

# **96<sup>th</sup>**

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## **Annual Report**

# **2013-14**



# **THE ORISSA MINERALS DEVELOPMENT COMPANY LIMITED**

# **96<sup>TH</sup> ANNUAL REPORT & ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014**



## **THE ORISSA MINERALS DEVELOPMENT COMPANY LIMITED**

(A GOVERNMENT OF INDIA ENTERPRISE)

AG-104, "SOURAV ABASAN"

2ND FLOOR, SECTOR - II

SALT LAKE CITY

KOLKATA - 700 091

TEL. : 033-4016 9200

FAX : 033-4016 9267

E-mail : [info.birdgroup@nic.in](mailto:info.birdgroup@nic.in)

Website : [www.birdgroup.gov.in](http://www.birdgroup.gov.in)



**BOARD OF DIRECTORS**

Shri Ponnappalli Madhusudan	Ex-Officio Non Executive Chairman of the Board
Shri Lokesh Chandra	Government of India, Nominee Director
Shri Prabhat Kumar Sinha	Whole Time Director (Production & Planning)
Shri D.N.Rao	Ex-Officio Non Executive Director
Shri Abdul Kalam	Non Executive Independent Director
Shri Kumar Jitendra Singh	Non Executive Independent Director
Shri Partha Sarathi Bhattacharyya	Non Executive Independent Director
Shri T. Chattopadhyay	Non Executive Nominee Director, (Nominee Director of LIC)

**CFO**

Shri. T. K. Saha

**SECRETARY**

Smt. S. Das

**AUDITORS**

M/S L.B. Jha & Co.  
Chartered Accountants

**BANKERS**

State Bank of India	(Bikash Bhavan, GOC, Salt Lake, Kolkata)
State Bank of India	(Barbil, Orissa)
State Bank of India	(Bhubaneswar Branch)
State Bank of India	(New Delhi Branch)
Bank of Baroda	(Barbil, Orissa)
Bank of India	(Salt Lake, Kolkata)
Oriental Bank of Commerce	(Salt Lake, Kolkata)
IDBI Bank	(Salt Lake, Kolkata)
Corporation Bank	(Salt Lake, Kolkata)
Allahabad Bank	(Salt Lake, Kolkata)
United Bank of India	(Salt Lake, Kolkata)
UCO Bank	(Salt Lake, Kolkata)

**REGISTERED OFFICE**

AG-104, "Sourav Abasan"  
2<sup>nd</sup> Floor, Sector-II,  
Salt Lake City  
Kolkata-700091  
Tel : (033) 4016-9200  
Fax : (033) 4016-9267  
E-mail : info.birdgroup@nic.in

Website : www.birdgroup.gov.in

**REGISTRAR AND TRANSFER AGENT**

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

**MINES OFFICE**

P.O Thakurani  
Via – Barbil,  
Dist. Keonjhar,  
Odisha - 758035  
Tel : (06767) 275218/  
379/382  
Fax : (06767) 275530

E-mail : omdctk@dte.vsnl.net.in

# BOARD OF DIRECTORS



**Shri Ponnappalli Madhusudan**  
Chairman



**Shri Lokesh Chandra**  
Director



**Shri Prabhat Kumar Sinha**  
Director



**Shri D. N. Rao**  
Director



**Shri Abdul Kalam**  
Director



**Shri Kumar Jitendra Singh**  
Director



**Shri P. S. Bhattacharyya**  
Director



**Shri T. Chattopadhyay**  
Director

## VISION AND MISSION

### VISION

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

### MISSION

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

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**CIN : L51430WB1918GOI003026**

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

**Tel:** 91 33 4016-9200, **Fax:** 91 33 4016-9267, **E-mail:** [info.birdgroup@nic.in](mailto:info.birdgroup@nic.in) , **Website:** [www.birdgroup.gov.in](http://www.birdgroup.gov.in)

**NOTICE OF 96<sup>TH</sup> ANNUAL GENERAL MEETING**

Notice is hereby given that the 96<sup>th</sup> Annual General Meeting of The Orissa Minerals Development Company Limited will be held on **Wednesday, the 24<sup>th</sup> day of September, 2014 at 11.00 A.M** at **Purbashree Auditorium** of Eastern Zonal Cultural Centre at Bhartiyam Cultural Multiplex, IB-201, Sector-III, Salt Lake, Kolkata-700106 to transact the following business :

**ORDINARY BUSINESS:**

- 1.** To receive, consider and adopt the Audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2014 and the Statement of Profit & Loss Account for the financial year ended on that date together with the Report of the Board of Directors, Auditors and Comments of the Comptroller and Auditor General of India (CAG) thereon.
- 2.** To declare dividend on Equity Shares for the Financial Year ended March 31, 2014.
- 3.** To appoint a Director in place of Shri Lokesh Chandra (DIN : 06534076), who retires by rotation at this Annual General Meeting under Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.
- 4.** To fix remuneration of Auditors under provision of Section 142 of the Companies Act, 2013.

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

**“RESOLVED THAT**

pursuant to Section 142 of the Companies Act, 2013, M/s L.B Jha & Co. Chartered Accountants (firm registration number: 301088E), the Statutory Auditors of the Company, appointed by the Comptroller & Auditor General of India for the financial year 2014-15 under the provision of Section 139 (5) of the Companies Act, 2013, be paid a remuneration as may be determined by the Board plus out of pocket expenses to conduct the audit.”



**SPECIAL BUSINESS:**

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

**“RESOLVED THAT**

subject to the terms and conditions as determined by the Government of India vide letter No. 7(3)/2012-RM-II, dated 18.12.2013 Shri Abdul Kalam (DIN: 01869712), was appointed as a Non-Official Part-time Director by the Ministry of Steel, Government of India and subsequently pursuant to the provisions of Sections 149,152,161 of the Companies Act, 2013 read with Schedule IV, Article 94 of the Articles of Association of the Company and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Abdul Kalam was appointed as an Additional Director of the Company by the Board of Directors to hold office upto the date of this Annual General Meeting and in respect of whom a Notice under Section 160 of the Companies Act, 2013 has been received from a member signifying his intention to propose Shri Abdul Kalam, as a candidate for the office of the Director of the company, be and is hereby appointed as a Non-Official Part-time Director of the Company, for a period of three years w.e.f. 18.12.2013 until otherwise decided by the Government of India through further orders.”

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

**“RESOLVED THAT**

subject to the terms and conditions as determined by the Government of India vide letter No. 7(3)/2012-RM-II, dated 18.12.2013 Shri K.J Singh (DIN : 00626836), was appointed as a Non-Official Part-time Director by the Ministry of Steel, Government of India and subsequently pursuant to the provisions of Sections 149,152,161 of the Companies Act, 2013 read with Schedule IV, Article 94 of the Articles of Association of the Company and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, (including any statutory modification(s) or re-

enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri K.J Singh was appointed as an Additional Director of the Company by the Board of Directors to hold office upto the date of this Annual General Meeting and in respect of whom a Notice under Section 160 of the Companies Act, 2013 has been received from a member signifying his intention to propose Shri K.J Singh, as a candidate for the office of the Director of the company, be and is hereby appointed as a Non-Official Part-time Director of the Company, for a period of three years w.e.f. 18.12.2013 until otherwise decided by the Government of India through further orders.”

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

**“RESOLVED THAT**

subject to the terms and conditions as determined by the Government of India vide letter No. 7(3)/2012-RM-II, dated 18.12.2013 Shri P.S Bhattacharyya (DIN: 00329479), was appointed as a Non-Official Part-time Director by the Ministry of Steel, Government of India and subsequently pursuant to the provisions of Sections 149,152,161 of the Companies Act, 2013 read with Schedule IV , Article 94 of the Articles of Association of the Company and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri P.S Bhattacharyya was appointed as an Additional Director of the Company by the Board of Directors to hold office upto the date of this Annual General Meeting and in respect of whom a Notice under Section 160 of the Companies Act, 2013 has been received from a member signifying his intention to propose Shri P.S Bhattacharyya, as a candidate for the office of the Director of the company, be and is hereby appointed as a Non-Official Part-time Director of the Company, for a period of three years w.e.f. 18.12.2013 until otherwise decided by the Government of India through further orders.”

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

**“RESOLVED THAT**

pursuant to the provisions of Section 161 of the Companies Act, 2013, Article 94 of the Articles of Association of the Company and all other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) Shri Ponnappalli Madhusudan (DIN: 02845996) was appointed as an Additional Director of the Company by the Board of Directors w.e.f 09.01.2014 to hold office upto the date of this Annual General Meeting and in respect of whom a Notice under Section 160 of the Companies Act, 2013 has been received from a member signifying his intention to propose Shri Ponnappalli Madhusudan, as a candidate for the office of the Director of the company, be and is hereby appointed as a Director of the company whose term of office shall be liable to retirement by rotation.”

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

**“RESOLVED THAT**

subject to the terms and conditions as determined by the Government of India vide letter No. 7(3)/2013-RM-II, dated 27.01.2014 Shri Prabhat Kumar Sinha (DIN: 06872165), was appointed as Director (Production & Planning) by the Ministry of Steel, Government of India and subsequently pursuant to the provisions of Section 161 of the Companies Act, 2013, Article 94 of the Articles of Association of the Company and all other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) Shri Prabhat Kumar Sinha (DIN: 06872165), was appointed as an Additional Director of the Company by the Board of Directors w.e.f 04.02.2014 to hold office upto the date of this Annual General Meeting and in respect of whom a Notice under Section 160 of the Companies Act, 2013 has been received from a member signifying his intention to propose Shri Prabhat Kumar Sinha, as a candidate for the office of the Director of the company, be and is hereby appointed as a Director (Production & Planning) of the company .”

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

**“RESOLVED THAT**

pursuant to the provisions of Sections 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the appointment of Shri Prabhat Kumar Sinha designated as Director (Production & Planning) of the Company for a period of five (5) years commencing from 4<sup>th</sup> February, 2014 be paid remuneration in the scale of pay of Rs. 22500-600-27300/-(Pre-revised), by way of salary, perquisites and allowances, etc. The detailed terms and conditions regulating the appointment of Shri Prabhat Kumar Sinha is to be determined by the Ministry of Steel, Govt of India, which shall not exceed the limits specified under Schedule V of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

**“RESOLVED FURTHER THAT**

the Board of Directors of the Company (including the Nomination and Remuneration Committee) be and is hereby authorized to consider and approve the remuneration (Salary, perquisite and bonus etc) payable to Shri Prabhat Kumar Sinha as a Director (Production & Planning) of the Company on receipt of detailed terms and conditions from the Ministry of Steel, Govt of India and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

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

**“RESOLVED THAT**

pursuant to the provisions of Section 161 of the Companies Act, 2013 , Article 94 of the Articles of Association of the Company and all other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) Shri Dasari Nageswara Rao, (DIN: 06914797),

was appointed as an Additional Director of the Company by the Board of Directors w.e.f. 02.08.2014 to hold office upto the date of this Annual General Meeting and in respect of whom a Notice under Section 160 of the Companies Act, 2013 has been received from a member signifying his intention to propose Shri Dasari Nageswara Rao, as a candidate for the office of the Director of the company, be and is hereby appointed as a Director of the company whose term of office shall be liable to retirement by rotation.”

By Order of the Board

Sd/-

Dated: 13th August, 2014

**Smt S. Das**  
Company Secretary



**NOTES:**

- a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES, IN ORDER TO BE VALID AND EFFECTIVE, MUST BE DELIVERED TO THE REGISTERED OFFICE OF THE COMPANY AT LEAST FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- b) Members / Proxies are requested to bring their admission slips along with copy of the Annual Report to the Annual General Meeting.
- c) Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the Meeting.
- d) As per Section 105 of the Companies Act, 2013 and relevant rules made there under, a person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the company carrying voting rights. Further, a member holding more than ten percent (10%) of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
- e) During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
- f) Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books for the equity shares of the Company will remain closed from Tuesday, September 16<sup>th</sup>, 2014 to Wednesday, September 24<sup>th</sup>, 2014 (both days inclusive).
- g) Additional information pursuant to Clause 49 of the listing agreement with the stock exchanges in respect of the Directors seeking appointment/ re-appointment as mentioned under items nos. 3,5,6,7,8,9 and 11 at the annual general meeting are furnished and forms part of this Notice. The said Directors have furnished necessary consents/ declarations for their appointment/re-appointment. Further, all the Independent Directors have affirmed that they meet the requirements specified under Clause 49 I (A) (iii) of the listing agreement as well as under Section 149 (6) of the Companies Act, 2013 in respect of their position as an "Independent Director" of the Company.

- h) The explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of item nos. 5,6,7,8,9,10 and 11 of the accompanying notice is annexed hereto.
- i) The Board has recommended final dividend @ ₹1.04 per equity shares for the year 2013-14.
- j) The Dividend, after declaration, will be paid to those shareholders, whose names stand on the Register of Members on 24<sup>th</sup> September, 2014. The dividend in respect of shares held in the electronic form will be paid to the beneficial owners of shares, whose names appear in the list furnished by the Depositories for this purpose as on the end of business hours of 15<sup>th</sup> September, 2014. The dividend shall be paid on and from 14<sup>th</sup> October, 2014.
- k) Pursuant to Section 205A and 205C of the Companies Act 1956, the Company is required to transfer unpaid dividends remaining unclaimed and unpaid for the period of 7 years from the due date(s) to the Investor Education and Protection Fund (IEPF) set up by the Central Government.

Unclaimed final dividend for the year 2006-07 is due for transfer to Investors' Education and Protection Fund (IEPF) established by Government of India on or after 8<sup>th</sup> October, 2014. All shareholders, whose dividend is unpaid, are requested to lodge their claim with M/s CB Management Services (P) Limited, the Register & Transfer Agent of the Company by submitting an application on or before 15<sup>th</sup> September, 2014. Kindly note that no claims will lie against the Company or the IEPF once the dividend amount is deposited in IEPF.

