

**94TH ANNUAL REPORT & ACCOUNTS
FOR THE YEAR ENDED
31ST MARCH, 2012**



THE ORISSA MINERALS DEVELOPMENT COMPANY LIMITED

(A GOVERNMENT OF INDIA ENTERPRISE)

“SOURAV ABASAN”

2ND FLOOR

AG – 104, SECTOR – II

SALT LAKE CITY

KOLKATA – 700 091

Tel : 033-4016 9200

Fax : 033-4016 9267

E-mail : info.birdgroup@nic.in

Website : www.birdgroup.gov.in

BOARD OF DIRECTORS

Shri Amrendra Prasad Choudhary
Dr. Satish Chandra
Shri E.K. Bharat Bhushan
Shri Umesh Chandra
Shri Harsh Mahajan
Shri Ashok Vij
Smt Uma Menon
Shri T. Chattopadhyay

Ex-Officio Non Executive Chairman
CEO & Managing Director
Government of India, Nominee Director
Ex-Officio Non Executive Director
Non Executive Independent Director
Non Executive Independent Director
Non Executive Independent Director
Non Executive Independent Director, Nominee of LICl

CFO

Shri. T. K. Saha

SECRETARY

Smt. S. Das

AUDITORS

M/S N. C. Banerjee & Co.
Chartered Accountants

BANKERS

State Bank of India
State Bank of India
State Bank of India
State Bank of India
Bank of Baroda
Standard Chartered Bank
Bank of India
Oriental Bank of Commerce
Axis Bank
IDBI Bank
Corporation Bank

(Bikash Bhavan, GOC, Salt Lake, Kolkata)
(Barbil, Orissa)
Lewis Road Branch, Bhubaneswar
Swasthya Vihar Branch, Delhi
(Barbil, Orissa)
(M. G. Road, Kolkata)
(Salt Lake, Kolkata)
(Salt Lake, Kolkata)
(Salt Lake, Kolkata)
(Salt Lake, Kolkata)
(Salt Lake, Kolkata)

REGISTERED OFFICE

“Sourav Abasan”
2nd Floor, AG-104
Sector-II
Salt Lake City
Kolkata-700091
Tel : (033) 4016-9200
Fax : (033) 4016-9267
E-mail : info.birdgroup@nic.in
Website : www.birdgroup.gov.in

**REGISTRAR AND
TRANSFER AGENT**

CB Management Services (P) Ltd.
P-22, Bondel Road, Kolkata-700019
Phone : (033) 4011-6700/11/18/23
Fax : (033) 4011-6739
E-mail : rta@cbmsl.com

MINES OFFICE

P.O Thakurani,
Via – Barbil,
Dist. Keonjhar,
Odisha - 758035
Tel : (06767) 275218/
379/382
Fax : (06767) 275530
E-mail : omdctk@dte.vsnl.net.in

BOARD OF DIRECTORS



Shri A. P. Choudhary
Chairman



Dr. Satish Chandra
Managing Director



Shri Umesh Chandra
Director



Shri E.K. Bharat Bhushan
Director



Shri Ashok Vij
Director



Shri Harsh Mahajan
Director



Smt. Uma Menon
Director



Shri Tapasendra Chattopadhyay
Director

VISION AND MISSION

VISION

- To become a world class, socially responsible, green mining Company maximizing value of all stakeholders.

MISSION

- To ensure sustainable growth of the Company by having synergy with all stake holders and maximization of returns, while following best practices of corporate governance and promoting ecological balance and mineral conservation.
- To ensure high level of customer satisfaction.
- To achieve international standards of productivity by scientific mining & adequate thrust on R & D, power consumption, environmental standards, preservation of flora & fauna, water resources.
- To share developmental benefits with people living in & around mines, while improving the welfare of employees.
- To expand the mining activities in other minerals like Coal, Chromites and other rare minerals in & outside the country by acquiring new mines.

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NOTICE

Notice is hereby given that the 94th Annual General Meeting of The Orissa Minerals Development Company Limited will be held at Purbashree Auditorium of Eastern Zonal Cultural Centre at Bhartiyam Cultural Multiplex, IB-201, Salt Lake, Kolkata-700 106 on Wednesday, the 19th day of September, 2012 at 11.00 AM to transact the following business :

Ordinary Business :

1. To receive, consider and adopt the Statement of Profit & Loss of the Company for the year ended 31st March, 2012 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 Ashok Vij, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Smt Uma Menon, who retires by rotation and, being eligible, offers herself for re-appointment.
5. To fix remuneration of Auditors under provision of section 224(8)(aa) of the Companies Act, 1956.

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

"RESOLVED THAT

pursuant to Section 224(8)(aa) of the Companies Act, 1956, that the Statutory Auditors of the Company, appointed by the Comptroller & Auditor General of India for the financial year 2012-13 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:

6. To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution.

"RESOLVED THAT

pursuant to provision of Section 16, 94 and other applicable provisions, if any, of the Companies Act, 1956 ("the Act") or any other law for the time being in force (including the statutory modification and re-enactment thereof) and subject to such approval(s), confirmation(s), as may be required under any other law for the time being in force, the consent of the Company be and is hereby accorded for sub-division of the existing equity shares of face value of ₹10/- each into 10 equity shares having face value of ₹1/- (Rupee One) per equity shares with effect from the record date to be determined by the Board of Directors of the Company and consequently Clause V of the Memorandum of Association of the Company be and is hereby altered and replaced with the following Clauses :

V. "The Authorised Share Capital of the Company is ₹60,00,000/- (Rupees Sixty Lacs Only) divided into 60,00,000 (Sixty Lacs Only) Equity Shares of ₹1/- (Rupee One Only) each."

"RESOLVED FURTHER THAT

the existing share certificate(s) in relation to the equity share capital held in physical form be cancelled and new share certificate(s) be issued in respect of the equity shares held by the members of the Company consequent upon the sub-division of the equity shares as aforesaid and in case of shares held in dematerialization form, the sub-divided equity shares be credited to the respective demat accounts of the beneficiaries in lieu of the existing shares held by them."

"RESOLVED FURTHER THAT

the Board of Directors of the company be and are hereby authorized to do all such acts, deeds, matters and things as it may consider necessary, expedient usual or proper including cancellation or rectification of the existing share certificates in lieu of old certificates and to settle any question or difficulty that may arise in regard to the sub-division of shares as aforesaid."

7. To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT

pursuant to the provisions of Section 31 and all other applicable provisions, if any, of the Companies Act, 1956 ("the Act") or any other law for the time being in force (including any statutory modification or re-enactment thereof) the existing clause 7 of the Articles of Association of the Company be substituted with the new set of Articles of Association of the Company.

"Clause 7 of the Article of Association of the Company be and is hereby altered and replaced with the following Clause :

"The Share Capital of the Company is ₹60,00,000/- (Rupees Sixty Lacs Only) divided into 60,00,000 (Sixty Lacs Only) Equity Shares of ₹1/- (Rupee One Only) each."

"RESOLVED FURTHER THAT

the Board of Directors of the company be and are hereby authorized to do all such acts, deeds, matters and things as it may consider necessary, expedient usual or proper including cancellation or rectification of the existing share certificates in lieu of old certificates and to settle any question or difficulty that may arise in regard to the sub-division of shares as aforesaid."

8. To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT

Shri E K Bharat Bhushan , who was appointed as an Additional Director of the Company and who holds office as such upto the date of the ensuing Annual Gneral 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 E K Bharat Bhushan, 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."

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: 11th August, 2012

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. THE PROXIES, IN ORDER TO BE VALID AND EFFECTIVE, MUST BE DELIVERED TO THE REGISTERED OFFICE OF THE COMPANY AT LEAST FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- b) Members / Proxies are requested to bring their admission slips along with copy of the Annual Report to the Annual General Meeting.
- c) 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 representatives to attend and vote on their behalf at the Meeting.
- d) Register of Members and Share Transfer Books for the equity shares of the Company will remain closed from Wednesday, September 12, 2012 to Wednesday, September 19, 2012 (both days inclusive).
- e) The Dividend, after declaration, will be paid to those shareholders, whose names stand on the Register of Members on 19th September, 2012. 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 hours of 12th September, 2012. The dividend shall be paid on and from 5th October, 2012.
- f) 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 Registrar and 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 ECS (Electronic Clearing System) route at the specified centers are requested to furnish the relevant details in the form provided.
- g) Members can avail of the nomination facility by filing (Form 2B) with the Company. Blank forms will be supplied on request.
- h) 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.
- i) To receive all communication promptly, please update your address registered with the Company or Depository Participant, as may be applicable.
- j) Pursuant to Section 205A and 205C of the Companies Act 1956, the Company is required to transfer unpaid dividends remaining unclaimed and unpaid for the period of 7 years from the due date(s) to the Investor Education and Protection Fund (IEPF) set up by the Central Government.

Unclaimed final dividend for the year 2004-05 is due for transfer to Investors' Education and Protection Fund (IEPF) established by Government of India on or after 20th October, 2012. All shareholders, whose dividend is unpaid, are requested to lodge their claim with M/s CB Management Services (P) Limited, the Registrar & Transfer Agents of the Company by submitting an application latest by 15th September, 2012. Kindly note that no claims will lie against the Company or the IEPF once the dividend amount is deposited in IEPF.

Members who have not encashed their dividend warrants within their validity period may write to the Company at its Registered Office or CB Management Services (P) Limited, Registrar & Transfer Agents of the Company, for revalidating the warrants or for obtaining duplicate warrants/ or payment in lieu of such warrants in the form of demand draft.

KIND ATTENTION OF SHAREHOLDERS HOLDING SHARES IN PHYSICAL FORM

The Shares held by you in physical form can be easily dematerialized i.e. converted into electronic form. The various benefits derived out of dematerialization of shares are:

1. Immediate transfer of securities.
2. No stamp duty on transfer of securities.
3. Elimination of risk associated with physical certificates such as bad delivery, fake securities, etc.
4. Reduction in paperwork involved in transfer of securities.
5. Reduction in transaction cost.
6. Nomination facility.
7. Changes in address recorded with DP get registered electronically with all Companies in which investor holds securities in demat form, eliminating the need to correspond with each of them separately.
8. Transmission of securities is done by DP eliminating correspondence with Companies.
9. Convenient method of consolidation of folios/accounts.
10. Automatic credit into demat account, of shares, arising out of split/ consolidation / merger;

You are, therefore, requested to:

- a) Approach any Depository Participant (DP) of your choice for opening a Demat Account.
- b) Fill in a Demat Request Form (DRF) and handover the relative physical share certificate(s) to your DP for Dematerialization of your shares.

Shares will get converted into electronic form and automatically credited to your Demat Account.

Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued a Circular stating that service of notice/ documents including annual report can be sent by e-mail to its members. We request you to join us in this noble initiative and look forward to your consent to receive the annual report in electronic form. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participant. Members who hold shares in physical form are requested to register the same with OMDC Limited or our Registrar and Transfer Agent, M/S C B Management Services (P) Ltd, P-22, Bondel Road, Kolkata - 700 019 to enable the Company to send the Annual Reports through e-mail instead of physical form.

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

Name of the Directors	Shri Ashok Vij	Smt. Uma Menon	Shri E K Bharat Bhushan
Date of Birth	05-05-1955	17-11-1972	14-01-1955
Date of Appointment	06-04-2010	06-04-2010	02-08-2012
Qualification	B.Com, FCA and Associate Member of the Institute of Internal Auditors Inc. Florida (U.S.A) Delhi Chapter.	M.Sc in Environmental Studies PG diploma in Journalism.	M.A. in English Language and Literature from Kerala University. M.P.A (Harvard University, U.S.A)-Edward Mason International Fellow. Negotiation Analysis, International Trade and National Resource Economics. He was IAS of 1979 batch of Kerala Cadre.
Experience	Mr Vij is a Senior Partner in M/s Lamba Vij & Co., a reputed firm of Chartered Accountants, with offices at Shimla, H. P. and New Delhi. He has over thirty-two years of professional experience in servicing medium and large companies including multinational companies in the areas of Audit, Taxation and Business Advisory Services. He has served as a Director on the Board of Oriental Bank of Commerce (Sept'89 to Mar'95) and Indian Overseas Bank (Apr'95 to Mar' 00) as a nominee of the Govt. of India. He is presently serving as an Independent Director on the Boards of Allahabad Bank and Principal PNB Asset Management Company Private Limited etc. He is also President of H.P. Chambers of Commerce & Industry, and Hon'y General Secretary of the Himachal Pradesh Tennis Association.	Smt. Menon is associated with Indian Institute of Sustainable Development as Director, working towards sustainable development in mines and mine closings. She was awarded by the Indo-Russian Centre as "Outstanding woman of the year 2007" -Environment. She is founder of "Proactive Earth Care Society", an NGO working with children to create environmental awareness.	Presently Mr. Bhushan is Additional Secretary and Financial Adviser of Ministry of Steel, Govt. of India. He has more than 30 years of experience working in different departments of Govt. of India.

Directorship Details	<ol style="list-style-type: none"> 1) The Orissa Minerals Development Company Limited. 2) Dedicated Digital Machines Private Limited. 3) Principal Pnb Asset Management Company Private Limited. 4) India Professional Services and Investments Limited. 5) Allahabad Bank 6) Lamba Vij & Company (Firm) 	<ol style="list-style-type: none"> 1) The Orissa Minerals Development Company Limited. 2) The Bisra Stone Lime Company Limited. 3) Eastern Investments Limited. 	<ol style="list-style-type: none"> 1) SAIL 2) NMDC Limited 3) KIOCL Limited 4) MECON Limited 5) OMDC Limited 6) BSLC Limited 7) EIL Limited
Membership of Committees	<ol style="list-style-type: none"> 1) Audit Committee of OMDC – Chairman. 2) Remuneration Committee of OMDC – Member. 	<ol style="list-style-type: none"> 1) Audit Committee of BSLC, EIL– Member 2) Shareholders/ Investors – Grievance Committee OMDC (Chairperson), BSLC (Chairperson), EIL (Chairperson). 3) Remuneration Committee of EIL and BSLC--Member 	<p align="center">Nil</p>
Number of Shares held in the Company	<p align="center">Nil</p>	<p align="center">Nil</p>	<p align="center">Nil</p>

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.**Item No. 6 & 7**

The Equity Shares of The Orissa Minerals Development Company Limited are listed and are actively traded on National Stock Exchange of India Limited (NSE), Calcutta Stock Exchange and got trading permission under permitted category at Bombay Stock Exchange. The face value of the company's equity share is ₹10. The market price of the shares of the Company has witnessed significant growth over the past few years and are presently traded at above ₹50000. In order to improve the liquidity of the Company's share in the stock market and to make it affordable to Small Investors it has been decided by the Board of Directors in its meeting held on 11th August, 2012 to sub-divide the face value of shares of OMDC of ₹10 each into ₹1 each. It is proposed that in order to give effect to the proposal of sub-division of shares, the Memorandum of Association of the Company be amended to reflect the alteration of the Capital structure of the company. Such a proposal requires an Ordinary Resolution to be passed at the General Meeting. Hence Resolution under **Item No. 6** has been proposed by the Board of Directors.

Further the aforesaid sub-division of shares would also require substitution of Clause 7 of the Article of Association of the company. Such a proposal requires Special Resolution to be passed at the General Meeting. Hence Resolution under **Item No. 7** has been proposed by the Board of Directors.

The authority is sought to be given to the Company to issue fresh Equity Share Certificates of the denomination of ₹1 each to the members of the company in place of existing Equity Share Certificates of ₹10 each.

None of the Directors of the Company are in any way concerned or interested in the said resolutions.

Item No. 8

Shri E K Bharat Bhushan, Additional Secretary & Financial Adviser, Ministry of Steel, Govt of India was inducted in the Board as an Additional Director of the Company effective from 2.08.2012 pursuant to the provision of Section 260 of the Companies Act, 1956 and Article No. 94 of the Articles of Association of the Company.

Shri Bhushan holds office till the date of the ensuing Annual General Meeting of the Company. A Notice from a member of the Company under Section 257 of the Companies Act, 1956 has been received proposing, the appointment of Shri E K Bharat Bhushan as a Non-Executive Director of the Company.

Your Directors recommend his appointment in the interest of the Company.

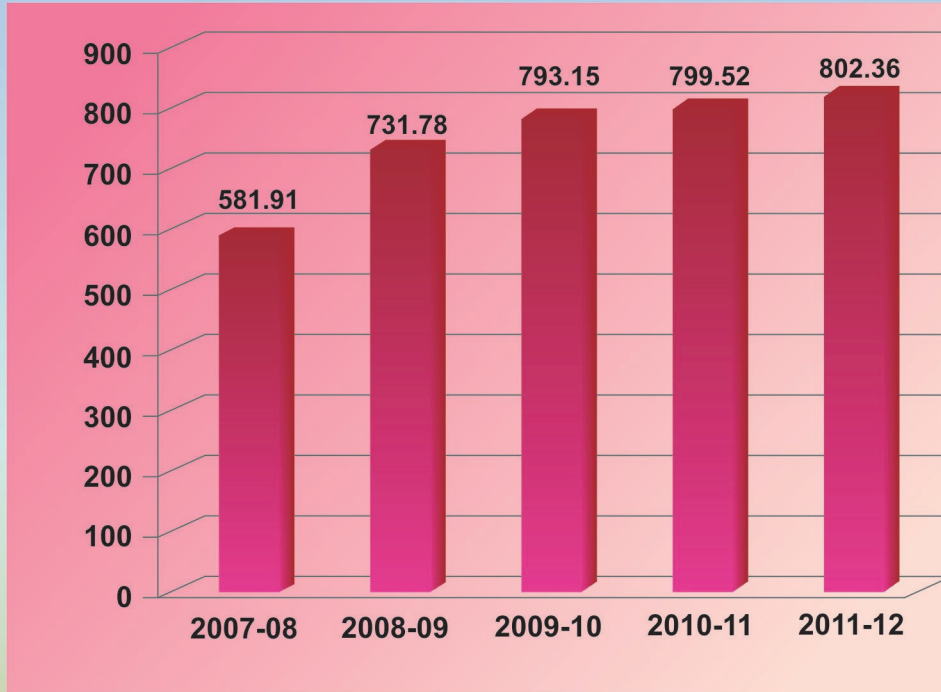
No other director except Shri E K Bharat Bhushan in his personal capacity is interested or concerned in the Resolution.

PHYSICAL AND FINANCIAL PERFORMANCE FOR LAST FIVE YEARS AT A GLANCE

Particulars	2007-08	2008-09	2009-10	2010-11	2011-12
Production - Lakh Tonnes					
Iron Ore	17.28	16.60	5.64	0.70	–
Manganese Ore	0.82	0.32	0.17	0.13	–
Sponge Iron	0.11	0.03	0.08	0.02	–
Sales - Lakh Tonnes					
Iron Ore	16.63	17.34	6.43	2.22	–
Manganese Ore	0.86	0.26	0.19	0.07	–
Sponge Ore	0.17	0.02	0.06	0.04	0.01
Finance - ₹ in crores					
Turnover	246.31	271.81	82.35	44.83	1.53
Gross Margin	227.88	289.29	114.81	38.71	7.01
Profit Before Tax	224.46	286.24	112.26	13.34	8.28
Profit After Tax	148.84	181.81	74.44	7.72	3.44

GRAPH REPRESENTING NET WORTH FOR LAST 5 YEARS

■ (₹) In Crores





Mr. A.P. Choudhary, Chairman

Chairman's Speech at the 94th Annual General Meeting on 19th September, 2012

Dear Shareholders,

I feel extremely privileged and delighted in welcoming all of you to the 94th **Annual General Meeting** of your Company. I take this opportunity to thank all the stake holders and look forward to your continued support. You will be happy to know that your Company has been accorded the status of Schedule "B" Central Public Sector Enterprise (CPSE) with

effect from 19th March, 2010 by Department of Public Enterprises (DPE) in consultation with Ministry of Steel, Government of India.

It is my pleasure to inform you that Kolha-Roida mines has obtained Environment Clearance (EC) on 23rd July, 2012 from Ministry of Environment and Forest. As a result, Kolha-Roida mines has started development work and mining operation will be resumed shortly.

The Directors' Report and the Audited Statement of the Accounts for the year 2011-12 and the Notice to the Shareholders have already been circulated and with your permission, I take them as read.

1) Steel Industry

Being the basic material for development of economic and social infrastructure, steel is used for producing capital goods as well as final consumption goods. As a result, there is a direct relationship between economic growth as measured by gross domestic product and demand for steel and this in turn will increase the demand of iron and manganese ore as well.

As per World Steel Association, India's Steel use is forecast to grow by 6.9% in 2012, nearly double the estimated global average of 3.6%. In 2013, the growth rate is forecast to accelerate to 9.4% on the back of urbanization and surging infrastructure investment. GOI has a target of doubling infrastructure investment in 12th Plan to one trillion USD from 500 billion USD in 11th Plan.

2) Operating Performance of Your Company

In 2011-12, the Indian iron ore mining industry has been severely affected by regulation, policy and other environmental concerns, which have also impacted the performance of your Company. The closure of mining operation in all six mines in Odisha, due to non-renewal of mining leases and non-receipt of forest and environmental clearance, brought the Company operations to a standstill.

The revenue from operations was just ₹152.54 lacs against ₹4482.89 lacs from the previous financial year 2010-11. However, other income at ₹5965.58 lacs in 2011-12 increased by 10.27% in comparison to the previous year 2010-11. However, the Company's profitability was severely dented with PAT registering a fall of 55.40% in 2011-12 against the previous year's Profit after tax of ₹772 lacs.

3) Dividend for the Year 2011-12

We have continued our practice to consistently reward our shareholders with dividend, though low, basically on account of closure of mining operation due to non-availability of forest and environment clearance. Nevertheless, judicious investment of reserves has helped the Company to recommend dividend of ₹8.61 per equity share of ₹10/- for the year 2011-12. The total dividend payout for the year 2011-12 works out to be ₹60.04 lacs inclusive of ₹8.38 lacs towards tax on dividend.

4) Corporate Governance

Your Company believes in and practices good Corporate Governance in all its operations and reiterates its commitment to achieve the highest standard of Corporate Governance. In order to achieve this, OMDC is in the process of implementation of the Integrity Pact in the Organization, has adopted ethical code of conduct and has laid down a well-defined Internal Control framework to add transparency to the Company's business practices. Your Company has complied with the Listing Agreement of Stock Exchange on Corporate Governance as well as Corporate Governance Guidelines issued by DPE. A report on Corporate Governance along with certificate on Compliances of Corporate Governance Guidelines forms part of the Directors' Report.

The Ministry of Corporate Affairs has taken a "Green initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued a Circular stating that service of notice/ documents including annual report by a Company can be made through electronic mode.

Keeping in view the underlying theme and the circular issued by MCA, your Company is sending documents like the notice calling the annual general meeting, audited financial statements, director's report, auditor's report etc. for the year ended 31st March, 2012, in electronic form, to the e-mail address provided by you and made available to us by the Depositories.

We request our members to join this green initiative of the Government in true spirit by getting their e-mail addresses registered with their concerned Depository Participant, in respect of electronic holdings. Members who hold their shares in physical form are requested to register the same with OMDC Limited or our Registrar and Transfer Agent M/s C B Management Services (P) Ltd , P-22, Bondel Road, Kolkata - 700019 to enable the Company to send the Annual Reports through e-mail instead of physical form.

5) Corporate Social Responsibility (CSR)

OMDC has contributed to economic development and improving the quality of life of internal as well as external stakeholders and society at large with its continued commitment towards Corporate Social Responsibility and ethical behavior. Your Company has undertaken a number of CSR initiatives in the area of health, safety, water supply facilities, sport and culture, peripheral development etc. for people living in and around the mines of the Company.

6) Looking Ahead

The following will continue to be our strategic thrust areas for the year 2012-13.

Future Outlook: Your Company is gearing to leap forward and take the production of Iron Ore to 2 million tonnes in next year and upto 10 million tonnes in a phased manner in near future. The Company's growth prospect has been detailed in Corporate Plan of OMDC for the period 2012-22. The growth plan also envisages 2 MTPA of Beneficiation Plant and 2 MTPA of Palletisation plant for which Techno-Economic Feasibility Report has been prepared by M/s M N Dastur & Company (P) Limited. Formalities have been completed for obtaining single window clearance from Government of Odisha in regard to land, electricity and water.

