GHOSH)

Chief Finance Officer (CFO)



(DR. SATISH CHANDRA)

Chief Executive Officer(CEO) & Managing Director

Place : Delhi

Date : 26.07.2011

**AUDITORS' REPORT
TO THE MEMBERS OF
THE ORISSA MINERALS DEVELOPMENT COMPANY LIMITED
FOR THE YEAR 2010-2011**

1. We have audited the attached Balance Sheet of The Orissa Minerals Development Company Limited as at 31st March 2011 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. This report dated 26th July 2011 supersedes our earlier given on 27th May 2011.
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 – 20(II)} and other notes appearing in various schedules and Significant Accounting Policies {Schedule – 20(I)} 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 – 20(I)] and read with Notes on Accounts [Schedule – 20(II)] particularly to the note No. 3 & 3b the accounts has been prepared on going concern basis as all mining lease are in various stages of approval, Note No. 18 regarding restructuring expenses of Rs. 6.52 lakhs is not related normal course of business of the company.

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, 2011.
- (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)
(FRN. No. 302052E)

Place : Kolkata

Date : 26th July 2011.

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 in this year prepared a fixed asset register with the help of our side agency which require further improvement and reconciliation. The register contain full particulars including quantitative details and situations of fixed assets.</p> <p>The fixed Assets have been physically verified by the out-side agency with the help of the management. They have indicated obsolete fixed assets but no value has been indicated. The same could not be properly delt in books of account.</p> <p>No substantial parts of fixed assets have been disposed off during the year. The company is a mining company as on 31st March 2011 all mining lease has expired and at various stages of approval. The accounts has been prepared on going concern basis.</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 spare parts has been done at reasonable intervals. Incase of Raw materials and finished goods verification is done by third party.</p> <p>The procedure of physical verification of spare parts has been done by the management. Third party verification is done by the management for raw materials and finished goods which required improvement.</p> <p>The Company maintains proper records of stores. In case Raw material and finished product physical verification has been done by third party there is a wide difference between book stock and physical stock which required management attention. Sub grade stock of finished product has been accounted for during the year.</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>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>

THE ORISSA MINERALS DEVELOPMENT COMPANY LIMITED

<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 principal amount and interest are also regular.</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>Interest rate and other terms and condition of loan giver 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>Steps have been taken but no Recovery from Associate Companies Scott and Saxby and KDCL Both the sister concern are under liquidation.</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. (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 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 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</p>	<p>A firm of Chartered Accountant has been appointed</p>

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.

as Internal Auditors of the company. In our opinion there is scope for Improvement. Internal audit must take initiative in helping the management to take appropriate measures considering all aspects which are reported by them. Internal Audit system commensurate with the size and nature of its business.

(viii) Where maintenance of cost records has 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.

Maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 is not applicable to this Company.

(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.

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 2011 outstanding for a period of more than six months from the date they had become payable.

(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.)

According to the information and explanations made available to us, details of disputes dues as on 31.03.2011 are as follows :

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

THE ORISSA MINERALS DEVELOPMENT COMPANY LIMITED

<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 any other financial institutions or debenture holders.</p>
<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</p>	<p>Not Applicable</p>

THE ORISSA MINERALS DEVELOPMENT COMPANY LIMITED

	name except to be extent of the exemption if any, granted under Section 49 of the Act.	
(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	No
(xvi)	Whether term loans were applied for the purpose for which the loans were obtained.	NIL
(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 : 26th July 2011

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS
OF THE ORISSA MINERALS DEVELOPMENT COMPANY LIMITED
FOR THE YEAR ENDED 31 MARCH 2011**

The preparation of financial statements of THE ORISSA MINERALS DEVELOPMENT COMPANY LIMITED for the year ended 31st March 2011 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 26th July 2011.

I, on the behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under section 619(3)(b) of the Companies Act, 1956 of the financial statements of THE ORISSA MINERALS DEVELOPMENT COMPANY LIMITED for the year ended 31st March 2011. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. In view of the revisions made in the financial statements by the management, as a result of my audit observations highlighted during supplementary audit as indicated in the Note No.20(II)(25) of the Notes forming part of Accounts (Schedule No.20) I have no further comments to offer upon or supplement to the Statutory Auditors' Report under Section 619(4) of the Companies Act, 1956.

For and on the behalf of the
Comptroller & Auditor General of India

Sd/-

(Manoj Sahay)

Principal Director of Commercial Audit

Place : Ranchi

Date : 08.08.2011

**S T A T E M E N T
O F
A C C O U N T S**

BALANCE SHEET AS AT 31ST MARCH, 2011

	Schedule No.	31st March, 2011		31st March, 2010	
		Rs. in Lacs	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs
SOURCES OF FUNDS					
1. Shareholders' Fund					
a) Share Capital	1	60.00		60.00	
b) Reserves & Surplus	2	<u>79,892.11</u>	<u>79,952.11</u>	<u>79,255.14</u>	<u>79,315.14</u>
TOTAL			<u>79,952.11</u>		<u>79,315.14</u>
APPLICATION OF FUNDS					
1. Fixed Assets					
a) Gross Block	3	14,076.83		5,568.56	
b) Less : Accumulated Depreciation/Amortisation		<u>5,602.32</u>		<u>3,450.96</u>	
c) Net Block			<u>8,474.51</u>		2,117.60
d) Capital Work in progress including Capital Advances			<u>66.84</u>		<u>129.74</u>
			<u>8,541.35</u>		<u>2,247.34</u>
2. Investments	4		<u>687.73</u>		811.13
3. Deferred Tax Asset (Net)			<u>383.14</u>		68.69
4. Current Assets, Loans & Advances					
a) Inventories	5	2,776.45		2,756.61	
b) Sundry Debtors	6	163.18		176.67	
c) Cash & Bank Balances	7	70,335.41		75,703.52	
d) Other Current Assets	8	2,726.64		1,771.74	
e) Loans & Advances	9	<u>7,444.11</u>		<u>25,721.53</u>	
		<u>83,445.79</u>		<u>1,06,130.07</u>	
Less : Current Liabilities & Provisions					
a) Current Liabilities	10	8,384.64		7,704.26	
b) Provisions	11	<u>4,721.26</u>		<u>22,237.83</u>	
		<u>13,105.90</u>		<u>29,942.09</u>	
Net Current Assets			<u>70,339.89</u>		<u>76,187.98</u>
TOTAL			<u>79,952.11</u>		<u>79,315.14</u>
Significant Accounting Policies & Notes on Accounts	20				