- l) Members who have not encashed their dividend warrants within their validity period may write to the Company at its Registered Office or CB Management Services (P) Limited, Register & Transfer Agent of the Company, for revalidating the warrants or for obtaining duplicate warrants or payment in lieu of such warrants in the form of demand draft.
- m) SEBI has made it mandatory for all companies to use bank account detail furnished by the depositories for depositing dividend through NECS, NEFT etc to investors wherever NECS and bank details are available. In absence of NECS facilities, the company will print the bank account details, if available, on the payment instrument for distribution of dividend. The Company provides the facility for remittance of dividend to Shareholders through NECS (National Electronic Clearing Service) / RTGS (Real Time Gross Settlement) / NEFT (National Electronic Funds Transfer). Shareholders who have not yet availed the NECS/RTGS/NEFT facility and wish to avail the same may have their bank details, including MICR (Magnetic Ink Character Recognition) and IFSC (Indian Financial System Code) number updated with their respective Depository Participants (DPs) or RTA where shares are held in the dematerialized form and in the physical form, respectively.
- n) Please note that as per the notifications of SEBI, the Company's equity shares have been under compulsory demat trading mode for all the investors. You are therefore, requested to demat your shareholding to avoid inconvenience in future.

- o) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / CB Management Services (P) Limited.
- p) Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form SH-13 will be given on request.
- q) Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to CB Management Services (P) Limited, for consolidation into a single folio.
- r) Cut-off date for e-voting has been fixed on 15<sup>th</sup> August, 2014.
- s) Non-Resident Indian Members are requested to inform CB Management Services (P) Limited, immediately of:
  - (a) Change in their residential status on return to India for permanent settlement.
  - (b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
- t) To receive all communication promptly, please update your address registered with the Company or Depository Participant, as may be applicable.
- u) Members are requested to:-
  - Note that copies of Annual Report will not be distributed at the Annual General Meeting.
  - Bring copies of Annual Report, Notice and Attendance Slip duly completed and signed, at the meeting.
  - Deliver duly completed and signed Attendance Slip at the entrance of the meeting venue .
  - Quote the Folio/Client ID & DP ID Nos. in all correspondence.
  - Members, who hold shares in dematerialized form are requested to bring their Client ID and DP ID Nos. for easier identification of attendance at the meeting.

- Note that due to strict security reasons, mobile phones, brief cases, eatables and other belongings are not allowed inside the Meeting Hall.
- Note that no gifts will be distributed at the Annual General Meeting.

v) Voting through electronic means:

Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting Services provided by National Securities Depository Limited (NSDL). The Board of Directors of the Company has appointed M/s A.K Labh & Co., Company Secretaries of 40 Weston Street, 3<sup>rd</sup> Floor, Kolkata-700013 as the Scrutinizer for this purpose.

The Company has approached NSDL for providing e-voting services through our e-voting platform. In this regard, your Demat Account/Folio Number has been enrolled by the Company for your participation in e-voting on resolutions placed by the Company on e-Voting system.

The procedure to login to e-Voting website is given below:

**A) Members not registered with NSDL for e-voting (New User)**

1. Open the attached PDF file **“OMDC e-Voting.pdf”** giving your Client ID (in case you are holding shares in demat mode) or Folio No. (in case you are holding shares in physical mode) as password, which contains your “User ID” and “Password for e-voting”. Please note that the password is an initial password.
2. Launch internet browser by typing the URL **<https://www.evoting.nsdl.com/>**
3. Click on **“Shareholder - Login”**.
4. Put User ID and password as initial password noted in step (1) above and Click **Login**.
5. Password Change Menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof.
6. Home page of “e-Voting” opens. Click on **e-Voting: Active Voting Cycles**.
7. Select **“EVEN”** of (The Orissa Minerals Development Company Limited). Members can cast their vote online from 16.09.2014 (from 9.00 a.m.) to 18.09.2014 (upto 6.00 p.m.).

Note: e-Voting shall not be allowed beyond said time.

8. Now you are ready for “e-Voting” as **“Cast Vote”** page opens.
9. Cast your vote by selecting appropriate option and click on **“Submit”** and also **“Confirm”**, when prompted.
10. Upon confirmation, the message, **“Vote cast successfully”** will be displayed. Thereafter you will not be allowed to modify your vote.
11. Institutional shareholders (i.e., other than Individuals, HUF, NRI etc.) are also required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail **aklabhcs@gmail.com** with a copy marked to **evoting@nsdl.co.in**.

**B) Members already registered with NSDL for e-voting can use their existing User ID and password for login (Existing user)**

1. Launch internet browser by typing the URL **<https://www.evoting.nsdl.com/>**
2. Click on **“Shareholder - Login”**.
3. Put your existing User ID and password and Click **Login**.
4. Home page of **“e-Voting”** opens. Click on **e-Voting: Active Voting Cycles**.
5. Select **“EVEN”** of (The Orissa Minerals Development Company Limited ). Members can cast their vote online from 16.09.2014 (from 9.00 a.m.) to 18.09.2014 (upto 6.00 p.m.).

Note: e-Voting shall not be allowed beyond said time.

6. Now you are ready for “e-Voting” as **“Cast Vote”** page opens.
7. Cast your vote by selecting appropriate option and click on **“Submit”** and also **“Confirm”**, when prompted.
8. Institutional shareholders (i.e., other than Individuals, HUF, NRI etc.) are also required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail **aklabhcs@gmail.com** with a copy marked to **evoting@nsdl.co.in**.

**C) In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the Downloads sections**



of <https://www.evoting.nsdl.com> or contact NSDL at the following Telephone No.: 022-2499 4600.

**D) General Information**

- The e-voting period commences on 16.09.2014 (from 9.00 a.m.) and ends on 18.09.2014 (upto 6.00 p.m.). During this period shareholders' of the Company, may cast their vote electronically. The e-voting module shall also be disabled for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- The voting rights of Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on Friday, 15<sup>th</sup> August, 2014.
- Login to e-voting website will be disabled upon five unsuccessful attempts to key-in the correct password. In such an event, you will need to go through 'Forgot Password' option available on the site to reset the same.
- Your login id and password can be used by you exclusively for e-voting on the resolutions placed by the companies in which you are the shareholder.
- It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.
- E-voting right cannot be exercised by a proxy.
- **The Results of the e-voting will be declared on the date of the AGM i.e. Wednesday, 24.09.2014.** The declared Results, alongwith the Scrutinizer's Report, will be available on the Company's corporate website [info.birdgroup@nic.in](mailto:info.birdgroup@nic.in) under the section 'Investor Relations' and on the website of NSDL; such Results will also be forwarded to the Stock Exchanges where the Company's shares are listed.
- Please note that if you have opened 3-in-1 account with ICICI Group i.e. bank account and demat account with ICICI Bank Limited and trading account with ICICI Securities Limited, you can access e-Voting website of NSDL through their website viz.; [www.icicidirect.com](http://www.icicidirect.com) for the purpose of casting your votes electronically by using your existing user ID and password used for accessing the website [www.icicidirect.com](http://www.icicidirect.com). Please note that in case you are not able to login through the ICICI direct website, you can also access the e-Voting system of NSDL by using your existing user ID and password for the e-voting system of NSDL.

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

<b>Name of the Director</b>	<b>Shri Lokesh Chandra</b>	<b>Shri Ponnappalli Madhusudan</b>	<b>Shri P.K Sinha</b>	<b>Shri D.N Rao</b>
<b>Date of Birth</b>	30.11.1970	09.05.1958	16.11.1959	29.07.1957
<b>Date of Appointment</b>	01.05.2013	09.01.2014	04.02.2014	02.08.2014
<b>Qualification</b>	M.Tech- I.I.T, Delhi,  B.E. (Civil)- Allahabad University	Chartered Accountant, Cost Accountant and Company Secretary	B.Tech in Mining Engineering from I.I.T, Kharagpur	B.Tech
<b>Experience</b>	Presently he is Joint Secretary of Ministry of Steel, Govt. of India since 4.03.2013. Before this he was Director of Ministry of Power, Govt. of India from Nov, 2007 – Nov, 2009, Private Secretary to Union Power Minister from 08.11.2009 – 31.07.2012 and Private Secretary to Union Home Minister from 01.08.2012 – 04.03.2013. He has more than 15 years of working experience in different departments of Govt of India.	He has the distinct experience of working in different steel plants, orchestrated several business initiatives during his tenure at RINL that helped the company to transform to a multi-unit and multi-location company. As a part of business diversification strategy, he played a key role for setting up the largest Forged Wheel Plant at Rae Bareli; the second largest Rail Axle Plant at New Jalpaiguri, West Bengal; installation of a Pelletization Plant, etc.	He has worked as---  a) General Manager of two vital Areas of Central Coalfields Limited (CCL) for more than 4 years.  b) as a Project Officer/Agent of 4 different mines.  c) He has also headed the Safety Department of CCL.	Total 34 years experience in Steel Industry in various capacities. Presently, he is holding the position of Director(Operations), RINL and Director of OMDC.

<b>Directorship Details</b>	a) Rashtriya Ispat Nigam Ltd. b) KIOCL Limited c) MOIL Limited d) The Bisra Stone Lime Company Limited. e) Eastern Investments Limited f) Hindustan Steelworks Construction Limited g) MSTC Limited	1.Rashtriya Ispat Nigam Limited 2. Eastern Investments Limited. 3. RINLMOIL Ferro Alloys Private Limited (RMFA). 4. International Coal Ventures (P) Limited. 5.The Bisra Stone Lime Company Limited 6.*Uttarbanga RINL Rail Karkhana Limited * Name struck off u/s. 560(3) of the Companies Act, 1956 in MCA records & Gazette Notification is awaited.	Nil	1.Rashtriya Ispat Nigam Limited
<b>Membership of Committees</b>	Nil	Nil	Nil	Nil
<b>Number of Shares held in the Company</b>	Nil	Nil	Nil	Nil

<b>Name of the Director</b>	<b>Shri P.S Bhattacharyya</b>	<b>Shri Abdul Kalam</b>	<b>Shri K.J Singh</b>
<b>Date of Birth</b>	27.02.1951	09.01.1945	05.10.1952
<b>Date of Appointment</b>	18.12.2013	18.12.2013	18.12.2013
<b>Qualification</b>	M.Sc (Physics) from Jadavpur University and FICMA	B. Sc. (Mining Engineering) from Benaras Hindu University	B.Sc. Engineering (Mechanical) and LLB from Ranchi University.
<b>Experience</b>	<p>He joined Coal India Limited (CIL) as a Management trainee in 1977 and rose to become its Chairman in October 2006. Presently, he is an Executive Director of Deepak Fertilizers &amp; Petrochemicals Corporation Ltd, Pune. One of his many special initiatives in CIL is application of satellite imagery to closely monitor land restoration &amp; reclamation of large opencast projects was acknowledged globally in 2012 at Netherlands as a pioneering GIS application besides enabling CIL to secure ISO 14001 for more than 50 opencast mines.</p>	<p>About 36 years of experience in mining having managed &amp; operated largest mines of India both underground and open cast.</p> <p>Had undergone training in High technology Mining in UK in 1989 and obtained senior manager certificate from the then British Coal and also British Council, UK.</p> <p>He was an Independent Director in the Board of NMDC, Mahanadi Coalfields Ltd. (Coal India Ltd.)</p> <p>He was an Advisor in SAIL, Member of Expert Committee of Indian Railways, Govt of India and Member of Accreditation Committee under AICTE, Ministry of Education.</p>	<p>He has worked as CMD in MOIL, and during his tenure the Company has achieved continuously Excellent MoU ratings. He has successfully coordinated the IPO process of MOIL and the IPO was oversubscribed by more than 56 times. For the first time in MOIL, he successfully initiated the process of acquisition of mining properties abroad.</p>

<b>Directorship Details</b>	1. Deepak Fertilisers & Petrochemicals Corporation Limited.  2. Runge Pincock Minarco India Pvt. Ltd.  3. SNRL (A SREI Group Company), Kolkata  4. Karam Chand Thapar & Bros. (Coal Sales) Ltd	Nil	1. Sunflag Iron and Steel Company Limited.
<b>Membership of Committees</b>	1) Audit Committee OMDC-Chairman	1) Audit Committee OMDC- Member  2) Stakeholder Relationship Committee- OMDC-Chairman	1) Audit Committee OMDC- Member  2) Stakeholder Relationship Committee- OMDC- Member
<b>Number of Shares held in the Company</b>	Nil	Nil	Nil

**\*Membership/Chairmanship of Audit Committee and Shareholders' / Investors' Grievance Committee of Public Limited Companies has been considered.**



**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.**

**Item No: 5 to 7**

In accordance with the provisions of Section 149 of the Companies Act, 2013, Listing Agreements and other applicable rules, Independent Directors are required to be appointed on the Board of the company.

Being a Central PSU, appointment/nomination of all Directors is done by the Govt of India, through the Ministry of Steel. Accordingly, Government of India vide letter No. 7(3)/2012-RM-II, dated 18<sup>th</sup> December, 2013 has appointed Shri Abdul Kalam (DIN: 01869712), Shri K.J Singh (DIN: 00626836) and Shri P.S Bhattacharyya (DIN: 00329479) as the Independent Directors of the Company w.e.f 18<sup>th</sup> December, 2013 for a period of three (3) years from the date of the letter or until further order of the Government of India whichever is earlier.

Shri Abdul Kalam, Shri K.J Singh and Shri P.S Bhattacharyya was appointed as an Additional Director of the Company pursuant to the provisions of Section 161 of the Companies Act, 2013 and Article 94 of the Articles of Association of the Company on 18<sup>th</sup> December, 2013. They all occupies the position as an Independent Director as per criteria specified in Clause 49(I)(A)(iii) of the listing agreement as well as under Section 149 (6) of the Companies Act, 2013 and has affirmed that they continues to meet all the requirements specified under the listing agreement as well as under the Companies Act, 2013 in respect of their position as an “Independent Director” of the Company.

