

दि उड़ीसा मिनरलस् डेवलपमेंट कंपनी लिमिटेड
(भारत सरकार का उद्यम)

Ref: BSE, NSE & CSE/OMDC/CS/10-2024/03
Dated: 16.10.2024

To The Compliance Department Department of Corporate Services Bombay Stock Exchange Ltd 1 st Floor, PhiozeJee, Jeebhoy Towers Bombay SamacharMarg Mumbai – 400001 <u>Scrip Code</u> : <u>590086</u>	To The Compliance Department National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, Block – G BandraKurla Complex Bandra (E) Mumbai - 400051 <u>Scrip Code</u> : <u>ORISSAMINE</u>	To The Secretary The Calcutta Stock Exchange Limited 7, Lyons Range Kolkata- 700001 <u>Scrip Code</u> : <u>25058</u>
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SUB: REVISED AUDITORS REPORT FOR THE FINANCIAL YEAR 2023-24

Dear Sir,

The revised auditors report for the financial year 2023-24 is enclosed.

This is for your kind information and record please.

Thanking You,

Yours faithfully

For The Orissa Minerals Development Company Limited

RAJA BABU Digitally signed by
RAJA BABU SAILADA
SAILADA Date: 2024.10.16
16:30:33 +05'30'

(S Raja Babu)
Company Secretary

INDEPENDENT AUDITORS' REPORT

To
The Members of
The Orissa Minerals Development Company Limited

Report on the Standalone Financial Statements

On the basis of observations made by the Comptroller & Auditor General of India, the Revised Independent Auditors Report is being issued in lieu of the earlier Independent Auditors Report dated 23.08.2024 to comply with the observation of the Controller & Auditor General of India in Independent Audit report without any changes in the Standalone financial statements.

Qualified Opinion

We have audited the accompanying financial statements of **M/s. The Orissa Minerals Development Company Limited ("the Company")** which comprises the Balance Sheet as at March 31, 2024 and the Statement of Profit and Loss (including Other Comprehensive Income), statement of changes in Equity and statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for effects of the matters described in the Basis of Qualified opinion & Emphasis of Matter Paragraph of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024 and its profit, other comprehensive income, changes in equity and its cash flows for the year ended on that date.



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Basis for Qualified Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Ind AS Financial Statements under the provisions of the Companies Act, 2013 and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate except for the matters stated below, to provide a basis for our qualified audit opinion.

1. Government of Odisha has renewed (February 2020) Belkhundi and Bhadrasahi mining leases of OMDC upto 15 August 2026 and 30 September 2030 respectively with a direction to execute supplementary lease deed within three months. For execution of lease deed, OMDC is liable to pay Stamp Duty (five percent) and Registration charges (two per cent), to be assessed as per the Government of Odisha Gazette Notification of January 2012.

As per company's assessment, Rs. 7,427 Lacs was payable towards stamp duty and registration charges (Bhadrasahi : Rs. 3,559 Lacs and Belkundi: Rs 3,868 Lacs). Non-provision for stamp duty and registration charges payable to Government of Odisha towards execution of supplementary lease of two mining lease of OMDC has resulted in understatement of Current Liabilities by Rs. 7,427 Lacs and understatement of Intangible Assets (net of amortization expenses) by Rs. 1,980 Lacs. Further, considering the life of the respective lease, current year amortization expenses are understated by Rs. 371 lacs and Retained Earning (Loss) Rs. 5076 Lacs.

2. Government of Odisha has renewed (February 2020) the mining lease of OMDC namely Belkundi and Bhadrasahi upto 15 August 2026 and 30 September 2030 respectively with a direction to execute supplementary lease deed subject to availability of the requisite forest clearance. Subsequently, OMDC applied for extension of forest clearance co-terminus with the extended mining lease period for the above mines. Government of Odisha demanded (October 2021) Rs. 1,974 Lacs and Rs. 5,125 Lacs towards Net Present Value as on the forest land included



in the lease out of which OMDC agreed for payment of Rs. 1,808 Lacs and Rs. 5,111 Lacs respectively and requested Government of Odisha for revision in demand. The amounts had not yet been paid and have been disclosed under contingent liabilities of the company.

As per Para 4.2 of the Ind-As accounting policy of the Company, mining rights comprising of NPV and related payments to Government authorities for iron ore and manganese mines are amortised over the period of lease from the date of payment or the date of renewal of mining lease whichever is earlier. OMDC however in violation of its accounting policy had neither provided for the NPV due nor amortised it from the date of renewal of mining lease.