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

As per 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

Firm Registration No. 302052E
CHARTERED ACCOUNTANTS

Sd/-

P. K. Ghosh
PARTNER
(M. No. 002553)

Sd/-
Dr. Satish Chandra
Managing Director

Sd/-
A. K. Ghosh
CFO

Sd/-
A. Vij
Director

Sd/-
S. Das
Company Secretary

New Delhi, Dated the 26th July, 2011

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

Particulars	Schedule No.	31st March, 2011 Rs. In Crores	31st March, 2010 Rs. In Crores
INCOME			
1. Sales	12	4,482.89	8,234.93
2. Other Operating Income	13	493.88	218.78
3. Other Income	14	4,939.30	7,136.16
4. TOTAL INCOME (1+2+3)		<u>9,916.07</u>	<u>15,589.87</u>
EXPENDITURE			
5. (Increase)/Decrease in stock in trade	15	(37.26)	(1,062.94)
6. Payment to & Provision for employees	16	2,755.07	1,520.25
7. Other Mining, Selling & Administrative exp	17	3,425.76	3,652.20
8. Depreciation / Amortisation	3	2,151.36	254.79
9. TOTAL EXPENDITURE (5+6+7+8)		<u>8,294.93</u>	<u>4,364.30</u>
10. Net Profit Before exceptional Items & Taxes (4-9)		<u>1,621.14</u>	<u>11,225.57</u>
11. Site Reclamation Expenses		286.56	-
12. Net Profit Before Tax (10-11)		<u>1,334.58</u>	<u>11,225.57</u>
13. TAX EXPENSES			
Current		(660.84)	(3,806.27)
Prior period		(216.19)	-
Deferred Tax Credit		314.45	24.46
Net Profit After Tax (12-13)		<u>772.00</u>	<u>7,443.76</u>
Balance brought forward from previous year		47,425.64	42,027.54
Profit available for appropriation		<u>48,197.64</u>	<u>49,471.30</u>
Appropriations :			
Proposed Dividend		115.80	1,116.00
Dividend Tax		19.23	189.66
Transfer to General Reserve		77.20	740.00
		<u>212.23</u>	<u>2045.66</u>
Surplus transferred to Balance Sheet		<u>47,985.41</u>	<u>47,425.64</u>
Earning per Share (Rs.)- Basic and Diluted		128.67	1,240.64

Significant Accounting Policies & Notes on Accounts 20

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

As per our report of even date

Signed pursuant to the provisions of Section 215 of the Companies Act, 1956 in authentication of this Profit & Loss A/c

FOR SARMA & CO.

On behalf of the Board

Firm Registration No. 302052E

CHARTERED ACCOUNTANTS

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

Sd/-
Dr. Satish Chandra
Managing Director

Sd/-
A. K. Ghosh
CFO

Sd/-
A. Vij
Director
Sd/-
S. Das
Company Secretary

New Delhi, Dated the 26th July, 2011

SCHEDULES

	<u>31st March, 2011</u>		<u>31st March, 2010</u>	
	Rs. In Lacs	Rs. In Lacs	Rs. In Lacs	Rs. In Lacs
<u>SCHEDULE-1</u>				
CAPITAL				
<u>Authorised</u>				
6,00,000 Equity Shares of Rs. 10/- each		<u>60.00</u>		<u>60.00</u>
<u>Issued and Subscribed</u>				
6,00,000 ordinary shares of Rs. 10/- each		<u>60.00</u>		<u>60.00</u>
Held by Holding Company (EIL)				
3,00,089 ordinary shares of Rs. 10/-				
Held by others				
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				
 <u>SCHEDULE-2</u>				
RESERVES AND SURPLUS				
Capital reserve (Arising out of Revaluation of Fixed Assets)		89.50		89.50
General Reserve				
Balance as per last Accounts	31,740.00		31,000.00	
Add : Transferred during the year	<u>77.20</u>	31,817.20	<u>740.00</u>	31,740.00
Profit & Loss Account		47,985.41		47,425.64
		<u>79,892.11</u>		<u>79,255.14</u>

SCHEDULE-3**FIXED ASSETS**

(Rs. in Lacs)

PARTICULARS	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK	
	Cost/Book value of Assets as at 01.04.2010	Additions during the year	Assets Sold/ Adjusted During the year	Adjusted Cost/Book value of Assets as at 31.03.2011	Depre- ciation as at 01.04.2010	Depre- ciation added during the year	Depre- ciation adjusted for asset sold	Depre- ciation as at 31.03.2011	Net Value of Asset as at 31.03.2011	Net Value of Asset as at 31.03.2010
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
LAND	0.28	-	-	0.28	-	-	-	-	0.28	0.28
LEASEHOLD LAND	196.77	-	-	196.77	8.99	1.99	-	10.98	185.79	187.78
BUILDING	1144.89	253.38	68.82	1329.45	285.75	47.56	-	333.31	996.14	859.14
LEASEHOLD PROPERTIES	439.58	-	-	439.58	398.71	8.58	-	407.29	32.29	40.87
RAILWAY SIDING	375.35	-	-	375.35	220.07	21.60	-	241.67	133.68	155.28
PLANT & MACHINERY	3180.20	56.39	23.93	3212.66	2401.63	134.23	-	2,535.86	676.80	778.57
FURNITURE & FIXTURE	57.74	129.84	12.74	174.84	38.06	11.02	-	49.08	125.76	19.68
PROSPECTING AND DEVELOPMENT	150.75	-	-	150.75	83.48	6.73	-	90.21	60.54	67.27
MOTOR VEHICLES	23.00	-	0.45	22.55	14.27	2.14	-	16.41	6.14	8.73
INTANGIBLE ASSET		8,174.60		8174.60		1,917.51	-	1,917.51	6257.09	0.00
TOTAL	5568.56	8614.21	105.94	14076.83	3450.96	2151.36	-	5602.32	8474.51	2117.60
PREVIOUS YEAR	5236.56	345.16	13.16	5568.56	3196.17	254.79	-	3,450.96	2117.60	2039.94

THE ORISSA MINERALS DEVELOPMENT COMPANY LIMITED

	31st March, 2011		31st March, 2010	
	Rs. In Lacs	Rs. In Lacs	Rs. In Lacs	Rs. In Lacs
SCHEDULE 4				
INVESTMENTS - LONG TERM				
TRADE (UNQUOTED)				
EAST INDIA MINERALS LIMITED				
2811010 Nos of Equity Shares @ Rs 10/- each fully paid up		281.10		281.10
NON TRADE :				
A. QUOTED				
7% I.D.B.I OMNI Bonds				
10 Nos. of Bonds (Face Value 10,00,000)	100.00		100.00	
8.95% Gujrat Electricity Bonds				
100 Nos. of Bonds (Face Value 1,00,000)	104.15		104.15	
7.5% APPFC Bonds				
20 Nos. of Bonds (Face Value 10,00,000)	200.00		200.00	
Eastern Investments Limited				
25434 Nos of Ordinary Shares @Rs. 10/-each	2.42		2.42	
13.5% MSRDC Non Convertible Bonds 100 Nos. of Bonds (Face Value Rs. 1,00,000/- per Bond)		406.57	<u>123.40</u>	529.97
B. UNQUOTED				
The East India Clinic Ltd				
5% Non - Redeemable Debenture Stock , 1957 (Value of the Investment is Rs. 5000/-)	0.05		0.05	
The Sijua (JHERRIAH) Electric Supply Co. Ltd				
100 Nos of Ordinary Shares @ Rs. 10/- each (Value of the Investment is Rs. 1000/-)	0.01		0.01	
		0.06		0.06
TOTAL		<u>687.73</u>		<u>811.13</u>
Market Value of Quoted investments -		Rs 1016.00 lacs		(P.Y Rs. 498.00 lacs)