As per Section 152 of the Companies Act, 2013, the term of an Independent Director shall not be liable to retire by rotation. It is accordingly proposed to appoint Shri Abdul Kalam, Shri K.J Singh and Shri P.S Bhattacharyya as an Independent Directors of the Company as per criteria specified in Clause 49(I)(A)(iii) of the listing agreement as well as under Section 149 (6) of the Companies Act, 2013.

A notice has been received from a member in pursuant to Section 160 of the Companies Act, 2013 proposing Shri Abdul Kalam, Shri K.J Singh and Shri P.S Bhattacharyya as a candidate for the office of Director of the Company.

The brief profile of Shri Abdul Kalam, Shri K.J Singh and Shri P.S Bhattacharyya, the nature of their expertise, the names of the Companies in which they hold Directorship, is included in the Notice.

Based on their vast experience in the corporate world and wider knowledge, the Board considers their appointment to be in the interest of the Company and recommends the

resolution contained in item no. 5, 6 & 7 of the accompanying notice for approval of the members as an Ordinary Resolution.

None of the Directors, Key Managerial Personnel (KMPs) or the relatives of Directors or KMPs, except Shri Abdul Kalam, Shri K.J Singh and Shri P.S Bhattacharyya are, in any way, concerned or interested, financial or otherwise, in these resolutions.

**Item No: 8**

Shri Ponnappalli Madhusudan (DIN: 02845996), was appointed as an Additional Director of the Company and holds office upto the date of this Annual General Meeting in terms of Section 161 of the Companies Act, 2013 read with Article 94 of the Articles of Association of the Company and in respect of whom under Pursuant to Section 160 of the Companies Act, 2013 the Company has received a Notice from a member signifying his intention to propose Shri Ponnappalli Madhusudan, as a candidate for the office of the Director of the company, liable to retirement by rotation.”

Shri Ponnappalli Madhusudan, is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

The brief profile of Shri Ponnappalli Madhusudan, the nature of his expertise, the names of the Companies in which he holds Directorship, is included in the Notice.

None of the Directors, Key Managerial Personnel (KMPs) or the relatives of Directors or KMPs, except Shri Ponnappalli Madhusudan are in any way, concerned or interested, financial or otherwise, in the said resolution.

**Item No: 9 & 10**

Shri Prabhat Kumar Sinha, (DIN: 06872165) was appointed as Director (Production & Planning) of the Company by the Government of India vide letter No. 7(3)/2013-RM-II, dated 27.01.2014 issued by Ministry of Steel for a period of five years and was accordingly appointed as an Additional Director of the company on 4<sup>th</sup> February, 2014 in terms of provisions of Section 161 of the Companies Act, 2013 read with Article 94 of the Articles of Association of the Company to hold office upto the date of this Annual General Meeting of the company and in respect of whom the Company has received a Notice from a member pursuant to Section 160 of the Companies Act, 2013 signifying his intention to propose Shri Prabhat Kumar Sinha, as a candidate for the office of the Director of the company.

Shri Prabhat Kumar Sinha, (DIN: 06872165) is designated as Director (Production & Planning) of the Company in the scale of pay of Rs. 22500-600-27300/-(Pre-revised). The detailed terms and conditions of his appointment is to be determined by the Ministry of Steel, Govt of India ,which shall not exceed the limits specified under Schedule V of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

Shri Prabhat Kumar Sinha, is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

The brief profile of Shri Prabhat Kumar Sinha, the nature of his expertise is included in the Notice.

None of the Directors, Key Managerial Personnel (KMPs) or the relatives of Directors or KMPs, except Shri Prabhat Kumar Sinha, are in any way, concerned or interested, financial or otherwise, in the said resolution.

**Item No: 11**

Shri Dasari Nageswara Rao, (DIN: 06914797), was appointed as an Additional Director of the Company and holds office upto the date of this Annual General Meeting in terms of Section 161 of the Companies Act, 2013 read with Article 94 of the Articles of Association of the Company and in respect of whom under Pursuant to Section 160 of the Companies Act, 2013 the Company has received a Notice from a member signifying his intention to propose Shri Dasari Nageswara Rao, as a candidate for the office of the Director of the company, liable to retirement by rotation.

Shri Dasari Nageswara Rao, is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

The brief profile of Shri Dasari Nageswara Rao, the nature of his expertise, the name of the Company in which he holds Directorship is included in the Notice.

None of the Directors, Key Managerial Personnel (KMPs) or the relatives of Directors or KMPs, except Shri Dasari Nageswara Rao are in any way, concerned or interested, financial or otherwise, in the said resolution.

**REQUEST TO MEMBERS**

Members desirous of getting Information/Clarification on the Accounts and Operations of the company or intending to raise any query are requested to forward the same at least 7 days in advance of the meeting to the Company Secretary at the office address so as the same may be attended appropriately.

**KIND ATTENTION OF SHAREHOLDERS HOLDING SHARES IN PHYSICAL FORM**

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

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

You are, therefore, requested to:

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

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

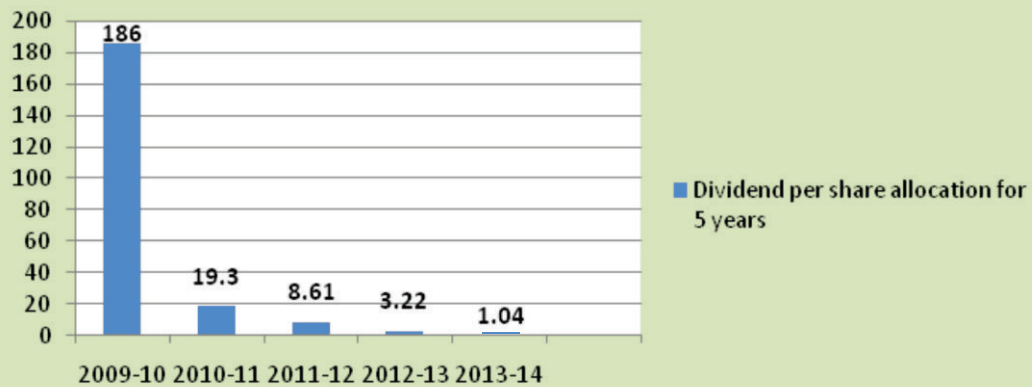
**Important communication to members**

The Ministry of Corporate Affairs has taken a “Green initiative in the Corporate Governance” by allowing paperless compliances by the Companies and has issued a Circular stating that service of notice/ documents including annual report can be sent by e-mail to its members. We request you to join us in this noble initiative and look forward to your consent to receive the annual report in electronic form. To support this green initiative of the Government in full measure and in compliance of Section 101 of the Companies Act, 2013, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participant. Members who hold shares in physical form are requested to register the same with OMDC Limited or our Registrar and Transfer Agent, M/S C B Management Services (P) Ltd , P-22, Bondel Road, Kolkata – 700 019 to enable the Company to send the Annual Reports through e-mail instead of physical form.

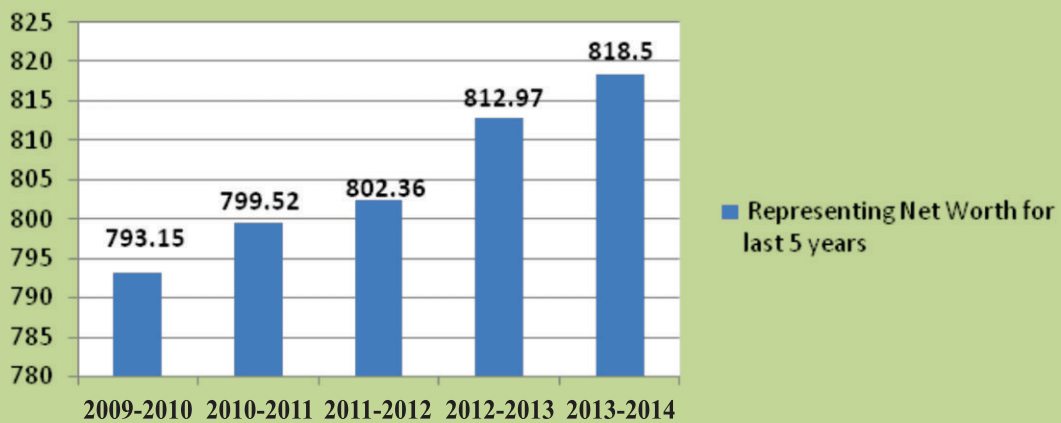
PHYSICAL AND FINANCIAL PERFORMANCE FOR LAST FIVE YEARS AT A GLANCE

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
<b>Production Lakh Tonnes</b>					
<b>Iron Ore</b>	5.64	0.70	-	-	-
<b>Manganese Ore</b>	0.17	0.13	-	-	-
<b>Sponge Iron</b>	0.08	0.02	-	-	-
<b>Sales – Lakh Tonnes</b>					
<b>Iron Ore</b>	6.43	2.22	-	-	-
<b>Manganese Ore</b>	0.19	0.07	-	-	-
<b>Sponge Ore</b>	0.06	0.04	0.01	-	-
<b>Finance - ₹ in crores</b>					
<b>Turnover</b>	82.35	44.83	1.53	-	-
<b>Gross Margin</b>	114.81	38.71	6.91	35.07	25.75
<b>Profit Before Tax</b>	112.26	13.34	8.28	26.25	16.74
<b>Profit After Tax</b>	74.44	7.72	3.44	12.86	6.26

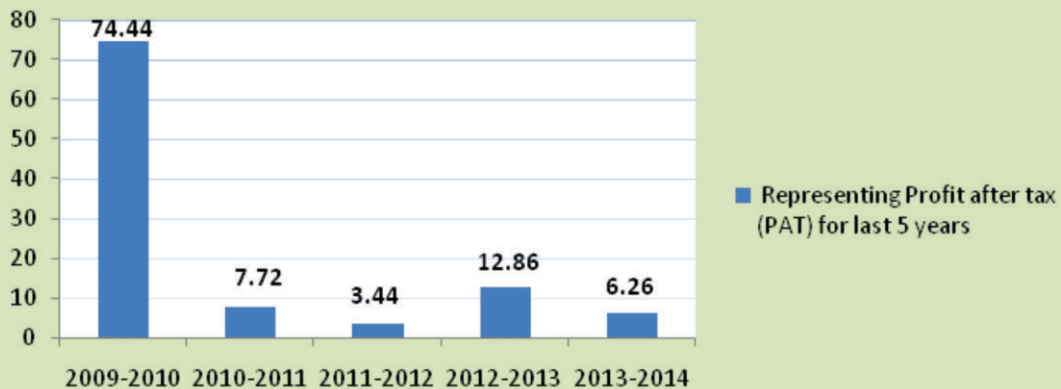
### Dividend per share allocation for 5 years (₹)



### Graph Representing Net Worth for last 5 years (₹ in Crores)



### Graph Representing Profit after tax (PAT) for last 5 years (₹ in Crores)





**Mr. Ponnappalli Madhusudan, Chairman****Chairman's Speech at the 96th Annual General Meeting on 24th September, 2014****Ladies & Gentlemen**

Very Good Morning!

On behalf of the Board of Directors of the Company, it is a great honour and privilege for me to extend a very warm welcome to all of you at the 96th Annual General Meeting of Your Company.

The Directors' Report and the Audited Statement of the Accounts for the year 2013-14 and the Notice to the Shareholders have already been circulated and with your permission, I take them as read.

**1) Operating Performance of Your Company:**

As you know, this year also there was no mining activity in any of the mines of OMDC owing to reasons of non renewal of mining leases and non- availability of other statutory clearances. The management of your Company has been putting constant efforts and regularly meeting with State Governments Officials for renewal of mining leases. The Company is making all out efforts to obtain required statutory clearances for early operation of mines. The legal issues are also being addressed with utmost care by engaging experienced and senior advocates/legal professionals to settle Legal cases involving the Company at the earliest.

As mines remained inoperative, your company could not earn any revenue from sales in this year. By prudent cash planning, taking into consideration the Government Guidelines, your Company has earned an interest income of ₹ 72.77 crores during the year on its Surplus funds parked in term deposits which is included in other income. Your Company earned profit before tax of ₹ 1674.44 lakhs as compared to ₹ 2625.04 lakhs in the previous year. Profit after tax stood at ₹ 626.30 lakhs as compared to ₹ 1286.42 lakhs during the previous year. The profits were lower primarily due to a provision of ₹ 785 lakhs made on account of judgement received in an arbitration matter involving an ex-contractor. However, the judgement has since been contested in the High Court.

## **2) Looking Ahead**

Company's future plan could not take desired shape mainly because of uncertainties with the renewal of mining leases of the company. The company is committed and also geared up to move forward for its stability, growth and better future.

Your company has envisaged for installation of a 2 MTPA Iron ore Beneficiation Plant and a 2 MTPA Pelletisation Plant through Joint Venture on resumption of its mining operation. For this, necessary mining plan has been cleared by IBM.

### **Allocation of Brahmani Coal Block to OMDC**

I take pleasure to inform you that Ministry of Coal, Govt of India has allocated Brahmani Coal Block with an estimated reserve of 58.9 million tons for commercial purpose in Talcher, Odisha to the Company.

The allocation of the Brahmani Coal Block adds another area of future profit centre for your Company besides the iron ore and Manganese ore mines having the best qualities of reserves.

**3) Dividend for the year 2013-14**

We have been consistently rewarding our shareholders with dividend. For the year 2013-14, your Company has recommended a dividend of ₹ 1.04 per equity share of ₹ 1/- each. The financial out go on this account shall be ₹ 73.00 lacs inclusive of tax on dividend.