Getting Forest and Environment Clearance: Management has taken number of measures to obtain requisite forest and environment clearances for all the balance mines and good progress has been made towards getting these clearances. The Company will endeavour to open most of the mines during the financial year 2012-13.

Safety: Safety will continue to be of paramount importance at each stage of our operations. 'Safety Code' booklet has been made and issued for information and compliance by all employees. Other developmental programs were also taken up for creating awareness, educating the employees about safety precautions and updating them about the developments in the field.

Energy Conservation: Mining involves exhaustion of natural resources. Therefore, it is essential to conduct extraction activities with minimal peripheral impact on the environment. Company takes every possible step toward conserving energy, water, environment and other natural resources.

We will therefore continue our focus on people development, learning and other engagement initiatives toward making our organization an exemplary workplace.

7) Sustainability

OMDC remains committed to sustainable development, which focuses on maintaining a pre-eminent position in safety, health and environmental practices, and in contributing to the development of communities where it operates. The Company continues to take a proactive role in providing employees a safe working environment through responsibility, training, monitoring, and implementing the best safety practices.

Acknowledgement

I would like to take this opportunity to thank all the shareholders of the company for their continued support and encouragement. I would also like to thank and acknowledge the immense contributions made by the employees for their dedicated services. On behalf of the Company and the shareholders, I also want to put on record my sincere thanks for the guidance and cooperation extended by the Ministry of Steel, Government of India, Ministry of Mines, Ministry of Environment and Forest, Ministry of Corporate Affairs, Government of West Bengal and Odisha and other Departments of Government of India.

Thank you and Jai Hind.

A. P Choudhary
Chairman

Dated: 19th September, 2012

Place: Kolkata

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2012

Dear Members,

On behalf of the Board of Directors of the Company, I take great pleasure in presenting the 94th Annual Report of the Company for the financial year ended 31st March, 2012, together with the Audited Statements of Accounts, the Auditors' Report and Comments on the Accounts by the Comptroller and Auditor General of India.

1. FINANCIAL RESULTS

The financial results of OMDC for the year 2011-12 in comparison with previous financial year 2010-11 are highlighted here in **Table I** below :

TABLE I

Particulars	For the Year ended 31-03-2012 (₹ in Lacs)	For the Year ended 31-03-2011 (₹ in Lacs)
Income:		
Revenue From Operations	152.54	4482.89
Other Income	5965.58	5409.78
Total Income	6118.12	9892.67
Total Expenditure	5416.71	6021.70
Total Expenditure including Prior Period Items & Extraordinary Items	5426.27	6406.73
Profit & Loss after charging all expenses but before providing for depreciation	691.85	3485.94
Depreciation	(136.65)	2151.36
Net Profit Before Tax	828.50	1334.58
Provision For Tax (Net)	(484.16)	(562.58)
Net Profit After Tax	344.34	772.00
Balance B/F from Previous Year	47985.41	47425.64
Profit available for Appropriations	48329.75	48197.64
Appropriations :		
General Reserve	34.43	77.20
Proposed Dividend	51.66	115.80
Dividend Tax	8.38	19.23
Surplus carried to Balance Sheet	48235.28	47985.41

The reason of shortfall in revenue was due to the closure of mining operation in all six(6) mines of OMDC for non availability of forest and environment clearance. This has constrained its ability to encash market potential resulting from buoyant market conditions.

Management has taken measures to obtain requisite forest and environment clearance which are at advance stage. Kolha-Roida mines of OMDC has already obtained Environment Clearance from Ministry of Environment and Forest (MOEF). OMDC has obtained requisite Forest Clearance (FC) for Dalki Manganese Mines and Bagiaburu Iron Ore Mines and completed almost all the formalities for environment

clearance in regard to remaining mines. The Company will endeavour to open rest of the five(5) mines during the financial year 2012-13.

2. REVIEW OF THE FINANCIAL PERFORMANCE

During the year under review your Company has recorded sales of ₹152.54 lacs compared to ₹4482.89 lacs in previous financial year 2010-11 showing decrease of 96.60%. However, other incomes of ₹5965.58 lacs in 2011-12 was increased by 10.27% in comparison to previous year 2010-11 of ₹5409.78 lacs. Profit before tax during the financial year 2011-12 stood at ₹828.50 lacs as compared to ₹1334.58 lacs for the previous financial year 2010-11 registering a decline of 37.92%. Profit after tax had been ₹344.44 lacs dipped by 55.40% over ₹772.00 lacs during the previous financial year 2010-11. The set back to financial performance was basically the closure of function of mining operation. The Company has generated Revenue from sale of Sponge Iron of ₹1.53 crores only during the financial year 2011-12.

Closure of Mines owing to non-availability of forest and environmental clearance coupled with the restriction imposed on the transportation of minerals have affected production and despatches adversely and this resulted in fall in sales realization by 96.60%.

3. DIVIDEND

Based on the financial results, your Board is pleased to recommend for the year a dividend of ₹8.61 per equity share of ₹10/- each despite of negligible operating income. This would involve a cash outgo of ₹60.04 lacs inclusive of ₹8.38 lacs towards tax on dividend.

The financial outgo on account of dividend in 2011-12 has been the lowest in last five years basically on account of closure of mining operation due to non-availability of forest and environment clearance. Nevertheless, judicious investment of reserves help the Company to recommend dividend of ₹8.61 per equity share of ₹10/- for the year 2011-12.

4. OUTPUT AND DESPATCH

Closure of all six mines, owing to non availability of forest and environmental clearance have affected production and dispatches adversely which resulted in severe set back to sales realization by 96.60% resulting in negative growth in profitability.

5. OTHER INCOME

Your Company continued its prudent cash planning during the year and deployed the surplus funds in fixed deposits as per the Government Guidelines and earned an interest income of ₹56.34 crores on fixed deposits against ₹47.85 crores during the last year 2010-11.

6. FUTURE OUTLOOK

The Management of your Company has made a Corporate Business Plan 2012-2022 which envisages increase in Iron Ore production from 2 million tonnes to 10 million tonnes and Manganese ore from 0.4 million tonnes to 1 million tones, besides installation of 2 MTPA Iron Ore Beneficiation Plant and 2 MTPA Pelletisation Plant at Thakurani, District-Keonjhar, Odisha. It is hope that in near future all the six mines of OMDC will come in operation and the leases will get renewed in favor of OMDC. This will facilitate the Company to make investments in development of mines and procurement of mining equipments, besides investment in Beneficiation and Pelletisation Plant for which Techno-economic feasibility report has already been prepared by M/s M.N. Dastur & Company (P) Limited.

In order to expand the activities of the Company in all possible areas, keeping in view the value addition, your Company has planned to have MOU with M/s KIOCL, PSU under Ministry of Steel,

having experience of running Pelletisation Plant. The MOU will help OMDC to put up 2 million tonnes Beneficiation Plant and 2 million tonnes Pelletisation Plant for which formalities have been completed for obtaining single window clearance from Government of Odisha in regard to land, electricity and water.

7. PSU STATUS

You will be happy to know that your Company has been accorded the status of Schedule "B" Central Public Sector Enterprise (CPSE) with effect from 19th March, 2010 by Department of Public Enterprises (DPE) in consultation with Ministry of Steel, Government of India.

8. MOU SIGNED WITH RASHTRIAYA ISPAT NIGAM LIMITED (RINL) FOR THE YEAR 2012-13

Your Company being a PSU has signed Memorandum of Understanding (MOU) with Rashtriya Ispat Nigam Limited (RINL) for the year 2012-13 as per the MOU approved by the Task Force appointed by DPE. The performance of the Company will be evaluated based on the performance parameter set in MOU. As per MOU, the estimated turnover of 2012-13 is ₹221 crores with gross margin of ₹185 crores. This was made with the assumption that the mining operation in Kolha-Roida mines would be resumed with effect from April 2012 after getting environment clearance.

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

Performance of Joint Venture Company East India Minerals Limited (EIML) was also affected during the year because of the ongoing crisis resulted from complete stoppage of the mining operation. The revenue earned by EIML during the year 2011-12 through sale of wind electricity stood at ₹148.69 lacs against ₹506.49 lacs during the previous year 2010-11. The Company registered loss of ₹258.79 lacs during the year 2011-12 in comparison to loss of ₹467.88 lacs in the previous year.

10. STATUS OF RENEWAL OF THE MINING LEASES:

I. DALKI MANGANESE MINES

(1)	Name of the Lease/area	Dalki Manganese Mines (266.77 Hect) M/s B.P.M.E. Ltd. Lease Expired on 30.09.1994
	Renewal of Mining Lease	<ol style="list-style-type: none"> 1. The 3rd Renewal of Mining Lease application was filed on 13.09.1993 for a period of 20 years w.r.t. 01.10.1994 to 30.09.2014. The mining operation was stopped after rejection of renewal application by the State Government vide letter No. 12764/SM dated 24.08.2006. An appeal was filed in Ministry of Tribunal & Ministry of Mines, Government of India, which has been disposed of the appeal on 14.05.2010 setting aside the rejection order of the State Government and directing State Government to maintain the status quo as existing prior to rejection order. 2. The State Government has been requested by the Company to issue permission to start mining operation. 3. Dy. Director of Mines, Joda as well as Director of Mines have sought for some clarifications towards operation of Dalki Manganese Mines. The matter is under consideration at the Government level.
	Status of Pending Forest Clearance	Forest clearance is available and valid up to 30.09.2014.

	<ol style="list-style-type: none"> 1. NPV amount of ₹4.75 crores as demanded paid to forest department, Government of Odisha. 2. Wild Life Management plan in respect of the area has been approved by PCCF(WL). 3. NOC for Ground Water Management Plan obtained from CGWBA (Central Ground Water Board Authority), GOI. 4. Agreement for drawing water has been signed with the State Irrigation Department. 5. DGPS map for boundary survey has been prepared through ORSAC a Nodal agency of Government of Odisha on payment of cost. Delineation of the forest land in the M.L area is to be taken up by ORSAC/Empanelled listed agencies (under process) 6. Pillar posting for demarcation of M.L boundaries since completed. Separate pillar posting for forest boundary is under progress confirming to the recent guidelines of the State Government.
Status of Environment Clearance	The final presentation before members of Expert Appraisal Committee (EAC) was held on 20.07.2011 and EAC has approved the project. But MOEF has asked the Government of Odisha to register the case against the company for the excess mining.
Action taken by the Company to expedite F.C	MOEF has also asked the Board to submit an undertaking not to repeat such violation. The undertaking has been submitted but the State Government is yet to register the case.

II. KOLHA-ROIDA IRON & MANGANESE MINES

(2) Name of the Lease/area	Kolha Roida Iron & Manganese Mines (254.952 Hect) M/s B.P.M.E. Ltd. Lease area expired on 14.08.1996.
Renewal of Mining Lease	The 3rd Renewal of Mining Lease application was filed on 14.07.1995 for 20 years w.e.f. 15.08.1996. The mining operation was stopped after rejection of Renewal of Mining Lease application by the State Government vide order No. III (A)/SM-14/03-16733 dated 16.11.2006. The revision application was filed with Central Tribunal, which has been disposed of the same on 02.02.2009 setting aside the rejection order and directing the State Government to maintain the status quo as existing prior to the rejection order.
Status of Forest Clearance	<p>Forest clearance is valid up to 14.08.2016.</p> <ol style="list-style-type: none"> 1. NPV amount of ₹5,07,31,350/- has been paid to forest department. 2. Wild life management plan in respect of the lease hold area has been duly approved by the PCCF(Wild Life) and ₹87,22,000/- has been deposited with the DFO, Keonjhar for the activities to be taken up in the project impact area (as per approved wild life management plan). 3. Ground Water Management Plan has been approved by the CGWB. 4. Agreement for drawing water has been signed with the State Irrigation Department.

	<ol style="list-style-type: none"> 5. DGPS Cadastral map has been prepared by the ORSAC, a nodal agency of Govt. of Odisha. Delineation of the forest land in the M.L area is being done with the help of ORSAC. 6. Pillar posting for demarcation of M.L boundary has been done.
Status of Environment Clearance	The Environment Project has been cleared by the Expert Appraisal Committee on 21.06.2011. Formal order has been issued by the MOEF on 23.07.2012.
Status of Mining Operation	Mining operation in Kolha-Roida has started with effect from 26.07.2012.

III. THAKURANI IRON & MANGANESE MINES

(3) Name of the Lease/area	Thakurani Iron & Manganese Mines (1546.55 Hect.) M/s B.P.M.E. Ltd. (Revised RML application filed over 778.762 Hect.) Lease expired on 30.09.04
Renewal of Mining Lease	3rd Renewal of Mining Lease application filed on 27.09.2003 for 20 years w.e.f. 01.10.2004 to 30.09.2024 duly recommended by Collector, Keonjhar & Director of Mines, Bhubaneswar. It is under process in the Department of Steel & Mines, Govt. of Odisha.
Status of Forest Clearance	<ol style="list-style-type: none"> 1. Renewal application under F.C Act 1980 vide State Serial No. 14. Dt. 10.11.2003 submitted. 2. After due recommendation by DFO, Keonjhar and RCCF, Rourkela the diversion proposal is now under process in the nodal cell of office of PCCF, Odisha. DGPS map is required to be submitted, which is under process at ORSAC.
Action taken by the Company to expedite F.C	<ol style="list-style-type: none"> 1. NPV amount of ₹26,00,11,370/- as demanded has been paid to forest department, Govt. of Odisha. 2. Wild Life Management plan in respect of the area has been resubmitted for approval, and it is pending at the level of DFO, Keonjhar. 3. Required land for compensatory afforestation has since been allotted by the District Magistrate; Keonjhar. ₹99.41 lacs, cost of compensatory afforestation, as demanded, has also been paid by OMDC. 4. NOC under Forest Right Act has been issued by the District Magistrate, Keonjhar. 5. NOC for Ground Water Management Plan has been issued by the CGWBA (Central Ground Water Board Authority), GOI. 6. Agreement for drawing water has been signed with the State Irrigation Department. 7. DGPS map for boundary survey has been prepared through ORSAC a Nodal agency of Govt.of Odisha on payment of cost. Delineation of the forest land in the M.L area is to be taken up by ORSAC/Empanelled listed agencies (under process) 8. Pillar posting for demarcation of M.L boundaries since completed.

Status of Environment	The EC project final presentation before members of Expert Appraisal Committee (EAC) was held on 29.11.2011. On hearing the presentation, the EAC sought for some clarification and accordingly OMDC had submitted the clarifications. The final presentation of the same was conducted on 24.05.2012 and the committee requires 1. Approved Wild Life Management Plan 2. Stage -1 Forest Clearance to grant Environment Clearance. These are yet to be approved by the respective department of Govt. of Odisha.
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IV. BELKUNDI IRON & MANGANESE MINES

(4) Name of the Lease/area	Belkundi Iron & Manganese Mines (1276.79 Hect) M/s O.M.D.C. Ltd. Lease expired on 15.08.2006.
Renewal of application submitted on to Sate Govt.	The 3rd Renewal of Mining Lease application was submitted on 13.08.2005.
Status of Pending Forest Clearance	Renewal proposal under FC Act, 1980 was submitted vide serial no 156 dated 04.10.2005. The Diversion Proposal is pending with D.F.O., Keonjhar for site inspection report.
Action Taken by the Company to expedite Forest Clearance.	<ol style="list-style-type: none"> 1. NPV amount of ₹32,72,41,480/- as demanded, has been paid to forest department as per Hon'ble Supreme Court directive following CEC recommendations. 2. Required land for compensatory afforestation has been got allotted from the Dist. Magistrate, Keonjhar. Cost of compensatory afforestation, as demanded of ₹58.24 lacs has been paid. 3. Wild Life Management plan in respect of the lease hold area has been resubmitted to DFO, Keonjhar after complying to the objections raised by PCCF (Wild Life). 4. NOC for Forest Right Act-2006 has been issued from the office of District Magistrate and Collector, Keonjhar. 5. NOC for Ground Water Management Plan has been obtained from CGWBA (Central Ground Water Board Authority), GOI. 6. Agreement for drawing water has been signed with the State Irrigation Department. 7. DGPS map for boundary survey has been prepared through ORSAC a Nodal agency of Govt. of Odisha on payment of cost. Delineation of the forest land in the M.L area is being taken up by ORSAC/Empanelled agency, which is under process. 8. Pillar posting for demarcation of M.L boundary has been done.
Status of Environment	The final presentation before members of Expert Appraisal Committee (EAC) was held on 24.01.2012. On hearing the presentation, the EAC sought for some clarification and accordingly OMDC has represented the case before EAC on 25.07.2012, however issuance of formal order is contingent of 1st stage forest clearance.

V. BAGIABURU IRON MINES

(5)	Name of the Lease/area	Bagiaburu Iron Mines (21.52 Hect) M/s. OMDC Ltd. Lease expired on 30.09.2010
	Renewal of Mining Lease	Renewal application was submitted on 22.09.2009 vide state serial no. 6589 dated 10.08.2009.
	Status of Forest Clearance	<ol style="list-style-type: none"> 1. Renewal of Forest Diversion Proposal under FC Act, 1980 was submitted on 18.09.2009. 2. Number of queries made from the DFO & CCF (Nodal) have been complied. At present the DP is pending in the office of PCCF, Odisha.
	Action Taken by the Company to expedite F.C	<ol style="list-style-type: none"> 1. NPV amount of ₹41,66,343 /- has been paid to forest department. 2. Wild life management plan in respect to the lease hold area has been duly approved by the PCCF (Wild life). 3. ₹41.50 lacs has been deposited with DFO, Keonjhar for the activities to be taken up by DFO in the project impact area.(as per approved wild life management plan) 4. Required land for compensatory afforestation has been allotted from the District Magistrate, Keonjhar. ₹2.23 lacs, cost of compensatory afforestation as demanded, has been paid. 5. NOC under Forest Right Act has been issued from the District Magistrate, Keonjhar. 6. DGPS map for boundary survey has been prepared and also authenticated by ORSAC a Nodal agency of Govt.of Odisha. 7. Pillar posting for demarcation of M.L boundary has been done.
	Status of Environment	The State Expert Appraisal Committee (EAC) has heard the case and recommended approval for EC to Bagiaburu on 04.11.2011. However, it is subject to 1st stage forest clearance for which all formalities have been completed and the case is pending with the PCCF, Nodal, who is to sent the case to the Government for approval.

VI. BHADRASAI IRON & MANGANESE MINES

(6)	Name of the Lease/area	Bhadrasai Iron & Manganese Mines (998.70 Hect.) M/s O.M.D.C. Ltd.
	Renewal of Mining Lease	The 3rd Renewal of Mining Lease application was submitted on 22.09.2009 vide State SI No. 349/09.
	Status of Pending Forest Clearance	<p>Renewal proposal under FC Act, 1980 submitted on 22.09.2009. At present the Diversion Proposal is pending in the office of DFO, Keonjhar for :</p> <ol style="list-style-type: none"> (a) furnishing of site inspection of DFO in part II; (b) the NOC under FC Act is pending with Collector, Keonjhar for approval in DLC.

<p>Action Taken by the Company to expedite Forest Clearance</p>	<ol style="list-style-type: none"> 1. NPV amount of ₹12,79,37,610/- has been paid to forest department. 2. Required degraded land have been allotted for compensatory afforestation. 3. Wild Life Management plan in respect of the lease hold area has been resubmitted to DFO, Keonjhar after complying the objections raised by PCCF (Wild Life). 4. Clearance under Forest Right Act-2006 is under process in the office of District Magistrate and Collector, Keonjhar, despite completion of gramsabha in June 2010. 5. NOC for Ground Water Management Plan has been obtained from CGWBA (Central Ground Water Board Authority), GOI. 6. Agreement for drawing water has been signed with the State Irrigation Department. 7. DGPS -map for boundary survey has been prepared through ORSAC a Nodal agency of Govt.of Odisha on payment of cost. Delineation of the forest land in the M.L area is being taken up by ORSAC/Empanelled listed agencies which are under process. 8. Pillar posting for demarcation of M.L boundary has been done.
<p>Status of Environment Clearance</p>	<p>A presentation before the members of Expert Appraisal Committee (EAC), MOEF, and Govt. of India was held on 23.12.2011. The EAC sought for some clarification and accordingly OMDC has represented the case before EAC on 21.06.2012, however issuance of formal order is contingent of 1st stage forest clearance.</p>

11. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Corporate Social Responsibility (CSR) has been identified as an important parameter in the MOUs drawn by all the PSUs with the Ministry.

Corporate Social Responsibility (CSR) is a tool by which business organizations serve the interests of society by taking responsibility for the impact of their activities on customers, employees, shareholders, communities and the environment in all aspects of their operations. Accordingly CSR activities of OMDC focus on environmental care, education, health care, drinking water, women's empowerment, family welfare, social initiatives including sports and cultural activities and other social activities. These are implemented as per guidelines issued by the Department of Public Enterprises (DPE).

The CSR activities of OMDC encompass the 18 revenue villages falling within OMDC leasehold area. The population covered under the CSR scheme is about 24,000, out of which about 65% is from weaker section of society like SC and STs. The schemes run under CSR for the benefit of the villagers are as follows:

- 1) Jal Dhara (Drinking Water Supply through pipeline)
- 2) Gramya Vikash (Village Development)
- 3) Swalambi Sangathan (Self Help Group)
- 4) Swasthya Karyakrama (Health Programmes)

- 5) Matsya Palan (Fish Farming)
- 6) Mahila Sashaktikaran (Women Empowerment)
- 7) Gramya Shikhya Yojana (Education)
- 8) Others

Your Company has decided to spend 5% of profit after tax towards CSR activities as per DPE guidelines.

Brief details of the above projects are given below :

• **JAL DHARA (Water Supply)**

- Provision for Drinking water supply through provision of pumps and pipelines arrangement is made by OMDC in villages located within the mining lease areas at Munda Sahi, Kemi Hutting of Kundarpani Village, Arjun Basti of Bhuyuan, Roida, Dalki and Sading village of Thakurani Mines. Total 7 borewells with tanks has been provided so far.
- Renovation & excavation of ponds taken up in villages located within the mining lease areas at Karakolha and Sading village.

• **GRAMYA VIKASH (Village Development)**

- Construction of 10 numbers of community toilets has been done in order to meet sanitary needs of villagers at Bhuyuan Roida and Kolha Roida.
- Repair & renovation of bathing ghats & dug wells in Sading and Dalki village located within the mining lease area.
- Repairing of 100 KVA electricity supply transformer located at Dalki village.
- 25 Solar powered street lights provided to peripheral villages i.e. Mankad Hutting Jhadu Sahi, Dehury Sahi, Patra Sahi of Kolha Roida lease area and Buru Hutting, Sading, Karakhendra in Thakurani lease area located near the Mines. Another 25 numbers of Solar lights are being provided to villages located near the lease area of Thakurani and Belkundi mines.



Supply of Study materials & Stationeries to students of different schools located near mines by OMDC under CSR Scheme.



Street lights provided by OMDC under CSR Scheme.

• **SWALAMBI SANGATHAN (Self Help Group-SHG)**

- OMDC is taking keen interest in development of people of villages especially those living in the nearby vicinity of mines by assisting them to create Self Help Groups (SHGs) for carrying out various income generating activities like growing of mushroom, vegetables, poultry, nursery and manufacturing of candles.

- **SWASTHYA KARYAKRAMA (Health Programme)**

- Provided Outdoor & indoor treatment to villagers living in nearby vicinity of mines at hospital with free supply of food & medicines to the patients admitted in the hospital.
- Provision has been made to help patient suffering from serious diseases like cancer, cardiac, kidney, lever cirrhosis for treatment in house and at other centers.
- Provision has been made to provide disabled people with artificial limb.
- Assistance has been provided to 18 villages within mining lease area for family planning programme.
- Assistance has been provided to 18 villages within mining lease area for malaria eradication programme.
- A “Hospital on Wheels” is being made ready through a ‘Mobile Medical Van’ to carry the medical services to the doorsteps of the villagers.