THE ORISSA MINERALS DEVELOPMENT COMPANY LIMITED

	<u>31st March, 2011</u>		<u>31st March, 2010</u>	
	Rs. In Lacs	Rs. In Lacs	Rs. In Lacs	Rs. In Lacs
<u>SCHEDULE 5</u>				
INVENTORIES - (at lower of cost and net realisable value)				
Stock of Raw Materials		48.62		146.63
Stores & Spare Parts		156.08		75.05
Stock in Trade	2,572.19		2,534.93	
Less : Provision for Stock	<u>0.44</u>	<u>2,571.75</u>	—	<u>2,534.93</u>
TOTAL		<u>2,776.45</u>		<u>2,756.61</u>

SCHEDULE 6

SUNDRY DEBTORS

Sundry Debtors -Unsecured

a) Debts outstanding for a period exceeding six months				
Considered Good		34.71		34.71
Considered Doubtful	<u>190.29</u>	225.00	<u>190.29</u>	225.00
b) Other Debts : Considered Good				
Considered doubtful	<u>108.73</u>	<u>237.20</u>	—	<u>141.96</u>
		<u>462.20</u>		366.96
Less : Provision for Doubtful Debts		<u>299.02</u>		<u>190.29</u>
TOTAL		<u>163.18</u>		<u>176.67</u>

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

1) The Bisra Stone Lime Company Limited -	Rs. 95.50 lacs	(2009-10 Rs 92.59 lacs)
2) Eastern Investment Limited	Rs 4.29 lacs	(2009-10 Rs 3.20 lacs)
3) Scott & Saxby Limited Rs.	Rs 2.99 lacs	(2009-10 Rs 2.99 lacs)
4) The Karanpura Development Co. Ltd	Rs. 10.07 lacs	(2009-10 Rs 10.07 lacs)

SCHEDULE - 7

CASH AND BANK BALANCES

Cash in Hand		0.52		3.23
Balance with Scheduled Banks -				
On Current Account	553.48		780.69	
On Short Term Deposit Account	<u>69,781.41</u>	<u>70,334.89</u>	<u>74,919.60</u>	<u>75,700.29</u>
TOTAL		<u>70,335.41</u>		<u>75,703.52</u>

THE ORISSA MINERALS DEVELOPMENT COMPANY LIMITED31st March, 201131st March, 2010

Rs. In Lacs Rs. In Lacs Rs. In Lacs Rs. In Lacs

SCHEDULE 8**OTHER CURRENT ASSETS : (Unsecured Considered Good)**

Interest Receivable :

On Short Term Deposits with Bank

2,713.36

1,757.20

On Other Investments

13.28

14.54

2,726.641,771.74**SCHEDULE 9****LOANS AND ADVANCES - Unsecured**

(Refer Note No. 10 on Schedule 20)

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

Considered Good

684.53

245.58

Considered Doubtful

296.71

981.24

245.53

491.11

Less : Provision for Doubtful Advances

296.71

245.53

684.53245.58

Security Deposit

Considered Good

183.49

1,488.82

Advance payment of tax

6,576.09

23,987.13

7,444.1125,721.53**SCHEDULE 10****CURRENT LIABILITIES**

Unpaid/ Unclaimed Dividend

307.03

305.58

Sundry Creditors

6,614.66

4,064.06

Advance from customers

1,461.63

3,333.30

Grant in Aid - Ministry of Labour

1.32

1.32

TOTAL8,384.647,704.26**SCHEDULE 11****PROVISIONS**

Provision for Income Tax

4,586.23

20,932.07

Proposed Dividend

115.80

1,116.00

Tax on Proposed Dividend

19.23

189.76

TOTAL4,721.2622,237.83

THE ORISSA MINERALS DEVELOPMENT COMPANY LIMITED

	<u>31st March, 2011</u>		<u>31st March, 2010</u>	
	Rs. In Lacs	Rs. In Lacs	Rs. In Lacs	Rs. In Lacs
<u>SCHEDULE 12</u>				
SALES				
Iron ore		3,588.02		7,445.93
Manganese ore		594.74		319.82
Sponge Iron		300.13		469.18
TOTAL		<u>4,482.89</u>		<u>8,234.93</u>
<u>SCHEDULE 13</u>				
OTHER OPERATING INCOME				
Miscellaneous Income		239.66		94.48
Establishment Charges		129.86		110.17
Liabilities no longer required written back		124.36		14.13
TOTAL		<u>493.88</u>		<u>218.78</u>
<u>SCHEDULE 14</u>				
OTHER INCOME				
Interest Income				
On Investment - Long term	43.19		60.37	
On Fixed Deposit with Banks [Tax deducted at source Rs. 457.29 lacs (Rs. 887.16 lacs)]	4,784.53		6,791.13	
On Income tax refund	<u>108.65</u>	4,936.37	—	6,851.50
Dividend Received		2.93		284.66
TOTAL		<u>4,939.30</u>		<u>7,136.16</u>
<u>SCHEDULE 15</u>				
INCREASE/ (DECREASE) IN STOCK				
Closing Stock		2,572.19		2,534.93
Opening Stock		<u>2,534.93</u>		<u>1,471.99</u>
Stock Increase / (Decrease)		<u>37.26</u>		<u>1,062.94</u>
<u>SCHEDULE 16</u>				
PAYMENTS & BENEFITS - EMPLOYEES :				
a) Salaries, Wages & Allowances		2,130.06		987.95
b) Gratuity expenses		196.37		66.83
c) Contribution to Porvident and other funds		201.81		167.71
d) Laeave encashment including Half pay Leave		85.22		53.94
e) Staff & Worker's Welfare :				
Wages		—	104.49	
Stores	46.14		47.93	
Others	<u>95.47</u>	141.61	91.40	243.82
TOTAL		<u>2,755.07</u>		<u>1,520.25</u>