**4) Corporate Governance**

OMDC believes that good Corporate Governance practices ensure ethical and efficient conduct of the affairs of the Company. OMDC aims at not only its own growth but also maximization of benefits to the shareholders, employees, customers, government and also the general public at large. For this purpose the company is continuously striving to improve its level of overall efficiency through good corporate governance, which envisages transparency, professionalism and accountability in all its operations which are vital to achieve its Vision.

**5) Corporate Social Responsibility (CSR)**

Corporate Social Responsibility (CSR) has been an integral part of our business philosophy and we have been following it much before it became a norm for the corporate sector in India. The Company has a policy of allocating fund upto 3 per cent of its net Profit after tax (PAT) as CSR budget as per the guidelines of DPE on CSR, keeping in view the closure of mining operations of the Company.

Pursuant to the guidelines prescribed under Section 135 of the Companies Act, 2013 your Board has formed a new Committee namely Corporate Social Responsibility (CSR) Committee on 30<sup>th</sup> May, 2014. Your Company's CSR activities are focused in areas such as Health, Education, and Drinking Water etc.

**6) Acknowledgement**

Before I conclude, on behalf of the Board of Directors of your Company, I wish to convey earnest thanks to the valued Shareholders for their continuous support and reposing trust on us. This motivates us to excel in all our pursuits and constant endeavor to create value for the stakeholders.

I would also like to thank and acknowledge the immense contributions made by the employees for their dedicated services. Equally, I would like to acknowledge the contribution of Shri A.P Choudhary, who ceased from the Board as a Chairman in December last year & also Shri Umesh Chandra who ceased from the Board in July this year after continuous three years service as a Director on the Board.

On behalf of the company and the shareholders, I take this opportunity to thank to the Ministry of Steel, Ministry of Mines, Ministry of Environment and Forest, Ministry of Corporate Affairs, other Departments of Government of India, Government of West Bengal and Odisha, and all other Authorities and Regulatory bodies for their unstinted support and valuable guidance.

I thank you all once again and offer my best wishes for a very joyous festive season ahead.

Thank you and Jai Hind.

**(P. Madhusudan)**  
Chairman

Dated: 24<sup>th</sup> September, 2014  
Place: Kolkata

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2014**

Dear Members,

On behalf of the Board of Directors of the Company, I take great pleasure in presenting the 96<sup>th</sup> Annual Report of the Company for the financial year ended 31<sup>st</sup> March, 2014 together with the Audited Statements of Accounts, the Auditors' Report and Comments on the Accounts by the Comptroller and Auditor General of India.

### **1. FINANCIAL RESULTS**

The financial results of OMDC for the year 2013-14 in comparison with previous financial year 2012-13 are highlighted here in **Table-1** below:

**TABLE-1**

<b>Particulars</b>	<b>For the year ended 31-03-2014 (₹ in Lacs)</b>	<b>For the year ended 31-03-2013 (₹ in Lacs)</b>
<b>Income:</b>		
<b>Revenue From Operations</b>	-	-
<b>Other Income</b>	7536.36	7998.11
<b>Total Income</b>	7536.36	7998.11
<b>Total Expenditure</b>	4924.48	4437.25
<b>Total Expenditure including Prior Period Items &amp; Extraordinary Items</b>	4960.57	4491.47
<b>Profit and Loss after charging all expenses but before providing for depreciation.</b>	2575.79	3506.64
<b>Depreciation</b>	901.35	881.60

<b>Net Profit Before Tax</b>	1674.44	2625.04
<b>Provision For Tax (Net)</b>	1048.14	1338.62
<b>Net Profit After Tax</b>	626.30	1286.42
<b>Balance B/F from Previous Year</b>	49167.02	48235.27
<b>Profit available for Appropriations</b>	49793.32	49521.69
<b>Appropriations :</b>		

<b>General Reserve</b>	62.63	128.64
<b>Proposed Dividend</b>	62.40	193.20
<b>Dividend Tax</b>	10.60	32.83
<b>Surplus carried to Balance Sheet</b>	<b>49657.69</b>	<b>49167.02</b>

It can be observed from the above table that Company has made a net profit of ₹626.30 lacs which was possible only through judicious investment of surplus fund of the Company.

OMDC was operating six mining leases of Iron ore and Manganese ore in the State of Odisha. The operations in six mines were stopped in phases from 2006--2010 due to non renewal of mining leases and consequent non availability of statutory clearances. As a result, the company has not been able to do any production during the entire financial year. This has caused serious set-back to the earnings of OMDC.

## 2. REVIEW OF THE FINANCIAL PERFORMANCE

During the year under review your Company has recorded no sales. Other incomes in the year 2013-14 are decreased by 5.77 % in comparison to previous year 2012-13 from ₹7998.11 lacs to ₹7536.36 lacs. Profit before tax during the financial year 2013-14 stood at ₹1674.44 lacs as compared to ₹2625.04 lacs for the previous financial year 2012-13 registering a decrease by 36.21 %. Profit after tax for the financial year 2013-14 had been ₹626.30 lacs as compared to ₹1286.42 lacs during the previous financial year 2012-13 registering a decrease by 51.31%.

As there was no production and dispatch of Iron Ore and Manganese Ore during the year 2013-14, there was no operating income during this year.

The main earning of the Company for the year 2013-14 was interest from the term deposits.

### 3. OUTPUT AND DISPATCH

Closure of all six mines, owing to non availability of statutory clearances coupled with the restrictions imposed on the transporting of minerals have affected production and dispatch of the company adversely and has resulted in nil production and nil dispatch during the year 2013-14.

### 4. DIVIDEND

Based on the financial results of the company and keeping in view the suspension of mining operations of the company for a long period, your Board is pleased to recommend for the year a dividend of ₹1.04 per equity share of ₹1/- each despite of low operating income. This would involve a cash outgo of ₹73.00 lacs inclusive of tax on dividend.

### 5. OTHER INCOME

Your Company continued its prudent cash planning during the year and as per the Government Guidelines, deployed the surplus funds in fixed deposits and earned an interest income of ₹72.77 crores on fixed deposits during the year 2013-14 which is included in the other income head of the Statement of Profit & Loss Account for the year ended 31<sup>st</sup> March, 2014.

### 6. NETWORTH

The net worth of the company has recorded an increase of 0.68 % from the previous financial year 2012-13. For the year 2013-14 the Net-Worth of the Company is ₹818.50 crores as compared to ₹812.97 crores in the previous financial year ended 31<sup>st</sup> March, 2013.



**7. THE COMPANIES ACT, 2013**

The Ministry of Corporate Affairs (MCA) has notified 282 sections of the Companies Act, 2013 in tranches in September, 2013 and March, 2014 with majority of the sections as well as rules being notified in March, 2014. The Companies Act, 1956 continues to be in force to the extent of the corresponding provisions of the Companies Act, 2013 which are yet to be notified. MCA vide its Circular dated April 4, 2014 has clarified that the financial statements and documents annexed thereto, auditor's report and Board's report in respect of financial year that have commenced earlier than April 1, 2014 shall be governed by the provisions of the Companies Act, 1956 and in line with the same, the financial Statements, auditor's report, Board's report and attachments thereto have been prepared in accordance with the provisions of the Companies Act, 1956. With respect to the other provisions of the Act, appropriate references have been made in this report to the extent these provisions have become applicable effective from April 1, 2014.

**8. MEETINGS OF THE BOARD OF DIRECTORS**

Annual calendar of meetings of the Board/Committees is usually finalized well before the beginning of the year after seeking concurrence of all Directors. The meetings are scheduled only if most of the directors agree for the same. In case any of the directors have a subsequent change of plan and are not available for the meeting, efforts are made to re-schedule the meeting provided the other Directors are available and willing to re-schedule the same. Where circumstances preclude the chairman from attending the meeting, he entrusts an Independent Director or a Non-Executive Director to chair the meeting. Wherever possible, Directors who are not able to attend the meetings, join the proceedings through video conference or audio conference. Further, in order to facilitate the smooth functioning of the company, the Board, if necessary, also approves resolutions by circulation between two Board meetings.

During the year ended 31 March, 2014, the Board of Directors met six times viz. on 24<sup>th</sup> May, 2013 (1) at 10:30 A.M, 24<sup>th</sup> May, 2013 (2) at 2:30 P.M, 5<sup>th</sup> August, 2013, 11<sup>th</sup> October, 2013, 13<sup>th</sup> November, 2013 and 14<sup>th</sup> February, 2014.

**9. DECLARATION OF INDEPENDENCE BY INDEPENDENT DIRECTORS**

The Independent Directors of the Company, viz. Mr. Abdul Kalam, Mr. K.J. Singh and Mr. P.S. Bhattacharyya have affirmed that they continue to meet all the requirements specified under Clause 49(I)(A)(iii) of the listing agreement in respect of their position as an “Independent Director” of The Orissa Minerals Development Company Limited.

**10. FUTURE OUTLOOK**

Presently all the six mines of OMDC are in-operative due to non renewal of mining leases and consequent non availability of statutory clearances. This situation has resulted in loss of opportunity by the Company to enhance and expand the business from its core activity. The operations in six mines were stopped in phases from 2006--2010. At the peak level when the mines were in operation, the company was producing approximately 22.30 Lakh tonnes of Iron ore and 0.82 Lakh tonnes of Manganese ore per annum and in the year 2006-2007 the turnover of the Company was ₹299.93 Crores.

At present the Company is meeting all its expenditures against income from interest on surplus funds kept as fixed deposits with Nationalized Banks. As the interest rate of the Bank fluctuates and the Company has many commitments for making various statutory payments, the opening of mines and resumption of mining operations are considered to be utmost important in order to attain the financial stability of the Company. Because of non-revision of pay of employees, the attrition of qualified and experienced executives in the Organization has increased. There is also need to enhanced the confidence of stakeholders of the Company as mines are in-operative for a long period.

Company's future plan could not take desired shape mainly because of uncertainties with the renewal of mining leases of the company. Impediments could not, however, put a halt to company's determination to go ahead with its future value added schemes. The company is committed and geared also to move forward for sustenance and better future.

Nevertheless, the company has been putting efforts at all levels of State Government for renewal of mining leases and it will certainly result on the positive side of the Company. The Company is also trying in getting the required statutory clearances for early operation of mines and addressing the legal issues with utmost care by engaging experienced and senior advocates/legal professionals to settle Legal cases of the Company at the earliest at all courts.

Once the mining operations of the Company will start, your Company has planned for installation of a 2 MTPA Iron ore Beneficiation Plant and a 2 MTPA Pelletisation Plant through Joint Venture. The company has prepared a Corporate Business Plan to achieve the target of 10 MT of Iron ore and 1 MT of Manganese ore per annum by end of 13<sup>th</sup> - 5 year plan, i.e. March, 2022. Considering future enhancement upto 10 MTPA, a Thermal Power plant of 220-250 MW capacity can also be set up by the company. In such a situation, Company will approach to Ministry of Coal for linkage to this captive power plant by allocation of a thermal grade coal block for OMDC.

#### ❖ **BRAHMANI COAL BLOCK**

Keeping in view the future requirement of Coal, OMDC has filed application for allocation of 3 (three) Coal blocks for Commercial Mining and one Coal block for specific end use (Power/Steel) under Rule-4 of Auction by Competitive Bidding of Coal Mine Rule, 2012.

Consequently, ***Brahmani Coal Block*** in Talcher, Odisha has been allocated to OMDC by Ministry of Coal, Govt. of India .

Name of Coal Block : Brahmini Coal Block.

Area : 13.26 Sq.Km.

Estimated Geological : 58.90 Million Tonnes .

In accordance with Rule-7 of the “Auction by Competitive Bidding of Coal Mines Rules, 2012, Department of Steel & Mines, Govt. of Odisha directed OMDC to enter into an agreement with

the Ministry of Coal, Govt. of India . As per the direction, OMDC is in the process of entering into the Agreement with Ministry of Coal, Govt. of India.

The allocation of the Brahmani Coal Block adds another area of future profit centre for your Company besides the iron ore and Manganese ore mines having the best qualities of reserves.

## 11. MAJOR INITIATIVES

1. Meetings were held between Secretary (Steel), Ministry of Steel, Govt of India and Chief Secretary, Govt of Odisha regarding renewal of the six mining leases including three leases held in the name of BPMEL in favour of OMDC, as well as transfer of 3 leases in the name of BPMEL to OMDC. A Committee of Joint Secretary, Ministry of Steel, Govt of India and Commissioner-cum-Secretary, Department of Steel & Mines is looking into the modalities of transfer of the three (3) leases in the name of BPMEL to OMDC.
2. Application was filed on 03.12.2013 for Temporary Working Permission (TWP) for Bagiaburu mines.
3. Application was filed on 15.03.2014 for Temporary Working Permission (TWP) for Belkundi & Bhadrasahi mines.
4. Environment Clearance for Dalki mines was obtained on 11<sup>th</sup> September, 2013
5. Stage-1 forest clearance of Bagiaburu mines was obtained on 21.11.2013.
6. Consent to operate for Dalki mines was obtained on 28.12.2013 with production capacity of 0.24 MTPA.
7. Legal issues/Court cases are being pursued with utmost concern in High Court of Kolkata, DRT-Kolkata, High court of Odisha in regard to transfer of 3 (three) mining leases in the name of BPMEL, a company under liquidation, to OMDC.
8. Matter is being pursued with Commissioner-cum-Secretary, Department of Steel & Mines, Govt of Odisha for sale of mines stock of OMDC. For three (3) mining leases of OMDC (i.e. Bagiaburu, Belkundi, Bhadrasahi) joint verification has been done in

January 2013 by team of RCCF-Rourkela, DDM-Joda and OMDC officers. Report was sent to CCF-Nodal by RCCF in September, 2013 and also by DDM-Joda to Director of Mines, Bhubaneswar. Approval for the same is pending with the State Govt. of Odisha.