Thus this had resulted in understatement of Current Liabilities and 'Plant, property and Equipment by Rs. 6,919 lacs. Further considering the life of the respective lease, this has also resulted in understatement of Depreciation and Amortisation Expenses by Rs. 2,387 Lacs with consequent overstatement of profit for the year by the same amount. The contingent liabilities has also been overstated by Rs. 6,919 Lacs.

3. Other Current Assets includes Rs. 2,715.14 Lacs deposited by OMDC (Rs. 2,515.14 lac on 29.12.2017 and Rs. 200.00 Lacs on 16.11.2018) with Government of Odisha towards compensation payable under section 21(5) of Mines and Minerals Development Regulations Act, 1957 on extraction of minerals without/ in excess of Environmental Clearance/ Forest Clearance in respect of lease in the name of Bharat Process and Mechanical Engineers Limited (BPMEL), being operated by OMDC in power of attorney basis. The deposit of Rs. 2,715.14 Lacs made by OMDC had been appropriated by Government of Odisha as part payment. In view of uncertainty in getting refund/ adjustment, OMDC should have made full provision against the amount so deposited with Government of Odisha.

Non-provision of the same has resulted in overstatement of Other Current Assets and overstatement of profit for the year by Rs. 2715.14 Lacs.



Emphasis of Matter

We draw attention to:

4. We observed discrepancies between Closing balance of inventories as per Books of Accounts as on 31.03.2024, i3MS report for the FY 2023-24 and physical verification report as on 31.03.2024.

In case of Bhadrasahi and Bagiaburu Mines book balance of iron ore is 89,002.96 Mt and 70,558.62 Mt respectively whereas the corresponding i3MS (Govt Portal) quantity is 1,07,542.74 Mt and 98612.47 MT respectively. The differential stock of 18,539.78 MT and 28,053.85 Mt was not considered in stock valuation. This resulted in under valuation of closing stock of inventory which leads to understatement of Current assets in the books of accounts.

Iron Ore		(Quantity in MT)	
Name of Mines	Closing Balance as per Physical verification report	Closing balance as on 31.03.2024 as per Books of Accounts	As per i3MS Report
Bhadrasahi	88,787.514	89,002.96	107,542.74
Thakurani (including Railway Siding)	122,080.979	122,083.88	142,828.70
Belkundi	55,252.651	55,253.46	21,989.60
Bagiaburu	70,558.624	70,558.62	98,612.47
Thakurani Rly Siding 2		16,998.14	
Stock at SIP	3892.064	3,893.99	
Total	3,40,571.832	3,57,791.05	370,973.51

Manganese Ore		(Quantity in MT)	
Name of Mines	Closing Balance as per Physical verification report	Closing balance as on 31.03.2024 as per Books of Accounts	As per i3MS Report
Bhadrasai	3,336.62	3,335.620	458.530
Thakurani	14,415.89	14,417.553	2,845.494
Belkundi	5,502.317	5,503.617	4,866.270
Total	23,254.833	23,256.790	8,170.294

5. The company has outstanding dividend payables of Rs. 49.42 Lacs from 2012-13 to 2016-17 including Rs. 32.34 Lacs disputed dividends and Rs. 17.15 Lacs unpaid dividends. As per Section 124 of the Companies Act 2013, unclaimed dividends for



over seven years must be transferred to the Investor Education and Protection Fund (IEPF). We identified unclaimed dividends exceeding seven years (total Rs. 10.79 Lacs) have not been transferred to IEPF. This non-compliance may result in penalty of Rs. 5 Lacs to Rs. 25 Lacs.

6. Current liabilities to the extent of Rs. 202.60 Lacs are long outstanding, unreconciled since FY 2010-11 and are recorded as "inoperative creditors" in books of accounts. The company should investigate the reason behind classifying these payables as inoperative. Based on the investigation if the payables are deemed not payable the same should be written off and if payable the same should be paid.
7. On verification of current assets revealed an overstatement of inventory by Rs. 47.41 Lacs. This discrepancy relates to the value of coal and dolomite (located at the closed Sponge Iron Plant since 2010) included at cost price. Management intends neither to revive the plant nor has it established a market price for the low-metallization materials. The lack of proper valuation before finalizing the 2023-24 accounts resulted in overstatement of inventory and profit by the same amount.
8. Our review identified receivable of Rs. 4,439.48 Lacs from the Income Tax department. This amount relates to advance tax, self-assessment tax and TDS on FD reflecting as receivable since long time. This indicates its recoverability is uncertain, raising concerns about a potential understatement of retained earnings and overstatement of current assets in the financial statements. Some of the receivables are pending since 2006-07 which is almost 16 years old. If the amount is not receivable, provision should be made to write it off from the books of accounts.