- **MATSYA PALAN (Fish Farming)**

- Spawn fish provided by OMDC to the villagers for fish farming at Karakolha village in Thakurani mines.

- **MAHILA SASHATIKARAN (Women Empowerment)**

- 50 numbers of bicycles were given to girl students living in villages and studying in Dalki M. E School of Thakurani Mines and Tirtheswar High School of Roida Mines located within the mining lease areas for their personal mobility as part of women empowerment.
- Training programme provided to 20 women from the peripheral villages on usage of sewing machine for teaching tailoring to make them self dependent and free sewing machine were provided to each of them.

- **GRAMYA SHIKHYA YOJANA**

- Training on computer provided to students and unemployed youths of 18 villages.
- Construction of class rooms in villages of Dalki, Sading, Karakolha, Bhuyuan Roida and Kolha Roida located near mines.
- Procurement of steel benches & construction of compound wall of schools located in area near mines.
- Assistance for technical training/ education with 10 persons in batches is being provided to ST/SC/OBC (weaker sections of society) to make them employable.
- 1456 students were benefitted by supply of study materials, stationeries to students of different schools located near mines to provide thrust to education.



School building constructed by OMDC under CSR Scheme.

- **OTHER**

- Three(3) different sport events were organised during the year and sports gear were given to sport persons from the villages within the mines area.

12. SUSTAINABLE DEVELOPMENT PROGRAMME

In terms of MOU with Rashtriya Ispat Nigam Limited(RINL) for the year 2012-13 under Sustainable Development Programme, the following three projects have been considered to be carried out by OMDC during the year 2012-13.

- **Project-1** Build up of water reservoir at Thakurani
- **Project-2** Afforestation under Bio Diversity Conservation at Thakurani leasehold area
- **Project-3** Making of brick from over waste dump.

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 31.03.2013. However so far no employee has obtained VRS from OMDC.

14. SAFETY MEASURES

Safety is an important aspect in functioning of any industry. It is important not only for its employees and workers but also for the environment and the nation. Your Company has taken safety measures in accordance with Rules, Regulations and Guidelines under provision of the Mines Act, 1952 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 displayed through participation of workers in safety exhibitions held locally as well as on regional basis. ‘Safety Code’ booklet has been made and issued for information and compliance by all employees.

New practices are also regularly adopted by visiting similar mines. Basic and refresher training is imparted to the workers in the Company’s vocational training center for different disciplines and operational activities in the mines. The Vocational Training Centre at OMDC Mines have received prizes from the Annual Mines Safety Week Celebration Committee conducted by DGMS in the region.

Development programs were also taken up for creating awareness, educating the employees about safety precautions and updating about the developments in the field.

15. RESEARCH AND DEVELOPMENT

OMDC is engaged in open cast mining of Iron Ore & Manganese ore in Barbil, district – Keonjhar, Orissa. The focus of the Company is to develop OMDC as a green mining Company, having technological upgradation and taking all safety measures to have safe and cost effective mining operations.

The focus of R&D will be on the following areas :

- i) Development of safer and productive mining methods by judicious mechanization.
- ii) Introduction of controlled blasting practices for eco-friendly mining in Open Cast Mines.
- iii) Technological development for production of Mn-base value added product.
- iv) Development of beneficiation methods and cost effective technologies for the up-gradation of sub-grade ores.
- v) Exploration of the deposits, feasibility studies for enhancement and up-gradation of ore reserves as per UNFC code.
- vi) Technology up-gradation in specific operations for enhancement of productivity, improvement in safety and reduction in costs.
- vii) Deployment of Technical persons for monitoring of security & safe practices and taking timely corrective measures

16. PARTICULARS OF EMPLOYEES UNDER SECTION 217 (2A) OF THE COMPANIES ACT, 1956

There was no employee of the Company who received remuneration in excess of the limits prescribed under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of employees) Rules, 1975, as amended from time to time.

17. IMPLEMENTATION OF THE RIGHT TO INFORMATION ACT, 2005

The Government of India enacted the Right to Information (RTI) Act, 2005 on June 15, 2005. The objective of the Act is to promote transparency and accountability in the administration and to provide good governance in the Country.

Your Company is proactively complying with the provisions of the Right to Information Act, 2005. All the relevant manuals pertaining to RTI Act, 2005 have been hoisted on the website. The queries are regularly replied through a Public Information Officer (PIO) and assisted by Assistant Public Information Officer (APIO) of Head Office. All the information sought under the Act have been furnished within the stipulated time period. Whenever delay is likely due to collection of information, an interim reply is always sent.

During the year, 23 applications have been received, out of which, 17 applications have been disposed of upto 31st March, 2012. The rest of the other applications are under process for disposal within prescribed time period.

Statutory reports and returns like Monthly Returns, Quarterly Returns, Annual Returns, and other reports as required under the RTI Act were complied and forwarded to the Ministry on time.

18. PROGRESSIVE USE OF HINDI

Your Company has become PSU with effect from 19th March, 2010 and since then it is promoting use of Rajbhasa in the Company and its mines which is located in Schedule "C" area where use of Rajbhasa is not compulsory under the Official Language Act, 2003. OMDC follows the directives issued from time to time by the Department of Official Language, Ministry of Home Affairs and Ministry of Steel, Government of India for the Progressive use of Official Language, Hindi. Your Company has taken steps to bring awareness among employees about official usage of Hindi Language. OMDC has observed Hindi week from 17th September to 23rd September, 2011 by way of organizing competitions such as essay writing, singing Hindi songs, reciting short Hindi poems etc. A "Rajbhasa Sikshan Board" is placed at the entrance of Registered Office of OMDC to appraise the employees with new Hindi words every day.

19. 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. OMDC employ 167 women employees, which constitutes 22% of its total workforce of 759 employees as on 31st March, 2012. To ensure empowerment of women, "Gender Budgeting Cells" with women representatives have been constituted. All necessary measures/statutory provisions for safeguarding the interests of women employees in matters like payment of wages, hours of work, health, safety and welfare aspects, maternity benefits etc. are being followed by the Company.

Based on Hon'ble Supreme Court directives, conduct rules of the Company have been amended by incorporating suitable clause for prohibiting sexual harassment of women at work place. A complaints Committee has been constituted to deal with complaints made by victims of sexual harassment.

20. WELFARE OF WEAKER SECTIONS

Your Company's mines are located in Barbil District, Keonjhar which is mainly tribal area of Odisha. So 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.

OMDC runs 22 bedded hospital in Thakurani mines and 8 bedded hospital in Roida mines in Barbil

District, Keonjhar to provide treatment free of costs to all employees and to the villages located in and around its mining lease areas.

OMDC has made tap water provision in seven villages out of 18 villages falling in mining areas. These villages are mainly inhabited by the local tribal people. Steps are also being taken to provide tap water in the remaining villages falling in mines area.

The Company undertakes program for malaria eradication, pulse polio etc through the hospitals of OMDC to the villages located around its mining activities.

Occupational Health Surveillance covering facilities like X-Ray, Pathological Laboratory, Audiometry, ECG, Lungs function test, dental clinic etc. is conducted by OMDC from time to time for the villagers in and around mining activities of the Company.

21. MANPOWER

OMDC was having 102 Executives and 657 Non-Executives as on 31st March, 2012. In cadre of executives, more than 90% in E-0 to E-4. Efforts are being made to recruit the executives in E-5 and above grades which is necessary to strengthen the middle and higher level cadre to take the Company forward. However, much success has not been achieved due to closure of mining operation and 1997 wage structure which is to be revised on resumption of the mining operation.

➤ Strength of SCs & STs as on 31st March, 2012

- | | |
|----------------------------------|---|
| 1. Total number of employees | = 759 |
| 2. Scheduled Castes amongst them | = 97 (Executive 4 and Non Executive 93) |
| 3. Scheduled Tribes amongst them | = 284 (Executive 2 and Non Executive 282) |
| 4. OBC | = 155 |
| 5. Total SCs, STs and OBC | = 536 |

22. INDUSTRIAL RELATIONS

Industrial relations in your Company and at Mines continued to be cordial and peaceful during the year 2011-12. The system of Permanent Negotiation Mechanism (PNM) has been introduced in the Company and its mines for discussing various issues for smooth functioning of the Organisation and expeditious decisions for the settlement of grievances. No IR incidents reported during the year.

23. VIGILANCE

Vigilance activities during the year continued with special emphasis on preventive vigilance and analysis of existing system improvement. It was the endeavor of the Vigilance department to aid and assist the management in improving systems and procedures so as to ensure transparency in decision making. Various guidelines issued by CVC and Ministry were widely circulated among the employees.

Your Company has its Vigilance Department headed by Chief Vigilance Officer of HSCL. 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 Department is continuing its efforts for systematic improvements in order to bring more and more transparency in its working procedure. Your Company's Vigilance Department has conducted various training programmes, interactive sessions for creating Vigilance awareness among the employees.

Your Company is in the process of implementation of the Integrity Pact in its Organization. It has taken steps to achieve adoption of E-Commerce including e-procurement and e-payments to the extent possible in their organization. E -Payments are being made to vendors and Statutory Bodies (Sales Tax, Service Tax, Income Tax etc.) through electronic fund transfer (NEFT/RTGS mode) in OMDC. Tender documents are being uploaded on OMDC website which can be downloaded by the bidders. This gives equal

opportunity to all the eligible bidders and brings transparency in the tendering system. It has also taken steps to sign Memorandum of Understanding (MOU) with the Transparency International India (TII) with the commitment to implement the Integrity Pact in all such transactions in OMDC in letter and spirit.

The Company observed its Vigilance Awareness Week from 31st October, 2011 to 5th November, 2011. Throughout this week, the Company conducted various programmes like pledge ceremony, seminar, essay competition, quiz competition, interactive session etc. in order to create Vigilance awareness among the employees. Banners were displayed at the prime location of the office premises during the Vigilance Awareness Week, 2011. During Vigilance Awareness Week, Senior Officials of OMDC including MD and CVO addressed the officers and employees in various programmes organized by the Vigilance Department.

24. 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.

I. Public Grievances:

The system of redressing Public Grievance has been streamlined, and its scope broadened to include complaints of suppliers, customers etc. However, all the Head of Departments have been advised to accord due priority for redressal of public grievances as per time frame in each department.

II. Employees' Grievance:

In order to provide easily accessible machinery for settlement of grievances leading to increased satisfaction and resultant improved productivity and efficiency of the Organisation, steps has been initiated for redressing grievances of executive and non-executive employees to promote harmonious relationship between employees and the management.

III. Status of Public/ Employees' Grievances from 01.04.11 to 31.03.12

Sl. No.	Type of Grievances	Grievances outstanding as on 01.04.2011	No. of Grievances received during the period 01.04.2011 to 31.03.2012	No. of cases disposed of during the period 01.04.2011 to 31.03.2012	No. of cases pending as on 31.03.2012
1	Public Grievances	Nil	Nil	Nil	Nil
2	Staff Grievances	2	2	4	Nil

25. IMPLEMENTATION OF THE PERSONS WITH DISABILITIES ACT, 1995

The Ministry of Steel and all the PSU's under it follows the Government rules with regard to the implementation of the provisions of the Disabilities Act, 1995. OMDC will implement all the instructions pertaining to persons with Disabilities Act, 1995, as and when recruitment/ promotion takes place. OMDC has indicated vacancy for Persons with Disability and is planning to fill up the post in 2012-13.

26. ADOPTION OF "SEVEN STEP MODEL FOR CITIZEN CENTRIC-SEVOTTAM" AS PER RECOMMENDATION OF THE 2ND ADMINISTRATIVE REFORMS COMMISSION.

The Ministry of Steel has brought out its "Citizen Charter" and this is periodically updated in tune with the changing requirements and expectations from the stakeholders. OMDC has initiated necessary steps to implement the "Sevottam Guidelines- September, 2011" as issued by the Departments of Administrative Reforms and Public Grievances especially the "Seven Step Model of Sevottam"

27. COMPLIANCE WITH LAW/ LEGAL REQUIREMENTS

In terms of the guidelines issued by the Government, a Quarterly Report on the progress of Arbitration cases is being put up to the Board of Directors for information. An Internal Reporting System has been introduced indicating the progress of the case in various Courts and the status of the cases as at the beginning of the year and also at the end of the year. The Company has taken measures to ensure legal compliances from all the departmental heads and the annual legal compliance report are placed before the Board for review.

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

I. Energy Conservation

The Company consumes purchased electricity. Adequate steps are being taken by the Company to reduce the electricity consumption.

II. Technology absorption

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

III. Foreign Exchange Earnings and Outgo:

There was no transaction in foreign exchange during the year.

29. ENVIRONMENT MANAGEMENT

Your Company is taking measure to protect the environment and conserve the resources as per the Environment Management Plan made for each mine and the Company's Corporate Plan 2012-22. Mining of minerals, particularly by the open cast method, affects the environment, resulting in degradation of land and flora & fauna, besides causing water, air & noise pollution which are the biggest health concern for the employees and people, living in and around the mining zone. OMDC, having realized the impact of mining on habitat has taken a lead for massive afforestation in the company's lease areas with the emphasis on reclamation of mines, and rehabilitation of spoil dumps. These steps will be supported by the measures to beneficiate the sub-grade material to prevent soil degradation resulting from stacking of such materials.

OMDC is also taking measures to improve water bodies to meet not only drinking water requirement of the multitude falling in the mining areas, but also to check air pollution to ensure mining free of air pollution. This will help to improve the mining environment and to make OMDC an eco-friendly mining company.

Strategy for Afforestation

OMDC has undertaken the job of plantation in mining zone falling under its control. A special cell has been created for ensuring plantation on continuous basis. The Company's approach towards afforestation incorporates the following :

- i) General afforestation in and around mines with appropriate species and scientific techniques suitable areas.
- ii) Specific afforestation on mine spoil dump
- iii) Rejuvenation of mine spoil dumps.

Integrated Bio-Technological Approach

Scientific studies will be initiated for evaluating physic Biotechnical character in OMDC spoil dumps alongwith technological intervention to achieve appropriate ecosystem restoration.

30. AUDITORS

On the advice of the Comptroller and Auditor General of India, New Delhi, your Company appointed the

under mentioned firm of Chartered Accountants as Statutory Auditor of your Company for the year 2011-12 :

Sl. No.	Name of the Auditor	Address of the Auditor
1.	N.C Banerjee & Co.	13, Park Side Road, Ground Floor, Kolkata – 700 026

The Statutory Auditors Report on the Accounts of the Company for the Financial Year ended 31st March, 2012 is enclosed to the Directors' Report.

31. COMMENTS BY THE COMPTROLLER AND AUDITOR GENERAL OF INDIA (C&AG) ON THE ACCOUNTS OF THE COMPANY FOR THE YEAR ENDED 31ST MARCH, 2012

The Comptroller and Auditor General of India (C&AG) had conducted 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, 2012. The comments of Comptroller & Auditor General of India under Section 619(4) of the Companies Act, 1956 on the Accounts of the Company for the year 2011-12 forms part of this report.

32. CHANGES IN ACCOUNTING POLICIES OF THE ORISSA MINERALS DEVELOPMENT COMPANY LTD. (OMDC) AT PER WITH THE ACCOUNTING POLICIES OF HOLDING COMPANY, RASHTRIYA ISPAT NIGAM LIMITED. (RINL).

During the year, there is change in Accounting Policies of OMDC in line with the Accounting Policies of its Holding Company, Rashtriya Ispat Nigam Limited, RINL. Due to change in Accounting Policy the depreciation on Fixed Assets is calculated on Straight Line Method as provided in Schedule XIV of the Companies Act, 1956 giving effect from last 20 years. The cumulative impact of such change is of ₹1,141.39 lacs being excess depreciation charged till 31.03.2011, which has been set off against the current year depreciation of ₹1,004.74 lacs (Net effect credited to Statement of Profit & Loss ₹136.65 lacs).

33. IMPLEMENTATION OF REVISED SCHEDULE VI

In compliance with General Circular No. 62/2011 dated 05.09.2011 of Ministry of Corporate Affairs Government of India, the Company has prepared the Annual Accounts for the Financial Year 2011-12 as per revised Schedule VI of the Companies Act, 1956.

34. REPORT ON MANAGEMENT DISCUSSIONS AND ANALYSIS

A Report on Management Discussions and Analysis as required in terms of Clause 49(F) of the Listing Agreement is enclosed and forms part of the report.

35. 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.

Certificate attested by the CEO/CFO is also enclosed forming part of the Corporate Governance Report along with a declaration signed by MD regarding Code of Conduct for Members of the Board and Senior Management.

36. DIRECTORATE

Shri E. K. Bharat Bhushan, Additional Secretary & Financial Adviser, Ministry of Steel was appointed as Additional Director on the Board of the Company w.e.f 02.08.2012 pursuant to the order of the Ministry of Steel, Government of India.

Shri U.P. Singh, Joint Secretary, Ministry of Steel ceased to be Director of the company w.e.f 02.08.2012 pursuant to the order of Ministry of Steel, Government of India.

The Board places on record its deep appreciation for the valuable contribution made by Shri U.P. Singh during his tenure on the Board of the company.

37. DEPOSIT

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

38. DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that the directors had 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 of the profit or loss of the Company for that period;
- (iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the directors had prepared the annual accounts on a going concern basis.

39. LISTING

The Company's shares are listed at The Calcutta Stock Exchange Limited, National Stock Exchange and also traded in Bombay Stock Exchange under permitted category. The listing fee is paid upto 31st March, 2013.

40. 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.

41. 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, Ministry of Mines, Ministry of Environment and Forest, Ministry of Corporate Affairs and from Government of West Bengal and Odisha and other Departments of Government of India.

Your Directors place on records their thanks to the support extended by the valued and esteemed Customers, Shareholders, Stakeholder, Railway Department, Banks and the Suppliers. We believe that our long term success is dependent on our strong customer relationship and responsiveness. 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
Date : 11th August, 2012.

(A.P. Choudhary)
Chairman

REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS

1) INDUSTRIES STRUCTURE AND DEVELOPMENT

A) THE INDIAN ECONOMY

Indian economy in the current year witnessed a decline as the Growth is estimated to be moderate at 6.9 per cent in 2011-12 as against the earlier estimate of 9 per cent at the time of presentation of Budget 2011-12.

Global economic situation during 2008-09 and 2009-10 impacted the performance of emerging market economies and India was no exception. The swift revival during 2010-11, wherein Indian economy grew at 8.4 percent and 7.4 percent in 2009-10, showed that resilience of Indian economy have further improved. However, continuance of the financial crisis in Euro Zone coupled with exogenous shocks like increase in the international crude oil prices brought out the vulnerability of Indian economy towards global events back to the forefront. The economy is estimated to register growth of about 6 to 7 percent during 2012-13 which is lower than the potential growth rate, yet Government has come up with a revised fiscal roadmap with gradually reducing fiscal deficit in coming year, which may increase the confidence level of investors in Indian economy and thereby pushing the growth.

B) INDUSTRIAL GROWTH

Industrial growth in the country has, in terms of long run trend, remained aligned with the growth rate of gross domestic product (GDP). Recent industrial growth, measured in terms of Index of Industrial Production (IIP), shows fluctuating trends. Growth had reached 15.5 percent in 2007-08 and then started decelerating. Initial deceleration in industrial growth was largely on account of the global economic meltdown. There was, however, a recovery in industrial growth from 2.5 percent in 2008-09 to 5.3 percent in 2009-10 and 8.2 percent in 2010-11. Overall growth during April-December 2011 was 3.6 percent compared to 8.3 per cent in the corresponding period of the previous year.

IIP of the major three sectors Manufacturing, Mining and Electricity showed fluctuating trends. Manufacturing sector showed an increase from 4.8 (2009-10) percent to 9 percent (2010-11) while Mining and Electricity Sector showed a decrease from 7.9 percent (2009-10) to 5.2 percent (2010-11) and 6.1 percent (2009-10) to 5.5 percent (2010-2011) respectively.

C) STEEL SECTOR

India has become 4th largest producer of crude steel in the world as against the 8th position in 2003 and is expected to become the 2nd largest producer of crude steel in the world by 2015. India continues to maintain its lead position as the world's largest producer of direct reduced iron (DRI) or Sponge Iron. The intended steel capacity build up in the country is likely to result in an investment of ₹5-10 lakh crore by 2020. The steel sector contributes to nearly 2% of the GDP and employs over 5 lakh people. The per capita steel consumption has risen from 38 Kg in 2005-06 to 55 Kg in 2010-11. Capacity for crude steel production expanded from 51.17 million tonnes per annum (mtpa) in 2005-06 to 78 mtpa in 2010-11. Crude steel production grew at 8% annually, Compounded Annual Growth Rate (CAGR) from 46.46 million tonnes in 2005-06 to 69.57 million tonnes in 2010-11. Production of finished steel stood at 66.01 million tonnes during 2010-11 as against 46.57 million tonnes in 2005-06, an average annual (CAGR) growth of 7%.

Consumption of finished steel has grown at a CAGR of 9.6% during the last six years. Export of finished steel during 2010-11 stood at 3.46 million tonnes while imports during 2010-11 stood at 6.79 million tonnes.

According to Ministry of Steel, Government of India during April-December 2011-12, the following was the industry scenario as compared to same period of last year:

- Crude steel production was 53.357 MT, a growth of 3.5% over same period of last year. The Major Producers (Steel Authority of India Limited, Rashtriya Ispat Nigam Limited, Tata Steel, Essar, JSW

Steel, JSW Ispat Steel and Jindal Steel & Power) together produced 29.984 MT during this period, which was a growth of 8.07% compared to last year. The rest i.e. 23.373 MT was the contribution of the Other Producers, which was a growth of 1.3% compared to last year.

- Pig iron production for sale in April – December 2011-12 was 4.247 mt, a growth of 0.7% over same period of last year. The Main Producers accounted for approximately 10% of the same, the rest (90%) being the share of the Other Producers.
- In case of total finished steel (alloy + non-alloy) during April – December 2011-12:
 - Production for sale was at 52.061 MT, a growth of 7.5%
 - Steel exports, at 3.048 mt saw a growth of 23.8% while steel imports were at 4.984 MT, a decline of 7%.
 - India remained a net importer of steel.
- Domestic real steel consumption was at 50.865 MT and increased by 4.4%

D) MINING INDUSTRY

Mining Industry contributes significantly to the economy of India. India is rich in the minerals resources like Iron Ore, Bauxite, Manganese. The reserves of Iron Ore, Bauxite and Manganese accounts for nearly 7%, 16% and 6% respectively of the total known global resources of these minerals. Mining industry in India has been progressing at an annual rate of 4%-5% during the last three decades. The demand for Manganese & Iron Ore depend directly on the outlook of the steel industry & growth of the overall economy. Over 90% of the world production of Manganese is utilized in desulphurization & strengthening of steel and 98% of the mined Iron Ore is utilized for making steel. In the past, demand for Manganese and Iron Ore has increased considerably due to increase in production of steel. Growth rate of GDP and infrastructure development policy of Government of India will contribute to augment/ increase in demand for steel as the growth of GDP is equally associated with the growth rate of steel which in turn will increase demand for Iron Ore & Manganese.

Despite of above mentioned highlights India's Iron Ore exports are likely to hit a new low during the financial year 2012-13 and settle at about 40 million tonnes (mt), a drop of close to 35 per cent over the current year's estimates. Exports are estimated to decline of about 60 mt in 2011-12 from 100 mt in 2010-11, a fall of 40 per cent.

2) SWOT ANALYSIS

Strengths:

- OMDC is one of the oldest mining companies in India and has established continuous profit making track record.
- Good financial resources with consistent profitability and debt free balance sheet.
- High level of resource reserve potential.
- Market capitalization is very high. OMDC share of ₹10/- reached the peak of ₹92,000/- in BSE in November, 2010.
- Satisfactory cash reserve.
- Intrinsic capacity to expand.
- Being a Central PSU, can leverage government support.

Weaknesses:

- BPMEL 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 for movement of ore by rail and road may have an adverse effect on the despatches.
- Capacity building measures are inadequate with the change in consumption pattern in India.

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 BPMEL 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.
- Ban on export of Iron Ore may results in a narrow market.

3) SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

Segment wise performance of OMDC in 2011-12 in comparison to 2010-11 are given below in **Table I** :

TABLE I

Production (MT)	2011-2012	2010-2011
Manganese Ore	–	13322
Iron Ore	–	69836
Sponge Iron	–	2423
Despatch (MT)		
Manganese Ore	–	6507
Iron Ore	–	222350
Sponge Iron	1468	4209
Sales (₹ in Lacs)		
Manganese Ore	–	594.74
Iron Ore	–	3588.02
Sponge Iron	152.54	300.13

It can be observed from the above table that the Company has generated only ₹152.54 lacs as revenue from sale of Sponge Iron during the year 2011-12 as against ₹4482.89 lacs during the previous year 2010-11. Such sharp decline in revenue by 96.60% is owing to closure of mining operation due to non availability of forest and environmental clearance.

4) OUTLOOK

The Management of your Company has made a Corporate Business Plan 2012- 2022 which envisages increase in Iron Ore production from 2 million tonnes to 10 million tonnes and Manganese ore from 0.4 million tonnes to 1 million tonnes, besides installation of 2 MTPA Iron Ore Beneficiation Plant and 2 MTPA Pelletisation Plant at Thakurani, District-Keonjhar, Odisha. It hopes that in near future all the six mines of OMDC will come in operation and the leases will get renewed in favor of OMDC. This will facilitate the Company to make investments in development of mines and procurement of mining equipments, besides investment in Beneficiation and Pelletisation Plant for which Techno-economic feasibility report has already been prepared by M/s M.N Dastur & Company (P) Limited.

In order to expand the activities of the Company in all possible areas, keeping in view the value addition, your Company has planned to have MOU with M/S KIOCL, PSU under Ministry of Steel, having experience of running Pelletisation Plant. The MOU will help OMDC to put up 2 million tonnes Beneficiation Plant and 2 million tonnes Pelletisation Plant for which formalities have been completed for obtaining single window clearance from Government of Odisha in regard to land, electricity and water.

5) RISKS AND CONCERNS

Non renewal of mining leases and non transfer of three major mining leaseholds which are in the name of BPMEL constitutes real threat. In order to have better Risk Management, OMDC is in the process of developing Risk Management Policy towards achieving sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business.

In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, including the development of the Risk Matrix, in order to guide decision on risk related issues. The Company had sought assistance of external experts for upgrading the document. Accordingly, the Company has assigned the job for preparation of Risk Management Policy to M/S S. R. Batliboi & Co., Internal Auditors of the Company.

6) 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 Internal Audit is subject to overall control under the supervision of the Audit Committee constituted by the Board to focus on transparency in the systems and internal control mechanisms.

The Audit Committee of the Board actively reviews the adequacy and effectiveness of internal control systems and suggest improvements to strengthen the same. The reports containing significant Audit findings are submitted to the Audit Committee of the Company and to the Board through the Audit Committee.

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.

7) DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE OF THE COMPANY

The financial performance of the Company under major heads are placed here in below :-

a) SALES FROM OPERATIONS AND PROFIT ARE SHOWN IN TABLE II

The details of Sales from operation and Profit after tax for the financial year 2011-12 as compared to previous financial year 2010-11 is represented in **Table II**.

Table II

(₹ In Lacs)

	2011-12	2010-11	Change	Change in %
Sales	152.54	4482.89	(-) 4330.35	(-) 96.60
Profit before tax and depreciation and exceptional item	691.85	3772.50	(-) 3080.65	(-) 81.66
Profit before tax and depreciation	691.85	3485.94	(-) 2794.09	(-) 80.15
Profit before tax	828.50	1334.58	(-) 506.08	(-) 37.92
Profit after tax	344.34	772.00	(-) 427.66	(-) 55.40

It is observed from the above table that profit after tax is ₹344.34 lacs for the financial year 2011-12 compared to ₹772.00 lacs in the previous financial year 2010-11 recording a decrease of 55.40%. The Company has generated Revenue from sale of Sponge Iron of ₹152.54 lacs only during the financial year 2011-12 in comparison to ₹4482.89 lacs in the previous financial year 2010-11.

Closure of Mines owing to non-availability of forest and environmental clearance coupled with the restriction imposed on the transportation of minerals have affected production and despatches adversely and resulted in decline in sales realization by 96.60%. Lowering down of sales realization has in turn resulted in negative generation of profit.

b) FIXED ASSETS ARE SHOWN IN TABLE III

The details of gross fixed asset, net fixed asset and depreciation on fixed assets for the financial year 2011-12 as compared to previous year 2010-11 is presented in **Table III**.

TABLE III

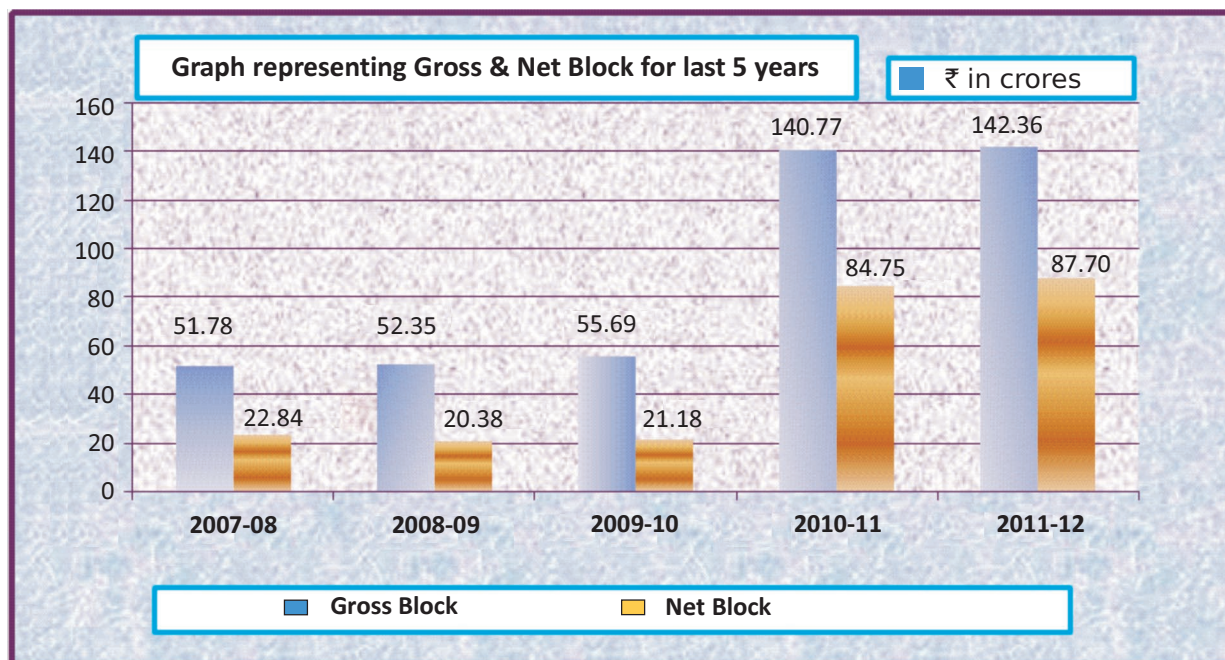
(₹ In lacs)

	2011-12	2010-11	Change	Change in %
Gross Block	14236.16	14076.94	159.22	1.13
Less: Depreciation	5465.68	5602.32	(-)136.64	(-) 2.44
Net Block	8770.48	8474.51	295.97	3.49

It is observed from above table that there is increase in gross block of fixed asset from ₹14076.94 lacs for the previous financial year 2010-11 to ₹14236.16 lacs for the financial year 2011-12. Net block of fixed assets increased from ₹8474.51 lacs for the financial year 2010-11 to ₹8770.48 lacs for the financial year 2011-12.

Graphical presentation of gross and net block of fixed assets for the last five years is shown in **Graph I** :

GRAPH I



Depreciation is provided on straight line method (SLM), on full value of the cost of the assets over the specified period in accordance with the provisions of Schedule XIV of the Companies Act, 1956, except in respect of certain assets where management decided to change depreciation at higher rates on Straight Line Method as per the practice of the Holding Company.

OMDC has changed its accounting policies in line with the accounting policies of its Holding Company, Rashtriya Ispat Nigam Limited (RINL). Due to change in accounting policy the depreciation on fixed assets is calculated on Straight Line Method as provided in Schedule XIV of the Companies Act, 1956 giving effect from last 20 years. The cumulative impact of such change is of ₹1,141.39 lacs being excess depreciation charged till 31.03.2011, which has been set off against the current year depreciation of ₹1,004.74 lacs (Net effect credited to statement of profit & loss is ₹136.65 lacs).

c) SHORT TERM LOANS AND ADVANCES ARE SHOWN IN TABLE IV

The **Table IV** represents comparative change in short term loan and advances position for last two years:

TABLE: IV

	(₹ In lacs)			
	2011-12	2010-11	Change	Change in %
Short Term Loans and Advances	4237.50	7255.65	(-) 3018.15	(-) 41.60

It is observed from the above table that short term loans and advances decreased by 41.60% compared to previous year. Steps have been taken for recovery of advances paid towards Income Tax aggregating to ₹3877.45 lacs included under short term loan and advances.

d) CURRENT LIABILITIES ARE SHOWN IN TABLE V

Table V represents comparative change in position of current liabilities for the last two years:

TABLE: V

	(₹ In lacs)			
	2011-12	2010-11	Change	Change in %
Current Liabilities	7499.39	12614.53	(-)5115.14	(-)40.55

The above table represents decrease of Current Liabilities by 40.55%. A liability for loss of ₹869.96 lacs has been created in the books of accounts and charged off in statement of profit and loss on the basis of judicial judgements of different Courts.

e) APPROPRIATION

The Company has transferred ₹34.43 lacs to the General Reserve during the year compared to previous year's ₹77.20 lacs.

f) DIVIDEND

The Board of Directors of the Company recommended a dividend of ₹8.61/- per share of ₹10/- for the year ended 31st March, 2012 subject to the approval of the shareholders. The total payment on account of dividend would be ₹60.04 lacs inclusive of ₹8.38 lacs towards tax on dividend.

8) INDUSTRIAL RELATION AND HUMAN RESOURCE MANAGEMENT

Men on roll of the Company as on 31st March, 2012 had been 759 as compared to 817 as on 1st March, 2011.

➤ **Strength of SCs & STs as on 31st March, 2012**

1. Total number of employees = 759
2. Scheduled Castes amongst them = 97 (Executive 4 and Non-Executive 93)
3. Scheduled Tribes amongst them = 284 (Executive 2 and Non-Executive 282)
4. OBC = 155
5. Total SCs, STs and OBC = 536

In order to have continued cordial industrial relation, 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, for discussing various issues, for smooth functioning of the organisation and expeditious decisions for the settlement of grievances had been functioning satisfactorily. Training programme is taken up intermittently to enhance the skill-sets of the employees in alignment with their respective roles.

9) ENVIRONMENTAL PROTECTION AND CONSERVATION, TECHNOLOGICAL CONSERVATION, RENEWAL ENERGY DEVELOPMENTS, FOREIGN EXCHANGE CONSERVATION

I. Environmental Protection and Conservation

Your Company is taking measures to protect the environment and conserve the resources as per the Environment Management Plan prepared for each mines and the Company's Corporate Plan for 2012-22.

II. Energy Conservation

Following steps are being taken by the Company for conservation of energy:

Electricity Distribution System

- Schedule our operations to maintain a high load factor
- Shift loads to off-peak times if possible.
- Stagger start-up times for equipment with large starting currents to minimize load peaking.
- Relocate transformers close to main loads.
- Set transformer taps to optimum settings.
- Check utility electric meter with our own meter.

Motors

- Use energy-efficient motors where economical.
- Use automatic power factor controller to improve power factor.
- Provide proper ventilation
(For every 10 °C increase in motor operating temperature over recommended peak, the motor life is estimated to be halved)
- Check for under-voltage and over-voltage conditions.
- Balance the three-phase power supply.
(An imbalanced voltage can reduce 3 - 5% in motor input power)
- Demand efficiency restoration after motor rewinding.
(If rewinding is not done properly, the efficiency can be reduced by 5 - 8%)

Lighting

- Reduce excessive illumination levels to standard levels using switching, delamping, etc.
- Select ballasts and lamps carefully with high power factor and long-term efficiency in mind.
- Upgrade obsolete fluorescent systems to Compact fluorescents and electronic ballasts.
- Change exit signs from incandescent to LED.

DG sets

- Optimise loading
- Clean air filters regularly
- Insulate exhaust pipes to reduce DG set room temperatures

Apart from that OMDC is encouraging use of renewable energy by installing 50 number of solar street lights at nearby peripheral villages under CSR scheme.

III. Technology absorption

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

IV. Foreign Exchange Earnings and Outgo:

There was no transaction in foreign exchange during the year.

10) CORPORATE SOCIAL RESPONSIBILITY

The Company is actively involved in various CSR initiatives. Detailed information is disclosed in the Directors' Report.

11) CAUTIONARY STATEMENT

Statements made in the Director's Report and Report on Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations, predictions etc may be "forwarding-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/ supply and price conditions in the domestic markets in which the Company operates, changes in the Government regulations, tax laws, litigation, industrial relations and other statues and incidental factors. Readers are cautioned not to place undue conviction on the forward looking statements.



Photograph of last AGM held on 16th September, 2011.

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Corporate Governance refers inter alia to a system of checks and balances to ensure timely and transparent financial as well as managerial disclosure for all those who are associated with the Company: shareholders, customers, suppliers, creditors, Government of India, State Government, Governmental Agencies/departments and the society at large. Corporate Governance is not only about following rules and regulation but it is about the true spirit, ethics and eagerness of the corporate body to act with a fair conscience.

OMDC, our Company believes in and practices good Corporate Governance in all its operations and reiterates its commitment to achieve the highest standard of Governance.

2. BOARD OF DIRECTORS

As on 31st March, 2012 the Board of OMDC comprises of eight directors, headed by Ex-Officio Non-Executive Chairman, a full time Managing Director, one Ex-Officio Non-Executive Director, a Government Nominee Director, three Non-Executive Independent Directors and one Non-Executive Independent Director nominated by Life Insurance Corporation of India (LIC).

a. Composition and category of the Board of Directors as on 31st March, 2012 :

Ex-Officio Non-Executive Chairman

Shri Amrendra Prasad Choudhary

Whole-Time Managing Director

Dr. Satish Chandra

Ex-Officio Non-Executive Director

Shri Umesh Chandra

Government of India Nominee Director

Shri Udai Pratap Singh, Joint Secretary, Ministry of Steel

Non-Executive Independent Directors

1. Shri Harsh Mahajan
2. Shri Ashok Vij
3. Smt. Uma Menon
4. Shri Tapasendra Chattopadhyay (Nominee Director of LIC)

Managing Director is appointed by Government of India for a period of five years or till the age of superannuation or until further orders whichever is earliest. The Directors are initially appointed by the Board as Additional Director in terms of the provisions of Section 260 of the Companies Act, 1956 and thereafter by the shareholders in the Annual General Meeting.

Government Nominee Director representing Ministry of Steel, retire from the Board on ceasing to be official of Ministry of Steel, Government of India.

Non Executive Directors (Independent) are normally appointed for a tenure of three years.

As on the date of the Report, the composition of the Board of OMDC is in conformity with Clause 49 of the Listing Agreement and DPE guidelines on Corporate Governance.

b. Board Meeting Procedure

The meetings are convened by giving appropriate advance notice after obtaining approval of the Chairman of the Board/ Committee. Detailed agenda, management reports and other explanatory statements are circulated in advance in the defined format amongst the Board members for facilitating meaningful, informed and focused decisions at the Board meetings. In case of special and exceptional circumstances, additional/supplemental agenda item(s) are also permitted. To address specific urgent need, meetings are also being called at a shorter notice. In case of exigencies or urgency Resolutions are passed by Circulation.

Information placed before the Board of Directors

The Board of Directors has complete access to information within the Company. The information, inter alia, regularly supplied to the Board includes:

- Annual Operating Plans and Budgets and any updates.
- Capital Budget, Revenue Budget and any updates.
- Quarterly/Annual Results of the Company.
- Minutes of Meeting of Audit Committee and other Committees of the Board
- Major Decisions in Joint Ventures.
- Disclosure of Interest by Directors and Other Statutory Items.
- Major expansion plans of the Company.
- Any Significant Development in Human resources / Industrial Relation.

c. Attendance of each Director at the Board Meeting, Last AGM, Number of Directorship and Membership/Chairmanship of Committee

i) Chairman

Name & Designation	Financial Year 2011-12 Attendance at			As on date				Remarks
	No. of Board Meetings held during the tenure	No. of Board Meetings Attended	Attendance in last AGM (16.09.2011)	No. of Directorship in other Companies and partnership in firms		*No. of Committee position held in other Public Limited Companies		
				**Director	Partner	Chairman	Member	
Sri Amrendra Prasad Choudhary (Ex-officio Non-Executive Chairman)	6	5	Yes	4	0	0	0	Appointment from 01.08.2011 & continuing till date.

ii) Whole Time Managing Director

Name & Designation	Financial Year 2011-12 Attendance at			As on date				Remarks
	No. of Board Meetings held during the tenure	No. of Board Meetings Attended	Attendance in last AGM (16.09.2011)	No. of Directorship in other Companies and partnership in firms		*No. of Committee position held in other Public Limited Companies		
				**Director	Partner	Chairman	Member	
Dr. Satish Chandra (Managing Director)	9	9	Yes	2	0	0	0	Appointed from 29.10.2009 & continuing till date.

iii) Government of India Nominee Director

Dr. Dalip Singh (Government of India Nominee Director)	1	0	No	4	0	0	0	Appointed from 28.04.2008 & ceased w.e.f 01.06.2011
Shri Udai Pratap Singh (Government of India Nominee Director)	8	6	No	5	0	0	0	Appointed from 01.06.2011 & continuing till date.

iv) Ex-Officio Non-Executive Director

Sri P.K. Bishnoi (Ex-CMD of RINL)	2	2	No	0	0	0	0	Appointed from 01.06.2011 & ceased from 01.08.2011
Sri Umesh Chandra (Ex-Officio Non-Executive Director)	8	8	Yes	2	0	0	0	Appointed from 01.06.2011 & continuing till date.

v) Non-Executive Independent Directors

Smt. Uma Menon (Non-Executive Independent Director)	9	9	Yes	2	0	2	2	Appointed from 06.04.2010 & continuing till date.
Shri Ashok Vij (Non-Executive Independent Director)	9	9	Yes	2	1	0	0	Appointed from 06.04.2010 & continuing till date.

Shri Harsh Mahajan (Non-Executive Independent Director)	9	8	Yes	2	0	2	2	Appointed from 06.04.2010 & continuing till date.
Shri Tapasendra Chattopadhyay (Nominee of LIC)	9	8	Yes	1	0	0	0	Appointed from 23.02.2009 & continuing till date.

* 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 is a Director.

d. Brief resume of the Directors retiring by rotation

Name of the Directors	Shri Ashok Vij	Smt. Uma Menon
Date of Birth	05-05-1955	17-11-1972
Date of Appointment	06-04-2010	06-04-2010
Qualification	B.Com, FCA and Associate Member of the Institute of Internal Auditors Inc. Florida (U.S.A.) Delhi Chapter	M.Sc in Environmental Studies PG diploma in Journalism.
Experience	Mr Vij is a Senior Partner in M/s Lamba Vij & Co., a reputed firm of Chartered Accountants, with offices at Shimla, H. P. and New Delhi. He has over thirty-two years of professional experience in servicing medium and large companies including multinational companies in the areas of Audit, Taxation and Business Advisory Services. He has served as a Director on the Board of Oriental Bank of Commerce (Sept'89 to Mar'95) and Indian Overseas Bank (Apr'95 to Mar'00) as a nominee of the Govt. of India. He is presently serving as an Independent Director on the Boards of Allahabad Bank and Principal PNB Asset Management Company Private Limited etc. He is also President of H.P. Chambers of Commerce & Industry, and Hon'y General Secretary of the Himachal Pradesh Tennis Association.	Smt. Menon is associated with Indian Institute of Sustainable Development as Director, working towards sustainable development in mines and mine closings. She was awarded by the Indo-Russian Centre as "Outstanding woman of the year 2007" -Environment. She is founder of "Proactive Earth Care Society", an NGO working with children to create environmental awareness.

Directorship Details	1) The Orissa Minerals Development Company Limited. 2) Dedicated Digital Machines Private Limited. 3) Principal Pnb Asset Management Company Private Limited. 4) India Professional Services and Investments Limited. 5) Allahabad Bank 6) Lamba Vij & Company (Firm)	1) The Orissa Minerals Development Company Limited. 2) The Bisra Stone Lime Company Limited. 3) Eastern Investments Limited.
Membership of Committees		1) Audit Committee of BSLC, EIL-Member 2) Shareholders/Investors-Grievance Committee OMDC (Chairperson), BSLC (Chairperson), EIL (Chairperson). 3) Remuneration Committee of EIL and BSLC—Member
Number of Shares held in the Company	Nil	Nil

e. Meetings of Board & attendance during the year

During the year 2011-2012, nine (9) Board Meetings were held, the details of which are given below:

Sl. No.	Date of Board Meeting	Board Strength	Number of Directors Present
1	27.05.2011	6	5
2	08.07.2011	8	8
3	26.07.2011	8	7
4	10.08.2011	8	7
5	09.11.2011	8	6
6	18.11.2011	8	7
7	23.01.2012	8	8
8	13.02.2012	8	8
9	28.03.2012	8	8

3. COMMITTEE

Constitution of Committee of Board of Directors:

The terms of reference of Board Committee 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 committee, appointment of members and fixation of terms of reference for committee members are taken by the Board of Directors.

3.1 AUDIT COMMITTEE OF BOARD

The Audit Committee assists the Board in discharging its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Committee's purpose is to oversee the accounting and financial reporting process of the Company, the audits of the Company's financial statements, the appointment, independence, performance and remuneration of the statutory auditors, the performance of internal auditors and the Company's risk management policies. The terms of reference of the committee are as spelt out in Listing Agreement and DPE Guidelines on Corporate Governance.

a. Powers of Audit Committee

The Audit Committee have powers, which include the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

b. 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, and
 - 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 system.
- 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 there on.
- 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 system 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.
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging the function) after assessing the qualification, experience & background, etc. of the candidate.
- To review the functioning of the Whistle Blower Mechanism, in case the same is existing.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee or contained in the Listing Agreement as and when amended from time to time.

c. Composition, Name of Members and Chairman

The Audit Committee of OMDC consists of the following three Directors and all of three are Non Executive Independent Directors.

1. Shri Ashok Vij, Independent Director - Chairman
2. Shri Harsh Mahajan, Independent Director - Member
3. Shri T Chattopadhyay, Independent Director - Member

The Company Secretary acts as the Secretary to the Committee.

d. Meetings of Audit Committee & attendance during the year

During the year under review, 6 (six) meetings of the Audit Committee were held. The details of which are as follows:

Sl. No.	Date	Strength of Audit Committee at Respective Meeting	Number of Members Present
1	25.05.2011	3	3
2	07.07.2011	3	3
3	26.07.2011	3	2
4	10.08.2011	3	3
5	08.11.2011	3	3
6	12.02.2012	3	3

3.2 SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

The Committee is entrusted with the responsibility to address the shareholders and investors complaints with respect to transfer of shares, non-receipt of annual report, non-receipt of declared dividends, etc. The Committee evaluates performance and service standards of the Registrar and Transfer Agent (RTA) of the Company, and also provides continuous guidance to improve the service levels for investors. The Committee monitors implementation and compliance of the Company's Code of Conduct for Prohibition of Insider Trading in pursuance of SEBI (Prohibition of Insider Trading) Regulations, 1992.

a. Composition, Name of Members and Chairperson

The Shareholders/ Investors' Grievance Committee of OMDC consists of the following Directors who are all Non-Executive Independent Directors of the Company :

1. Smt Uma Menon, Independent Director - Chairperson
2. Shri T. Chattopadhyay, Independent Director – Member

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

b. Meeting of Shareholders' / Investors' Grievance Committee & attendance during the year

During the year under review, 5 (five) meetings of the Shareholder / Investors' Grievance Committee were held. The details of which are as follows:

Sl. No.	Date	Strength of the Committee at Respective Meeting	Number of Members Present
1	25.05.2011	2	2
2	07.07.2011	2	2
3	08.11.2011	2	2
4	12.02.2012	2	2
5	28.03.2012	2	2

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

Particulars	Number of Cases	Number of Equity Shares involved
Transfer of shares	6	155
Transmission of shares	4	400
Issue of duplicate share certificates	3	650

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

Particulars	Number of Requests Received for Dematerialisation	Number of Equity Shares Dematerialized
NSDL	22	291896
CDSL	3	9

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

Particulars	Number of Requests Received for Rematerialisation	Number of Equity Shares Rematerialized
NSDL	Nil	Nil
CDSL	Nil	Nil

f. Details in respect of shareholders' complaints:

- Number of shareholders complaints received during the year - 1
- Number of complaints redressed during the period - 1
- Number of pending complaints as on 31.03.2012 - Nil

During the financial year ended 31st March, 2012, the Company and the RTA have attended investor grievances expeditiously except for the cases constraint by disputes or legal impediment.

g. 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
 Email : info.birdgroup@nic.in
 Website : www.birdgroup.gov.in

Pursuant to 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.