THE ORISSA MINERALS DEVELOPMENT COMPANY LIMITED

	31st March, 2011		31st March, 2010	
	Rs. In Lacs	Rs. In Lacs	Rs. In Lacs	Rs. In Lacs
SCHEDULE 17				
OTHER MINING, ADMINISTRATIVE & SELLING EXPENSES				
Contract Labour Expenses :				
Mining	157.32		738.67	
Development & Over Burden Removal	185.49		258.34	
Ores Transporting	14.75		7.03	
Others	<u>254.66</u>	612.22	<u>214.00</u>	1,218.04
Corporate Social Responsibility		244.07		25.00
Raw Materials Consumed		95.69		341.45
Stores & Spares Consumed		101.00		155.67
Power & Fuel		172.25		131.97
Repairs & Maintenance -Plant & Machinery				
Wages	87.66		82.06	
Stores	13.40		45.13	
Contract Repairs	<u>56.42</u>	157.48	<u>53.42</u>	180.61
Repairs & Maintenance-Building				
Stores	2.54		3.12	
Contract Repairs	<u>29.73</u>	32.27	<u>33.07</u>	36.19
General Repairs		4.05		3.19
Rent		15.70		14.74
Rates & Taxes		133.21		15.03
Insurance		3.97		3.91
Royalty		514.64		417.27
Selling Expenses :				
Siding Charges	-		0.73	
Handling Charges	0.52		6.30	
Analysis Charges	9.70		20.25	
Demurrage	1.40		1.62	
Wagon Loading	58.01		61.74	
E -Auction	<u>26.31</u>	95.94	<u>45.74</u>	136.38
Peripheral Development		-		9.45
Directors Fees		3.53		0.04
Law Charges		36.27		25.54
Interest & Financial Charges		44.31		16.36
Loss on sale of Investments		23.40		51.28
Prior Period Adjustments (net)		98.50		4.06
Provision for Doubtful Debts		108.75		0.91
Provision for Doubtful Advances		53.61		20.00
Provision for WIP		-		11.57
Provision for Stock		0.44		-
Impairment loss		105.94		13.17
Business Development & Advertisement Exps.		114.40		94.15
Security Charges		409.97		393.24
Mines & Lease Matter		17.20		20.26
Miscellaneous Exps.		<u>226.95</u>		312.72
TOTAL		<u>3,425.76</u>		<u>3,652.20</u>

SCHEDULE - 18

SEGMENT REPORTING FOR THE YEAR ENDED 31ST MARCH, 2011

	IRON ORE (Rs. In Crores)	MANGANESE ORE (Rs. In Crores)	SPONGE IRON PLANT (Rs. In Crores)	CONSOLIDATED TOTAL (Rs. In Crores)
A. REVENUE				
Segment Revenue				
External Sales	3,772.34 7,445.93	594.74 319.82	300.13 469.18	4,667.21 8,234.93
Inter Segment Sales	184.32	-	-	184.32
Total Revenue before Tax and Interest	3,588.02 7,445.93	594.74 319.82	300.13 469.18	4,482.89 8,234.93
B. RESULTS				
Segment Result	(1,877.76) 4,638.51	156.38 (16.55)	(548.95) (48.05)	(2,270.33) 4,573.90
Unallocated(Expenses)/Income(Net)				(1,334.39) (484.49)
Operating Profit/(Loss)				(3,604.72) 4,089.41
Dividend Received				2.92 284.66
Interest Income				4,936.38 6,851.50
Income & Deferred Tax				(562.58) (3,781.81)
Net Profit (Loss)				772.00 7,443.76
C. OTHER INFORMATION				
Segment Assets	10,991.71 5,493.60	1,465.44 610.40	951.24 1,048.00	13,408.39 7,152.00
Unallocated Corporate Assets				79,649.62 102,106.00
Total Assets				93,058.01 109,258.00
Segment Liabilities	7,279.32 6,912.66	698.48 768.07	98.49 23.00	8,076.29 7,703.73
Unallocated Corporate Liabilities				84,981.72 22,237.67
Total Liabilities				93,058.01 29,942.40
Capital Expenditure	7,484.19 73.11	843.35 8.12	12.32 -	8,339.86 81.23
Depreciation	1,889.07 160.47	177.21 17.83	80.22 71.86	2,146.50 250.16
Non Cash Expenditure Other Than Depreciation	369.81 150.87	-	-	369.81 150.87

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.

II Geographical Segment :

The Company primarily operates in India and therefore the analysis of geographical segment is based on the areas in which the customers of the Company are located.

Information for Geographical segments are :

Particulars	31st March 2011	31st March 2010
Domestic Revenue	4,939.30	7,136.16
Export Revenue	-	-
	4,939.30	7,136.16

There are no overseas assets

SCHEDULE - 19

**DISCLOSURE OF TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES
AND THE STATUS OF THE OUTSTANDING BALANCES AS ON 31.03.2011**

	Holding / Subsidiaries Rs. In lacs	Joint Venture Rs. In lacs	Key Managerial Personnel Rs. In lacs	Enterprise over which KMP have significant Influence Rs. In lacs
Loans / Advances given & recovered/adjusted				
- BSLC	-	-	-	-
- Scott & Saxby	-	-	-	(20.00)
- KDCL	-	-	-	(20.00)
Common expenses borne holding Company	(0.90)			
- EIL				
Interest charged	-			
Reimbursement of Expenses -BSLC	-	-	-	12.91
Raw material purchased				
Establishment charges Received - EIML	-	120.00	-	-
Amount outstanding as on 31/03/2011 (Dr)				
- BSLC	95.50 (77.11)	-	-	-
- EIL	4.29 -	-	-	-
- Scott & Saxby	-	-	-	107.41 (107.41)
- KDCL	-	-	-	38.84 (38.84)
- EIML	-	60.07	-	-

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 - 19A

RELATED PARTY DISCLOSURE

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

A. Holding Company/Ultimate Holding Company /Fellow Subsidiary Company

Ultimate Holding Company-

Rashtriya Ispat Nigam Limited

Holding Company

Eastern Investments Limited.

Fellow Subsidiary Company

The Bisra Stone Lime Company Limited.

B. Joint Ventures Company

East India Minerals Limited.

C. Key Management Personnel :

- | | | | |
|-----|---------------------------|------------------------------|--------------------|
| i. | Dr. Satish Chandra | Managing Director | (w.e.f 29.10.2009) |
| ii. | Shri C.Banerjee | Executive Director (F & A) | (upto 17.01.2011) |

D. Enterprise over which Key Management Personnel have significant influence

Scott & Saxby Limited.

The Karanpura Development Company Limited

SCHEDULE-20**(I) Significant Accounting Policies****i) Basis of preparation of Accounts**

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention, except for certain fixed assets which are revalued. The accounting policies have been consistently applied by the Company.

ii) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

iii) Fixed Assets :

- a) Fixed Assets are stated at cost (or revalued amounts, as the case may be), less accumulated depreciation and impairment, if any. The cost of acquisition comprises purchase price inclusive of duties (net of Cenvat), taxes, incidental expenses, erection/commissioning/trial run expenses and interest etc, up to the date the assets are ready for intended use.
- b) Prospecting and development expenses incurred to prepare the mine ready for commercial exploration (i.e. in the nature of preliminary and preoperative expenses) are capitalized.
- c) Expenditure incurred for obtaining required clearance to operate the mines subsequent to the allotment of their lease is capitalised as intangible assets.
- d) Expenditure incurred for renewable of mining lease are capitalised under Mining Lease.
- e) Machinery spares which can be used only in connection with an item of fixed assets and whose use, as per technical assessment, is expected to be irregular are capitalised and depreciated over the residual life of the respective assets.
- f) Assets awaiting disposal are valued at the lower of written down value and net realisable value and disclosed separately.
- g) Capital work-in-progress includes machinery or other fixed assets to be installed, construction and erection materials and capital advances.
- h) The carrying amounts of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on external/internal factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount which represents the greater of the net selling price and 'Value in use' of the assets. The estimated future cash flows considered for determining the value in use, are discounted to their present value at appropriate rate arrived at after considering the prevailing interest rates and weighted average cost of capital.