## 12. EXEMPTION FOR SIGNING OF MOU FOR THE YEAR 2014-15 BY OMDC WITH HOLDING COMPANY (RINL)

Ministry of Steel, Govt. of India vide its letter no. 7(7)/ 2013-RM- II dated 25.03.2014 informed that OMDC has been exempted from signing of MOU for the year 2014-15 with holding company, RINL since mines of OMDC are not in operation.

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

Performance of Joint Venture Company East India Minerals Limited (EIML) was also affected during the year 2013-14 because of the ongoing crisis which resulted in complete stoppage of the mining operation. The revenue earned by EIML during the year 2013-14 through sale of electricity stood at ₹159.76 lacs in comparison to previous year's revenue of ₹172.56 lacs. Other income earned by EIML during the year 2013-14 was ₹283.57 lacs as compared to ₹285.50 lacs in the financial year 2012-13. The company registered a loss of ₹165.06 lacs after tax during the year 2013-14 in comparison to loss of ₹255.47 lacs in the previous year 2012-13. The reduction in the amount of loss is mainly due to decrease in expenditure in 2013-14 in comparison to 2012-13.

## 14. STATUS OF RENEWAL OF THE MINING LEASES:

Mines	Lease Area (Hectare)	Lease Expired on	Mining Stopped on	Present Status
<b>KOLHA-ROIDA IRON &amp; MANGANESE MINES</b>	254.952	14/08/96	16/11/06	Environment Clearance (EC) was issued on 23/07/12. Lease renewal is pending on account of BPMEL issue.

<b>DALKI MANGANESE MINES</b>	266.77	30/09/94	24/08/06	EC was issued on 11/09/13. Lease renewal is pending on account of BPMEL issue.
<b>THAKURANI IRON &amp; MANGANESE MINES</b>	778.762	30/09/04	09/12/09	EC was recommended on 24/05/12 subject to Stage-1 Forest Clearance and Wild Life Management Plan, which are under process. Presentation of site specific wild life conservation plan has been made on 20/06/2014 at office of PCCF(Wild Life),Bhubaneswar.  Approval of Chief Wild Life Warden (CWLW), Govt. of Odisha is awaited.
<b>BAGIABURU IRON MINES</b>	21.52	30/09/10	30/09/10	Stage-1 Forest Clearance was issued on 21/11/13. Presentation was made to State Expert Appraisal Committee (SEAC) on 14-05-2014. SEAC has advised to obtained fresh EC from MoEF & has accordingly transferred the proposal to MoEF on 03.07.2014.
<b>BHADRSAHI IRON &amp; MANGANESE MINES</b>	998.7	30/09/10	30/09/10	EC was recommended on 21/06/12 subject to Stage-1 Forest Clearance and Wild Life Management Plan, which are under process. Presentation of site specific wild life conservation plan has been made on 20/06/2014 at office of PCCF (Wild Life), Bhubaneswar.  Approval of Chief Wild Life Warden (CWLW), Govt .of Odisha is awaited.

<b>BELKUNDI IRON &amp; MANGANESE MINES</b>	1276.79	15/08/06	09/12/09	EC was recommended on 25/07/12 subject to Stage-1 Forest Clearance and Wild Life Management Plan, which are under process. Presentation of site specific wild life conservation plan has been made on 20/06/2014 at office of PCCF(Wild Life),Bhubaneswar.  Approval of Chief Wild Life Warden (CWLW), Govt .of Odisha is awaited.
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## 15. INFORMATION TECHNOLOGY

OMDC has taken initiative to publish all tenders/ Expression of Interest (EOI) in Companies Corporate Website as well as Central Public Procurement Portal (CPP Portal). Procedure for Sale of Iron Ore and Manganese Ore is designed through e-auction mode only. Biometric based Attendance System and CCTV based surveillance system is installed at Corporate office. Maintenance of Leave records and processing of salaries of the employees is being done through customized payroll system. Tally based Accounting Package is being used to pay vendors bills and different employee entitlements through RTGS and e-payment mode. OMDC is in the process to install the latest technology of satellite imagery to check movement of trucks, machinery & men to prevent any chance of illegal mining once the mines are put in operation including GPS/ GPRS based surveillance system in mines.

## 16. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Keeping in view the closure of mining operations of the Company, OMDC allocates 3% of its net PAT for the year 2012-2013 as CSR budget for the year 2013-2014 as per the revised guidelines of DPE on CSR. For the year 2013-14 an amount of ₹38.58 lacs was earmarked as CSR budget. The CSR activities are carried out by the Company as per the DPE guidelines and as per the schemes run under CSR for the benefit of the nearby villagers of the mines which are as follows:



**(A) JAL DHARA (Water Supply)**

- ◆ Under CSR the pipeline has been laid to supply drinking water to the villagers of Bhuyan Roida village with total 4 stand posts at Bhuyan Roida village and 7 Bore wells have been sunked at Kara Khendra, Belkundi, Barbil-8, Santabahl, Uliburu, Chhatbar and Bichakundi villages for Supply of potable Drinking water.
- ◆ RCC reservoir (1500 ltrs capacity) has been constructed with 8 stand posts & cleaning of Dug well at Camp Hutting, Kolha Roida.
- ◆ Over tank has been constructed at Dalki village for Supply of Drinking water to distance areas and one Water Tank has been constructed in Sading village.



**Construction of Drinking Water Project at “Uliburu Village” under CSR Scheme.**

**(B) GRAMYA SHIKHYA ABHIJAN (Village Education)**

- ◆ Brick wall has been constructed, plastering, fixing of door etc has been done for kitchen of Anganvari School at Buru hutting of Sading village.
- ◆ U.P school building has been fenced with barbed wire and provision gate has been made at Camp hutting of Kolha Roida.
- ◆ Boundary wall has been constructed at UGUP school of Uliburu village, UP & ME school of Dalki village and UP school of Belkundi village.



**Construction of Boundary wall of UGUP school, Uliburu under CSR scheme.**

**(C) GRAMYA VIKASH (Village development)**

- ◆ For the bathing purpose of villagers, desilting, cleaning & renovation of 1 Pond at Kundurpani village, 1 Pond at Sading village and 3 Ponds at Bhuyan Roida village has been done.
- ◆ For supply of Drinking water, renovation & development of Natural spring water at Camp Hutting of Kolha Roida village has been done and 4 Toilets have been constructed at Nalda village.

**(D) MAHILA SASHASTIKARAN (Women Empowerment)**

- ◆ 20 nos. of sewing machine were donated to village women and provided ancillary training to them in tailoring for the upliftment of women and make them self dependent.

**(E) SWASTHA KARYAKARMA (Health Programme)**

- ◆ Steps has been initiated for supply of Free medicine to villagers from Thakurani Hospital and Roida Dispensary with free health check-up.
- ◆ One Medical Health Van has been procured under CSR scheme for extending the medical facilities to the villagers in the peripheral villages near mines area. The van is a Mobile Health unit, equipped with oxygen cylinder, ECG machine etc. has been dedicated to the Health services of peripherals village of OMDC Mines. 12 Health camps were held in six villages and 988 patients/ villagers were examined and provided with free medicines and free health check-up.

**(F) OTHERS**

- ◆ Relief and rehabilitation activities has been done by the Company for the cyclone (Phailin) affected areas in Ganjam.
- ◆ News paper & Magazine has been provided to village clubs for enhancement of knowledge and keep them updated on current affairs.
- ◆ Organizing Football tournament under CSR at Thakurani and Roida.
- ◆ Sports gears has been provided to Kolha Roida, Bhuyan Roida, Kundurpani, Chhatabar villages and Barbil-7 village under CSR.
- ◆ Voluntary contribution of fund under CSR scheme for rebuilding the infrastructure in Odisha affected by devastated Cyclone

**17. SAFETY MEASURES**

OMDC has initiated safety measures according to provision of the Mines Act, 1952 in terms of Rules, Regulations and Guidelines towards safety of employees engaged in mining and allied activities. Necessary safety devises, tools and implements have been provided to the concerned employees. Safe practices pertaining to different activities in mining operations are displayed through participation of workers in safety exhibitions locally as well as on regional basis. Basic and refresher training is imparted to the workers in the Vocational Training Center.

**18. TECHNOLOGY UPGRADATION**

The focus of the Company is to develop OMDC as a green mining Company, having technological upgradation and taking all safety measures to have safe and cost effective mining operations.

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

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

**20. IMPLEMENTATION OF THE RIGHT TO INFORMATION ACT, 2005**

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

Your Company is proactively complying with the provisions of the Right to Information Act, 2005. All the relevant manuals pertaining to RTI Act 2005 have been uploaded on the Company's website. The queries are regularly replied through a Public Information Officer and assisted by Assistant Public Information Officer of Head Office and Mines Office. All the information sought under the Act has been furnished within the stipulated time period. Whenever there is a delay in reply due to unavailability of proper information within the stipulated time limit, an interim reply is always sent to the applicants. During the year ended on 31<sup>st</sup> March, 2014, total 11 applications have been received (in respect of BGC), out of which 9 applications were accepted. Out of these 9 applications, 5 applications were disposed of during the year.

Statutory Reports like Monthly Returns, Quarterly Returns and Annual Returns and other reports as required under this Act were complied and forwarded to the Ministry from time to time.

## **21. PROGRESSIVE USE OF HINDI**

OMDC has taken positive steps to enhance awareness and usage of Hindi among employees. The Company follows the directives issued from time to time by the Department of Official Language, Ministry of Home Affairs and Ministry of Steel, Government of India for the progressive use of Official Language, Hindi.

The Company had observed “Hindi Pakhwada” w.e.f 14<sup>th</sup> September, 2013 to 28<sup>th</sup> September, 2013 by way of organizing competitions such as essay writing, singing Hindi song, Hindi poem recitation and Hindi dictation in which the employees took active participation. Cash Prizes, certificates and mementos were awarded to the winners of various events. “Rajbhasha Shikshan Board” is placed at Head Office to apprise the employees with new Hindi words every day. Two Workshops have been conducted on 16.07.2013 & 28.03.2014 in which 21 and 12 employees were participated respectively.

A Hindi Teaching Scheme ‘Probodh’ was conducted in Head Office of the Company from 22.01.2014 and the final examination was conducted on 26.05.2014. 29 employees (including 15 Executives & 14 Non- Executives) were appeared for the said examination and have secured good marks. Overall result is 100 %. Good scorers will be awarded incentives as per rules of the Department of Rajbhasha, Ministry of Home Affairs, Govt. of India. Next Session for a Hindi Teaching Scheme ‘PRAVEEN’ has been started from July, 2014.

## **22. EMPOWERMENT OF WOMEN**

The Company continues to accord due importance to gender equality. All necessary measures/ statutory provisions for safeguarding the interests of women employees in

issues like payment of wages, hours of work, health, safety, welfare aspects and maternity benefits etc are being followed by the Company.

In compliance with the directives of the Supreme Court, guidelines relating to sexual harassment of women workers at work places were issued by Govt. of India, Ministry of Human Resources and Development. Accordingly, a Grievance Cell for Women is functioning in the Company to redress grievance of women employees. No case of any harassment has been reported at any of the Mines of the Company or its Corporate Office. The directives have been widely circulated to bring awareness amongst the employees, particularly women.

OMDC does not differentiate in terms of gender. To ensure empowerment of women, “Gender Budgeting Cells” have been constituted. Total women employees on roll of the Company as on 31.03.2014 was 135 which constitutes 21.06 % of its total employees of 641.

As a part of its CSR activities, Self Help Groups have been formed at the mines which comprise of women originate from the remote villages. They are trained to tailoring and various other vocational activities in order to make them self-reliant.

### **23. WELFARE OF WEAKER SECTIONS OF SOCIETY**

The Company is fully aware of its social responsibilities for development and welfare of weaker Section of the Society. Presidential Directives on Reservation in appointments for Scheduled Castes and Scheduled Tribes in Public Enterprises are strictly adhered by OMDC. The total number of employees in OMDC as on 31.03.2014 is 641. About 70% of the total strength (450 out of 641) belong to SCs/STs/ OBCs, out of which, 78 belongs to SCs (12.17 %), 244 belongs to STs (38.07 %) and 128 belongs to OBCs (19.97%).

Your Company is also taking keen interest in development of the downtrodden people living in the vicinity of the mines situated in remote areas by providing drinking water facilities, road maintenance, periodical medical checkups and treatment to people living in these villages.



**24. MANPOWER****Strength of SCs, STs and OBC's as on 31<sup>st</sup> March, 2014**

- |                                    |   |
|------------------------------------|---|
| 1. Total number of employees       | = 641                                     |
| 2. Scheduled Castes amongst them   | = 78 (Executive-7, and Non Executive-71)  |
| 3. Scheduled Tribes amongst them   | = 244(Executive-2, and Non Executive-242) |
| 4. OBC                             | = 128                                     |
| 5. Total SCs STs and OBC           | = 450                                     |
| 6. Physically Challenged employees | = 2                                       |

**25. INDUSTRIAL RELATIONS**

Industrial relations in your Company and at Mines continued to be cordial and peaceful during the year 2013-14. The system of Permanent Negotiation Mechanism (PNM) has been introduced in the Company and its mines for discussing various issues for smooth functioning of the Organization and expeditious decisions for the settlement of grievances. This is to ensure the better understanding between the Management and the Workers and to have cordial industrial relations. No major industrial relation incidents reported during the year 2013-14.

**26. VIGILANCE**

The Vigilance Department of the Company is headed by CVO, RINL, and assisted by one Vigilance Officer and one PSO to CVO in Head Office, Kolkata. In addition two Vigilance officers (additional charge) are appointed for OMDC mines, Thakurani. The function of Vigilance department includes both preventive and punitive actions for all the Mines of the company and for the Registered Office at Kolkata. Company's Vigilance department is continuing its efforts for systematic improvement to bring more and more transparency in working environment of the Company. Vigilance department has conducted various training programme and interactive sessions for creating vigilance awareness among employees. The company observes Vigilance Awareness Week at the Head Office as well as at the units of the Company from 28<sup>th</sup> October, 2013 to 2<sup>nd</sup> November, 2013 during which various activities like Slogan

competition, Essay competition, taking pledge by the employees etc. were carried out to create vigilance awareness among the employees.