3.3 REMUNERATION COMMITTEE

The Board of Directors at its meeting held on 30th April, 2010 had constituted a Remuneration Committee of Directors in line with the DPE Guidelines.

a. Composition, Name of Members and Chairman

The Remuneration Committee of OMDC consists of the following Directors who are all Non -Executive Independent Directors of the Company :

1. Shri Harsh Mahajan, Independent Director - Chairman
2. Shri Ashok Vij, Independent Director - Member
3. Shri T. Chattopadhyay, Independent Director - Member

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

The scope, powers and terms of reference of the Remuneration Committee shall be as per the directives issued by DPE, Listing Agreement, the Companies Act, 1956 etc.

During the year under review, one meeting of the Remuneration Committee was held on 8th November, 2011. All the Directors attended the meeting of the Remuneration Committee.

OMDC being a Government Company, the terms and conditions of the appointment and remuneration of Functional Director are determined by Government through its Administrative Ministry, Ministry of Steel.

The Non-Executive Independent Directors are paid sitting fees as approved by the Board within the ceiling fixed under the Companies Act, 1956 and as per the guidelines issued by the Government of India.

b. The details of remuneration paid to Functional Director during the financial year 2011-12 are as follows:

Name of the Director	Pay & Benefits	Contribution to PF & Super Annuation Funds	Other Benefits	Total (₹ In Lacs)
Dr. Satish Chandra	5.80	1.29	4.24	11.33

During the year under review, the Part-time Directors (Independent) were paid sitting fees ₹7500/- per day per Director for attending the meeting of the Board, any Committee meeting or otherwise incurred in the execution of their duties as Director.

Government Director, Ex-Officio Non-Executive Directors and Functional Director are not paid sitting fees for attending the meeting of the Board or any Committee meeting thereof.

- c. During the year, the Part-time Non Executive Independent Directors received sitting fees for attending the meetings of the Board/Committee etc. as follows:

Name of the Director	Sitting Fees (₹)
Shri Tapasendra Chattopadhyay	97,500
Shri Harsh Mahajan	1,05,000
Shri Ashok Vij	1,12,500
Smt. Uma Menon	1,05,000
Total	4,20,000

The Company does not have any ADRs / GDRs / Warrant scheme for stock option / convertible instruments. The Directors are not holding any shares of the Company.

4. 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.

5. GENERAL BODY MEETINGS

- i. Location and time where last three Annual General Meetings (AGMs) held.
- ii. Whether any special resolutions passed in the last three AGMs.

- i. The details of the location and time of Annual General Meetings (AGMs) of OMDC held during last three years are as under:

Year	Venue	Date	Time
2008-09	“PURBASHREE AUDITORIUM” Eastern Zonal Cultural Centre, Bhartiyam Cultural Multiplex, IB - 201, Sector - III, Salt Lake City, Kolkata – 700106	29-09-2009	3.00 P.M.
2009-10	“PURBASHREE AUDITORIUM” Eastern Zonal Cultural Centre, Bhartiyam Cultural Multiplex, IB - 201, Sector - III, Salt Lake City, Kolkata – 700106	28-09-2010	11.30 A.M
2010-11	“PURBASHREE AUDITORIUM” Eastern Zonal Cultural Centre, Bhartiyam Cultural Multiplex, IB-201, Sector III, Salt Lake City, Kolkata-700106	16-09-2011	11.00 A.M.

ii. Details of Special Resolutions passed in last three Annual General Meetings :

Date of Annual General Meeting	Number of Special Resolution Passed	Details of Special Resolution
29-09-2009	2	1) Article 5 of the Articles of Association of the Company substituted by new Article, relates to Allotment of shares. 2) 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
16-09-2011	Nil	Nil

iii. 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, Sector – III, Salt Lake City, Kolkata-700106.

In the Year	Extra Ordinary General Meeting (EOGM)	Number of Resolution Passed	Details of Resolution
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.
2010-11	No	No	No

No Extra Ordinary General Meeting was held during the year 2011-12.

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

During the year 2010-11, one 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 :

In the Year	Date of Passing of the Resolution by Postal Ballot	Number of Ordinary Resolution Passed	Details of Ordinary Resolution
2008-09	Nil	Nil	Nil
2009-10	Nil	Nil	Nil
2010-11	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.

During the year 2011-12, there was no occasion to resort to Postal Ballot for consideration of the Shareholders of the Company.

6. DISCLOSURES :

- a. The Company has not entered into any materially significant related party transactions that may have potential conflict with the interests of the Company at large. Nonetheless, transactions with related parties have been disclosed in Note No. 27 to the Accounts in the Annual Report.
- b. There was no case of non-compliance of provisions of Companies Act, 1956 or Rules & Regulations of Stock Exchanges or SEBI or any Statutory Authority. These Authorities have also not passed any strictures or imposed penalty on the Company, on any matter related to Capital Markets, during the last three years.
- c. In respect of Whistle Blower Policy, no personnel of the Company have been denied access to the Audit Committee.
- d. The Company has complied with the requirement of Clause 49 of the Listing Agreement and DPE Guidelines on Corporate Governance.
- e. The Company has formulated and implemented Code of Conduct for all Board Members and Senior Management of the Company in compliance with Clause 49 of the Listing Agreement. The same has also been posted at the Company's website at www.birdgroup.gov.in. 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 Managing Director of the Company is annexed with this report.
- f. The certification under Clause 49(V) of the Listing Agreement by CEO and CFO to the Board is appended to this report.
- g. In order to have better Risk Management, OMDC is in the process of developing Risk Management Policy towards achieving sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business.

The Company had sought assistance of external experts for upgrading the document. Accordingly, the Company has assigned the job for preparation of Risk Management Policy to M/s S. R. Batliboi & Co., Internal Auditors of the Company.
- h. In preparation of the Financial Statements, the Company has followed the accounting standards issued by the Institute of Chartered Accountants of India. The significant accounting policies have been set out in the notes to accounts.

Compliance with non-mandatory requirement:

The Company has complied with and adopted the following non-mandatory requirements of Clause 49 of the Listing Agreement :

❖ **The Board :**

The Chairman is Ex-Officio Non-Executive Chairman and Managing Director of the Company is in whole time employment. Independent Directors are appointed by Ministry of Steel, Govt. of India for a tenure not exceeding three years.

❖ **Shareholders' Rights :**

The Company publishes the quarterly unaudited/audited financial results in leading National English Newspaper as mentioned under heading "Means of Communication". These unaudited/ audited financial results are also posted on Company's website www.birdgroup.gov.in. The Company communicates major events, achievements etc. through electronic media, newspaper and also on its website.

❖ **Audit Qualification :**

The Company always aims to present unqualified financial statements.

❖ **Training of Board Members :**

The Directors of the Company are nominated for suitable training/programmes/seminars from time to time. During 2011-12, training for Directors was arranged through SCOPE (Standing Committee of Public Enterprises) at New Delhi in December, 2011.

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

Being a PSU, appointment/nomination of majority of the Directors are done by Government of India through Ministry of Steel. The Company has not adopted any mechanism for evaluating individual performance of Non-Executive Board Members.

❖ **Whistle Blower Policy :**

OMDC being a PSU, the guidelines of Central Vigilance Commission (CVC) are applicable which provides adequate safeguard against victimization of the employees. No person has been denied access to the Audit Committee.

- i. Other than the sitting fees paid (₹7500/ per day per Director), Part time Non-Executive Directors have no pecuniary relationship or transactions with the Company during the year under report.
- j. Items of expenditure debited in books of accounts, which are not for the purposes of the business: Nil
- k. Expenses incurred which are personal in nature and incurred for the Board of Directors and Top Management : Nil

7. HOLDING/ SUBSIDIARY COMPANY

The Orissa Minerals Development Company Limited (OMDC) is a subsidiary of Eastern Investments Limited (EIL) and EIL is subsidiary of Rashtriya Ispat Nigam Limited (RINL). Thus OMDC became subsidiary of RINL.

OMDC does not have any subsidiary company.

8. MEANS OF COMMUNICATION

- i) **Quarterly Results** : The Company publishes the quarterly unaudited/audited financial results in leading National English Newspaper i.e. "Business Standard" in English on an all India basis and "Dainik Statesman" in Bengali (vernacular) language from Kolkata.
- ii) **News Releases, Presentation, etc.** : Company communicates major achievements and important events taking place in the Company through Press, Electronic Media and also on its Website.
- iii) **Annual Report** : Annual Report containing, inter alia, Audited Annual Accounts, Directors' Report, Auditors' Report and other important information is circulated to members and other entitled thereto. The Management's Discussion and Analysis (MD&A) Report forms part of the Annual report and is displayed on the Company's website www.birdgroup.gov.in.
- iv) **Chairman's Communique** : Printed copy of the Chairman Speech is distributed to all the shareholders at the Annual General Meetings. The same is also placed on the website of the Company.
- v) **Reminder to Investors** : Reminders for unclaimed dividend are sent to the shareholders as per records every year.
- vi) **NSE Electronic Application Processing System (NEAPS)** : The NEAPS is a web based application designed by NSE for Corporates. The Shareholding Pattern and Corporate Governance Report are also filed electronically on NEAPS.
- vii) **SEBI Complaints Redress System (SCORES)** : The investor complaints are processed in a centralized web based complaints redress system. The salient features of this system are : Centralised database of all complaints, online upload of Action Taken Reports (ATRS) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.

9. GENERAL SHAREHOLDER INFORMATION

i) AGM Date, Time and Venue :

Date	Time	Venue
19 th September, 2012	11.00 A.M.	"PURBASHREE AUDITORIUM" Eastern Zonal Cultural Centre, Bhartiyam Cultural Multiplex, IB-201, Salt Lake, Kolkata-700 106

ii) Financial Calendar for 2012-13 (Tentative)

Sl. No.	Approval/ Adoption of	On or before
1 st quarter results	(Unaudited)	on or before 14.08.2012
2 nd quarter results	(Unaudited)	on or before 14.11.2012
3 rd quarter results	(Unaudited)	on or before 14.02.2013
4 th quarter results	(Audited)	on or before 30.05.2013
Next Annual General Meeting within September		2013

- iii) **Date of Book Closure** : From 12th September, 2012 to 19th September, 2012 (both days inclusive).

iv) **Dividend Payment Date** : Within 30 days from the date of declaration of dividend

v) **Last date of submission of ECS mandate/ bank particulars** : On or before 5th September, 2012 to
CB Management Services (P) Ltd.
P-22, Bondel Road
Kolkata - 700019

vi) **Listing on Stock Exchanges** :

OMDC shares are listed on National Stock Exchange, Calcutta Stock Exchange and got trading permission under permitted category at Bombay Stock Exchange. Listing fees for the year 2012-13 has been paid to the Stock Exchanges.

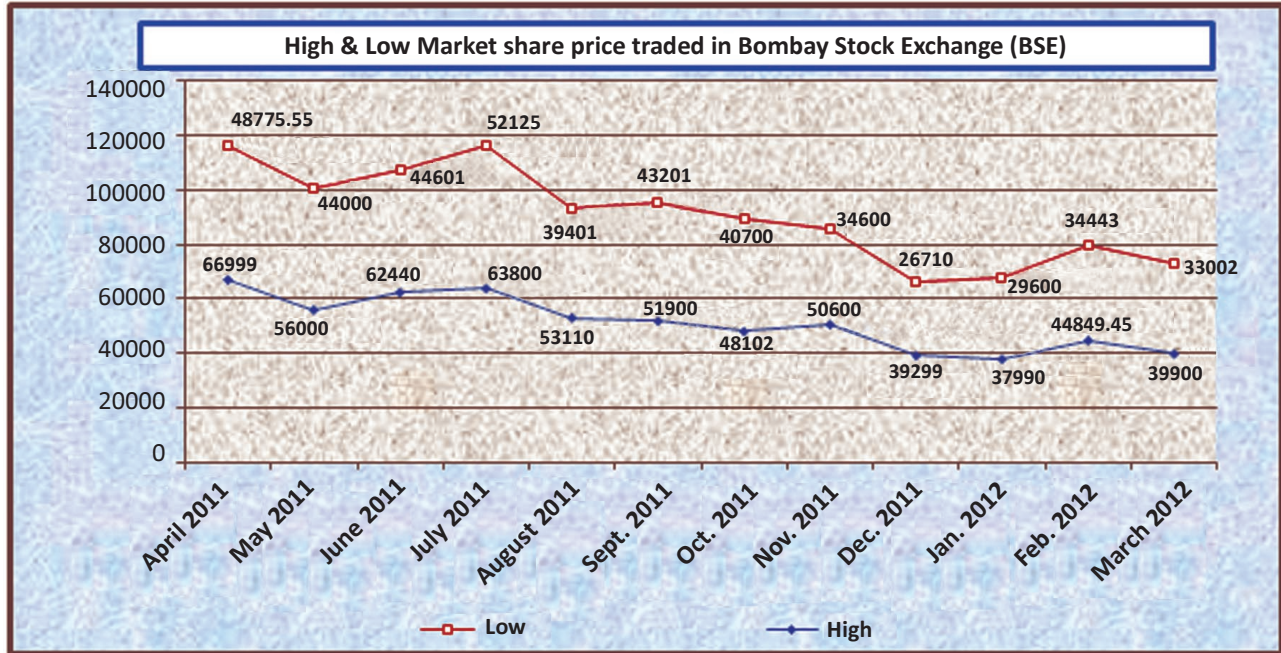
vii) **Stock Code** :

Sl. No.	Name of the Stock Exchange where Company's Equity Shares are Listed	Scrip Code / Company Code
1	National Stock Exchange, Mumbai	ORISSAMINE
2	Calcutta Stock Exchange, Kolkata	25058
3	Bombay Stock Exchange, Mumbai	590086

viii) **Market price data:** The monthly high & low price of the shares of OMDC for the period from April, 2011 to March, 2012.

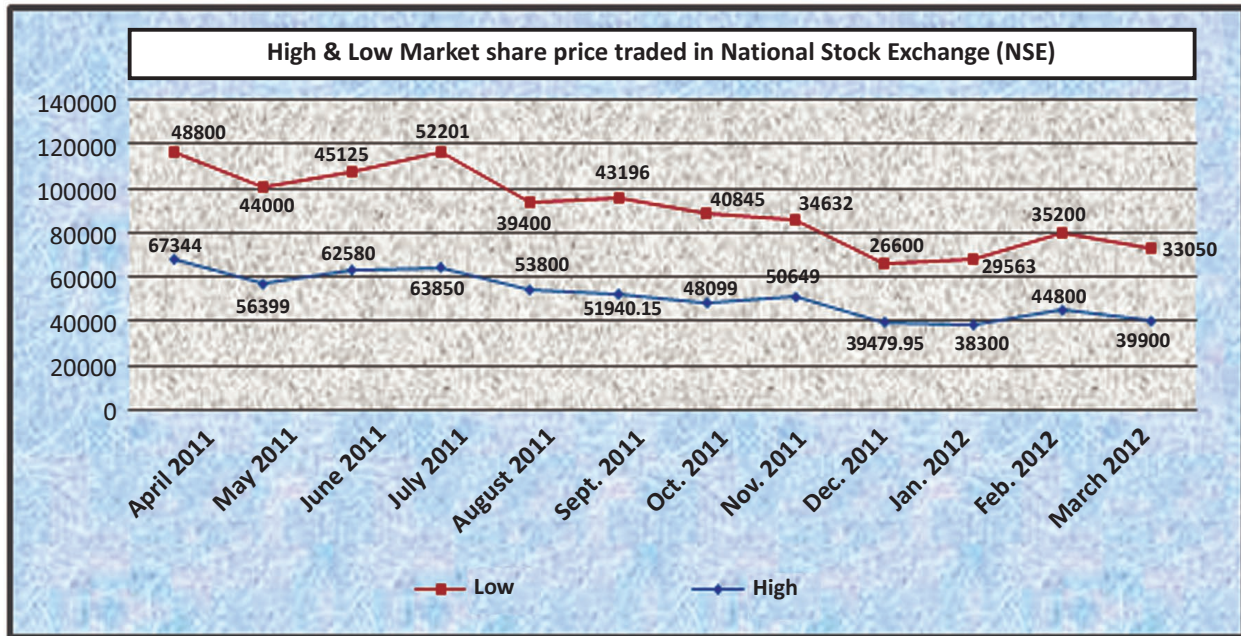
a. **Market price data of the Company's share at Bombay Stock Exchange (BSE) :**

Year	Month	Highest (₹)	Lowest (₹)
2011	April	66999.00	48775.55
2011	May	56000.00	44000.00
2011	June	62440.00	44601.00
2011	July	63800.00	52125.00
2011	August	53110.00	39401.05
2011	September	51900.00	43201.00
2011	October	48102.00	40700.00
2011	November	50600.00	34600.00
2011	December	39299.00	26710.00
2012	January	37990.00	29600.00
2012	February	44849.45	34443.00
2012	March	39900.00	33002.00



b. Market price data of the Company's share at National Stock Exchange (NSE) :

Year	Month	Highest (₹)	Lowest (₹)
2011	April	67344.00	48800.00
2011	May	56399.90	44000.00
2011	June	62580.00	45125.00
2011	July	63850.00	52201.00
2011	August	53800.00	39400.00
2011	September	51940.15	43196.00
2011	October	48099.00	40845.00
2011	November	50649.00	34362.00
2011	December	39479.95	26600.05
2012	January	38300.00	29563.00
2012	February	44800.00	35200.00
2012	March	39900.00	33050.00



ix) Performance in comparison to broad-based indices on BSE and NSE for 2011-12

Month	NSE		BSE	
	S&P CNX NIFTY (₹)	OMDC (₹)	SENSEX (₹)	OMDC (₹)
April, 2011	5911.50	67344.00	19135.96	66999.00
May, 2011	5701.30	56399.90	18503.28	56000.00
June, 2011	5647.40	62580.00	18845.87	62440.00
July, 2011	5728.95	63850.00	18197.20	63800.00
August, 2011	5516.80	53800.00	16676.75	53110.00
September, 2011	5153.25	51940.15	16453.76	51900.00
October, 2011	5360.70	48099.00	17705.01	48102.00
November, 2011	5289.35	50649.00	16123.46	50600.00
December, 2011	5062.60	37479.95	15454.92	39299.00
January, 2012	5204.70	38300.00	17193.55	37990.00
February, 2012	5607.15	44800.00	17752.68	44849.45
March, 2012	5463.90	39900.00	17404.20	39900.00

x) Registrar and Transfer Agent (RTA)

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

xi) 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

xii) Corporate Identity Number

Corporate Identity Number(CIN) of the Company, allotted by the Ministry of Corporate Affairs, Government of India is L51430WB1918SGC003026.

xiii) Payment of Depository Fees

Annual Custody/ Issuer fee for the year 2012-13 has been paid by the Company to NSDL and CDSL.

xiv) Share Transfer System

Entire share transfer activities under physical segment are being carried out by our Registrar, M/s CB Management Services (P) Ltd. The share transfer system consists of activities like receipt of share transfers along with transfer deed from transferees, its verification, preparation of memorandum of transfers, etc. Share transfers are approved by the Board based on recommendation of Shareholders' Investors' Grievance Committee.

Pursuant to Clause 47(c) of the Listing Agreement with Stock Exchanges, certificate from Practicing Company Secretary, confirming due compliance of share transfer formalities has been submitted to Stock Exchanges within stipulated time, on half-yearly basis.

xv) No. of Shares held in dematerialized and physical mode as on 31st March, 2012

Particulars	Shares	%	Number of Shareholders	%
Held in dematerialized form in NSDL	427220	71.20	7014	60.69
Held in dematerialized form in CDSL	134759	22.46	4354	37.67
Physical	38021	6.34	189	1.64
TOTAL	600000	100.00	11557	100.00

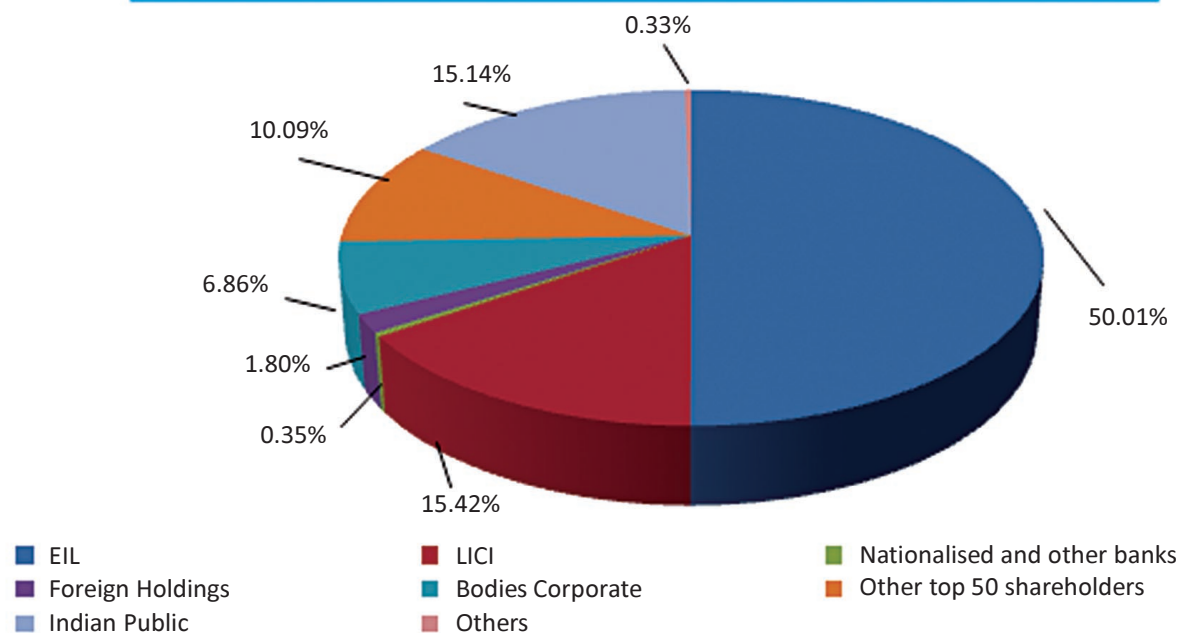
xvi) Top Ten Shareholders of the Company as on 31st March, 2012.