(iv) Depreciation / Amortisation

- a) The classification of Plant & Machinery into continuous and non-continuous process is done as per the technical evaluation and depreciation thereon is provided accordingly.
- b) Depreciation on fixed assets is provided on written down method at the rates and in the manner prescribed in schedule XIV of the Companies Act, 1956 or at rates determined based on useful lives of the respective assets, as estimated by the management, whichever is higher.
- c) Depreciation on revalued assets is provided at the rates specified in Section 205(2) (b) of The Companies Act, 1956. However in case of fixed assets whose life is determined by the valuer to be less than their useful life under Section 205, depreciation is provided at the higher rate, to ensure the amortisation of these assets over their life determined by the valuer.
- d) Leasehold land is amortised over the period of lease.
- e) Mining lease is amortised over the lease period.
- f) Prospecting and development expenditure is amortised at the rate of 10% using written down value method.
- g) Intangible asset is amortised over the balance period of lease period of mine.
- h) Depreciation on fixed Assets added/disposed off during the year is provided on prorate basis with reference to the date of addition/disposal.
- i) In case of impairment, if any, depreciation is provided on the revised carrying amount of the assets over their remaining useful life.

(v) Impairment of Fixed Assets

The carrying amounts of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount which is the greater of the net selling price of the assets and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the assets over their remaining useful life.

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

(vi) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are valued at lower of cost and net realisable value on individual investment basis. Long term investments are valued at cost, unless there is an "other than temporary" decline in value thereof, in which case, adequate provision/write-off is made in the accounts.

(vii) **Inventories**

- a) Raw materials and Stores & Spare Parts are valued at lower of cost and net realisable value. Cost is determined on a weighted average basis.
- b) Stores-in-transit are stated at their invoice value.
- c) Finished goods are valued at lower of cost and net realizable value. Cost includes direct materials, labour cost and a proportion of manufacturing overheads based on normal operating capacity.
- d) Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(viii) **Retirement and Other Employee Benefits : Defined Benefit Scheme :**

- a) 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. 10 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.
- b) Leave Encashment :
 - (i) Earned Leave : Payable if encashment of leave is applied for during the tenure of service of employee and on separation to eligible employees who have accumulated earned leave. Maximum accumulated leave 300 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).
 - (ii) Half Pay Leave: Payable if encashment of leave is applied for during the tenure of service of employee and on separation to eligible employees who have accumulated Half pay leave. Maximum accumulated leave 180 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).

(ix) **Taxation**

Tax expense comprises of current, deferred and prior year tax expenses, if any.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the company has carry forward unabsorbed depreciation and carry forward tax losses, deferred tax assets are recognised only if there is virtual certainty backed by convincing evidence that such deferred tax assets can be realised

against future taxable profits. Unrecognised deferred tax assets of earlier periods are re-assessed and recognised to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realised.

At each balance sheet date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

(x) **Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of Goods

Revenue from sale of goods is recognised on despatch of goods to customers, which is incidental to transfer of significant risk and reward of ownership. Sales are net of returns, claims, discounts etc but include royalty.

Interest

Interest is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend

Revenue is recognised when the shareholders' right to receive payment is established by the balance sheet date. Dividend from subsidiaries is recognised even if same are declared after the balance sheet date but pertains to period on or before the date of balance sheet as per the requirement of schedule VI of the Companies Act, 1956.

Consideration for use of Company's facilities

Consideration received from the Authorities for use of a part of the available facilities of the Company is recognised as revenue in the year of receipt / realisation.

(xi) **Government grants and subsidies**

Grants and subsidies from the government are recognised when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

When the grant or subsidy relates to an expense item, it is recognised as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.

Where the grant or subsidy relates to an asset, its value is deducted from the gross value of the asset concerned in arriving at the carrying amount of the related asset.

(xii) **Provision**

A provision is recognised when the company has a present obligation as a result of 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 made in terms of Accounting Standard 29 are not discounted to its present value and are determined based on management estimate required to settle the obligation at the

balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

(xiii) **Earnings per Share**

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(xiv) **Segment Reporting**

Identification of segments :

The Company's operating businesses are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Inter segment Transfers :

The Company generally accounts for intersegment sales and transfers as if the sales or transfers were to third parties at current market prices.

Allocation of common costs :

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items :

Includes general corporate income and expense items which are not allocated to any business segment.

(xv) **Excise duty/Royalty**

Excise duty is payable on despatch of Sponge Iron from Sponge Iron plant and royalty is payable on despatch of Iron ore & Manganese ore from mines.

(xvi) **Cash and Cash equivalents**

Cash and cash equivalents as indicated in the cash flow statement comprise cash on hand, cash at bank and short-term investments with an original maturity of three months or less.

(xvii) **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/materialise.

(xviii) **Contingencies**

Liabilities, which are material and whose future outcome cannot be ascertained with reasonable certainty, are treated as contingent and disclosed by way of notes to the accounts.

(II) **NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2011**

1. Contingent Liabilities not provided for :-

(Rs. In Lacs)

	Current Year	Previous Year
Claims Not acknowledged as debt		
I. Suits against the company	28395.00	26820.00
II. Sales Tax/Income Tax etc.	24.00	917.00
III. Others	2183.00*	1310.00

*Contingent Liability contain 1310 Lacs due to non-fulfilment of the provisions of minimum granted quantity of export since 2007-08, the Port Authorities of Haldia Dock Complex have auctioned the stock of Iron Ore Fines to the tune of 15569.68 M.T. to liquidate their dues towards demurrage imposed on OMDC by Port Authorities as on 15.12.2009. The value of the stock as on the date of disposal was Rs. 122 Lacs. Though Port Authorities have not raised any demand for any demurrage but they have retained the sale proceeds of said stock of Iron ore towards settlement of their claim towards demurrage, rent, however there is no claim against the company.

There was a demand in 2009 for Rs. 873 Lacs regarding Regional Wildlife Management Plan, which was not acknowledged by the company as it was not tenable in the eye of Law.

2. Pursuant to the amendments of the Orissa Land Reforms Act, Sub-Collector, Champua had served a Notice against the Company for alleged unauthorised 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.

