



Ref : BSE/ OMDC/CS/05-2017/01
Dated : 26.05.2017

Compliance Department
Department of Corporate Services
Bombay Stock Exchange Limited
1st Floor, Phiroze Jee, Jeebhoy Towers
Bombay Samachar Marg
Mumbai – 400001

**SUB : AUDITED FINANCIAL RESULTS ALONG WITH
AUDITORS REPORT FOR THE YEAR 2016-2017**
Symbol : 590086

Sir/Madam,

Please find enclosed herewith the Audited Financial Results along with Auditor's Report of **The Orissa Minerals Development Company Limited** for the financial year ended 31ST March, 2017.

This is for your kind information and record as per Regulation 33 of SEBI (LODR) Regulations, 2015.

Kindly acknowledge the receipt of same.

Thanking You.

Yours faithfully,

For The Orissa Minerals Development Company Limited

(Anu Singh)
Company Secretary

Encl: As above



STATEMENT OF FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2017

(Rs. in Lacs)

| Particulars | QUARTER ENDED | | | YEAR ENDED | |
|--|-------------------------|---------------------------|-------------------------|-------------------------|-------------------------|
| | 31.03.2017 (Audited) | 31.12.2016 (Unaudited) | 31.03.2016 (Audited) | 31.03.2017 (Audited) | 31.03.2016 (Audited) |
| 1 Income from Operation | - | - | - | - | - |
| 2 Other Income | 1,538.59 | 1,608.78 | 1,546.04 | 6,317.62 | 7,000.66 |
| 3 Total Income (1 + 2) | 1,538.59 | 1,608.78 | 1,546.04 | 6,317.62 | 7,000.66 |
| 4 Expenses | | | | | |
| (a) Cost of Materials consumed | - | - | - | - | - |
| (b) Purchases of stock-in-trade | - | - | - | - | - |
| (c) Changes in inventories of finished goods, Work-in-Progress and stock-in-trade | (159.15) | - | 494.05 | (159.15) | 494.05 |
| (d) Employee benefits expense | 782.15 | 541.06 | 586.43 | 2,548.13 | 2,533.02 |
| (e) Finance Cost | - | - | - | - | - |
| (f) Depreciation and amortisation expenses | 114.60 | 136.96 | 35.55 | 484.93 | 683.77 |
| (g) Excise Duty | - | - | - | - | - |
| (h) Other Expenses | 761.56 | 525.41 | 486.27 | 2,207.47 | 1,351.50 |
| Total Expenses (4) | 1,499.16 | 1,203.43 | 1,602.30 | 5,081.38 | 5,062.34 |
| 5 Profit/(Loss) before Tax (3-4) | 39.43 | 405.35 | (56.26) | 1,236.24 | 1,938.32 |
| 6 Tax Expenses/ (Credits)- (net) | | | | | |
| (a) Current tax | 77.77 | 189.51 | (105.23) | 552.67 | 734.05 |
| (b) Deferred Tax | (55.89) | (24.69) | 96.61 | 27.14 | 110.02 |
| Total tax expense/ (Credit) | 21.88 | 164.82 | (8.62) | 579.81 | 844.07 |
| 7 Net Profit/(Loss) for the period (5 - 6) | 17.55 | 240.53 | (47.64) | 656.43 | 1,094.25 |
| 8 Other Comprehensive Income/ (Loss) | | | | | |
| (a) Items that will not be recycled to profit or loss | (107.43) | - | (47.10) | (107.43) | (47.10) |
| (b) Income tax credits relating to items that will not be reclassified to profit or loss | 37.18 | - | 16.01 | 37.18 | 16.01 |
| Total Other Comprehensive Income/ (Loss) | (70.25) | - | (31.09) | (70.25) | (31.09) |
| 9 Total Comprehensive Income/ (Loss) for the period (7 + 8) | (52.70) | 240.53 | (78.73) | 586.18 | 1,063.16 |
| 10 Paid-up Equity Share Capital (Face Value of Rs. 1/- each) | 60.00 | 60.00 | 60.00 | 60.00 | 60.00 |
| 11 Reserves excluding revaluation reserves | 84,020.36 | 84,073.07 | 83,626.13 | 84,020.36 | 83,626.13 |
| 12 Earning per equity share (Rs.)(not annualized)(Basic and Diluted)(Face Value-Re. 1/-) | 0.29 | 4.01 | (0.79) | 10.94 | 18.24 |