Sl. No.	Name of the Shareholder	Number of Shares held	% of Shareholding
1.	Eastern Investments Limited	300089	50.01
2.	Life Insurance Corporation of India	92500	15.42
3.	Mahendra Girdharilal	9109	1.52
4.	Aspi H Tangree	7573	1.26
5.	3A Capital Services Limited	7425	1.24
6.	All Bank Finance Limited	6600	1.10
7.	Misrilall Jain	4950	0.83
8.	Darius R Madon	3900	0.65
9.	The Property Company Private Limited	6794	1.13
10.	Goldman Sachs Investments (Mauritius) Ltd.	3278	0.55
	TOTAL	442218	73.71

xvii) Categories of Shareholders with Shareholding Pattern as on 31-03-2012

Shareholders	Number of Shares	Percentage (%)
1. Government (Central and State)	0	0.00
2. Government Companies (Eastern Investments Limited)	300089	50.01
3. Public Financial Companies(LICI)	92500	15.42
4. Nationalized and other Banks	2076	0.35
5. Mutual Funds	0	0.00
6. Venture capital	0	0.00
7. Foreign holdings [Foreign Institutional Investor(s) Foreign Company(s). Foreign Financial Institution(s) Non Resident Indians, Overseas corporate bodies or others.]	10799	1.80
8. Body corporate(not mentioned above)	41143	6.86
9. Directors or relatives of directors	0	0.00
10. Other top fifty (50) shareholders (other than listed above)	60531	10.09
11. Indian Public	90843	15.14
12. Others		
a) Clearing Members	2019	0.33
b) Custodian of Enemy Property for India	0	0.00
TOTAL	600000	100.00

Share Holding Pattern As On 31st March, 2012

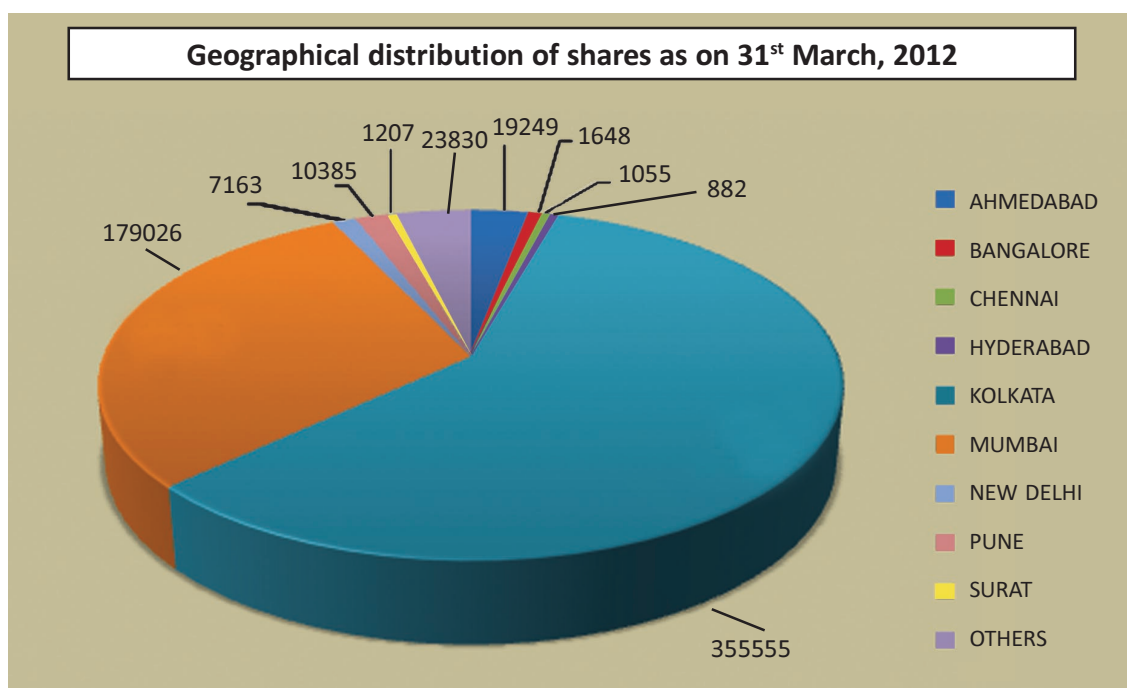


xviii) Distribution of shareholding by size as on 31.03.2012

Category	Number of Shareholders		Number of Shares	
	Total	% of Shareholder	Total	% to Share Capital
1-500	11503	99.53	119716	19.95
501-1000	32	0.28	21699	3.62
1001-2000	10	0.09	14127	2.35
2001-3000	1	0.01	2240	0.37
3001 – 4000	4	0.03	13972	2.33
4001- 5000	1	0.01	4950	0.83
5001-10000	4	0.03	30707	5.12
10001-50000	0	0.00	0	0.00
50001-100000	1	0.01	92500	15.42
100001 And Above	1	0.01	300089	50.01
Total	11557	100.00	600000	100.00

xix) Geographical Analysis Report as on 31st March, 2012

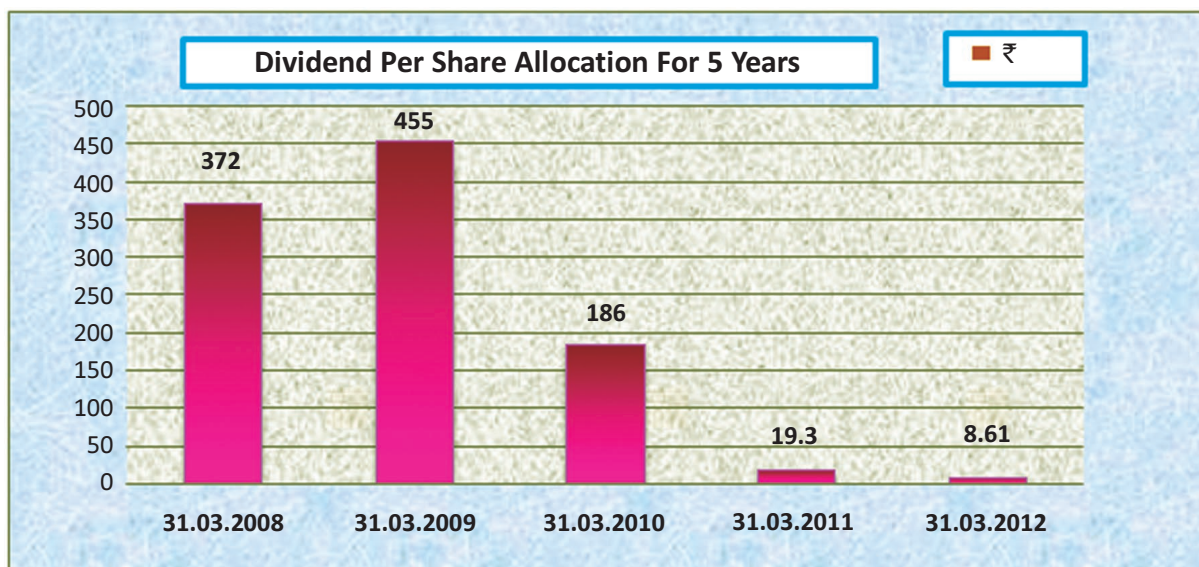
State	Number of Shareholders	% of Shareholder	Number of Shares	% of Shares
AHMEDABAD	1772	15.33	19249	3.21
BANGALORE	298	2.58	1648	0.27
CHENNAI	192	1.66	1055	0.18
HYDERABAD	169	1.46	882	0.15
KOLKATA	867	7.50	355555	59.26
MUMBAI	3976	34.40	179026	29.84
NEW DELHI	401	3.47	7163	1.19
PUNE	282	2.44	10385	1.73
SURAT	226	1.96	1207	0.20
OTHERS	3374	29.20	23830	3.97
TOTAL	11557	100.00	600000	100.00



xx) Dividend History (Five years)

Financial Year Ended	Dividend Per Share (₹)	Total Dividend (₹ In Crores)
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
31.03.2012	8.61	0.52

Note : Total dividend is exclusive of dividend tax.



xxi) Unclaimed Dividend

Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, particulars of the dividends declared by the Company, which remained unpaid or unclaimed are given below :

Financial Year	Date of Payment of Dividend	Total Dividend (₹ In Crores)	Unclaimed Dividend as on 31.03.2012 (₹)	Due Date for Transfer of Unclaimed Dividend Amount to IEPF*
2004-05	21.10.2005	21.84	43,59,992	20.10.2012
2005-06	10.10.2006	19.50	43,77,750	09.10.2013
2006-07	09.10.2007	26.02	60,49,463	08.10.2014
2007-08	10.10.2008	22.32	54,37,136	09.10.2015
2008-09	16.10.2009	27.30	53,01,660	15.10.2016
2009-10	12.10.2010	11.16	29,02,344	11.10.2017
2010-11	10.10.2011	1.16	30,96,49.20	09.10.2018

* Investor Education and Protection Fund (IEPF)

xxii) Transfer of unpaid/ unclaimed dividend amount to Investor Education and Protection Fund

During the year under review, an amount of ₹68,115.00 (Rupees Sixty Eight Thousand One Hundred Fifteen only) pertaining to unpaid dividend for the financial year 2003-04 were transferred to Investor Education and Protection Fund (IEPF) of the Central Government.

As per provision of the Section 205A read with Section 205C of the Companies Act, 1956 the Company is required to transfer unpaid dividends remaining unclaimed and unpaid for the period of 7 years from the due date(s) to the Investor Education and Protection Fund (IEPF) set up by the Central Government.

Unclaimed final dividend for the year 2004-05 is due for transfer to Investors' Education and Protection Fund (IEPF) established by Government of India on or after 20th October, 2012. All shareholders, whose dividend is unpaid, are requested to lodge their claim with M/s CB Management Services (P) Limited, the Registrar and Transfer Agent of the Company by submitting an application latest by 15th September, 2012. Kindly note that no claims will lie against the Company or the IEPF once the dividend amount is deposited in IEPF.

Members who have not encashed their dividend warrants within their validity period may write to the Company at its Registered Office or M/s CB Management Services (P) Limited, the Registrar and Transfer Agent of the Company, for revalidating the warrants or for obtaining duplicate warrants/ or payment in lieu of such warrants in the form the demand draft.

xxiii) 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.

xxiv) Mines Locations

- a) Thakurani Iron & Manganese Mines
The Orissa Minerals Development Co. Ltd.
At/P.O. Thakurani, Via – Barbil,
District : Keonjhar, (Odisha)
Pin : 758035
- b) Belkundi Bagiaburu Iron Mines
The Orissa Minerals Development Co. Ltd.
At/P.O. Nalda, Via – Barbil,
District : Keonjhar, (Odisha)
Pin : 758035
- c) Bhadrasahi Iron and Manganese Mines
The Orissa Minerals Development Co. Ltd.
At Kolha, Roida. Via – Joda,
District : Keonjhar, (Odisha)
Pin : 750038
- d) OMDC Sponge Iron Plant
The Orissa Minerals Development Co. Ltd.
At/P.O. Thakurani, Via Barbil,
District : Keonjhar, (Odisha)
Pin : 758035

Other Offices at :

- a) New Delhi :
Core-IV, II Floor, Scope Minar,
Laxmi Nagar District Centre,
New Delhi-110092
- b) Bhubaneswar :
Plot No-2132/5131/5161
Jayadev Nagar
Nageswar Tangi
Bhubaneswar- 751002

xxv) 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) 2287-0263
E mail : rt@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

xxvi) 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.

xxvii) Auditor's Certificate on Corporate Governance:

The Company has obtained a Certificate from CS A. K. Labh, Practicing Company Secretary of M/s A. K. Labh & Co. 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 1(D) OF THE
LISTING AGREEMENT WITH THE STOCK EXCHANGES**

In compliance with Clause 49 1(D) of the Listing Agreement, all the Members of the Board and Senior Management of the Company have affirmed compliance with the Code of Conduct for the year ended 31st March, 2012.



DR. SATISH CHANDRA
Chief Executive Officer & Managing Director

Place : Kolkata

Date : 8th May, 2012

**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 T.K. Saha, 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, 2012 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 2011-12 which were fraudulent, illegal and violative to 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 2011-12 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.



(T.K. SAHA)

Chief Finance Officer (CFO)



(DR. SATISH CHANDRA)

Chief Executive Officer (CEO) & Managing Director

Place : Delhi

Date : 18.05.2012

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, 2012 as stipulated in Clause 49 of the Listing Agreement with the stock exchanges and as amended by the SEBI vide its Circular dated 09th 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 : 11th August, 2012**

**AUDITORS' REPORT
TO THE MEMBERS OF
THE ORISSA MINERALS DEVELOPMENT COMPANY LIMITED
FOR THE YEAR 2011-2012.**

1. We have audited the attached Balance Sheet of The Orissa Minerals Development Company Limited as at 31st March 2012 and also the Statement of Profit and Loss of the Company for the year ended on that date and Cash Flow Statement for the year ended on that date annexed thereto.
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 conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the 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 as amended by the Companies (Auditor's Report) (Amendment) Order, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 and on the basis of such examination of the books and record of the company as we considered appropriate and according to the information and explanations given to us, we enclosed in "Annexure-A", a statement on the matters specified in paragraphs 4 and 5 of the said order:
5. Further to our comments in **Annexure A**, 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, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - iv) In our opinion, the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report together with Notes on Accounts and Significant Accounting Policies of the Company comply with the Accounting Standards referred in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - 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 Companies Act, 1956.

- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts of the Company together with the Significant Accounting Policies read with Notes on Accounts (Part A & B) 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 2012.
 - (b) in case of the Statement of Profit & Loss 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 N. C. Banerjee & Co.,
Chartered Accountants
FRN 302081E

(Arnob Paul)
Partner
Mem. No. 06490

Place : KOLKATA
Dated : 18 May 2012

ANNEXURE – A TO AUDITORS’ REPORT TO THE MEMBERS OF THE ORISSA MINERALS DEVELOPMENT COMPANY ON MATTERS SPECIFIED IN COMPANIES (AUDITORS’ REPORT) ORDER, 2003 AS REFERRED TO IN PARA – 4 OF AUDITORS’ REPORT TO MEMBERS DATED 18TH MAY’ 2012.

QUERIES			COMMENTS
(i)	(a)	Whether the Company is maintaining proper records showings full particulars, including quantitative details and situation of fixed assets.	The Company has started a fixed asset register with the help of an outside agency which require further improvement and reconciliation. The register should contain full particulars including quantitative details and situations of fixed assets.
	(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.	The fixed assets have been physically verified by the company through an outside agency. The impairment of assets observed through physical verification has been considered.
	(c)	If a substantial part of Fixed Assets have been disposed off during the year, whether it has affected the going concern.	No substantial parts of fixed assets have been disposed off during the year. The company is a mining company. During the year ended 31 st March 2012, there was no mining operations. The accounts has been prepared on going concern basis.
(ii)	(a)	Whether physical verification of inventory has been conducted at reasonable intervals by the Management.	Physical verifications of spare parts have been done at reasonable intervals. The physical verification of Stock of Raw materials and finished goods were done by engaging outside agency.
	(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.	The physical verification of spare parts has been done by the management. Physical verification of raw materials and finished goods were done through outside agency. The verification of inventory followed by the management found to be reasonable and adequate.
	(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.	The company maintains proper records of inventory. In case of Raw material and finished product, physical verification has been done by third party, there are differences between book stock and stock found on physical verification. Shortages observed have been adjusted, excess stock found, was not considered in valuation of closing stock.
(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.	For loans given to associate companies - Scott and Saxby Rs. 104.42 lacs and KDCL Rs 28.77 lacs. (both under Liquidation), the Register has been maintained under Section 301 of the Companies Act.

	(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.	No interest is charged on loans, other terms and condition on loan given are not prejudicial to the interest of the company.
	(c)	Whether payment of the principal amount and interest are also regular.	No payment of Principal and Interest has been made during the year.
	(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.	Steps for recovery stated to have been taken but no recovery was there from the Associate Companies (both are under liquidation).
(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.	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 its business for the purchase of inventory and fixed assets.
(v)	(a)	Whether transactions that need to be entered into a register in pursuance of Section 301 of the Act have been so entered.	According to the information and explanations given to us, we are of the opinion that the transactions that needed to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
	(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)	According to the information and explanations given to us, transactions 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.
(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.	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.
(vii)		In the case of listed companies and / or other companies having a paid up capital and reserve exceeding Rs. 50 lakh as at the commencement of the financial year concerned, having an average annual turnover exceeding five crore rupees for the period of three consecutive financial year immediately preceding the internal audit system commensurate with its size and nature of its business.	A firm of Chartered Accountants has been appointed as Internal Auditors of the company. In our opinion there is scope for improvement in internal audit system. Internal audit must take initiative in helping the management in taking appropriate measures on all aspects which are reported by them. In our opinion Internal Audit system does not 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.	From this year maintenance of cost records as per Section 209(1) (d) of the Companies Act, 1956 was applicable to this Company and in the process of development.																						
(ix)	<p>(a) Is the company regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty Cess and any other statutory dues with the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as at the last day of the financial year concerned for a period more than six months from the date they became payable, shall be indicated by the auditor.</p> <p>(b) In case dues of sales tax / income tax / custom tax/wealth tax/excise duty/cess have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending may please be mentioned. (A mere representation to the department shall not constitute the disputes.)</p>	<p>According to the information and explanation made available to us, the current undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Royalty etc. are deposited on regular basis to the appropriate authorities. As explained to us there is no current undisputed amount payable in respect of the aforesaid dues as on 31st March 2012 outstanding for a period of more than six months from the date they had become payable.</p> <p>According to the information and explanations made available to us, details of disputes dues as on 31.03.2012 are as follows:-</p> <table border="1" data-bbox="870 961 1437 1440"> <thead> <tr> <th>Name of Statute</th> <th>Nature of Dues</th> <th>Forum where dispute is pending</th> <th>Amount (₹)</th> </tr> </thead> <tbody> <tr> <td>Orissa VAT</td> <td>Sales Tax</td> <td>High Court</td> <td>26,67,117</td> </tr> <tr> <td>Central Sales Tax</td> <td>Sales Tax</td> <td>Asstt. Commissioner</td> <td>27,99,722</td> </tr> <tr> <td rowspan="2">Orissa Entry Tax</td> <td rowspan="2">Entry Tax</td> <td>Add. Commissioner</td> <td>34,79,287</td> </tr> <tr> <td>Asstt. Commissioner</td> <td>22,68,182</td> </tr> <tr> <td>Cenvat Credit disallowed 2003-04 2004-05</td> <td>Excise</td> <td>Add. Commissioner Central Excise</td> <td>25,08,758</td> </tr> </tbody> </table>	Name of Statute	Nature of Dues	Forum where dispute is pending	Amount (₹)	Orissa VAT	Sales Tax	High Court	26,67,117	Central Sales Tax	Sales Tax	Asstt. Commissioner	27,99,722	Orissa Entry Tax	Entry Tax	Add. Commissioner	34,79,287	Asstt. Commissioner	22,68,182	Cenvat Credit disallowed 2003-04 2004-05	Excise	Add. Commissioner Central Excise	25,08,758
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Cenvat Credit disallowed 2003-04 2004-05	Excise	Add. Commissioner Central Excise	25,08,758																					
(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 percent 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.	There is no accumulated loss in the Balance Sheet as at 31.03.2012.																						
(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.	The company has not accepted any deposits/ loans from any financial institutions or from debenture holders.																						

(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.	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.
(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 :	The company is not coming under statute applicable to Chit fund or a Nidhi / Mutual Benefit fund / Society.
(a)	Whether the net owned funds to deposit liability ratio is more than 1.20 as on the date of Balance Sheet.	
(b)	Whether the company has complied with the prudential norms on income recognition and provisioning against sub-standard /default/loss assets.	
(c)	Whether the company has adequate procedures for appraisal of credit proposals / requests, assessment of credit need and repayment capacity of the borrowers.	
(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.	
(xiv)	If the company is dealing or trading in shares, securities, debentures and other investments, whether proper records have been maintained of the transactions and contracts and whether timely entries have been made therein; also whether the shares, securities, debentures and other securities have been held by the company in its own name except to the extent of the exemption if any, granted under Section 49 of the Act.	The company is not dealing in or trading in shares or securities.
(xv)	Whether the company has given any guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof any prejudicial to the interest of the company.	No such guarantee was given.
(xvi)	Whether term loans were applied for the purpose for which the loans were obtained.	No such loan was taken by the company.
(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.	No such fund was raised.

(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 is prejudicial to the interest of the company.	No allotment of shares has been made during this year.
(xix)	Whether securities have been created in respect of debenture issued.	No debenture was issued by the company.
(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 in course of our Audit for the year.

For N. C. Banerjee & Co.,
Chartered Accountants
FRN 302081E

(Arnob Paul)
Partner
Mem. No. 06490

Place : KOLKATA
Dated : 18 May 2012

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 31ST MARCH, 2012

The preparation of financial statements of The Orissa Minerals Development Company Limited for the year ended 31st March 2012 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 is 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 18th May 2012.

I, on 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 2012. 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. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report under Section 619(4) of the Companies Act, 1956.

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

**(Manoj Sahay)
Principal Director of Commercial Audit
& Ex-officio Member, Audit Board
Ranchi**

**Place : Kolkata
Dated : 11 July 2012**

BALANCE SHEET AS AT 31st MARCH 2012

(₹ In Lacs)

	Note No.	As at 31st March, 2012	As at 31st March, 2011
I. EQUITY AND LIABILITIES			
1.SHAREHOLDERS' FUNDS			
(a) Share Capital	B 01.00	60.00	60.00
(b) Reserves and Surplus	B 02.00	80,176.41	79,892.11
2.NON CURRENT LIABILITES			
(a) Deferred Tax Liabilities (Net)	B 03.00	101.02	(383.14)
(b) Other Long term Liabilites	B 04.00	869.96	—
(c) Long term provisions	B 05.00	537.32	491.37
3.CURRENT LIABILITES			
(a) Trade payables	B 06.00	1,833.00	3,743.71
(b) Other current liabilities	B 07.00	4,546.03	3,955.24
(c) Short term provisions	B 08.00	1,120.36	4,915.58
Total		89,244.10	92,674.87
II. ASSETS			
1.NON CURRENT ASSETS			
(a) Fixed Assets			
(i) Tangible assets	B 9.00	3,048.21	2,217.42
(ii) Intangible assets	B 9.00	5,722.27	6,257.09
(iii) Capital work-in-progress	B 10.00	285.35	66.84
(b) Non Current Investments	B 11.00	387.73	687.73
(c) Long term Loans and Advances	B 12.00	194.41	188.46
2.CURRENT ASSETS			
(a) Inventories	B 13.00	2,663.18	2,776.45
(b) Trade Receivables	B 14.00	191.32	163.18
(c) Cash and Cash Equivalents	B 15.00	70,119.30	70,335.41
(d) Short Term Loans and Advances	B 16.00	4,237.50	7,255.65
(e) Other Current assets	B 17.00	2,394.83	2,726.64
Total		89,244.10	92,674.87
Significant Accounting Policies and Notes to Accounts annexed form part of the Accounts	A B 01 to 28		

As per our report of even date

For and on behalf of Board of Directors

FOR N.C Banerjee & Co.

Firm Registration No. 302081E

Chartered Accountants

Sd/-

Dr. Satish Chandra
Managing Director

Sd/-

Ashok Vij
Director

ARNOB PAUL

PARTNER

(M. No. 006490)

Sd/-

Tapan Kumar Saha
CFO

Sd/-

S.Das
Company Secretary

New Delhi, Dated : 18th May 2012

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2012

(₹ In Lacs)

	Note No.	For the year ended 31st March, 2012	For the year ended 31st March, 2011
INCOME			
I. Revenue From Operations	B 18.00	152.54	4,482.89
II. Other Income	B 19.00	5,965.58	5,409.78
Total Revenue		6,118.12	9,892.67
EXPENSES			
Cost of Materials consumed	B 20.00	0.75	95.69
Changes in Inventories of Finished goods	B 21.00	103.69	(37.26)
Employees' Benefits	B 22.00	2,667.01	2,755.07
Depreciation and Amortisation Expenses		(136.65)	2,151.36
Other Expenses	B 23.00	2,645.26	3,208.17
Total Expenditure		5,280.06	8,173.03
Less: Inter account adjustments-raw material mining cost		-	-
Net Expenditure		5,280.06	8,173.03
Profit for the year before Prior period Items (PPI)		838.06	1,719.64
Prior period items - Net debit	B 24.00	9.56	98.50
Profit after PPI and Before Exceptional & Extraordinary Items and Tax		828.50	1,621.14
Exceptional Items		-	286.56
Profit Before Extraordinary Items and Tax		828.50	1,334.58
Extraordinary Items		-	-
Profit Before Tax		828.50	1,334.58
Tax Expense :			
Current Tax		-	(660.84)
Earlier years adjustments		-	(216.19)
Deferred Tax		(484.16)	314.45
		(484.16)	(562.58)
Profit /(Loss) for the period from Continuing Operations		-	-
Profit /(Loss) for the period from Discontinuing Operations		-	-
Tax Expense of discontinuing Operations		-	-
Profit /(Loss) for the period from Discontinuing Operations (after Tax)		-	-
Profit / (Loss) for the period		344.34	772.00
Basic and Diluted Earnings Per Share (in Rs.)	B 25.00	57.39	128.67
(Face Value Rs.10 per share)			
Significant Accounting Policies [A] and Notes to Accounts annexed form part of the Accounts	A B 01.00 TO B 28.00		

As per our report of even date

FOR N.C Banerjee & Co.