3. Lease Matters

a) 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. (BPEML), which is under liquidation covering 2068.272 hectre is detailed below :

LEASE AREA	STATUS
Thakurani Iron & Mn. Mines (1546.55 hecets.) M/s. B.P.M.E.Ltd (Revised RML application submitted over 778.762 hecets.)	The validity of 2nd RML period was up to 30.09.2004. 3rd RML application was filed for 20 years w.e.f 01.10.2004. The application is under process in the steel and mines Department Govt. of Orissa. The mining operation was stopped due to suspension order issued by state Forest Department and IBM. The suspension order by IBM was lifted on 17/09/2010. We have deposited an amount of Rs.26,00,11,370/- towards NPV as per Hon'ble Supreme Court's directive following CEC recommendations. The State Forest Dept. has permitted for operation in non forest only on 17/09/2010. by lifting the suspension order. The FDP and TWP in respect of the lease hold area is under process in the office of the Regional Chief Conservator of Forest, Raurkela. However,

LEASE AREA	STATUS
<p>Dalki Mn. Mines (266.77 Hects.) M/s. B.P.M.E.Ltd</p>	<p>DDM, Joda categorically seeking environmental clearance in respect of the area so as to allow for working in the non forest area only. Accordingly work could not be resumed over the area. The TOR in respect of the leasehold area has been duly accepted by EAC of MOEF, GOI. The EIA and EMP report has already been submitted with OSPCB. The Public Hearing for environment clearance scheduled on 25.02.2011 was conducted successfully.</p> <p>Lease period expired on 30.09.1994. The 3rd RML application filed for 20 years w.e.f 01.10.1994. The forest clearance obtained from MOEF, Govt. of India is valid up to 30.09.2014. The mining operation has been stopped after rejection of RML application by the state Govt. vide letter no.12764/SM dated 24.08.2006. The revision application filed with Ministry of Mines, Govt. of India was disposed off 14/05/2010 setting aside the rejection order of the state Govt. and directed to maintain the status quo prior to rejection order. The Office of the Director of Mines has given its views on the subject which is pending with Dept. of Steel and Mines, Govt. of Orissa. The application for obtaining Environment Clearance in view of enhancement of production and renewal of mining lease is under process. The Public Hearing for environment clearance on 25/02/2011 was conducted successfully.</p>
<p>Kolha Roida Iron & Mn. Mines (254.952 hecets.) M/s. B.P.M.E.Ltd.</p>	<p>The lease period expired on 14/08/1996. The 3rd RML application was filed for 20years w.e.f 15.08.1996. The Forest Clearance is valid up to 14.08.2016. The mining operation had been stopped after rejection of RML application by the State Govt. vide order No. III(A)/SM-14/03-16733 dated 16.11.2006. The Revision Application filed with Central Tribunal has been disposed off on dated 02.02.2009 setting aside the rejection order directing the state Govt. to maintain the status quo prior to the rejection order which was duly complied by Steel & Mines Dept. Govt. Of Orissa on dated 21.01.2010. On receiving the aforesaid order necessary steps are being taken to restore mining operation. The matter regarding resumption of mining activity in the lease hold area has been disposed off by Hon'ble high court, Orissa with a clear directive to take up the same by fresh tendering. However, DDM, Joda is insisting for our environmental clearance for commencement of mining operations. The application for obtaining environmental clearance for enhancement of production and renewal of mining lease is under process in MOEF, Govt. Of India and Public Hearing for the purpose was conducted on 03.11.2010 successfully. The NPV amount of Rs. 5,07,31,350/-has been deposited with DFO, Keonjhar in compliance to the Hon'ble Supreme Court direction following CEC recommendations.</p>

LEASE AREA	STATUS
<p>Belkundi Iron & Mn. Mines (1276.79 hect.) M/s. O.M.D.Co. Ltd</p>	<p>Lease period expired on 15.08.2006. The 3rd renewal was 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 on 15.08.2006. Application for renewal of forest diversion proposal (FDP) is under process in the office of DFO Keonjhar, The required non forest land/degraded forest land for compensatory Afforestation have been identified under Telkoi Tahsil and allotted in our favour. The NPV amount of Rs. 32,72,41,480/- has been deposited with DFO Keonjhar in compliance to the Hon'ble supreme Court direction following CEC recommendations. The Public Hearing for environment clearance on 25/02/2011 was conducted successfully.</p>
<p>Bagiaboru Iron Mines (21.52 hect.) M/s. O.M.D.Co.Ltd</p>	<p>The lease period of expired on 30.09.2010. The forest clearance co-terminus with lease period also expired on 30.09.2010. The RML application under M C Rule, 1960 & F C Act 1980 has been filed with in the stipulated time and the same is under process in the office of the collector. Keonjhar & DFO Keonjhar respectively. The required non forest land has already been allotted in our favour. The FDP & TWP has been forwarded by DFO, Keonjhar to RCCF, Raurkela by DFO Keonjhar. The NPV amount of Rs. 32,39,010/- has been deposited with DFO Keonjhar in compliance to the Hon'ble supreme Court direction following CEC recommendations. The Public Hearing for environment clearance on 25/02/2011 was conducted successfully.</p>
<p>Bhadrasai Iron & Mn. Mines (998.70 hect.) M/s. O.M.D.Co.Ltd</p>	<p>The lease period expired on 30.09.2010. The Forest Clearance co-terminus with lease period also expired on 30.09.2010. The RML application under M C Rule, 1960 & F C Act 1980 has been filed with in the stipulated time and the same is under process in the office of the collector. Keonjhar & DFO Keonjhar respectively. The required non forest land/degraded forest land for Compensatory Afforestation have been identified under Telkoi Tahsil and on verification & recommendation by the Forest & Revenue department of the district, same shall be allowed in our favour. The NPV amount of Rs. 12,79,37,610/- has been deposited with DFO Keonjhar in compliance to the Hon'ble supreme Court direction following CEC recommendations. The application for obtaining environment clearance for enhancement of production and renewal of mining lease is under process in MOEF, Govt. Of India. The public hearing to this effect was conducted on dated 03.11.2010 successfully.</p>

- b) The accounts has been prepared on Going Concern Basis, all Mining Lease are various stages of approval.

4. 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 NIL M.T. (Previous Year 2,04,158 M.T.) however has not been included to arrive at Company's production and therefore not shown under quantitative information vide para 9A below.
5. Dividend received during the year Rs. NIL (Previous Year Rs.281Lacs) from the Joint Venture Company (EIML) upto 31.03.2011.No further dividend has been declared by EIML.
6. Disclosures, as required under Accounting Standard (AS) – 15 (revised) on 'Employee Benefits', in respect of defined benefit obligations are :

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to Gratuity on terms not less favorable than the provisions of the Payment of Gratuity Act, 1972. The scheme is funded with Life Insurance Corporation of India in form of "Group Gratuity cum Life Insurance Scheme".

The Company also extends benefit of compensated absences to the employees, whereby they are eligible to carry forward their entitlement of earned leave and half pay leave for encashment. This is an unfunded plan.

The following tables summaries the components of net benefit/ expense recognised in the profit and loss account and balance sheet for the respective plans.

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

(Rs. In Lacs)

Sl. No.	Particulars	Leave Encashment including Half pay Leave
i)	Present value of projected benefit obligations, as at 31st March, 2010	168.30
ii)	Service Cost	35.87
iii)	Interest Cost	13.46
iv)	Actuarial gains (-)/ losses (+)	35.89
v)	Past service cost	–
vi)	Benefits paid	23.48
vii)	Present value of projected benefit obligations, as on 31st March, 2010 (i+ii+iii+iv-v-vi)	230.04

(b) **Expenses recognised in the statement of Profit & Loss Account for the year ended 31st March, 2011**

(Rs. In Lacs)

SI. No.	Particulars	Leave Encashment including Half pay Leave
i)	Service Cost	35.87
ii)	Interest Cost	13.46
iii)	Actuarial gains (-)/ losses (+)	35.89
iv)	Past service cost	–
v)	Expected return on plan assets	–
vi)	Amount charged to – Employees Remuneration and Benefits (i+ii-iii+iv+v)	85.22

(c) **Actuarial assumptions**

SI. No.	Description	As at 31 st March, 2011	
i)	Discount Rate (per annum)	8.00%	
ii)	Mortality rate	LIC (1994-96) ultimate	
iii)	Withdrawal rate (per annum)	Up to 30 years	3.00%
		31 to 44 Years	2.00%
		Above 44 Years	1.00%
iv)	Salary escalation	5.50%	
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.		