System improvement has been achieved in the following areas:

- Codification of all service rules and their implementation.
- Efforts have been made to improve contract management.
- Barricades, Drop gates, Road barriers/Nala and Trenches have been made to prevent theft and pilferages.
- Disbursement of all payments through electronic medium.
- Adoption of Whistle Blower Policy.
- Adoption of Complaint Handling Policy.
- Initiative for the installation of surveillance system in mines.
- To adopt sensitive post criteria in various appointments of the Company.
- MIS system has been modified at Head office.
- Sale of material through e-Action.
- Implementation of ISO 9001:2008 Certification in Vigilance Management of entire set of activities for OMDC, Vigilance Department.
- Speed up proceedings of disciplinary case.
- To have better accountability in movement of materials, a system of custodian of stocks in each mines has been introduced.
- Installation of weigh-bridges at all the vital exit points and such weigh-bridges to be connected with computer in order to ensure automatic recording of minerals received at various plots/ stockyards so that data's are reconciled on day to day basis. It is being implemented in phased manner.
- Suggestion Boxes at Head Office and Mines offices at Thakurani are placed.

## **27. GRIEVANCE REDRESSAL MECHANISM (GRM)**

Grievance Redressal Mechanism (GRM) is placed in your Company at unit level and at Corporate level to address grievances of the employees. Nodal officers have been notified for this purpose. This measure will create healthy working environment. The name and designation of the Nodal Officers have been posted in the company website.



**Status of Public/ Employees' Grievances from 01.04.13 to 31.03.14**

**TABLE-2**

<b>Sl. No</b>	<b>Type of Grievances</b>	<b>Grievances outstanding as on 01.04.2013</b>	<b>No. of Grievances received during the period 01.04.13 to 31.03.14</b>	<b>No. of cases disposed of during the period 01.04.2013 to 31.03.14</b>	<b>No. of cases pending as on 31.03.2014</b>
<b>1</b>	Public Grievances	Nil	Nil	Nil	Nil
<b>2</b>	Employee Grievances	Nil	2	Nil	2

The company has incorporated the system for on line receipt of grievances as per the “Sevottam Model”. Necessary online link has been provided in company’s website i.e. [www.birdgroup.gov.in](http://www.birdgroup.gov.in) for online recording of public grievances.

**28. IMPLEMENTATION OF THE PERSONS WITH DISABILITIES ACT, 1995**

OMDC being a mining organization is governed by the provisions of the Mines Act, 1952 and Rules & Regulations thereof. OMDC has implemented the provisions of “Persons with Disabilities Act, 1995”. 2 persons with disabilities are employed in OMDC during the year 2013-14.

**29. COMPLIANCE WITH LAW/ LEGAL REQUIREMENTS**

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

### 30. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

#### I. Energy Conservation

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

##### **ELECTRICAL UTILITIES**

##### **Electricity Distribution System**

- Schedule our operations to maintain a high load factor
- Shift loads to off-peak times if possible.
- Minimize maximum demand by tripping loads through regular power cuts.
- Stagger start-up times for equipment with large starting currents to minimize load peaking.
- Use standby electric generation equipment for on-peak high load periods.
- Correct power factor to at least 0.90 under rated load conditions.
- Relocate transformers close to main loads.
- Set transformer taps to optimum settings.
- Check utility electric meter with our own meter.

##### **Motors**

- Properly size to the load for optimum efficiency.  
*(High efficiency motors offer of 4 - 5% higher efficiency than standard motors)*
- Use energy-efficient motors where economical.
- Use automatic power factor controller to improve power factor.
- Check alignment.
- Provide proper ventilation  
*(For every 10 °C increase in motor operating temperature over recommended peak, the motor life is estimated to be halved)*
- Check for under-voltage and over-voltage conditions.
- Balance the three-phase power supply.  
*(An imbalanced voltage can reduce 3 - 5% in motor input power)*
- Demand efficiency restoration after motor rewinding.

*(If rewinding is not done properly, the efficiency can be reduced by 5 - 8%)*

### **Lighting**

- Reduce excessive illumination levels to standard levels.
- Install efficient alternatives to incandescent lighting, mercury vapor lighting, etc. Efficacy (lumens/watt) of various technologies range from best to worst approximately as follows: low pressure sodium, high pressure sodium, metal halide, fluorescent, mercury vapor, incandescent.
- Select ballasts and lamps carefully with high power factor and long-term efficiency in mind.
- Upgrade obsolete fluorescent systems to Compact fluorescents and electronic ballasts
- Change exit signs from incandescent to LED.

### **DG sets**

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

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

## **II. Technology absorption**

The Company has not absorbed any new technology during the year .

## **III. Foreign Exchange Earnings and Outgo:**

There was no transaction in foreign exchange during the year.

## **31. STATUTORY AUDITORS**

On the advice of the Comptroller and Auditor General of India, New Delhi, your Company appointed the under mentioned firm of Chartered Accountants as Statutory Auditor of your Company for the year 2013-14:

<b>Sl. No.</b>	<b>Name of the Auditor</b>	<b>Address of the Auditor</b>
<b>1.</b>	M/s L B Jha & Co	GF-1, Gillander House, 8, Netaji Subhas Road,Kolkata-700001

The Statutory Auditors Report on the Accounts of the Company for the Financial Year ended 31<sup>st</sup> March, 2014 is enclosed to the Directors' Report.

### **32. COST AUDITORS**

In terms of the Cost Accounting Records Rules, 2011, issued by Ministry of Corporate Affairs on 06.11.2012, vide Order no: F.No. 52/26/CAB-2010 the Company is required to maintain cost accounting records and get them audited every year. Your Company has appointed M/s. Chatterjee & Co, Cost Accountants, as Cost Auditors of the Company for the financial year 2013-14. The cost audit report would be filed with the Central Government within prescribed timelines. The Cost Audit Report and Compliance Report for the year 2012-13 were filed within the time limit as prescribed by the Ministry of Corporate Affairs.

### **33. COMMENTS BY THE COMPTROLLER AND AUDITOR GENERAL OF INDIA (CAG) ON THE ACCOUNTS OF THE COMPANY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014**

The Comptroller and Auditor General of India (CAG) had conducted Supplementary Audit under Section 619(3)(b) of the Companies Act, 1956 of the financial statements of The Orissa Minerals Development Company Limited for the year ended 31<sup>st</sup> March, 2014. The comments of Comptroller & Auditor General of India under Section 619(4) of the Companies Act, 1956 on the Accounts of the Company for the year 2013-14 forms part of this report.

### **34. ADVERSE IMPACT OF PAYMENT OF ENHANCED STAMP DUTY BY THE LESSEES OF MINING LEASES AS PER THE PROVISIONS OF THE INDIAN STAMP (ODISHA AMENDMENT)ACT, 2013 AND ACTION TAKEN BY OMDC.**

Two separate Writ petitions under Article 226 & 227 of the Constitution of India, for issue of Writ of Quo Warrant to the Government of Odisha to quash the provisions of Indian

Stamp (Odisha Amendment) Act, 2013 and Rule 11- C of the Odisha Stamp Rules, 1952 inserted through Odisha Stamp (Amendment) Rules, 2013 was filed by OMDC in the “High Court of Orissa”, Cuttack separately for the mines of OMDC :

(A) Petition no W.P(C) no. 15377/2013 dated 08.07.13 was filed for:

- i) Bhadrasahi Iron & Mn Mines,
- ii) Belkundi Iron & Mn. Mines
- iii) Bagiaburu Iron Mines

(B) Petition no W.P(C) no: 15512/2013 dated 09.07.13 was filed for the BPMEL mines operated by OMDC:

- iv) Thakurani Iron & Mn Mines
- v) Kolha -Roida Iron & Mn Mines
- vi) Dalki Mn. Mines

The High Court of Orissa heard both the above petitions on 17.07.13 and passed an order for interim stay of the impugned Indian Stamp (Odisha Amendment) Act, 2013, Odisha Stamp (Amendment) Rules, 2013 and Circular dated 25.05.2013 and dated 03.07.2013 issued by Principal Secretary, Department of Steel & Mines, Govt. of Odisha.

### 35. MAJOR LEGAL CASES

- In November, 2009 UCO Bank assigned an outstanding BPMEL loan of ₹4.08 Crore to TPG Equity Management Pvt. Ltd, Kolkata (TPG) for a consideration of only ₹55 Lakhs.
- After assignment by UCO Bank which was allowed by the DRT, Kolkata, M/s TPG received an amount of ₹2.99 cr. in September 2011 from Official Liquidator (OL) and filed a case in High Court of Kolkata claiming an amount of ₹183 cr. including interest.
- Against this claim, M/s TPG appealed for revival of BPMEL with the help of BPMEL mining leases namely, Kolha-Roida, Dalki and Thakurani which are operated by OMDC since inception.
- OMDC approached High Court of Kolkata in September, 2013 as an intervener in the case filed by M/s TPG.(Case no: CA400/2013)

- As allowed by High Court Kolkata, OMDC, as an intervener, filed Affidavit in December 2013 appealing to reject the claim of M/s TPG to utilize the three Mining leases held in the name of BPMEL.
- Further OMDC filed five cases in the Debt Recovery Appellate Tribunal (DRAT), Kolkata against the five orders of Debt Recovery Tribunal (DRT) in May, 2014. These orders of DRT are creating hindrance upon effect of OMDC to renew the mining lease by allowing claim of M/s TPG on BPMEL mines. The cases are currently under hearing at DRAT, Kolkata.

- **Demand Notice Issued by DDM, Joda**

OMDC received Demand note on 15.02.2014 & 21.02.2014 against excess mining by OMDC during the period from 2000-01 till 2009-10 from Dy. Director of Mines (DDM), Joda region, Keonjhar in respect of all the six mining leases of OMDC. The total amount claimed is ₹ 5395.37 Crores against all six leases.

Against the above demand of DDM, Joda, OMDC has filed 6 (six) nos. of revision applications, for each of the mining leases, before the Revisional Authority, Ministry of Mines, Govt. of India at New Delhi on 13.03.2014, challenging the demand notice(s) issued by DDM, Joda, Keonjhar.

### 36. REPORT ON MANAGEMENT DISCUSSIONS AND ANALYSIS

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

### 37. CORPORATE GOVERNANCE

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

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

### 38. DIRECTORATE

The following Non- Executive Independent Directors ceased to be Directors on the Board of the Company :

Name of the Directors	Ceased to be Directors w.e.f
Shri Harsh Mahajan	06.04.2013
Shri Ashok Vij	06.04.2013
Smt Uma Menon	06.04.2013

The following Managing Director ceased to be Director on the Board of the Company:

Name of the Director	Ceased to be Director w.e.f
Dr Satish Chandra	15.07.2013

Shri Umesh Chandra, Director of OMDC took over the additional charge of Managing Director of OMDC w.e.f 15.07.2013 (A/N) to 15.07.2014. Consequent upon attaining the age of superannuation, Shri Umesh Chandra, Ex-officio Non- Executive Director was ceased from the Board of OMDC w.e.f 31.07.2014 (A/N).

The following Govt of India Nominee Director ceased to be Director on the Board of the Company :

Name of the Director	Ceased to be Director w.e.f
Shri E.K. Bharat Bhushan	01.05.2013

Shri Lokesh Chandra, Govt Nominee Director nominated in the Board of OMDC w.e.f 1.05.2013 pursuant to the order of Ministry of Steel, Government of India.

Consequent upon attaining the age of superannuation, Shri A.P Choudhary, Ex-officio Non-Executive Chairman was ceased from the Board of OMDC w.e.f 31.12.2013. Shri Ponnappalli Madhusudan was nominated in the Board of OMDC in his place w.e.f 9.01.2014 as Ex-officio Non- Executive Chairman.



Smt Uma Menon was appointed as a Director on the Board of OMDC w.e.f 24.05.2013. She ceased to be Director on the Board of the Company w.e.f 20.10.2013.

The Board places on record its deep appreciation for the valuable contribution made by Shri Harsh Mahajan, Shri Ashok Vjj, Smt Uma Menon, Dr Satish Chandra, Shri E.K. Bharat Bhushan, Shri A.P Choudhary and Shri Umesh Chandra during their tenure on the Board of the company.

The following Directors were appointed as the Non Executive Independent Directors of the Company:

<b>Name of the Non Executive Independent Directors</b>	<b>Appointed w.e.f</b>
1. Shri Abdul Kalam	18.12.2013
2. Shri K.J. Singh	18.12.2013
3. Shri P.S. Bhattacharyya.	18.12.2013

Shri P.K Sinha was nominated in the Board of OMDC as Director (Production & Planning) for a period of five (5) years w.e.f 04.02.2014 pursuant to the order of Ministry of Steel, Government of India.

Shri D.N Rao was nominated in the Board of OMDC as Ex-officio Non-Executive Director w.e.f 02.08.2014 pursuant to the order of RINL, holding company of OMDC.

### 39. DEPOSIT

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

**40. DIRECTORS' RESPONSIBILITY STATEMENT**

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

- (i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- (iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the directors had prepared the annual accounts on a going concern basis.

**41. LISTING**

The Company's shares are listed at The Calcutta Stock Exchange Limited, National Stock Exchange Limited and also traded in Bombay Stock Exchange Limited under permitted category. The listing fee is paid upto 31st March, 2015.

**42. DEPOSITORY SYSTEM**

The Company's shares are under compulsory demat mode. The Company has entered into agreement with National Securities Depository Limited (NSDL) and Central Depository Services (I) Limited (CDSL).