Firm Registration No. 302081E

Chartered Accountants

ARNOB PAUL

PARTNER

(M. No. 006490)

Sd/-

Dr. Satish Chandra

Managing Director

Sd/-

Tapan Kumar Saha

CFO

For and on behalf of Board of Directors

Sd/-

Ashok Vij

Director

Sd/-

S.Das

Company Secretary

New Delhi, Dated : 18th May 2012

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2012

(₹ In Lacs)

	2011-12	2010-11
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before taxes	828.50	1,334.58
Adjustments for :		
Depreciation/Amortisation	(136.65)	2,151.36
Interest Income	(5,658.16)	(4,939.30)
Unspent Liability no longer required written back	(29.85)	124.37
Provision for doubtful debts/advances	37.01	162.80
Loss on sale of Investments	0.58	23.40
Impairment Loss	129.20	105.94
	-	-
	(5,657.87)	(2,371.43)
Operating Loss before working capital changes	(4,829.37)	(1,036.85)
Movement in Working Capital for :		
Decrease in Inventories	113.27	(20.28)
Increase in Trade Receivables	(28.14)	(95.26)
Increase in Loans & Advances	1,787.59	812.76
Increase in Trade Payable	(2,489.09)	554.57
	(616.37)	1,251.79
Cash generated from Operations	(5,445.74)	214.94
Direct Tax Paid	(299.00)	296.82
Net Cash generated from Operating Activities	(5,744.74)	511.76
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of fixed Assets	(294.50)	(8,551.31)
Sale of Investments	300.00	100.00
Interest/Dividend Received	5,658.16	3,875.75
Dividend Received	-	-
Net cash used in investing activities	5,663.66	(4,575.56)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Payment of Dividend & Dividend Tax	(135.03)	(1,304.31)
Net cash used in financing activities	(135.03)	(1,304.31)
Net Increase/(Decrease) in cash & cash equivalents (A+B+C)	(216.11)	(5,368.11)
Cash & Cash equivalents as on 01.04.2011	70,335.41	75,703.52
Cash & Cash equivalents as on 31.03.2012	70,119.30	70,335.41

NOTE :

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

As per our report of even date

For and on behalf of Board of Directors

FOR N.C Banerjee & Co.Firm Registration No. 302081E
Chartered Accountants**ARNOB PAUL**
PARTNER
(M. No. 006490)Sd/-
Dr. Satish Chandra
Managing DirectorSd/-
Tapan Kumar Saha
CFOSd/-
Ashok Vij
DirectorSd/-
S.Das
Company Secretary

New Delhi, Dated : 18th May 2012

B. NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st March, 2012

Particulars	₹ in Lacs	
	As at 31st March, 2012	As at 31st March, 2011

Note 01.00 : Share Capital

(a) Authorized : 6,00,000 Equity Shares of Rs. 10/- each	60.00	60.00
(b) Issued : 6,00,000 Equity Shares of Rs. 10/- each	60.00	60.00
(c) Subscribed & Fully paid up 6,00,000 equity shares of Rs. 10/- each	60.00	60.00
(d) Subscribed & not fully paid up	Nil	Nil
(e) Par value per share	Rs.10/-	Rs.10/-
(f) Calls unpaid :		
By Directors	Nil	Nil
By Officers	Nil	Nil
(g) Forfeited shares (amount originally paid-up)	Nil	Nil
(h) A reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period.		

Particulars	Equity Shares		
	Number	Face Value	Rs. in Lacs
Shares outstanding as at the beginning of the year	6,00,000	Rs.10/-	60.00
Add : Issue of Shares	Nil	Nil	Nil
Less : Reduction of shares	Nil	Nil	Nil
Shares outstanding as at the end of the year	6,00,000	Rs.10/-	60.00

(i) The rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital. Terms of any securities convertible into equity/preference shares issued along with the earliest date of conversion in descending order starting from the farthest such date.	Nil	Nil
(j) Shares in respect of each class in the company held by its holding company or its ultimate holding company including shares held by subsidiaries or associates of the holding company or the ultimate holding company in aggregate. Held by Holding Company (Eastern Investments Limited) 3,00,089 ordinary shares of Rs.10/-	30.01	30.01
(k) Shares in the company held by each shareholder holding more than 5 percent shares specifying the number of shares held.		

Name of the Shareholder	% of Shares held	No. of Shares held
Eastern Investments Ltd.	50.01%	3,00,089
Life Insurance Corporation of India	15.42%	92,500

(l) Shares reserved for issue under options and contracts/ commitments for sale of shares/disinvestment, including the terms and amounts.	Nil	Nil
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	As at 31st March, 2012	As at 31st March, 2011
(m) For the period of five years immediately preceding the date as at which the Balance Sheet is prepared.		
Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash	Nil	Nil
Aggregate number and class of shares allotted as fully paid up by way of bonus shares.	Nil	Nil
Aggregate number and class of shares bought back.	Nil	Nil

Note 02.00 : Reserves and Surplus

(₹ In Lacs)

	As at		As at	
	31st March, 2012		31st March, 2011	
Capital Reserve				
Amount as per last Balance Sheet (Arising out of Revaluation of Fixed Assets)	<u>89.50</u>	89.50	<u>89.50</u>	89.50
General Reserve				
Amount as per last Balance Sheet	31,817.20		31,740.00	
Add Transferred during the Year	<u>34.43</u>	31,851.63	<u>77.20</u>	31,817.20
Surplus				
Amount as per last Balance Sheet	47,985.41		47,425.64	
Add: Surplus as per Statement of Profit and Loss	344.34		772.00	
Less: Appropriations —				
General Reserve	34.43		77.20	
Proposed Dividend (Final)	51.66		115.80	
Tax on Proposed Dividend (Final)	<u>8.38</u>	48,235.27	<u>19.23</u>	47,985.41
Total		<u>80,176.41</u>		<u>79,892.11</u>

02.01: Proposed Dividend & Dividend per Share

(₹ In Lacs)

	As at		As at	
	31st March, 2012		31st March, 2011	
Equity Dividend				
Proposed Dividend	Amount in Rs.	5,166,000.00		11,580,000
Number of Equity Shares	(No. of shares)	600,000		600,000
Dividend per Share	Amount in Rs.	8.61		19.30

Note 03.00 : Deferred Tax Liabilities (Net)

(₹ In Lacs)

		As at 31st March, 2012	As at 31st March, 2011
Deferred Tax Liability			
Difference between Book and Tax depreciation		650.80	93.69
	Sub-Total (A)	<u>650.80</u>	<u>93.69</u>
Deferred Tax Assets			
Provision for Gratuity/Leave Encashment		203.00	52.43
Provision for Doubtful Debts, Advances, Claims, Interest		204.28	197.90
Other Deferred Tax Assets		142.50	226.50
	Sub-Total (B)	<u>549.78</u>	<u>476.83</u>
Net Deferred Tax Liability	(A) – (B)	<u>101.02</u>	<u>(383.14)</u>

Note 04.00 : Other Long Term liabilities

Others			
Other Liabilities		869.96	–
		–	–
Total		<u>869.96</u>	<u>–</u>

Note 05.00 : Long Term Provisions

Provisions for Employee Benefits			
Leave Encashment (Half Pay Leave+Earned Leave)		250.77	204.82
Others			
Provision for Site Reclamation		286.55	286.55
Total		<u>537.32</u>	<u>491.37</u>

Note 06.00 : Trade Payables

(₹ In Lacs)

	As at 31st March, 2012	As at 31st March, 2011
Others	1,833.00	3,743.71
Total	<u>1,833.00</u>	<u>3,743.71</u>

Note 07.00 : Other Current Liabilities

Advances from Customers/Others	2,400.19	1,461.63
Earnest Money, Security & Other Deposits	1,847.73	2,186.58
Unpaid Dividend	298.11	307.03
Total	<u>4,546.03</u>	<u>3,955.24</u>

Note 08.00 : Short Term Provisions**Provisions for Employee Benefits**

Gratuity to employees	350.65	157.82
Leave Encashment(Half Pay Leave + Earned Leave)	24.25	25.22
Liability for Gratuity – Prior to LIC	7.58	11.28

Others

Provision for Income Tax	677.84	4,586.23
Proposed Dividend (Final)	51.66	115.80
Tax on proposed Dividend (Final)	8.38	19.23

Total	<u>1,120.36</u>	<u>4,915.58</u>
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Note 9.00 : Fixed Assets

₹ in Lacs

Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	Cost/Book Value of Assets as at 01.04.2011	Additions during the year	Assets Sold Adjusted during the year	Adjusted Cost/Book value of Assets as at 31.03.2012	Up to 31.03.2011	For the year	Adjusted for asset sold	Up to 31.03.2012	As at 31.03.2012	As at 31.03.2011
A. TANGIBLE ASSETS										
Land										
Freehold	0.28			0.28	-	-		0.00	0.28	0.28
Leasehold	196.77			196.77	11.02	1.97		12.99	183.78	185.79
Leasehold Properties	439.58			439.58	300.45	21.83		322.28	117.30	32.29
Buildings	1,329.28		128.28	1,201.00	179.10	19.94		199.04	1001.96	996.14
Railway Siding	376.98			376.98	158.28	18.22		176.50	200.48	133.68
Plant & Machinery	3,211.06	31.78	0.70	3,242.14	1703.30	122.56		1825.86	1416.28	676.80
Furniture & Fixture	175.46		6.30	169.16	35.28	9.82		45.10	124.06	125.76
Prospecting and Development	150.66			150.66	133.71	12.88		146.59	4.07	60.54
Motor Vehicles	22.28			22.28	22.28	0.00		22.28	0.00	6.14
Total	5,902.35	31.78	135.28	5,798.85	2,543.42	207.22	-	2,750.64	3,048.21	2,217.42
<i>Figures for the previous year</i>	<i>5,568.56</i>	<i>439.62</i>	<i>105.94</i>	<i>5,902.24</i>	<i>2,370.52</i>	<i>208.57</i>	<i>35.67</i>	<i>2,543.42</i>	<i>3358.82</i>	<i>3,198.04</i>
B. INTANGIBLE ASSETS										
Computer software										
Mining rights	8,174.59	262.72		8,437.31	1917.52	797.52		2,715.04	5722.27	6,257.07
Total	8,174.59	262.72	-	8,437.31	1,917.52	797.52	-	2,715.04	5,722.27	6,257.07
<i>Figures for the previous year</i>	<i>-</i>	<i>8,174.59</i>		<i>8,174.59</i>		<i>1,917.52</i>	<i>-</i>	<i>1,917.52</i>	<i>6,257.07</i>	<i>-</i>
TOTAL (A+B)	14,076.94	294.50	135.28	14,236.16	4,460.94	1,004.74	-	5,465.68	8,770.48	8,474.49

Note : Due to Change in Accounting Policy the Depreciation on Fixed Assets is calculated on Straight Line Method.

Note 10.00 : Capital Work-In-Progress

(₹ In Lacs)

	As at 31st March, 2012	<i>As at 31st March, 2011</i>
Capital Work-in-Progress	296.92	<i>78.41</i>
Less: Provision for WIP	11.57	<i>11.57</i>
	285.35	<i>66.84</i>
Total	285.35	<i>66.84</i>

Note 11.00 : Non Current Investments

(₹ In Lacs)

	No. of fully paid-up Equity Shares	Face Value of each Share (₹)	As at 31st March 2012	As at 31st March 2011
A. Trade Investment, Unquoted				
EAST INDIA MINERALS LIMITED (Holding Company)	2811010	@ Rs. 10/-	281.10	281.10
The East India Clinic Ltd. 5% of Non-Redeemable Debenture Stock,1957			0.05	0.05
The Sijua (Jherriah) Electric Supply Co. Ltd. 100 Nos of Ordinary Shares @ Rs. 10/- each			0.01	0.01
Total (A)			281.16	281.16
B. Other Investment				
B1. Non Trade-Quoted-Investments in Equity Shares				
The Eastern Investments Limited 25434 Nos of ordinary Shares @Rs. 10/-each			2.42	2.42
			2.42	2.42
B2. Non Trade - Quoted - Investments in Bonds				
7% I.D.B.I OMNI Bonds 10 Nos. of Bonds (Face Value 10,00,000)			–	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
			104.15	404.15
Total (B1+ B2)			106.57	406.57
Total (A+B)			387.73	687.73

Note 12.00 : Long Term Loans and Advances

(₹ In Lacs)

		As at		As at
		31st March, 2012		31st March, 2011
Others	12.21		12.21	
Less: Provision for doubtful advances	<u>7.24</u>	4.97	<u>7.24</u>	4.97
Security Deposits		189.44		183.49
Total		<u>194.41</u>		<u>188.46</u>

12.01 Particulars of Long Term Loans & Advances**Security Deposits**

Secured & Considered good	189.44		183.49	
Unsecured & Considered good	-		-	
Doubtful	<u>-</u>	189.44	<u>-</u>	<u>183.49</u>

Other Loans and advances

Secured & Considered good	-		-	
Unsecured & Considered good	12.21		12.21	
Doubtful	<u>7.24</u>	19.45	<u>7.24</u>	19.45

Total		<u>208.89</u>		<u>202.94</u>
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(₹ In Lacs)

	As at 31st March, 2012	As at 31st March, 2011
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Note 13.00 : Inventories (As taken and certified by the Management)

Finished goods	2,468.50	2,572.19
Add: In-transit	—	2572.19
	2,468.50	—
Raw materials	47.87	48.62
Add: In-transit/Under inspection	—	48.62
Less: Provision for shortages	—	—
Stores & Spares	147.25	156.08
Less: Provision for Stores Stock	0.44	0.44
	146.81	155.64
		—
Total	2,663.18	2776.45

13.01 : Quantities of Closing Stock of finished goods have been taken as per physical verification done by third parties

Note 14.00 : Trade Receivables

Trade Receivables

Receivable outstanding for a period exceeding Six Months	356.26	225.00
Other debts	167.53	237.20
	523.79	462.20
Less : Provision for doubtful debts	332.47	299.02
Total	191.32	163.18

14.01: Particulars of Trade Receivables

Secured - considered good	191.32	163.18
Unsecured - considered good	—	—
Doubtful	332.47	299.02
Total	523.79	462.20

Note 15.00 : Cash and Cash Equivalents

Balances with Banks	400.88	246.45
Unpaid Dividend A/c	298.11	307.03
Cash on Hand	1.10	0.52
Balances with Banks to the extent held as margin Money or security against guarantee	441.20	391.41
Term deposits with Banks	68,978.01	69390.00
	70,119.30	70335.41
Total	70,119.30	70335.41

(₹ In Lacs)

As at 31st March, 2012 As at 31st March, 2011

Note 16.00 : Short Term Loans and Advances

Others

Advances & other recoverables

(Recoverable in cash or in kind or for value to be received)

Contractors	70.05		60.39	
Less:Provision for doubtful advances	60.33		<u>60.33</u>	0.06
		9.72		
Suppliers	46.08		46.52	
Less:Provision for doubtful advances	<u>—</u>	46.08	<u>—</u>	46.52
Employees	32.00		38.05	
Less:Provision for doubtful advances	<u>—</u>	32.00	<u>—</u>	38.05
Others *	440.65		478.26	
Less:Provision for doubtful advances	229.14	211.51	<u>229.14</u>	249.12
Advance Income Tax & Fringe Benefit Tax		3,877.45	4176.76	<u>6890.36</u> 7224.11
Prepaid expenses		60.74		31.54
Less: Provision for doubtful claims	<u>—</u>	60.74	<u>—</u>	31.54
Security Deposits			—	—
Total			<u>4237.50</u>	<u>7255.65</u>

Particulars of Loans & Advances

Advances

Unsecured & Considered good **588.78** 623.22

Others

Unsecured & Considered good — **588.78** — 623.22

Advances

Unsecured & Considered doubtful **289.47** 289.47

Claims

Unsecured & Considered doubtful — **289.47** — 289.47

Total — **878.25** — **912.69**

Note 17.00 : Other Current assets

Interest Receivable				
On Short Term Deposit with Bank	2,386.77		2713.36	
On Other Investment	8.06	2,394.83	<u>13.28</u>	2726.64
Total		<u>2,394.83</u>	<u>—</u>	<u>2726.64</u>

(₹ In Lacs)

Particulars	Year ended 31st March, 2012	Year ended 31st March, 2011
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Note 18.00 : Revenue from Operations

Sale of Products

Iron	—	3588.02	
Less of Excise	—	—	3588.02
Manganese	—	594.74	
Less of Excise	—	—	594.74
Sponge Iron	168.25	331.43	
Less of Excise	15.71	31.30	300.13
Total	152.54		4482.89

18.01 : Stocks & Sales

(Quantity in Tonnes)

(₹ In Lacs)

		Iron	Manganese	Sponge Iron	Total
Opening stock	Quantity	409,774	36,778	2,327	448,879
	Value	(547,250)	(16,820)	(3,804)	(567,874)
Production	Quantity	—	—	—	—
	Value	(1,853)	(372)	(310)	(2,535)
Sales	Quantity	—	—	1,468	1,468
	Value	(222,350)	(6,507)	(4,209)	(233,066)
Adjustment	Quantity	—	—	153	153
	Value	(3,588)	(595)	(300)	(4,483)
Closing stock	Quantity	(-8218)	(-747)	12	(-8953)
	Quantity	401,556	36,031	871	438,458
	Value	(409,774)	(36,778)	(2,316)	(448,868)
	Value	1,856	589	23	2,469
		(1,874)	(646)	(52)	(2,572)

- Note: (i) Figures in brackets are for previous year.
(ii) Closing stock does not include the estimated 12,15,000 MT of sub-grade Iron ore as per departmental physical verification as on 31.03.2011.
(iii) Figures of closing stock are after adjustment for shortages found as per physical verification.
(iv) The Cost or Sale price, whichever is lower, is considered for valuation of closing stock as on 31.03.2012.
(v) Where physical stock is more than book stock, book stock is considered for valuation of stock. However Surplus stock is valued at Rs. 1/- per LOT for the Surplus stock available as on date of closing.

(₹ In Lacs)

Year ended
31st March, 2012

Year ended
31st March, 2011

Note 19.00 : Other Income

Interest Income

Fixed Deposit with Banks	5,634.21		4,784.53	
Investment : Long term	23.95		43.19	
Loss on Sale of Investment/Other Interest	(0.58)		(23.40)	
Others	44.65	5,702.23	108.65	4,912.97

Sundry receipts

Operating		95.07		239.66
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Dividend Income

	1.67			2.93
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Other Non-Operating Income

Provision no longer required written back	29.85		124.36	
Establishment Charges	—		129.86	
Other Income	136.76	166.61	—	254.22

Total

	5,965.58			5,409.78
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Quantity: Tonnes
(₹ In Lacs)

	Quantity	Value	Quantity	Value
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Note 20.00 : Cost of Raw materials consumed

Coal	—	—	6,490	95.69
Dolomite	—	—	—	—
Others	—	0.75	—	—
Total		0.75		95.69

Rs. in Lacs % Rs. in Lacs %

20.01 : Value of Indigenous and Imported Raw materials consumed

Indigenous	—	—	95.69	100.00
Imported	—	—	—	—
Total	—	—	95.69	100.00

Note 21.00 : Changes in Inventories of Semi-Finished / Finished goods

Opening stock	2,572.19		2,534.93	
Less: Closing stock	2,468.50		2,572.19	
Net Decretion/(Accretion)	103.69		(37.26)	

(₹ In Lacs)

Particulars	Year ended 31st March, 2012	Year ended 31st March, 2011
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Note 22.00 : Employee Benefits

Salaries and Wages	1,963.76	2106.01
Gratuity Expenses	192.83	196.37
Leave Encashment with Half Pay Leave	104.49	85.22
Company's contribution - provident fund & other funds	173.76	201.81
Superannuation Pension Benefit Scheme	37.46	24.05
Staff Welfare expenses	194.71	141.61
Total	2,667.01	2755.07

22.01 : Details of Employee Benefits

22.02.01: General Description of the Post Employment Benefits-Defined Benefit Plans

- Provident Fund – Company pays fixed contribution to Provident Fund at the rate of 12 % on Basic & DA to the PF authority. at predetermined rates, to a separate trust, which invests the Funds in permitted securities. On Contributions, the trust is required to pay a minimum rate of interest, to the members, as specified by Govt. of India. The obligation of the Company is limited to the shortfall in the rate of interest on the Contribution based on its return on investments as compared to the declared rate.
- Gratuity – Payable to employees, who render continuous service of 5 years or more, on separation, at 15 days of last drawn pay for each completed year of service. Maximum amount payable under Gratuity is Rs.10 lacs per employee. The gratuity is covered under “Group Gratuity cum Life Insurance Scheme” with LIC of India. The provision on account of Gratuity is made as per the actuarial valuation.
- Post Retirement Medical Benefits – Not Applicable
- Retirement Settlement Benefits – Not Applicable
- Employee Family Benefit Scheme – Not Applicable

22.02.02: Reconciliation of present value of defined benefit obligations

(₹ In Lacs)

Particulars	Gratuity	Earned Leave	Half Pay Leave
Obligation as at the beginning of the period	874.33 (748.20)	222.53 (168.30)	7.50 0.00
Service Cost	44.15 (48.80)	29.57 (32.96)	0.60 (2.91)
Interest Cost	69.95 (59.85)	17.80 (13.46)	12.86 –
Actuarial gains (–) / losses (+)	123.89 (147.71)	22.70 (31.29)	20.98 (4.59)
Benefits paid	-103.62 (86.20)	-59.50 (-23.48)	0.00 –
Obligations as at the end of the period	1008.70 (918.36)	233.11 (222.53)	41.91 (7.50)

Note: Figures in the brackets are for previous year.

22.02.03: Reconciliation of fair value of Plan Assets

(₹ In Lacs)

Particulars	Gratuity	
	2011-12	2010-11
Balance as at the opening of the period	760.53	646.89
Expected Return	55.72	60.00
Actuarial gains (+) / losses (-)	0.00	0.00
Contributions by the Employer	0.00	139.85
Benefits paid	(158.21)	(86.21)
Balance as at the end of the period	658.04	760.53

22.02.04: Reconciliation of Present Value of Defined Benefit Obligation and Fair value of Plan Assets

(₹ In Lacs)

Particulars	Gratuity	
	2011-12	2010-11
Fair Value of Plan Assets	658.04	760.53
Present Value of Defined Benefit Obligation	1008.70	918.36
Amount recognised in Balance Sheet (Note – 09.00) as at the end of the period	(350.66)	(157.83)

22.02.05: Expenses recognised in the statement of Profit and Loss Account.

(₹ In Lacs)

Particulars	Gratuity	Earned Leave	Half Pay Leave
Service Cost	44.15 (48.80)	29.57 (32.95)	12.83 (2.91)
Interest Cost	69.95 (59.85)	17.80 (13.46)	0.60 0.00
Actuarial gains (-) / losses (+)	123.89 (147.88)	22.70 (31.29)	20.98 (4.59)
Expected Return on Plan Assets	(55.73) (60.16)	- -	- -
Accounting Estimate Change on Opening obligation Deficiency in Value of Actuarial Valuation	10.57	-	-
Total to be charged - Employees Benefits	192.83 (196.37)	70.08 (77.72)	34.41 (7.50)

Note: Figures in the brackets are for previous year.