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

(Rs. in Lacs)

SI. No.	Particulars	Gratuity
i)	Present value of projected benefit obligations, as at 1st April, 2010	748.20
ii)	Service Cost	48.80
iii)	Interest Cost	59.85
iv)	Actuarial gains (-)/ losses (+)	147.71
v)	Past service cost	0.00

SI. No.	Particulars	Gratuity
vi)	Benefits paid	86.20
vii)	Present value of projected benefit obligations, as on 31st March, 2011 (i+ii+iii+iv-v-vi)	918.36

(e) **Expenses recognised in the statement of Profit & Loss Account for the year ended 31st March, 2011**

(Rs. in Lacs)

SI. No.	Particulars	Gratuity 31/03/2011
i)	Service Cost	48.80
ii)	Interest Cost	59.85
iii)	Actuarial gains (-)/ losses (+)	147.88
iv)	Past service cost	0.00
v)	Expected return on plan assets	60.16
vi)	Amount charged to – Employees Remuneration and Benefits (i+ii+iii+iv-v)	196.37

(f) **The amounts to be recognised in balance sheet and related analysis**

		31/03/2011
a)	Present value of obligation as at the end of the period	918.36
b)	Fair value of plan assets as at the end of the period	760.53
c)	Funded status / Difference	(157.83)
d)	Excess of actual over estimated	(0.17)
e)	Unrecognised actuarial (gains)/losses	—
f)	Net asset/(liability) recognised in balance sheet	(157.83)

(g) **Fair value of plan assets**

		31/03/2011
a)	Fair value of plan assets at the beginning of the period	646.89
b)	Acquisition adjustment	-
c)	Actual return on plan assets	59.99
d)	Contributions	139.85
e)	Benefits paid	(86.21)
f)	Fair value of plan assets at the end of the period	760.53
g)	Funded status	(157.83)
h)	Excess of actual over estimated return on plan assets	(0.17)

(h) **Actuarial assumptions**

SI. No.	Description	As at 31 st March, 2011	
i)	Discount Rate (per annum)	8.00%	
ii)	Mortality rate	LIC (1994-96) ultimate	
iii)	Withdrawal rate (per annum)	Up to 30 years	3.00%
		31 to 44 Years	2.00%
		Above 44 Years	1.00%
iv)	Salary escalation	5.50%	
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.		

7. **Retirement and Other Employee Benefits : Defined Contribution Plan :**

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.

8. **Director's Remuneration :**

	2010-2011 Rs. In Lacs	2009-2010 Rs. In Lacs
a) Chairman cum Managing Director:		
i) Salary.	5.50	2.11
ii) Contribution to Provident Fund & Superannuation Fund.	1.34	0.53
iii) Other Benefits actual and/or estimated.	4.45	2.14
Total	11.29	4.78

9. **Miscellaneous expenses include**

	2010-2011 Rs. In Crore	2009-2010 Rs. In Crore
Auditors' Remuneration(excluding Service Tax)		
For Audit Fees	2.00	1.50
For limited review	0.90	0.90
For Tax Audit Fees	0.60	0.60
For Other services	0.35	-
Audit Expenses	0.41	-

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

	Outstanding Balance as on 31.03.2011 Rs. In Lacs	Maximum Balance during the year Rs. In Lacs
Loans and advances in the nature of loans given to Associates		
Scott & Saxby Limited (Unsecured)	104.42 (104.42)	104.42 (104.42)
KDCL (Unsecured)	28.77 (28.77)	28.77 (28.77)

11. **STOCK ANALYSIS**

	Opening Stock		Production		Old Stock Retrieved	Sales		Closing Stock	
	2010-11 M.T.	2009-10 M.T.	2010-11 M.T.	2009-10 M.T.	2010-11 M.T.	2010-11 M.T.	2009-10 M.T.	2010-11 M.T.	2009-10 M.T.
Manganese Ore	16820	18899	13322	16624	13143	6507	18834	36778	16820
Iron Ore Transferred to SIP*	547250	488868	69836	563901	19379	222350 4341*	643323	409774	547250
Sub Grade Iron Ore	–	–	–	–	1215000	–	–	1215000	–
Sponge Iron	3804	1369	2423	8469	298	4209	5587	2316	3804

*Transfer of Iron Ore of 4341 MT to Sponge Iron Plant not included in sales quantity

The Closing Stock of Iron Ore includes sub grade stock of estimated 12,15,000 MT based upon Physical Verification conducted by the company as on 31.03.2011. The same is subject to third party verification and any variation on such verification shall be accounted for in the current year. The said material was not accounted for earlier as the same was considered unsalable and has now been taken into account due to emerging market for sub-grade.

The Closing Stock of Manganese Ore includes 13143 MT surplus (Old Stock Retrieved) as compared to Book Records based upon Physical Verification as on 31.03.2011 conducted by third party appointed by the company.

The Closing Stock of Iron Ore includes 19379 MT surplus (Old Stock Retrieved) as compared to Book Records based upon Physical Verification as on 31.03.2011 conducted by third party appointed by the company.

The Closing Stock of Sponge Iron includes 298 MT surplus (Old Stock Retrieved) as compared to Book Records based upon Physical Verification as on 31.03.2011 conducted by third party appointed by the company.

The stock is valued at Cost or Net Realisable Value which ever is lower.

CONSUMPTION OF RAW MATERIALS AT SPONGE IRON PLANT

	2010-2011		2009-2010	
	M.T.	Rs. in Lacs	M.T.	Rs. in Lacs
Coal	6490	95.69	21924	341.00
Dolomite	–	–	21	0.02
Others	–	–	–	0.43

[Consumption of Iron ore for the purpose of production of sponge iron 4060 M.T. (Previous year 12680 M.T.) has not been considered, this however does not have any effect on the overall profitability.]

12. Value of stores and Spare parts consumed

	2010-2011	2009-2010
(All indigenous) Rs. in Lacs	102.54	158.79

13. (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) As per the information available with the Company, none of the parties from whom the Company procures goods or receives services are enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006. Hence no disclosures thereof have been made.

14. 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 could not be ascertained and balances remaining in the concerned bank accounts are reflected as unpaid dividend balances.