There is satisfactory progress in the process of dematerialization. Only 159 no. of Shareholders are still having certificate in physical form. Members having certificate in physical form are requested to dematerialise their holdings for operational convenience.

### 43. ACKNOWLEDGEMENT

Your Directors take this opportunity to express their grateful appreciation for the continued support and guidance received from the Government of India especially the Ministry of Steel, Ministry of Mines, Ministry of Environment and Forest, Ministry of Corporate Affairs and from Government of West Bengal and Odisha and other Departments of Government of India.

Your Directors place on records their sincere thanks to the support extended by the valued and esteemed Customers, Shareholders, Stakeholder, Railway Department, Banks and the Suppliers. Directors also wish to convey their appreciation to all the employees of the organization for their valuable contributions and support.

For and on behalf of the Board.

**(P. Madhusudan)**  
Chairman

**Registered Office :**

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

Date : 14<sup>th</sup> July, 2014.

# REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS

## 1) THE INDIAN ECONOMY- INDUSTRIES STRUCTURE AND DEVELOPMENT

India's economic growth rate in the current financial year has been estimated at 4.9 per cent, a faster pace than in the previous year, mainly on an improved performance in the agriculture and allied sectors.

"The growth in GDP during 2013-14 is estimated at 4.9 per cent as compared to the growth rate of 4.5 per cent in 2012-13," according to advanced estimates released by the Central Statistics Office (CSO) of the Ministry of Statistics & Programme Implementation, Govt. of India. The latest estimate of 4.9 per cent for 2013-14 implies that the pace of economic expansion improved in the second half, given that GDP grew 4.6 per cent in the April-September period.

**Agriculture and Allied Sectors:** For 2013-14, the CSO has projected a growth rate of 4.6 per cent in agriculture and allied sectors, up from 1.4 per cent a year earlier.

**Manufacturing** is expected to register a contraction of 0.2 per cent in this financial year compared with growth of 1.1 per cent in the previous year.

**Services Sectors:** According to the advance estimates, the services sector, including finance, insurance, real estate and business services sectors, is likely to grow 11.2 per cent this year compared with 10.9 per cent in 2012-13.

**Mining and Quarrying** is likely to contract 1.9 per cent, compared with a 2.2 per cent decline in production a year ago.

**Construction:** Growth in construction is likely to improve to 1.7 per cent from 1.1 per cent in 2012-13.

**Electricity, Gas and Water Production:** According to the CSO's advance estimates, growth in electricity, gas and water production is likely to improve to 6 per cent in 2013-14 from 2.3 per cent in 2012-13.

**Trade, Hotel, Transport and Communication Sectors:** The trade, hotel, transport and communication sectors are projected to grow by 3.5 per cent, as against 5.1 per cent in the previous financial year.

**Per capita income:** Per capita income in real terms (at 2004-05 prices) during 2013-14 is likely to attain a level of ₹39,961 as compared to the first revised estimate for the year 2012-13 of ₹38,856. The growth rate in per capita income is estimated at 2.8 per cent as against the previous year's estimate of 2.1 per cent, CSO said. Per capita income at current prices during 2013-14 is estimated to be ₹74,920 compared with ₹67,839 during 2012-13, a rise of 10.4 per cent.

**Index of Eight Core Industries (Base: 2004-05=100) by Government of India Ministry of Commerce & Industry, Office of the Economic Adviser**

The Eight Core Industries have a combined weight of 37.90 % in the Index of Industrial Production (IIP). The combined Index of Eight Core Industries stands at 160.9 in April, 2014, which was 4.2 % higher compared to the index of April, 2013. Its cumulative growth during April-March, 2013-14 was 2.7 %.

**Coal**

Coal production (weight: 4.38 %) increased by 3.3 % in April, 2014 over April, 2013. Its cumulative index during April to March, 2013-14 increased by 0.7 % over corresponding period of previous year.

**Crude Oil**

Crude Oil production (weight: 5.22 %) declined by 0.1 % in April, 2014 over April, 2013. The cumulative index of Crude Oil during April to March, 2013-14 declined by 0.2 % over the corresponding period of previous year.

**Natural Gas**

The Natural Gas production (weight: 1.71 %) declined by 7.7 % in April, 2014 over April, 2013. Its cumulative index during April to March, 2013-14 declined by 13.0 % over the corresponding period of previous year.

**Petroleum Refinery Products (0.93% of Crude Throughput)**

Petroleum refinery production (weight: 5.94%) declined by 2.2 % in April, 2014 over April, 2013. Its cumulative index during April to March, 2013-14 increased by 1.7 % over the corresponding period of previous year.

**Fertilizers**

Fertilizer production (weight: 1.25%) increased by 11.1 % in April, 2014 over April, 2013. It registered a cumulative growth of 1.5 % during April to March, 2013-14 over the corresponding period of previous year.

**Steel (Alloy + Non-Alloy)**

Steel production (weight: 6.68%) recorded a growth of 3.1 % in April, 2014 over April, 2013. The cumulative growth during April to March, 2013-14 was 4.9 % over the corresponding period of previous year.

**Cement**

Cement production (weight: 2.41%) increased by 6.7 % in April, 2014 over April, 2013 while its cumulative growth during April to March, 2013-14 was 3.0 % over the corresponding period of previous year.

**Electricity**

Electricity generation (weight: 10.32%) increased by 11.2 % in April, 2014 over the period of April, 2013 and it registered a cumulative growth of 5.6 % during April to March, 2013-14 over the corresponding period of previous year.

## 2) SWOT ANALYSIS

STRENGTH	WEAKNESS
<ul style="list-style-type: none"> <li>• OMDC is one of the oldest mining companies in India and has established continuous profit making track record.</li> <li>• Good financial resources with consistent profitability and debt free balance sheet.</li> <li>• High level of resource reserve potential. Estimated resource reserves are to the tune of 206 million tons of Iron ore and 44 million tons of Manganese ore.</li> <li>• Market capitalization is very high. OMDC share of ₹1/- reached the peak of ₹3115/- in NSE in May, 2013.</li> <li>• Satisfactory cash reserve.</li> <li>• Intrinsic capacity to expand.</li> <li>• Being a Central PSU, can leverage government support.</li> <li>• Good Railway network, having own Railway Siding.</li> </ul>	<ul style="list-style-type: none"> <li>• BPMEL is the lessee of three of the six mines currently being operated by OMDC. These leases need to be transferred in OMDC's name in order to secure long term sustainability.</li> <li>• Shortage of qualified professional manpower in almost all the departments of OMDC.</li> <li>• Capacity building measures are inadequate with the change in consumption pattern in India.</li> </ul>

OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> <li>• Demand for Iron Ore is continuously on the rise leading to economic development of the Country.</li> </ul>	<ul style="list-style-type: none"> <li>• Non renewal of mining leases and non transfer of three major mining leaseholds which are in the name of BPMEL constitutes real threat.</li> </ul>

<ul style="list-style-type: none"> <li>Opening up of economy has thrown lot of opportunities for OMDC to go for value addition projects. OMDC can leverage its resources successfully for future growth.</li> <li>Favorable regulatory changes being initiated by the Central Government from time to time to align the mining rules with the global standards may enable the Company to look for new mining areas.</li> </ul>	<ul style="list-style-type: none"> <li>Risk factors such as high inflation, rising energy prices, uncertain domestic and international political environment, change in government policies could affect the Company's performance adversely.</li> </ul>
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### 3) SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

Segment wise performance of OMDC in 2013-14 in comparison to 2012-13 are given below in **Table I** :

**TABLE I**

<b><u>Production</u> (MT)</b>	<b>2013-2014</b>	<b>2012-2013</b>
<b>Manganese Ore</b>	-	-
<b>Iron Ore</b>	-	-
<b>Sponge Iron</b>	-	-
<b><u>Despatch</u> (MT)</b>	-	-
<b>Manganese Ore</b>	-	-
<b>Iron Ore</b>	-	-



<b>Sponge Iron</b>	-	-
<b><u>Sales</u> (₹ in Lacs)</b>	-	-
<b>Manganese Ore</b>	-	-
<b>Iron Ore</b>	-	-
<b>Sponge Iron</b>	-	-

There was no mining activity in any of the mines of OMDC during the year 2013-14. Closure of all six mines, owing to non availability of forest and environmental clearance has resultant in nil production and nil dispatch of the company during this year. The company is vigorously pursuing the matter of renewal of mining leases with the State Government and Central Government authorities so as to enable it to resume its mining operations at an early date.

#### 4) OUTLOOK

Once the mining operations of the Company will start, your Company has planned for installation of a 2 MTPA Iron ore Beneficiation Plant and a 2 MTPA Pelletisation Plant through Joint Venture. The company has prepared a Corporate Business Plan to achieve the target of 10 MT of Iron ore and 1 MT of Manganese ore per annum by end of 13<sup>th</sup> - 5 year plan, i.e. March, 2022. Considering future enhancement upto 10 MTPA, a Thermal Power plant of 220-250 MW capacity can also be set up by the company. In such a situation, Company will approach to Ministry of Coal for linkage to this captive power plant by allocation of a thermal grade coal block for OMDC.

#### 5) RISKS AND CONCERNS

The Company has laid down the Enterprise Risk Management Policy and Procedures thereof for periodically informing Board Members about the risk assessment and

minimizing procedures. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, including the development of the Risk Matrix, in order to guide decision on risk related issues.

## **6) INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The Company has an efficient system of internal controls through Internal Audit Cell for achieving the following business objectives of the Company.

- To check the compliance with policies/circulars/procedures/guidelines and report the non-compliance for corrective actions and suggest for procedures wherever required.
- To check the statutory compliance and report non-compliance/incorrect compliance for corrective actions.
- To study the internal controls & its adequacy and suggest for improvements/new controls as required.
- To study and report Idle assets and equipments for corrective actions.
- To study the system failures/controls and suggest for improvements.

Internal Audit in our organization is an independent management function, which involves a continuous and critical appraisal of the functioning of an entity with a view to suggest improvements thereto and add value to and strengthen the overall governance mechanism of the entity.

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

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

The financial performance of the Company is placed here in below:-

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

The details of Sales from operation and Profit after tax for the financial year 2013-14 as compared to previous financial year 2012-13 is represented in **Table II**.

**Table II**

(₹In Lacs)

	<b>2013-14</b>	<b>2012-13</b>	<b>Change</b>	<b>Change in %</b>
<b>Sales</b>	NIL	NIL	--	--
<b>Profit before tax and depreciation</b>	2575.79	3506.64	(930.85)	26.54
<b>Profit before tax</b>	1674.44	2,625.04	(950.60)	36.21
<b>Profit after tax</b>	626.30	1,286.42	(660.12)	51.31

It is observed from the above table that profit after tax is ₹626.30 lacs for the financial year 2013-14 as compared to ₹1,286.42 lacs in the previous financial year 2012-13, recording a decrease of 51.31%.

Closure of Mines due to non renewal of mining leases and non availability of statutory clearances has caused serious set-back to the earnings of OMDC.

**b) APPROPRIATION**

The Company has transferred ₹62.63 lacs to the General Reserve during the year 2013-14 as compared to previous year's ₹128.64 lacs.

**c) DIVIDEND**

The Board of Directors of the Company recommended a dividend of ₹1.04/- per share of ₹1/- for the year ended 31<sup>st</sup> March, 2014 subject to the approval of the shareholders. The total payment on account of dividend would be ₹73.00 lacs inclusive of tax on dividend.

**8) INDUSTRIAL RELATION AND HUMAN RESOURCE MANAGEMENT**

Men on roll of the Company as on 31st March, 2014 had been 641 as compared to 714 as on 31st March, 2013.

**➤ Strength of SCs & STs as on 31<sup>st</sup> March, 2014**

- |                                    |  |
|------------------------------------|--|
| 1. Total number of employees       | = 641                                      |
| 2. Scheduled Castes amongst them   | = 78 (Executive-7, and Non Executive-71)   |
| 3. Scheduled Tribes amongst them   | = 244 (Executive-2, and Non Executive-242) |
| 4. OBC                             | = 128                                      |
| 5. Total SCs STs and OBC           | = 450                                      |
| 6. Physically Challenged employees | = 2  |

In order to have continued cordial industrial relation, a system of Permanent Negotiation Mechanism (PNM) has been introduced to have meetings with Unions at fixed intervals, for creating the better understanding between the Management and the Workers, for discussing various issues, for smooth functioning of the organisation and expeditious decisions for the settlement of grievances had been functioning satisfactorily. Training programme is taken up intermittently to enhance the skill-sets of the employees in alignment with their respective roles.

**9) ENVIRONMENTAL PROTECTION AND CONSERVATION, TECHNOLOGICAL CONSERVATION, RENEWAL ENERGY DEVELOPMENTS, FOREIGN EXCHANGE CONSERVATION****I. Environmental Protection and Conservation**

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

**II. Energy Conservation**

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

**III. Technology absorption**

The Company has not absorbed any new technology during the year .

**IV. Foreign Exchange Earnings and Outgo:**

There was no transaction in foreign exchange during the year.

**10) CORPORATE SOCIAL RESPONSIBILITY**

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

**11) CAUTIONARY STATEMENT**

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

## ➤ **CORPORATE GOVERNANCE REPORT**

***“Corporate Governance is the application of best management practices, compliance of law in true letter and spirit and adherence to ethical standards for effective management and distribution of wealth and discharge of social responsibility for the sustainable development of all stakeholders.”***

***- The Institute of Company Secretaries of India.***

### **1. COMPANY’S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE**

OMDC believes that good Corporate Governance practices ensure ethical and efficient conduct of the affairs of the Company. OMDC aims at not only its own growth but also maximization of benefits to the shareholders, employees, customers, government and also the general public at large. For this purpose the company continuously strives to improve its level of overall efficiency through good corporate governance, which envisages transparency, professionalism and accountability in all its operations which are vital to achieve its Vision.