Particulars	Amount
Fbt Refundable(06-07)	149,281.00
Fbt Refundable(08-09)	444,587.00
Income Tax Refundable(08-09)	70,407,289.00
Taxation Advance(09-10)	24,801,068.00
Taxation Advance(10-11)	58,557,510.80
Taxation Advance(11-12)	88,934,042.11
Taxation Advance(12-13)	11,742,899.00
Taxation Advance(13-14)	29,503,666.00



Taxation Advance (16-17)	22,627,882.20
Taxation Advance (17-18)	56,548,245.56
Taxation Advance (19-20)	18,503,918.14
Taxation Advance (20-21)	7,047,512.64
Taxation Advance (21-22)	13,390,967.70
Taxation Advance (23-24)	4,411,858.10
Refund Received (Adjusted)	36,877,181.18
Total	443,947,908.43

9. During our review of Cash & Cash equivalents balance as on 31st March 2024 it was found that out of Closing Balance of Rs.2011.89 lakh, Rs.1977 lakh pertains to margining money in the form of fixed deposit taken by the company which were lien against the bank guarantee for a period of 6 years. However, the Company has shown it under the head Current Assets under the head "Bank Balance other than Cash & Cash equivalent" which is not proper. Due to which Current assets are overstated & Non-current assets are understated in the books of account.
10. During our review, we observed that the PCCF (wild life) has demanded Rs. 91.80 lakh towards Site specific wildlife conservation plan on 18.10.2022 as demand letter from Divisional forest officer. However, The company has already paid Rs.41.50 lakh on 05.02.2011, balance amount of Rs.50.30 lakh was not paid by the company as on date. No provision has been created for the differential amount. Hence, Non-creation of provision leads to understatement of Current liabilities by Rs.50.30lakh in the books of accounts.
11. During the Course of audit, it came to our knowledge that Rs. 32.71 lakh was spent towards repairing & construction of Transit guest house and modification & renovation of director bunglow during the period 2013-14 to 2018-19. The expenses are in the nature of revenue which is included under the head Capital work in progress is incorrect. This results in understatement of loss by Rs.32.71 lakh & overstatement of Capital Work-in Progress in the books of accounts.

Other Matters

1. We identified long-standing provisions for doubtful debts totalling Rs. 1,81,50,959.45/- since FY 2014-15. These provisions are continuing since more than 12 years. If the same are not receivable it should be written off. Due to this Receivable are overstated.



2. The company has not obtained balance confirmations as of March 31, 2024, from a substantial number of its sundry creditors, sundry debtors and other parties. Consequently the balances reported in the financial statements are subject to potential adjustments based on the outcomes of balance confirmation and subsequent reconciliation processes. Hence, we cannot comment on the same.
3. As per the Secretarial Audit Report and letter issued by National Stock Exchange the company has not complied with the composition of the board.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

Other Information

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the "Annual Report" (as defined in CAS 720), but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibility of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the Ind AS and the other accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with Standards on Auditing ('SAs'), we exercise



professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Company to express an opinion on the standalone financial



statement. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the standalone financial statements of which we are the independent auditors.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance of the company and such other entities included in the standalone financial statements of which we are the independent auditors, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence; and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Companies Act 2013, we give in **Annexure A**, a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.



2. We have complied with the Directions and Sub-Direction given by the Comptroller & Auditor General of India under section 143(5) of the Act while conducting the audit, and on the basis of information and explanations given to us in this regard by the Company, we give in **Annexure B** to this report, a statement on the matters specified in such Directions and Sub-Directions.
3. As required by Section 143 (3) of the Act, we report that:
- a) We have sought except for the matter described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books except for the effects of the matter described in the Basis for Qualified Opinion paragraph above and for the matters stated.
 - c) The Balance Sheet, Statement of Profit and Loss including Statement of Other Comprehensive Income, Statement of Change in Equity, and Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - d) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, In our opinion, the aforesaid standalone Ind-AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) The provisions of section 164(2) are not applicable to the Company as it is a Government Company.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we refer to our separate report in **Annexure C**; and
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:



- a. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 36 to the Standalone Ind AS financial statements.
- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

For O. M. Kejriwal & Co.
Chartered Accountants
FRN No.314144E



(CA Swati Kejriwal)
Partner
M. No.067891

UDIN:-

Place: Bhubaneswar
Date: 24.09.2024



ANNEXURE - A
TO THE INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
THE ORISSA MINERALS DEVELOPMENT COMPANY LIMITED

[Referred to in paragraph 1 under head Report on Other Legal and Regulatory Requirements of the Auditors' Report of even date]

1. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
(b) The fixed assets of the Company have been physically verified by the management during the year and discrepancies noticed during the course of physical verification have been duly adjusted in the accounts. In our opinion, the frequency of verification is reasonable.
(c) The title deeds of immovable properties including leasehold were made available for our examination,
 - Out of 263.507 acres Land, Lease Deed/ Title Deeds in respect of only 195.959 acres were available with the Company out of which 3.663 acres of private land has been occupied by the company and 41.766 acres of Patta Land has been outsider unauthorized.
 - Registration of the building of HO located at AG-104, 2nd Floor, Sourav Abasan, Sector-II, Salt Lake City, Kolkata – 700 091 which is not yet completed.
2. (a) As per the information the management has conducted the physical verification of inventory at reasonable intervals.
(b) Valuation of inventory has been done based on cost or net realizable value (Average Sales Price as per Indian Bureau of Mines) whichever is lower.
3. According to the information and explanations given to us the Company has not granted any loan, secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly, the provision of clauses 3(iii) (a),



(b) and (c) of the order is not applicable to the companies and hence not commented upon.

4. In our opinion and according to information and explanations given to us, the Company has not granted any loan and given guarantee and security to any companies, as such the provision of section 185 and 186 of the Companies Act 2013 not applicable.
5. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
6. The Central Government of India has prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act for the products of the company. We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 148 of the Act and are of the opinion that the prescribed accounts and records have been maintained.
7. (a) According to the information and explanations given to us and the records of the Company examined by us, the Company is not paying regular dues regarding the undisputed statutory dues including Income-tax, Sales-tax, Provident Fund, Service tax, Goods and Service Tax, Duty of customs, Duty of excise, Value Added Tax, Cess and any other statutory dues with the appropriate authorities. The details are as follows:

Name of the Statutory dues	Amount in (Rs.) outstanding as on 31.03.2024
Employee Pension fund	56,304.00
Employee Provident Fund	90,97,998.00
Superannuation Fund	65,08,377.00
Professional Tax	1,69,650.00
Tax Deducted at Source	17,83,884.00



Goods & Service Tax(RCM)	205,36,045.84
GST TDS	1,20,733.00
Tax Collected at Source (Sales)	33,49,419.00

- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of sales-tax, service tax, duty of excise and value added tax as at 31st March 2024 which have not been deposited on account of disputes, are as follows-

Name of the statute	Nature of dues	Amount (Rs in Lacs)	Period to which the amount relates	Forum where the dispute is pending
The Central Sales Tax Act, 1956	Central Sales Tax	4.44	2003-04	Sales Tax Tribunal
Odisha Value Added Tax Act, 2004	VAT	2.45	2005-06	Odisha High Court
Odisha Entry Tax Act, 1999	Entry Tax	11.77	2005-06	Odisha High Court
Odisha Entry Tax Act, 1999	Entry Tax	1.26	2006-07	Commissioner of Commercial Taxes (Appeal)
Finance Act, 1994	Service Tax	6.29	2012-13	Commissioner of Service Tax (Appeal)

8. The Company has not defaulted in repayment of loans and borrowings.
9. Based upon the audit procedures performed and the information and explanations given by the management, the Company has neither raised any money by public issues of shares or debentures.



10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and information and explanations given to us, we have not come across any instances of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor we have been informed of any such case by the management.
11. In our opinion and according to the information and explanations given to us the provisions of section 197 read with Schedule V to the Act are not applicable to the Company.
12. As the Company is not a Nidhi Company, the Nidhi rules 2014 are not applicable to it. The provisions of clause 3 (xii) of the Order are not applicable to the Company.
13. According to the information and explanations given to us and the records of the Company examined by us, the requirements of sections 177 and 188 of the Act is not applicable to this Company.
14. According to information and explanations given to us and on an overall examination of the Balance Sheet of the Company has not made a preferential allotment/ private placement of shares or fully or partly convertible debentures during the year under review, and hence, reporting requirements under clause 3(xiv) of the order are not applicable to the Company and not commented upon.
15. Based upon the audit procedures performed and the information and explanations given by the management, we have not come across any instances where the Company has entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company.
16. In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.



17. Based upon the audit procedures performed and the information and explanations given by the management the company has incurred cash losses of Rs. 2395.07 Lacs only during the immediately preceding financial year 2022-23 but has not incurred any cash losses during the current financial year 2023-24.
18. This clause is not applicable because, the statutory auditor has not given resignation during the year.
19. On the basis of financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities we are of the opinion that no material uncertainty exists as on the date of audit report that the company is capable of meeting its liabilities existing at the balance sheet date as and when they fall due within a period of 1 year from the balance sheet date.
20. According to the information and explanations given to us the Company is not earning any profit during the last 3 Financial Year, hence sub-section (5) of section 135 of the Companies Act, 2013 related CSR expenditure is not applicable to the company.
21. This CARO based on the standalone financial statements of the company, hence the clause is not applicable.