पी. के. सिन्हा / P. K. SINHA
प्रबंध निदेशक / Managing Director
दि उडिसा मिनरलस् डेवलपमेंट कम्पनी लि.
THE ORISSA MINERALS DEV. CO. LTD.
(भारत सरकार का उद्यम)
(A Government of India Enterprise)



पंजीकृत कार्यालय : ए. जी. 104, सौरव आवासन, द्वितीय तल, सेक्टर - II, सॉल्ट लेक सिटी, कोलकाता - 700 091
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आप हमसे सहर्ष हिन्दी में भी पत्र व्यवहार कर सकते हैं।

CIN No. : L51430WB1918GOI003026



STATEMENT OF ASSETS AND LIABILITIES

(Rs. in Lacs)

| Particulars | As at 31.03.2017 (Audited) | As at 31.03.2016 | As at 01.04.2015 |
|---|-------------------------------|---------------------|---------------------|
| A ASSETS | | | |
| (1) Non-current assets | | | |
| (a) Property, plant and equipment | 1,546.43 | 1,670.77 | 1,936.18 |
| (b) Capital work-in-progress | 122.80 | 166.05 | 177.57 |
| (c) Intangible assets | 4,125.46 | 4,485.85 | 4,698.84 |
| (d) Investments in joint ventures | 281.10 | 281.10 | 281.10 |
| (e) Financial assets | | | |
| (i) Investments | 2.48 | 44.14 | 76.63 |
| (ii) Loans | 86.70 | 84.86 | 80.26 |
| (iii) Other financial assets | 100.00 | 156.00 | 156.00 |
| (f) Non-current tax assets | 5,853.07 | 5,995.87 | 5,054.20 |
| (g) Other non-current assets | 162.99 | 188.38 | 215.41 |
| Total non-current assets | 12,281.03 | 13,073.02 | 12,676.19 |
| (2) Current assets | | | |
| (a) Inventories | 2,324.36 | 2,166.96 | 2,670.74 |
| (b) Financial assets | | | |
| (i) Trade receivables | - | - | - |
| (ii) Cash and cash equivalents | 12,979.21 | 2,650.80 | 1,536.03 |
| (iii) Bank balances other than (ii) above | 67,230.39 | 77,105.20 | 75,636.98 |
| (iv) Other financial assets | 2,938.19 | 2,096.29 | 2,550.47 |
| (c) Other current assets | 126.36 | 146.24 | 200.04 |
| Total current assets | 85,598.51 | 84,165.49 | 82,594.26 |
| Total Assets | 97,879.53 | 97,238.51 | 95,270.45 |
| B EQUITY AND LIABILITIES | | | |
| (1) Equity | | | |
| (a) Equity share capital | 60.00 | 60.00 | 60.00 |
| (b) Other equity | 84,020.37 | 83,626.14 | 82,881.91 |
| Total equity | 84,080.37 | 83,686.14 | 82,941.91 |
| (2) Liabilities | | | |
| A. Non-current liabilities | | | |
| (a) Provisions | 473.58 | 385.88 | 305.54 |
| (b) Deferred tax liabilities (Net) | 780.54 | 790.58 | 696.57 |
| Total non-current liabilities | 1,254.12 | 1,176.46 | 1,002.11 |
| B. Current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Trade payables | 225.51 | 206.39 | 176.07 |
| (ii) Other financial liabilities | 2,714.01 | 2,782.10 | 2,789.82 |
| (b) Provisions | 5,454.68 | 4,873.35 | 4,692.95 |
| (c) Other current liabilities | 923.28 | 835.18 | 722.75 |
| (d) Current tax liabilities | 3,227.56 | 3,678.89 | 2,944.84 |
| Total current liabilities | 12,545.04 | 12,375.91 | 11,326.43 |
| Total liabilities | 13,799.16 | 13,552.37 | 12,328.54 |
| Total equity and liabilities | 97,879.53 | 97,238.51 | 95,270.45 |