15. Deferred Tax Assets (Net) comprises of the following :

	31.03.2011 Rs. in Lacs	31.03.2010 Rs. in Lacs
<u>Deferred Tax assets due to</u>		
Expenditure deductible on payment/deferred basis including provision for doubtful debts	476.83	54.04
Timing difference on account of		
<u>Deferred Tax Liability</u>		
Timing difference on accounts of	(93.69)	14.65
Depreciation of Fixed Assets		
Net Deferred Tax Assets	383.14	68.69

16. Earning per share

Earning per share has been computed as under

	31.03.2011	31.03.2010
(a) Profit/Loss after Taxation (Rs. in Lacs)	772.00	7443.76
(b) No. of Ordinary Shares	6,00,000	6,00,000
(c) Earning per Share (Face value Rs. 10/- per share (a)/(b) (Basic and diluted) (in rupees)	128.67	1240.64

17. The Company has made provision and expenditure as per guidelines of Central Government towards CSR Programme and incurred expenses of Rs.198.07 Lacs for 2009-10 and for 2010-11 Rs.46.00 Lacs.

18. 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 been approved by the Board as well as Shareholders of the company.
 - (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 of 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. 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 2010-11, the Company has incurred Rs. 6.52 lacs (Rupees Six lacs fifty two thousand only) under the said allotment and the same has been debited to Profit & Loss Account.
19. For Obtaining Forest Clearance for mining leases, NPV amounting Rs. 8174.60 Lacs has been deposited with District Forest Officer as per terms of MOEF. The said amount has been capitalised during the Year. The amount is to be amortised over the remaining period of the Forest Clearance from the date of payment. Accordingly the total amount amortised during the year is Rs. 1917.51 Lacs which includes Rs. 199 Lacs in respect of the period before 01.04.2010.
20. The Company has provided Rs. 286.56 Lacs (P.Y Nil) for Site Reclamation Fund during the Year.

21. The Company has provided in the Accounts of Rs 825 Lacs (P.Y Nil) for Salary and Wages revision during the Year for which the approval of the Government is awaited.
22. Impairment of Asset has been carried out during the year resulting in impairment loss of 105.94 lakhs.
23. The Company has given advance to a Public Sector Undertaking for office premises at NewDelhi of Rs.275.00 Lacs(P Y Nil) which has not been capitalized as Registration is pending.
24. The capital commitment of the Company is Rs. 95 Lacs (Rs.218 Lacs).
25. Consequent upon observation of the Statutory Auditor and the Comptroller & Auditor General of India during the course of audit under section 619(4) of the Companies Act, 1956 on the Accounts of the Company for the year ended 31st March, 2011 as adopted by the Board of Directors on 27th May, 2011 and Auditor's Report dated 27th May, 2011 certain changes have been made in the Accounts and Notes on Accounts. These changes have resulted in decrease in Profit after Tax by Rs. 1440.15 lacs, decrease in current liabilities and provisions by Rs.1009.02 lacs, decrease in current assets by Rs. 2143.31 lacs, decrease in net fixed assets by Rs. 96.74 lacs and increase in contingent liability of Rs 873 lacs.
26. Previous year's 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**

Firm Registration No.302052E
Chartered Accountants

On behalf of the Board

Sd/-
per P.K.GHOSH
PARTNER
(M. No. 002553)

Sd/-
Dr. Satish Chandra
Managing Director

Sd/-
A.K.Ghosh
CFO

Sd/-
A.Vij
Director

Sd/-
S.Das
Company Secretary

New Delhi, Dated the 26th July, 2011

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 2011		
	Date Month Year		

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

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

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

Total Liabilities	93058.01	Total Assets	93058.01
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Source of Funds

Paid up Capital	60.00	Reserve & Surplus	79892.11
Unsecured Loan	Nil		

Application of Funds

Net Fixed Assets	8541.35	Investment	687.73
Net Current Assets	70339.89	Deferred Tax Asset	383.14
Accumulated Loss	NIL	Misc Expenditure	NIL

(4) Performance of Company : (Amount in Rs. Lacs)

Turnover	4482.89	Total Expenditure	8581.49
Other Operating Income	493.88		
Other Income	4939.30		
Profit/Loss before Tax	1334.58	Profit/Loss after Tax	772.00
Earning per share in Rs.	128.67	Dividend Rate (%)	193

(5) Generic Names of The Principal Products/Services of Company (As per Monetary 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, 2011

	<u>31st March, 2011</u>		<u>31st March, 2010</u>	
	Rs. In Lacs	Rs. In Lacs	Rs. In Lacs	Rs. In Lacs
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before Tax		1,334.58		11,225.57
Adjustments for :				
Depreciation/Amortisation	2,151.36		254.79	
Interest Income	(4,936.37)		(6,851.50)	
Dividend Income	(2.93)		(284.66)	
Unspent Liabilities no longer required w/b.	124.37		(14.13)	
Provision for doubtful debt/advances	162.36		20.91	
Provision for WIP/Stock	0.44		11.57	
Impairment loss	105.94		13.17	
Loss on sale of Investments	23.40	(2,371.43)	51.28	(6,798.57)
Operating Profit Before Working Capital Changes		<u>(1,036.85)</u>		<u>4,427.00</u>
Movement in Working Capital for :				
(Increase)/Decrease in Inventories	(20.28)		(1,112.61)	
(Increase)/Decrease in Sundry Debtors	(95.26)		(150.55)	
(Increase)/Decrease in Loans & Advances	812.76		45.48	
Increase in Trade Payable	554.57	1,251.79	(671.40)	(1,889.08)
Cash generated from operations		214.94		2,537.92
Direct taxes Paid		296.82		(3,113.00)
Net Cash Flow from Operating Activities		511.76		(575.08)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Asset	(8,551.31)		(137.16)	
Sale of Investments	100.00		258.59	
Interest received	3,872.82		7,260.48	
Dividend received	2.93		284.66	
Net Cash used in Investing Activities		(4,575.56)		7,666.57

C CASH FLOW FROM FINANCING ACTIVITIES

Payment of Dividend and Dividend Tax	(1,304.31)	(3,179.42)
Net Cash used in financing activities	(1,304.31)	(3,179.42)
Net Increase / (Decrease) in Cash & Cash Equivalent (A+B+C)	(5,368.11)	3,912.07
Cash & Cash Equivalents as on 01.04.2010	75,703.52	71,791.45
Cash & Cash Equivalents as on 31.03.2011	70,335.41	75,703.52

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

As per report of even date.

For **SARMA & CO**

Firm Registration No.302052E
Chartered Accountants

On behalf of the Board

Sd/-
per P.K.GHOSH
PARTNER
(M. No. 002553)

Sd/-
Dr. Satish Chandra
Managing Director

Sd/-
A.K.Ghosh
CFO

Sd/-
A.Vij
Director

Sd/-
S.Das
Company Secretary

New Delhi, Dated the 26th July, 2011

ENTRANCE PASS

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

ATTENDANCE SLIP : 93RD ANNUAL, GENERAL MEETING ON 16TH SEPTEMBER, 2011 AT 11.00 A.M. AT PURBASHREE AUDITORIUM OF EASTERN ZONAL CULTURAL CENTRE, IB-201, SECTOR-III, SALT LAKE CITY, KOLKATA- 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 himof.....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 Friday, 16th September, 2011 and at any adjournment thereof.

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

No. of shares held

Signed this day of September, 2011.

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.