22.02.06: Actuarial assumptions

Description	As at 31st March 2012	As at 31st March 2011
Discount Rate (per annum)	8.00%	8.0%
Mortality rate	LIC(1994-96) duly modified	LIC (1994-96) duly modified
Withdrawal rates (per annum)	Upto 30 years of age 3%; Upto 44 years of age 2%; Above 44 years of age 1%.	Upto 30 years of age 3%; Upto 44 years of age 2%; Above 44 years of age 1%
Estimated Rate of Return on Planned Assets	8.3%	8.3%
Salary Escalation (per annum)	5%	5%

Note 23.00 : Other Expenses

(₹ In Lacs)

	Ref No:	Year ended 31st March, 2012	Year ended 31st March, 2011
Consumption of Stores and Spare parts	23.01	39.65	101.00
Raw Material Consumption	—	—	—
Power and Fuel	23.02	175.34	172.25
Repairs and Maintenance	23.03	77.40	193.81
Remuneration to Auditors	23.04	3.94	4.26
Judicial/Legal Expenses	23.05	869.96	—
Miscellaneous Expenses	23.06	240.39	230.02
Rent		10.59	15.71
Rates and taxes		25.69	133.19
Insurance		3.78	3.97
Contract Labour Expenses		225.90	612.22
CSR		28.30	244.07
Royalty		112.45	514.64
Selling Expenses		10.96	95.93
Directors' Fees		4.03	3.53
Law Charges/Legal Expenses		39.97	36.27
Interest & Financial Charges		0.71	44.31
Impairment Loss		129.20	105.94
Business Development		2.19	53.72
Security Charges/CISF		466.87	414.31
Mines & Lease Matter		68.10	17.19
Environment & Pollution		7.28	10.04
Consultancy Fees		63.41	37.58
Training & Development		2.15	1.41
Provisions -		—	—
Doubtful advances and claims		—	53.61
Doubtful debts		37.01	108.75
Stock		—	0.44
Sundries		—	—
Total		2,645.26	2,208.17

23.01 : Value of Indigenous and Imported Stores and Spares consumed

	₹ In Lacs	%	₹ In Lacs	%
Indigenous	39.65	100.00	101.00	100.00
Imported	—	0.00	—	0.00
Total	39.65	100.00	101.00	100.00

23.02 : Power and Fuel

	₹ In Lacs	₹ In Lacs
Electricity Charges / Power & Fuel	175.34	172.25
Total	175.34	172.25

23.03 : Repairs and Maintenance

	₹ In Lacs	₹ In Lacs
Plant and Equipment	45.16	72.36
Buildings	32.24	33.79
Others	—	87.66
Total	77.40	193.81

23.04 : Remuneration to Auditors

(₹ In Lacs)

	Year ended 31st March, 2012	Year ended 31st March, 2011
As Auditor	3.24	3.31
For Taxation matters	0.67	0.60
For reimbursement of expenses	0.03	0.35
Total	3.94	4.26

23.05: Judicial/Legal Expenses

Loss on Judicial Judgement	869.96	—
	869.96	—

23.06 : Miscellaneous Expenses

(₹ In Lacs)

	Year ended 31st March, 2012	Year ended 31st March, 2011
Guest House Expenses	8.05	4.93
Mines Sundries	4.04	8.47
Travelling Expense/Passage Fare	54.15	39.09
Hotel & Incidental	30.00	27.46
Kolkata Dak services	2.95	3.27
Conveyance	6.46	4.03
General Charges	7.60	6.94
Bank Charges	1.45	0.37
Printing & Stationery	13.20	11.69
Postage & Telegram	4.70	3.78
Telephone	15.05	12.68
Entertainment	6.56	4.03
General Repairs	0.18	0.06
Books & Periodicals	0.47	0.47
Computer Appliances & Stationery	2.75	2.49
Subscription	2.43	0.81
Business Development	0.39	1.08
Cooking Gas/Firewood	4.28	4.64
Tea & Refreshment	7.26	4.95
AGM & Annual Day Expenses	3.89	0.72
Membership Fees	1.46	0.10
Motor Car Expenses	20.57	19.01
Shares & ROC Compliance A/c	1.84	1.75
Restructuring Expenses		6.52
Advertisement	40.64	60.68
Total	240.39	230.02

Note 24.00 : Prior Period Items

(₹ in Lacs)

	Year ended 31st March, 2012	Year ended 31st March, 2011
Other Expenses	9.56	98.50
Total	9.56	98.50

Note 25.00 : Earning Per Share (EPS)

Net Profit/ (Loss) as per P&L Account	(Lakhs)	828.50	1,334.58
Tax Expenses thereon	(Lakhs)	(484.16)	562.58
Net Profit attributable to Equity Shareholders	(Lakhs)	344.34	772.00
No. of Ordinary Shares	(No. of shares)	600,000	600,000
Face value per share	Amount in Rs.	10.00	10.00
Basic and diluted EPS	Amount in Rs.	57.39	128.67

Note 26.00 : Contingent Liabilities and Commitments (to the extent not provided for)

26.01 : Contingent Liabilities

26.01.01: Claims against the Company not acknowledged as debt

Contractors / Suppliers / Customers			
Local Authorities - State Govt.			
Suits against the Company	23904.65		28,395.00
Sales Tax matters			24.00
Income Tax			
Customs / Excise duty	25.09		
R & D Cess			
Others	1920.28		2,183.00
Total	25,850.02		30,602.00

NOTE 27 : Related Party Disclosure

Note 27.01: Disclosure of transactions between the Company and Related Parties and the status of the out standing balances as on 31.03.2012

Particulars	Holding/ Subsidiaries	Joint Venture	Key Managerial Personnel	Enterprises Over Which KMP have significant influence
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
Loans/Advances given & recovered/adjusted				
– BSLC	–	–	–	–
– Scott & Saxby	–	–	–	– (20.00)
– KDCL	–	–	–	– (20.00)
Common expenses borne holding Company				
– EIL	– (0.90)			
Interest charged	–			
Reimbursement of Expenses				
– BSLC	–	–	–	12.91
Raw material purchased				
Establishment charges Received				
– EIML	–	120.00	–	–
Amount outstanding as on 31/03/2012(Dr)				
– BSLC	119.91 (95.50)	–	–	–
– EIL	4.85 (4.29)	–	–	–
– Scott & Saxby	–	–	–	107.41 (107.41)
– KDCL	–	–	–	38.84 (38.84)
– EIML	–	60.07	–	–

Note 27.02: 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

A. Parent Co/Associates/Group Companies & Joint Ventures :

Holding Company

Eastern Investments Limited.

Fellow Subsidiary Company

Associates/Group Companies

The Bisra Stone Lime Company Limited.

B. Joint Venture Company

East India Minerals Limited.

C. Key Management Personnel

Dr. Satish Chandra Managing Director (w.e.f 29.10.2009)

D. Enterprise over which Key Management Personnel have significant influence

Scott & Saxby Limited.

The Karanpura Development Company Limited

Note 28: Director's Remuneration :

(₹ In Lacs)

	Year ended 31st March, 2012	Year ended 31st March, 2011
Managing Director :		
i) Salary	5.80	5.50
ii) Contribution to Provident Fund & Superannuation Fund	1.29	1.34
iii) Other Benefits actual and/ or estimated	4.24	4.45
Total	11.33	11.29

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST MARCH, 2012****PART : A****SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF ACCOUNTS FOR THE YEAR
ENDED 31ST MARCH, 2012.****1.0 GENERAL**

1.1 Financial Statements are prepared under the historical cost convention in accordance with fundamental accounting assumption and Generally Accepted Accounting Principles (GAAP) applicable in India and the relevant provisions of the Companies Act,1956 including Accounting Standards as applicable.

2.0 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 capitalized as intangible assets.
- d) Expenditure incurred for renewal of mining lease are capitalized 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 capitalized 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 realizable 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.

3. DEPRECIATION

- 3.1 Depreciation is provided on straight line method (SLM),on full value of the cost of the assets over the specified period in accordance with the provision of Schedule XIV of the Companies Act,1956, except in respect of certain assets where management decided to change Depreciation at higher rates on Straight Line Method:
Photo Copiers & Fax Machines, Telecom Equipment (5 Years),Audio & Visual Equipment (10 Years), Other Office Equipment, Earth Moving Equipment, Air Conditioners, Refrigerators, Water Coolers, Air Coolers, Freezers (7 Years), Car (6 Years), Safety Equipment, Others light vehicles (8 Years) and Computer (including Software system) (4 Years).
- 3.2 The classification of Plant & Machinery into continuous and non-continuous process is done as per the technical evaluation and depreciation thereon is provided accordingly.
- 3.3 Depreciation on fixed Assets added/disposed off during the year is provided on pro-rata basis with reference to the date of addition/disposal.

4. 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 recognized 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 recognized 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.

5. INVESTMENTS

5.1 Long term Investments are carried at cost unless there is diminution in the value other than temporary.

5.2 Current investments are carried at lower of cost quoted/fair value.

5.3 Unquoted investments are carried at cost.

6. INVENTORIES

6.1 Stock-in trade of finished goods is valued at lower of cost and Net Realizable Value. Cost includes direct material, Labour Cost and a proportion of manufacturing overhead based on normal operating Capacity.

6.2 Stock of Stores and spare parts, loose tools are valued at Weighted Average cost

6.3 Obsolete/Surplus/Non-moving inventories are considered in accounts.

7. 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).

8. 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 recognized 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 realized. If the company has carry forward unabsorbed depreciation and carry forward tax losses, deferred tax assets are recognized only if there is virtual certainty backed by convincing evidence that such deferred tax assets can be realized against future taxable profits. Unrecognized deferred tax assets of earlier periods are re-assessed and recognized to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized.

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 realized.

9. REVENUE RECOGNITION

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

9.1 Sale of Goods

Sale of goods is recognized on despatch of goods to customers, which is incidental to transfer of significant risk and reward of ownership. Sales are net of Excise Duty, Sales Tax, Entry Tax, Returns, Claims, Discounts, etc.

9.2 Interest

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

9.3 Dividend

Income from dividend 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.

9.4 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 recognized as revenue in the year of receipt / realization.

10. Government grants and subsidies

Grants and subsidies from the government are recognized 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 recognized 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.

11. Provision

A provision is recognized 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.

12. Earnings per Share

Basic earning 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.

13. Segment Reporting

Identification of segments :

The Company's operating businesses are organized 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.

14. Excise duty/Royalty

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

15. 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.

16. Prior Period Items/Use of Estimates

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

17. 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.

18. AMORTIZATION

- 18.1. Intangible Assets such as; Premium for Mining lease are amortized over the period of lease.
- 18.2. Leasehold land is amortized over the period of lease.
- 18.3. Intangible asset is amortized over the period of their useful life.

PART : B OTHER NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2012**1. FIXED ASSETS:**

- 1.1 In this Year, the Company has changed its Accounting Policy of method for charging of depreciation on fixed Assets from WDV method to SLM as provided in Schedule XIV of the Companies Act, 1956 giving effect from last 20 Years. The Change in the above Accounting policy has resulted in a surplus of ₹1141.39 Lakhs relating to the previous years i.e. upto the year ended 31.03.2011. Consequently the Net Profit for the current year is higher by ₹1141.39 Lakhs. The said surplus amount of ₹1141.39 Lakhs have been set off against the current year Depreciation of ₹1004.74 Lakhs and the net effect of ₹136.65 Lakhs (₹1141.39 Lakhs – ₹1004.74 Lakhs) has been credited to Statement of Profit & Loss for the year ended 31.03.2012. Had the company followed the WDV method of depreciation accounting, the charge for the current year would have been higher by ₹111.66 Lakhs.
- 1.2 As per the report dated 15/05/2012 of physical verification of fixed assets done by CA firm an amount of ₹129.20 lacs has been charged off as Loss in Profit & Loss Account on account of Impairment of assets.
- 1.3 The company made a payment of ₹275.00 Lacs and admitted a liability on account of interior and modeling work for ₹57.29 Lacs for Delhi office which is situated in SCOPE Minar New Delhi for an office space measuring about 2500 sq. ft. These amounts have been shown under short term Loans & advances (Note No. 16). Depreciation or Amortisation will be considered from next year.

2. CURRENT ASSETS, LOANS & ADVANCES.**2.1 INVENTORIES**

- 2.1.1 Quantities of Closing Stock have been taken as per the physical verification done by an outside agency.

2.1.2 Stock Analysis:

(Value ₹ in lacs)

		Iron	Manganese	Sponge Iron	Total
Opening stock	Quantity	409,774	36,778	2,327	448,879
		(547,250)	(16,820)	(3,804)	(567,874)
	Value	1874	646	52	2572
		(1853)	(372)	(310)	(2535)
Production	Quantity	–	–	–	–
		(69,836)	(13,322)	(2,423)	(85,581)
Sales	Quantity	–	–	1,468	1,468
		(222,350)	(6,507)	(4,209)	(233,066)
	Value	–	–	153	153
		(3,588)	(595)	(300)	(4,483)
Excess/Shortage(-)		(-)8218	(-)747	12	(-)8953
Closing stock	Quantity	401,556	36,031	871	438,458
		(409,774)	(36,778)	(2,316)	(448,868)
	Value	1856	589	23	2469
		(1874)	(646)	(52)	(2572)

Note:

- (i) Figures in brackets are for previous year.
- (ii) Closing stock of Iron ore does not include the estimated 12,15,000 MT of sub-grade material as per departmental physical verification as on 31.03.2011.
- (iii) Figures of closing stock are after adjustment for shortages found as per physical verification.
- (iv) The Cost or Sale price, whichever is lower, is considered for valuation of closing stock as on 31.03.2012.
- (v) Where physical stock is more than book stock, book stock is considered for valuation of stock. However Surplus stock is valued at ₹1/- per LOT for the Surplus stock available as on date of closing.

2.1.3 Stocks found excess in physical verification are not considered in the valuation of closing stock for the purpose of account. The value of the stock found excess on physical verification on 31.03.2012 was ₹59.76 Lacs.

2.1.4 The Excise duty for ₹2.81 Lacs payable on finished stock in hand as on 31.03.2012 has not considered in valuation of closing stock.

2.1.5 Raw Material Stock:

(Value ₹ in Lacs)

		Coal	Dolomite	Others	Total
Stock as on 31.03.2012	Quantity (MT)	2799	20	–	2819
		(2874)	(9)	–	(2883)
	Value (Rs.)	47.76	0.11	–	47.87
		(48.51)	(0.11)	–	(48.61)

Figures in brackets are for previous year.

2.2. CASH AND BANK BALANCES

2.2.1 Term Deposits with scheduled Banks shown under Cash and Bank balances (Note-15) include, Term Deposit Receipts for ₹441.20 lacs (Previous Year ₹391.41 lacs) pledged with banker against bank guarantee to IBM, Bhubaneswar for scheme of Mining including Progressive Mine Closure Plan.

2.2.2 Considering the Liability for unpaid dividend as on 31.03.2012, an amount of ₹10.76 Lacs was found less in dividend Bank A/c with State Bank of India, Bikash Bhawan, Salt Lake, Kolkata which is under process of reconciliation.

2.3 Loans & Advances

Steps have been taken for recovery of advances paid towards Income Tax aggregating to ₹3877.45 Lacs included under short term Loans & advances.

2.4 BALANCE CONFIRMATION

2.4.1 For a substantial portion of Trade receivables, Trade payable and Contractor's balance; letters seeking confirmation of balances although sent have not been confirmed.

2.4.2 The Company has not been able to obtain balance confirmations from the parties under trade payables and trade receivables.

3 CURRENT LIABILITIES & PROVISIONS

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

3.2 A liability for loss of Rs.869.96 Lacs has been created in the books of accounts and charged off in Profit and Loss account on the basis of judicial judgments of different Courts.

3.3 The following balances lying as unpaid liability(Under trade payables) are under dispute hence they were not paid or adjusted :

- i. VAT credit refundable to customers since 2004-05 ₹5.16 Lacs.
- ii. Interest claimed on PF payment not admitted ₹1.27 Lakhs.

4. CONTINGENT LIABILITIES

Contingent Liabilities not provided for :-

	(₹ In Lacs)	
	Current Year	Previous Year
Claims Not acknowledged as debt		
I. Suits against the Company	23904.65	28395.00
II. Sales Tax/ Income Tax, Excise etc.	25.09	24.00
III. Others	1920.28*	2183.00

* Contingent Liability contain ₹1310 Lacs due to non-fulfillment 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 ₹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 for demurrage, rent etc. however no claim papers against the company have been submitted.

Further, contingent liability contains Rs.873 Lacs in respect of payment of Regional Wildlife Management Plan related to 2009; out of which Rs.262.72 lacs has been paid in current year and the balance amount has not been acknowledged by the company and the company filed suit.

Pursuant to the amendments of the Orissa Land Reforms Act, the Sub-Collector, Champua had served a Notice against the Company for alleged unauthorized possession of 10.79 acres of leasehold land on the ground that the said land belongs to Adivasis and based on that, the Revenue Inspector asked OMDC to vacate the land. The Company filed an appeal before the Addl. District Magistrate but 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

5. Earning Per Share (EPS)

Earnings per share has been computed as under

(₹ in lacs)

Particulars	2011-12	2010-11
Profit/ (Loss) after Tax (Rs. Lacs)	344.34	772.00
Weighted average no. of Shares outstanding during the year	6,00,000	6,00,000
Face Value per share	10	10
Earning Per Share	57.39	128.67

6. EMPLOYEES RETIREMENT BENEFITS

i) General Description of 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).

(c) Superannuation Benefit: The Company pays fixed contribution @13% on (Basic+IDA) on a/c of Superannuation fund only for the executives. This is deposited

with a separate trust maintained by The Orissa Minerals Development Company Limited, which invests the fund in permitted securities.

The superannuation benefit at the rate of two-third of the total accumulated contribution is payable to the executives on separation from the Company. The balance one-third of the benefit is payable to such executive in annuity form. The company has no other liabilities apart from its contribution to the fund.

(d) Provident Fund :

Head Office Employee

Company pays fixed contribution to Provident Fund, at predetermined rates, to a separate trust i.e. The Orissa Minerals Development Company Limited Provident Institution, which invests the Funds in permitted securities. On Contribution, the trust is required to pay a minimum rate of interest, to the members, as specified by Govt. of India. The obligation of the company is limited to the shortfall in the rate of interest on the Contribution based on its return on investments as compared to the declared rate.

Mines Employee

Company pay fixed contribution of Provident Fund at the rate of 12% on (Basic+IDA) to RPFC.

The company has been taking necessary steps with the RPFC authority to merge the fund of H.O. employee to the RPFC, however due to some regulatory restriction the same could not be maintained as yet.

7. SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED FOR THE TWELVE MONTHS ENDED 31.03.2012

(₹ in lacs)

Sl. No.	Particulars	Year Ended	
		31.03.2012	31.03.2011
1.	SEGMENT REVENUE		
	a. Iron Ore	–	3588.02
	b. Manganese Ore	–	594.74
	c. Sponge Iron	152.54	300.13
	d. Unallocated	5,965.58	5433.18
	Total	6,118.12	9916.07
	Less: Inter Segment Revenue	–	184.32
	Net sales/Income from Operations	6,118.12	9731.75
2.	SEGMENT RESULTS		
	Segment Results (Profit(+)/ Loss(-) before tax and interest from each segment)		
	a. Iron Ore	(3,273.77)	(1,877.76)
	b. Manganese Ore	(469.20)	156.38
	c. Sponge Iron	114.60	(548.95)
	d. Unallocated	4,456.87	3,604.91
	Total	828.50	1,334.58
	Less :		
	i) Interest	–	–
	ii) Other Un-allocable Expenditure net off	–	–
	iii) Un-allocable Income net of expense	–	–
	Profit/(Loss) before Tax	828.50	1,334.58
3.	CAPITAL EMPLOYED		
	(Segment Assets - Segment Liabilities)		
	a. Iron Ore	3,628.88	6,902.65
	b. Manganese Ore	297.76	766.96
	c. Sponge Iron	967.35	852.75
	d. Unallocated	77,074.89	72,618.02
	Total	81,968.88	81,140.38

8. In view of the nature of operation, direct allocation of expenses and Capital employed between Iron ore and Manganese could not be determined. Hence the expenses and capital employed has been allocated in the ratio of 90:10. However, with respect to Sponge iron actual expenses are allocated.

9. Disclosure regarding related parties for the year 2011-12

OTHER RELATED PARTIES WITH WHOM THE COMPANY HAD TRANSACTIONS, etc.

i) Key Management Personnel:

a) Dr.Satish Chandra (from 29.10.09 A.N) Managing Director

ii) Employees' Benefit Plan where there is significant influence:

a) The Orissa Mineral Limited Employees Gratuity Fund.

b) The Orissa Minerals Development Company Limited Superannuation Fund.

c) The Orissa Minerals Development Company Limited Provident Institution

10. **Lease Matters**

- a) Status of grant of renewal of mining lease of area totaling 4365.262 hectors 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 hects.) M/s. B.P.M.E. Ltd (Revised RML application submitted over 778.762 hects.)	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 ₹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, Rourkela. However, 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 lease hold 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. Environmental project for environment clearance was presented before EAC on 29.11.2011, which has been submitted. The proposal is under consideration of MOEF.
Dalki Mn. Mines (266.77 Hects.) M/s. B.P.M.E.Ltd	Lease period expired on 30.09.1994. The 3 rd 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. The EC proposal of Dalki was heard by EAC on 20.07.2011 and the same was approved. However formal EC order has not been issued so far.
Kolha Roida Iron & Mn. Mines (254.952 hects.) M/s. B.P.M.E. Ltd.	The lease period expired on 14/08/1996. The 3 rd RML application was filed for 20 years 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

	<p>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 ₹5,07,,31,350/-has been deposited with DFO, Keonjhar in compliance to the Hon'ble Supreme Court direction following CEC recommendations. The EC proposal of Kolha–Rodia was heard by EAC on 20.07.2011 and the same was approved. However formal EC order has not been issued so far.</p>
<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 ₹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. Environmental project for Environmental clearance was presented before EAC on 24.01.2012. But some additional information have been asked by EAC which is being complied.</p>
<p>Bagiaboru Iron Mines (21.52 hecets.) 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 has already been allotted in our favour. The FDP & TWP has been forwarded by DFO, Keonjhar to RCCF, Rourkela by DFO Keonjhar. The NPV amount of ₹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. Environmental project for Environmental clearance was presented before EAC on 04.11.2011 and the same has been approved by the Committee subject to first stage forest clearance which is to be recommended from Government of Orissa to MOF.</p>
<p>Bhadrasai Iron & Mn. Mines (998.70 hecets.) 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 within 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 ₹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. The Environmental clearance project was heard by the EAC on 23.12.2011, which has asked for some additional information, and the same is being complied.</p>

11. 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.

As per report of even date

For and on behalf of Board of Directors

FOR N.C Banerjee & Co.

Firm Registration No. 302081E

Chartered Accountants

ARNOB PAUL

PARTNER

(M. No. 006490)

Sd/-

Dr. Satish Chandra

Managing Director

Sd/-

Ashok Vij

Director

Sd/-

Tapan Kumar Saha

CFO

Sd/-

S.Das

Company Secretary

New Delhi, Dated : 18th May 2012

THE ORISSA MINERALS DEVELOPMENT COMPANY LIMITED

(To be presented at the entrance)

ATTENDANCE SLIP : 94TH ANNUAL GENERAL MEETING ON 19TH DAY OF SEPTEMBER, 2012 AT 11.00 A.M. AT PURBASHREE AUDITORIAM OF EASTERN ZONAL CULTURAL CENTRE AT BHARTIYAM CULTURAL MULTIPLEX, IB-201, SECTOR-III, SALT LAKE CITY, KOLKATA - 700 106.

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

Name of the Shareholder:.....

Signature of the Shareholder.....

(Only shareholders/proxies are allowed to attend the meeting)

PROXY FORM

THE ORISSA MINERALS DEVELOPMENT COMPANY LIMITED

I/We.....of being a member(s) of

THE ORISSA MINERALS DEVELOPMENT COMPANY LIMITED hereby appoint

of.....or failing him.....ofas my/

our proxy to attend and vote for me/ us and on my / our behalf at the 94th Annual General Meeting of The Orissa Minerals Development Company Limited to be held on 19th September, 2012 and at any adjournment thereof.

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

No. of shares held.....

Signed this.....day of September, 2012

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.