पी. के. सिन्हा / P. K. SINHA
प्रबंध निदेशक / Managing Director
दि उडिसा मिनरलस् डेवलपमेंट कम्पनी लि
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CIN No. : L51430WB1918GOI003026



| SEGMENT REVENUE, RESULTS AND CAPITAL EMPLOYED FOR THE QUARTER AND YEAR ENDING 31ST MARCH, 2017 (IND-AS COMPLIANT) | | | | | |
|---|-------------------------|-------------------------|-------------------------|----------------------|-------------------|
| (Rs. in Lacs) | | | | | |
| Particulars | QUARTER ENDED | | | YEAR ENDED MARCH 31, | |
| | 31.03.2017 (Audited) | 31.12.2016 (Audited) | 31.03.2016 (Audited) | 2017 (Audited) | 2016 (Audited) |
| 1 REVENUE BY BUSINESS SEGMENT: | | | | | |
| (a) Iron Ore | - | - | - | - | - |
| (b) Manganese Ore | - | - | - | - | - |
| (c) Sponge Iron | - | - | - | - | - |
| (d) Un-allocated | - | - | - | - | - |
| Total | 1,538.59 | 1,608.78 | 1,545.19 | 6,317.62 | 7,000.66 |
| Less: Inter-segment Revenue | - | - | - | - | - |
| Net Sales / Income from Operations | 1,538.59 | 1,608.78 | 1,545.19 | 6,317.62 | 7,000.66 |
| Total Income from Operations | | | | | |
| 2 Segment results-Profit (+)/Loss (-) before Finance costs, exceptional items and Tax: | | | | | |
| (a) Iron Ore | (1,022.51) | (492.06) | (457.89) | (2,723.21) | (2,419.98) |
| (b) Manganese Ore | 337.71 | (207.32) | (336.08) | (148.00) | (591.01) |
| (c) Sponge Iron | (85.73) | (0.36) | (0.25) | (88.80) | (0.46) |
| (d) Un-allocated | 809.96 | 1,105.09 | 737.96 | 4,196.25 | 4,949.77 |
| Unallocated Income / Expenditure (Net) | 39.43 | 405.35 | (56.26) | 1,236.24 | 1,938.32 |
| Total Segment Results before Finance Costs, Exceptional Items and Tax | 39.43 | 405.35 | (56.26) | 1,236.24 | 1,938.32 |
| Less: Finance Costs | - | - | - | - | - |
| Profit / (Loss) before exceptional items and Tax | 39.43 | 405.35 | (56.26) | 1,236.24 | 1,938.32 |
| Exceptional Items | - | - | - | - | - |
| Profit / (Loss) before Tax | 39.43 | 405.35 | (56.26) | 1,236.24 | 1,938.32 |
| Less: Tax Expenses | 21.88 | 164.82 | (8.62) | 579.81 | 844.07 |
| Net Profit / Loss for the period | 17.55 | 240.53 | (47.64) | 656.43 | 1,094.25 |
| 3 Segment Assets | | | | | |
| (a) Iron Ore | 1,332.10 | 1,332.10 | 1,332.10 | 1,332.10 | 1,332.10 |
| (b) Manganese Ore | 637.31 | 637.31 | 637.31 | 637.31 | 637.31 |
| (c) Sponge Iron | 298.01 | 296.38 | 298.01 | 298.01 | 298.01 |
| (d) Un-allocated | 95,612.10 | 91,937.88 | 94,971.09 | 95,612.11 | 94,971.09 |
| Total | 97,879.52 | 94,203.67 | 97,238.51 | 97,879.53 | 97,238.51 |
| 4 Segment Liabilities | | | | | |
| (a) Iron Ore | - | - | - | - | - |
| (b) Manganese Ore | - | - | - | - | - |
| (c) Sponge Iron | - | - | - | - | - |
| (d) Un-allocated | 13,799.16 | 10,070.60 | 13,552.37 | 13,799.16 | 13,552.37 |
| Total | 13,799.16 | 10,070.60 | 13,552.37 | 13,799.16 | 13,552.37 |

Notes:

- The Company's mining operation are under suspension due to non-availability of statutory clearances. Mining Leases are in the process of renewal and accordingly, these Financial Results have been prepared on a 'Going Concern basis'.
- Figures for the quarter ended 31 March, 2017 and 31 March, 2016 represent the difference between the audited figures in respect of the full financial year and the published figures of the nine months ended 31 December, 2016 and 31 December, 2015 respectively.
- The Company adopted Indian Accounting Standard (referred to as "Ind-AS") with effect from 1 April, 2016 and accordingly these financial results along with the comparative have been prepared in accordance with recognition and measurement principles stated therein, prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India.
- The Company has identified business segment as the primary segment. The Company is engaged in production / Mining of Iron Ore, Manganese Ore and Sponge Iron. Though the mining operations are under suspension and there are no mining activities during the period under review, the Company still considers mining operations as its primary segment because such activities can be restored once mining leases are renewed for which efforts are on. Information reported to the chief operating decision maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on mining of Iron Ore, Manganese Ore and processing of Sponge Iron for reportable segments for standalone results in accordance with Ind AS 108. Further, determination of Segment Revenue, Results, Assets & Liabilities has been done by management on regular basis.
- The above results have been approved by the Board of Directors of the Company in its meeting held on 26th May, 2017.
- The Statutory Auditors of the Company have carried out the audit of the Financial Results of the quarter / year ended 31st March, 2017 as required under Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Reconciliation between financial results as reported under erstwhile Indian GAAP (referred to as "I GAAP") and Ind AS is summarised as below:-

(a) Profit Reconciliation

| PARTICULARS | QUARTER ENDED | YEAR ENDED |
|--|----------------|-----------------|
| | 31.03.16 | 31.03.16 |
| Net profit as per I GAAP | (78.73) | 1,063.17 |
| Add: Effect on employee benefit expenses for remeasurement (gain)/loss arising from defined benefit obligation | 47.10 | 47.10 |
| Less: Tax on remeasurement gain / (loss) on defined benefit obligation | (16.01) | (16.01) |
| Net Profit as per Ind AS | (47.64) | 1,094.26 |
| Other Comprehensive Income as per Ind AS | (31.09) | (31.09) |
| Total comprehensive income as per Ind AS | (78.73) | 1,063.17 |

(b) Equity Reconciliation

| PARTICULARS | As on | As on |
|---|------------------|------------------|
| | 01.04.15 | 31.03.16 |
| Equity as per I GAAP | 82,622.97 | 83,494.20 |
| Reversal of proposed dividend and tax thereon | 318.94 | 191.94 |
| Equity as per Ind AS | 82,941.91 | 83,686.14 |

- The Board of Directors has recommended a dividend of Rs. 1.46 per share on ordinary equity shares of Rs. 1 each for the financial year ended 31 March, 2017.

For and On behalf of the Board of Directors

As per our report of even date attached.

For M. C. Bhandari & Company
Chartered Accountants
FRN No.3030026

(CA Neera) Jijr
Partner
M. No.064393
Date: 26th May, 2017
Place: Kolkata



(P. K. SINHA)
MANAGING DIRECTOR
DIN No. 06872165
प्रबंध निदेशक
दि उडिसा मिनरलस् डेवलपमेंट कम्पनी लि
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CIN No. : I51430WB1018CO1003026

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
THE ORISSA MINERALS DEVELOPMENT COMPANY LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of The Orissa Minerals Development Company Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, signed by us under reference to this report and a summary of the significant accounting policies and other explanatory information. These financial statements are the responsibility of the Company's management.

Management's Responsibility 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 of these standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), Profit or loss (financial performance including other comprehensive income) and cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Basis for Qualified Opinion