For O. M. Kejriwal & Co.
Chartered Accountants
FRN No.314144E


(CA Suresh Kejriwal)
Partner

M. No.057891

UDIN:-

Place: Bhubaneswar
Date: 24.09.2024



**ANNEXURE - B
TO THE AUDITOR'S REPORT**

Report on the Directions by the Comptroller & Auditor General of India (C&AG) under section 143(5) of the Companies Act, 2013 for the Financial Year 2023-24

- 1. Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implication of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any may be stated.**

Yes, all the accounting transactions are accounted for through IT System. However, as explained to us, there are operations/transactions which take place outside the system but have a bearing on the accounts of the Company.

As per past practice, all transactions are manually entered in the software which maintains regular books of account.

As per existing practice, there are chances of some aforesaid transactions being missed to be accounted as the flow of accounting transactions are not automated at the point of generation of transaction. The financial implications of transactions outside the IT system are unascertainable.

- 2. Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government company, then this direction is also applicable for statutory auditor of Lender Company).**

To the best of our knowledge and according to the explanations and information given to us, there are no cases of waiver/write off of debts/loans/interest etc. or any restructuring of an existing loan during the period under audit.



3. Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State Government or its agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.

As explained to us and on the basis of information available, the Company has not received any funds from Central/State agencies.

For O. M. Kejriwal & Co.
Chartered Accountants
FRN No.314144E


(CA Swati Kejriwal)

Partner

M. No.067891

UDIN:-

Place: Bhubaneswar

Date: 24.09.2024



**ANNEXURE- C
TO THE INDEPENDENT AUDITORS' REPORT**

**TO THE MEMBERS OF
THE ORISSA MINERALS DEVELOPMENT COMPANY LIMITED**

[Referred to in paragraph 3 (f) under head Report on Other Legal and Regulatory Requirements of the Auditors' Report of even date]
Report on the Internal Financial Control under Clause (i) of Sub-sections 3 of Section 143 of the Companies Act, 2013 ("the Act")

Qualified Opinion

We have audited the internal financial controls over financial reporting of The Orissa Minerals Development Company Limited ("the Company") as of 31st March, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, except for the effects of the material weakness described in paragraph (a) of the Basis for Qualified Opinion section of our report below on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls with reference to financial statements based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note") and except for the possible effects of the material weaknesses described in paragraphs (a) and (b) of the Basis for Qualified Opinion section of our report below, the Company's internal financial controls with reference to financial statements were operating effectively as of 31 March 2024.

We have considered the material weakness identified and reported above in determining nature, timing, and extent of audit tests applied in our audit of the 31 March 2024 financial statements of the Company, and the material weakness has affected our opinion on the standalone financial statements of the Company and we have issued a qualified opinion on the standalone financial statements.



Basis for Qualified opinion

According to the information and explanations given to us and based on our audit, the following material weakness has been identified as at 31 March 2024:

1. The Company did not have appropriate internal controls for review and reconciliation of Various Provisions & Contingent liabilities, which could potentially result in material misstatement in the financial statements.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

Management's Responsibility for Internal Financial Control

The Company's management is responsible for establishing and maintaining Internal Financial Controls based on the internal control over Financial Reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate Internal Financial Controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable Financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's Internal Financial Controls over Financial Reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India.



Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls over Financial Reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls system over Financial Reporting and their operating effectiveness. Our audit of Internal Financial Controls over Financial Reporting included obtaining an understanding of Internal Financial Controls over Financial Reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls system over Financial Reporting.

Meaning of Internal Financial Control over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statement for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

- 1) Pertain to the maintenance of the records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) Provide reasonable assurance that the transactions are recorded as necessary to permit preparation of standalone financial statement in accordance with generally accepted accounting principles, and that receipts and expenditure of the Company are being made only in accordance with authorization of management and directors of company; and
- 3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statement.



Inherent Limitations of Internal Financial Control over Financial Reporting

Because of inherent limitation of internal financial control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to errors or fraud may occur and not be detected. Also, projections of any evaluations of the internal financial control over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For O. M. Kejriwal & Co.
Chartered Accountants
FRN No.314144E


(CA Swati Kejriwal)
Partner

M. No.067891

UDIN:-24067891BKDEF51403

Place: Bhubaneswar
Date: 24.09.2024