1. The original title deeds of immovable properties including leasehold were not made available to our examination.
2. Leasehold land and lease hold properties considered as financial lease up to previous year have been reclassified in the reporting year as operating lease. In absence of sufficient details available we are unable to determine whether such leased properties should have been classified as financial or operating lease. The mining lease of the Company have not been renewed since September 2010 and operation of those mines have been suspended since then. In view of that, in our opinion, the carrying value of the permanent structure i.e. Buildings and other civil constructions, Roads, Railway Sidings etc. constructed on such leasehold land and mining rights need to be amortised along with carrying value of such lease hold land and properties, unless such mining lease are renewed. The exact amount of such assets could not be ascertained for the want of details.
3. Plant, Machineries and Equipments shown in the accounts are not in use because of suspension of mining operation and closure of Sponge Iron Plants since a long time. As such based on technical evaluation, provision needs to be made for restoring the assets in running condition.
4. A substantial portion of the Capital Work in Progress relates to mines whose operation has been suspended and lease period has not been renewed. As such the expenditure to the tune of Rs. 43.79 lacs appear to be infructuous, hence needs to be provided for.
5. Reference is invited to Accounting Policy given in Note 4.8 to the Financial Statements. Contrary to the policy stated in the said notes, (i) any provision against non moving inventory has not been made. Inventory of raw materials and finished goods are carried in the accounts since 2009-10. On account of embargo put by the State Mining Department, Govt of Odisha, company is not able to use or sell such inventory. (ii) Further, stock of raw material has been considered at cost, as carried from last account. (iii) Valuation of finished goods has been made as per rates given in the latest report of Indian Bureau of Mines (IBM). (iv) As there is no certainty in movement of inventory within next 12 month, it should not have been considered as current assets.



6. Other receivables grouped under Current Financial Assets, include a sum of Rs. 119.63 lacs receivable from Bisra Stone Lime & Company Ltd. The aforesaid amount is carried in the account since a long time. The said amount neither recovered nor adjusted upto the close of the reporting year, as such should be considered doubtful and needs to be provided for.
7. The Company had entered into a Joint venture with M/s Usha (India) Ltd. for managing the affairs of M/s East India Minerals Ltd. (EIML). However over the period, the company has lost any finance control over the said Company. The matter is under dispute and present state of affairs of the said company is not available. The Company has not provided the likely loss in the value of its investment in Joint Venture of Rs. 281.10 lakhs.
8. Balances in respect of Advances, Receivables and Payables are subject to confirmation. The effect of any adjustment, as may be required, on reconciliation with the parties' confirmation is not currently ascertainable.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the overall effect, as far as could be ascertained, is overstatement of Assets by Rs 444.52 lacs and understatement of Expenses to the same extent, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2017, and its profit (financial performance) and its cash flows and the changes in equity for the year ended on that date. Had the effect of above non provisions amounting to Rs. 444.52 lacs given in the accounts, then the net profit as shown in the accounts would have been reduced by the aforesaid amount.

Emphasis of Matter

- i. Reference is invited to the Note 41 to the Financial Statements, mining operation of the Company is continued to be remained suspended due to non-renewal of the leases and non-receipt of requisite clearances from the Government of Odisha and the Central Government. These conditions indicate the existence of a material uncertainty to resume the mining operations. These financial statements have been prepared on a going concern basis mainly for the initiative taken by the Company's management for opening of the mines and resumption of mining operations.
- ii. Reference is invited to Note – 8.2 to the Financial Statements. The Company held 25434 shares of Rs. 10 each of its holding company namely the Eastern Investments Ltd. These shares are however been held prior to it has become subsidiary of the said Company.
- iii. Reference is invited on note 9.1 i.e. trade receivables to the Financial Statements. These trade receivables are carried since long time and in absence of readily available details we could not vouch safe whether such debt has been created on account of debit note raised on the customers due to changes in Government levies. However, such receivable has been fully provided.
- iv. Reference is invited to Note 8.4 to the Financial Statement, the Company has not prepared consolidated financial statements in accordance with the provisions of section 129 of the Companies Act, 2013, in respect of its Joint Venture.



- v. Current Liabilities include Rs. 509.00 lacs being aggregate amount of outstanding dues on account of Provision for Property Tax Rs. 40.86 lacs, Dead Rent Rs. 365.16 lacs and Surface Rent Rs. 102.98 lacs. In absence of supporting documents, liability has been considered on estimated basis.
- v. The following accounting policies disclosed in the accounts does not appear to be relevant/applicable in the reporting period:
- | | | | |
|----|-----------------|---|---|
| a) | Note no. 4.12 | : | Accounting for Government Grants |
| b) | Note no. 4.16.5 | : | Assessment of embedded derivatives |
| c) | Note no. 5.1.2 | : | Provision for Restoration and Rehabilitation of Mining Sites. |
| d) | Note no. 5.1.3 | : | Ore reserve and mineral resource estimates. |
| e) | Note No. 5.1.4 | : | Deferred stripping expenditure. |
| f) | Note No.4.3 | : | Mining Rights under head Intangible Assets. |

Our opinion is not modified on account of above matters.

Other Matters

- 1) The comparative financial information of the for the year ended 31st March 2016 and the transition date opening balance sheet as at 1st April 2015 included in these standalone Ind As financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31st March 2016 and 31st March 2015 dated 20th June 2016 and 3rd July 2015 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the difference in the accounting principals adopted by the company on transition to the Ind AS which have been audited by us.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143 of the Act, we give in **Annexure A**, a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. In terms of the Directions and Sub-Direction under section 143(5) of the Act, we give in **Annexure B**, our report on the matters included in the Directions and Sub-Directions as aforesaid.
3. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained, except any report as might have made by the Vigilance department of the Company, all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, 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.



- c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement and statement of changes in equity 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) The matter described in the Basis for Qualified Opinion paragraph and the Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
- h) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
- i) 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 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.
- c. There has been delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

| Instance of Delay | (Rs. In lacs) | Date required to be transferred | Date of Transfer |
|--|---------------|---------------------------------|------------------|
| Unpaid/ unclaimed Dividend for 2008-09 | 34.20 | 04.12.2016 | 07.02.2017 |

For M. C. Bhandari & Co.
Chartered Accountants

FRN : 303002E



CA Neeraj Jain

Partner

M No.: 064393

Place: Kolkata

Date: 26th May, 2017

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 not made available for our examination.
2. (a) As per the information the management has conducted the physical verification of inventory at reasonable intervals.
(b) The discrepancies noticed on physical verification of inventory as compared to book records were not adjusted and have not been properly dealt with in the books of account. However, valuation of inventory has been done on the basis of physically verified inventory.
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. However, as the turnover of such products is lower than the prescribed threshold limits, in our opinion, maintenance of cost records is not applicable.
7. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities except provident fund.



The extent of the arrears of statutory dues outstanding as at 31st March 2017, for a period of more than six months from the date they became payable, in respect of share of shortfall of distributable interest on Provident Fund are as follows-

| Name of Statute | Nature of due | Amount (Rs in Lacs) | Period to which it relates | Due date of payment |
|--------------------------|--|---------------------|-----------------------------|--|
| Provident Fund Act, 1952 | Share of shortfall of distributable interest | 3.83 | 2012-13 | Various |
| Provident Fund Act, 1952 | Contribution to Fund | 4.67 | February 2014 – August 2015 | 15 th March 2014 to 15 th September 2015 |

- (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 2017 which have not been deposited on account of a dispute, 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 |
|--|---------------------------|---------------------|------------------------------------|---|
| Mines and Minerals Development Act, 1957 | Cost of excess production | 5,39,539.24 | 2000-01 to 2009-10 | Mines Tribunal |
| The Central Sales Tax Act, 1956 | Central Sales Tax | 4.44 | 2003-04 | Sales Tax Tribunal |
| Odisha Value Added Tax Act, 2004 | VAT | 21.34 | 2005-06 | Odisha High Court |
| Odisha Entry Tax Act, 1999 | Entry Tax | 34.79 | 2005-06 | Odisha High Court |
| Odisha Entry Tax Act, 1999 | Entry Tax | 2.31 | 2006-07 | Commissioner of Commercial Taxes (Appeal) |
| Odisha Entry Tax Act, 1999 | Entry Tax | 0.88 | 2007-08 | Sales Tax Tribunal |
| Odisha Value Added Tax Act, 2004 | VAT | 224.25 | 2006-07 | Commissioner of Commercial Taxes (Appeal) |
| Finance Act, 1994 | Service Tax | 7.05 | 2012-13 | Commissioner of Service Tax (Appeal) |

8. According to the records of the Company examined by us and the information and explanation given to us, the Company has neither taken any loan from financial institution, bank or Government nor issued any debentures.
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 nor obtained any term loans during the year.
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.

For M. C. Bhandari & Co.
Chartered Accountants

FRN : 303002E



Neeraj Jain
CA Neeraj Jain

Partner

M. No : 064393

Place: Kolkata

Date: 26th May, 2017

ANNEXURE- B TO THE INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

THE ORISSA MINERALS DEVELOPMENT COMPANY LIMITED

[Referred to in paragraph 2 under sub head – Report on Other Legal and Regulatory Requirements of the Auditors' Report of even date]

I. Directions

| | Description | Auditor's Response |
|---|---|---|
| 1 | Whether the Company has clear title/lease deeds for freehold and leasehold land respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available. | The title deeds of the freehold land of 207.135 acres having a book value of Rs.28,020 and lease deeds for leasehold land of 56.372 acres having a book value of Rs.1,96,77,000 were not made available for our examination. |
| 2 | Whether there are any cases of waiver/ write off of debts/loans/interest etc., if yes, the reasons there for and the amount involved. | No debts/ loans/ interest have been written off/ waived. Provisions have been created for long outstanding balances considered doubtful of recovery. |
| 3 | Whether proper records are maintained for inventories lying with third parties & assets received as gift/grant(s) from Govt. or other authorities. | As per the records and information made available to us, no inventory is being held/lying with Third Parties and any assets has not been received as gift/grant from Government or other authorities in the period under audit. |

For M. C. Bhandari & Co.

Chartered Accountants

FRN : 303002E



Neeraj Jain
CA Neeraj Jain

Partner

M. No : 064393

Place: Kolkata

Date: 26th May, 2017

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")

We have audited the internal financial controls over financial reporting of **The Orissa Minerals Development Company Limited** ("the Company") as of 31st March, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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 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 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 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 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.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, 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.

For M. C. Bhandari & Co.

Chartered Accountants

FRN : 303002E



CA Neeraj Jain

Partner

M. No : 064393

Place: Kolkata

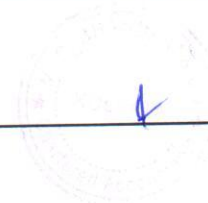
Date: 26th May, 2017

ANNEXURE I

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Standalone and Consolidated separately)

| Statement on Impact of Audit Qualifications for the Financial Year ended March 31,2017. | | | | |
|--|---------|---|---|---|
| [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016] | | | | |
| Rupees In Lakhs | | | | |
| I. | Sl. No. | Particulars | Audited Figures (as reported before adjusting for qualifications) | Adjusted Figures (audited figures after adjusting for qualifications) |
| | 1. | Turnover / Total income | 6317.62 | 6317.62 |
| | 2. | Total Expenditure | 5081.38 | 5525.90 |
| | 3. | Net Profit/(Loss) | 656.43 | 141.66 |
| | 4. | Earnings Per Share | 10.94 | 2.36 |
| | 5. | Total Assets | 97879.53 | 97435.01 |
| | 6. | Total Liabilities | 13799.16 | 13799.16 |
| | 7. | Net Worth | 84080.37 | 83635.85 |
| | 8. | Any other financial item(s) (as felt appropriate by the management) | Nil | Nil |
| II. Audit Qualification (each audit qualification separately): | | | | |
| | | <p style="text-align: center;">Details of Audit Qualification:</p> <ol style="list-style-type: none"> 1. The original title deeds of immovable properties including leasehold were not made available to our examination. 2. Leasehold land and lease hold properties considered as financial lease up to previous year have been reclassified in the reporting year as operating lease. In absence of sufficient details available we are unable to determine whether such leased properties should have been classified as financial or operating lease. The mining lease of the Company have not been renewed since September 2010 and operation of those mines have been suspended since then. In view of that, in our opinion, the carrying value of the permanent structure i.e. Buildings and other civil constructions, Roads, Railway Sidings etc. constructed on such leasehold land and mining rights need to be amortised along with carrying value of such lease hold land and properties, unless such mining lease are renewed. The exact amount of such assets could not be ascertained for the want of details. 3. Plant, Machineries and Equipments shown in the accounts are not in use because of suspension of mining operation and closure of Sponge Iron Plants since a long time. As such based on technical evaluation, provision needs to be made for restoring the assets in running condition. | | |

[Handwritten Signature]



4. A substantial portion of the Capital Work in Progress relates to mines whose operation has been suspended and lease period has not been renewed. As such the expenditure to the tune of Rs. 43.79 lacs appear to be infructuous, hence needs to be provided for.

4. Reference is invited to Accounting Policy given in Note 4.8 to the Financial Statements. Contrary to the policy stated in the said notes, (i) any provision against non moving inventory has not been made. Inventory of raw materials and finished goods are carried in the accounts since 2009-10. On account of embargo put by the State Mining Department, Govt of Odisha, company is not able to use or sell such inventory. (ii) Further, stock of raw material has been considered at cost, as carried from last account. (iii) Valuation of finished goods has been made as per rates given in the latest report of Indian Bureau of Mines (IBM). (iv) As there is no certainty in movement of inventory within next 12 month, it should not have been considered as current assets.

5. Other receivables grouped under Current Financial Assets, include a sum of Rs. 119.63 lacs receivable from Bisra Stone Lime & Company Ltd. The aforesaid amount is carried in the account since a long time. The said amount neither recovered nor adjusted upto the close of the reporting year, as such should be considered doubtful and needs to be provided for.

6. The Company had entered into a Joint venture with M/s Usha (India) Ltd. for managing the affairs of M/s East India Minerals Ltd. (EIML). However over the period, the company has lost any finance control over the said Company. The matter is under dispute and present state of affairs of the said company is not available. The Company has not provided the likely loss in the value of its investment in Joint Venture of Rs. 281.10 lakhs.

7. Balances in respect of Advances, Receivables and Payables are subject to confirmation. The effect of any adjustment, as may be required, on reconciliation with the parties' confirmation is not currently ascertainable.

b. **Type of Audit Qualification :** Qualified Opinion / Disclaimer of Opinion / Adverse Opinion

c. **Frequency of qualification:** Whether appeared first time / repetitive / since how long continuing
Qualification no. 1, 6 & 8 repeated since 2015-16

d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:

(i) Management's estimation on the impact of audit qualification:

Follow up action with the co-subsiary m/s Bisra Stone lime Co Ltd is being made for recovering the due amount of Rs.119.63 lakh. As M/s BSLC has been operating the mines the management expects the recovery in the recent future.

(ii) As there is legal disput with the JV co M/s EIML the matter will be taken up from the legal point of view and action will be taken accordingly.

e. For Audit Qualification(s) where the impact is not quantified by the auditor:
Yes is qualification no. 2,3,5, & 8



(ii) If management is unable to estimate the impact, reasons for the same:
Estimation can be made on elaborate details which is not readily available with company.

(iii) Auditors' Comments on (i) or (ii) above:

III. Signatories:

CEO/Managing Director

CFO

Audit Committee Chairman

Statutory Auditor

Place: Kolkata

Date: 26th May 2017



दि उडिसा मिनरलस् डेवलपमेंट कम्पनी लिमिटेड
(भारत सरकार का उद्यम)



THE ORISSA MINERALS DEVELOPMENT CO. LTD.
(A Government of India Enterprise)

Ref : BSE/OMDC/CS/05-2017/02
Dated : 26.05.2017

Compliance Department
Department of Corporate Services
Bombay Stock Exchange Limited
1st Floor, Phiroze Jee, Jeebhoy Towers
Bombay Samachar Marg
Mumbai – 400001

SUB : Declaration of Dividend for the year 2016-2017
Symbol : **590086**

Sir/Madam,

Kindly note that the Board of Directors of **The Orissa Minerals Development Company Limited** at the Board Meeting held on 26th May, 2017 has recommended a final dividend of Rs. 1.46 Per share (of Rs. 1 each) of the financial year ended 31.03 2017.

This is for your kind information and record as per Regulation 43 of SEBI (LODR) Regulations, 2015

Kindly acknowledge the receipt of same.

Thanking You.

Yours faithfully,

For The Orissa Minerals Development Company Limited

(Anu Singh)

Company Secretary

Encl: As above