The guidelines on Corporate Governance for Central Public Sector Enterprises as issued on May, '10, have been complied in true spirit in the year 2013-14 and shall be complied with in future also. The quarterly reports have been submitted on time and as per self-evaluation format, OMDC, Schedule-B is graded as **“EXCELLENT”** category in compliance of corporate governance guidelines of DPE, for the year 2012-13. For the year 2013-14, intimation from DPE is awaited.

The premise of Corporate Governance framework in OMDC is based on the following key drivers:

- Adherence to ethical standards for effective management and distribution of wealth and discharge of social responsibility for sustainable development of all stakeholders including customers, employees and society at large.
- A sound system of internal control to mitigate the risks for achievement of business objectives both short term and long term.
- Compliance of laws, rules & regulations in true letter and spirit.
- Independent verification of the Company's financial reporting.
- Strategic supervision by the Board of Directors of appropriate composition, size, varied experience and commitment to discharge their responsibilities.
- Timely and balanced disclosure of all material information to all the stakeholders.

- Clearly defined standards against which performance of responsibilities can be measured.
- A clear delineation of shareholders' rights.
- Accuracy and transparency in disclosures regarding operations, performance, risk and financial position.

### **ETHICS POLICIES**

At OMDC, we strive to conduct our business and strengthen our relationships in a manner that is dignified, distinctive and responsible. We adhere to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders. Therefore, we have adopted various codes and policies to carry out our duties in an ethical manner. Some of these codes and policies are:

- Code of Conduct for Directors and Senior Management Personnel
- Code of Conduct for Prevention of Insider Trading
- Code of Ethics and Business Conduct for the Employees of OMDC
- Risk Management Policy
- Integrity Pact to enhance transparency in business
- Whistle Blower Policy/ Vigil Mechanism.
- Conduct, Discipline and Appeal Rules for employees.

### **CORPORATE GOVERNANCE PRACTICES**

It is the Company's constant endeavour to adopt the best corporate governance practices keeping in view the codes of Corporate Governance and practices followed by other well-known CPSUs in adherence to the DPE guidelines. Some of the implemented Corporate Governance norms are as follows:

- The Company has requisite number of Independent Director with a defined role.
- All securities related filings with Stock Exchanges and SEBI are reviewed every quarter by the Company's Stakeholders Relationship Committee (previously Shareholders'/ Investors' Grievance Committee) of Directors.
- The Company's internal audit is conducted by independent auditors. Presently the internal audit cell of OMDC conducts the internal audit of all functional areas of the Company to achieve the envisaged objectives stated in the Internal Audit Manual of OMDC.
- The Company also undergoes secretarial audit conducted by an independent company secretary in wholtime practice. Quarterly secretarial audit reports are placed before the Board and the annual secretarial audit report placed before the Board, is also included in the Annual Report.



Based on the aforesaid objectives and in compliance with the disclosure requirements of Clause 49 of the Listing Agreement executed with the Stock Exchanges as well as the Guidelines on Corporate Governance for Public Sector Enterprises, issued by the Department of Public Enterprises (DPE), the detailed Corporate Governance Report of OMDC is as follows:

## 2. BOARD OF DIRECTORS

OMDC is a Government Company within the meaning of Section 2(45) of Companies Act, 2013. Being a Central PSU, appointment/nomination of all Directors is done by the Govt. of India, through the Ministry of Steel. As on 31<sup>st</sup> March, 2014 the Board of OMDC comprises of eight directors, headed by Ex-Officio Non-Executive Chairman, Ex-Officio Non-Executive Director holding additional charge of Managing Director, One Whole Time Director, a Government Nominee Director, three Non-Executive Independent Directors and one Non-Executive Nominee Director nominated by Life Insurance Corporation of India (LICI).

Section 149 of the Companies Act, 2013 has been notified w.e.f April 1, 2014 which defines the composition of the Board and the criteria for a director to be considered as independent. Nominee directors i.e. a director nominated by any financial institution in pursuance of the provisions of any law for the time being in force, or of any agreement, or appointed by any Government, or any other person to represent the interests of the financial institution/ Government/ any other person are excluded from the definition of independent director.

In classification of Directors as independent, OMDC has relied on the declaration of independence provided by the Independent Directors as prescribed u/s 149(7) of the Companies Act, 2013.

### a. Composition and category of the Board of Directors as on 31<sup>st</sup> March, 2014 :

#### **Ex-Officio Non-Executive Chairman**

Shri Ponnappalli Madhusudan

#### **Ex-Officio Non-Executive Director holding additional charge of Managing Director**

Shri Umesh Chandra

#### **Whole Time Director**

Shri Prabhat Kumar Sinha, Director (Production & Planning)

### **Government of India Nominee Director**

Shri Lokesh Chandra

### **Non-Executive Independent Directors**

1. Shri Abdul Kalam
2. Shri Kumar Jitendra Singh
3. Shri Partha Sarathi Bhattacharyya

### **Non-Executive Nominee Director**

Shri Tapasendra Chattopadhyay (Nominee Director of LIC)

Managing Director is appointed by Government of India for a period of five years or till the age of superannuation or until further orders whichever is earliest. The Directors are initially appointed by the Board as Additional Director in terms of the provisions of Section 260 of the Companies Act, 1956 alongwith Section 161 of the Companies Act, 2013 and thereafter by the shareholders in the Annual General Meeting.

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

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

The tenure of the following 3(three) Non-Executive Independent Directors on the Board of OMDC has been expired w.e.f 6<sup>th</sup> April, 2013.

- 1) Shri Harsh Mahajan.
- 2) Shri Ashok Vij
- 3) Smt Uma Menon

Smt Uma Menon was again appointed on the Board of OMDC from 24.05.2013 to 19.10.2013.

Shri E.K. Bharat Bhusan, Govt Nominee Director was ceased from the Board of OMDC w.e.f 1.05.2013 pursuant to the order of Ministry of Steel, Government of India. Shri Lokesh Chandra, Govt Nominee Director nominated in the Board of OMDC in his place w.e.f 1.05.2013 pursuant to the order of Ministry of Steel, Government of India.

Dr. Satish Chandra, Managing Director has resigned from the Board of OMDC w.e.f 15.07.2013 and Shri Umesh Chandra, Director was assigned to hold the additional charge

of Managing Director w.e.f 15.07.2013, pursuant to the order of Ministry of Steel, Government of India.

Consequent upon attaining the age of superannuation, Shri A.P Choudhary, Ex-officio Non-Executive Chairman was ceased from the Board of OMDC w.e.f 31.12.2013. Shri Ponnappalli Madhusudan was nominated in the Board of OMDC in his place w.e.f 9.01.2014 as Ex-officio Non- Executive Chairman.

Due to retirement of the independent directors w.e.f 06.04.2013, the Company was not able to comply with the requirement of 50% Independent Directors on its Board of Directors as per Clause 49(I) of the Listing Agreement.

Being a Government Company under the administrative control of Ministry of Steel, the Directors of your Company are nominated by the Government of India. Therefore, the Company has pursued to the Government of India to induct requisite number of Independent Directors as required under clause 49(I) of the Listing Agreement.

Accordingly Ministry of Steel as on 18.12.2013 appointed three following Directors as the Non-official Part Time Directors of the Company:

1. Shri Abdul Kalam
2. Shri Kumar Jitendra Singh
3. Shri Partha Sarathi Bhattacharyya

As on 31<sup>st</sup> March, 2014, the composition of the Board of OMDC is in conformity with Clause 49 of the Listing Agreement and DPE guidelines on Corporate Governance.

## **b. Board Meeting Procedure**

### **Scheduling and selection of Agenda items for Board / Committee Meetings**

(i) The meetings are convened by giving appropriate advance notice after obtaining approval of the Chairman of the Board/ Committee. To address specific urgent need, meetings are also being called at a shorter notice. In case of exigencies or urgency resolutions are passed by circulation.

(ii) Detailed agenda containing the management reports and other explanatory statements

are circulated in advance in the agenda format amongst the members for facilitating meaningful, informed and focused decisions at the meetings. Where any document or the agenda of the Board/Committee is of confidential nature, the same is tabled with the approval of Chairman. Sensitive subject matters are discussed at the meeting without written material being circulated. In special and exceptional circumstances, additional or supplemental item(s) on the agenda are permitted.

(iii) The agenda papers are prepared by the concerned officials, concurred by the concerned departmental head, Functional Director and approved by the MD. Duly approved agenda papers are circulated amongst the members of the Board/ Committee by the Company Secretary.

(iv) Presentations are made to the Board/ Committee covering Finance, Operations, major Business Segments, Human Resources, Marketing, Joint Venture operations, whenever required.

(v) The members of the Board/ Committee have complete access to all information of the Company and are also free to recommend inclusion of any matter in agenda for discussion. Senior officials are called to provide additional inputs to the items being discussed by the Board/Committee, as and when required.

(vi) Each Committee has the authority to engage outside experts, advisers and counsels to the extent it considers appropriate to assist the Committee in its work.

#### **Information placed before the Board of Directors**

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

- Annual operating plans of businesses and budgets including capital budgets and any updates
- Quarterly results of the Company and its operating divisions or business segments
- Company's annual Financial Results, Financial Statements, Auditors' Report and Board's Report
- Minutes of meetings of the Audit Committee and other Committees of the Board.
- Show cause, demand, prosecution notices and penalty notices, which are materially important
- Fatal or serious accidents, dangerous occurrences, and any material effluent or pollution problems
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order, which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- Details of any joint venture or collaboration agreement

- Significant labour problems and their proposed solutions. Any significant development in Human Resources/Industrial Relations front like implementation of Voluntary Retirement Scheme, etc.
- Sale of material nature of investments, assets, which is not in normal course of business.
- Non-compliance of any regulatory, statutory or listing requirements, and shareholders' service, such as dividend non-payment, share transfer delay (if any), among others
- Appointment, remuneration and resignation of Directors
- Formation/reconstitution of Board Committees
- Terms of reference of Board Committees
- Declaration of Independent Directors at the time of appointment/annually
- Disclosure of Directors' interest and their shareholding
- Appointment or removal of the Key Managerial Personnel (KMP) and officers one level below KMP.
- Appointment of Internal Auditors and Secretarial Auditors.
- Quarterly / Annual Secretarial Audit reports submitted by Secretarial Auditors.
- Dividend declaration.
- Significant changes in accounting policies and internal controls
- Appointment of and fixing of remuneration of the Auditors as recommended by the Audit Committee
- Brief on statutory developments, changes in government policies, among others with impact thereof, Directors' responsibilities arising out of any such developments
- Compliance Certificate certifying compliance with all laws as applicable to the Company
- Reconciliation of Share Capital Audit Report under SEBI (Depositories and Participants) Regulations, 1996
- Brief on information disseminated to the press.

The Managing Director and Company Secretary, in consultation with other concerned members of the senior management, finalize the agenda for Board meetings.

### **Recording Minutes of proceedings at the Board Meeting**

Minutes of the proceedings of each Board/Committee meeting are recorded. Draft minutes are circulated amongst all members of the Board/ Committee for their critical appreciation and comments. The comments are incorporated in the minutes, which are finally approved by the Chairman of the Board/ Committee. These minutes are confirmed in the next Board/ Committee Meeting. Minutes of the meetings of the Committees are also noted by the Board in its next meeting. The finalized minutes are entered in the Minutes Book.

### **Compliance**

While preparing the agenda, notes on agenda, minutes of the meeting(s), all applicable laws and regulations, including the Companies Act, 1956/ Companies Act, 2013 read with rules issued thereunder, as applicable and the Secretarial Standards recommended by the Institute of Company Secretaries of India has been followed.

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

**i) Ex-officio Non- Executive Chairman**

Name & Designation	Financial Year 2013-14 Attendance at			As on date				Remarks
	No. of Board Meetings held during his/her tenure	No. of Board Meetings Attended	Attendance in last AGM (20.09. 2013)	**No. of Directorship in other Companies and partnership in firms		*No. of Committee position held in other Public Limited Companies		
				Director	Partner	Chairman	Member	
Shri Amrendra Prasad Choudhary, DIN: 02697893 (Ex-officio Non-Executive Chairman)	5	5	Yes	1	0	0	0	Appointed from 1.08.2011 & Ceased w.e.f.31.12.13
Shri Ponnappalli Madhusudan, DIN:02845996 (Ex-officio Non-Executive Chairman)	1	1	N.A	4	0	0	0	Appointed from 9.1.2014 & continuing till date.

**ii) Whole Time Managing Director**

Name & Designation	Financial Year 2013-14 Attendance at			As on date				Remarks
	No. of Board Meetings held during his/her tenure	No. of Board Meetings Attended	Attendance in last AGM (20.09. 2013)	**No. of Directorship in other companies and partnership in firms	*No. of Committee position held in other Public Limited Companies			
				Director	Partner	Chairman	Member	
Dr. Satish Chandra, DIN:02835841 (Managing Director)	2	2	N.A	1	0	0	0	Appointed on 29.10.2009 & ceased w.e.f 15.07.2013

**iii) Ex-Officio Non-Executive Director holding additional charge of Managing Director**

Name & Designation	Financial Year 2013-14 Attendance at			As on date				Remarks
	No. of Board Meetings held during his/her tenure	No. of Board Meetings Attended	Attendance in last AGM (20.09. 2013)	**No. of Directorship in other companies and partnership in firms		*No. of Committee position held in other Public Limited Companies		
				Director	Partner	Chairman	Member	
Shri Umesh Chandra, DIN:02398270 ( Ex-officio Non-Executive Managing Director)	6	6	Yes	2	0	0	0	Appointed from 1.06.2011 & continuing till date.

**iv) Whole Time Director (Production & Planning)**

Name & Designation	Financial Year 2013-14 Attendance at			As on date				Remarks
	No. of Board Meetings held during his/her tenure	No. of Board Meetings Attended	Attendance in last AGM (20.09. 2013)	**No. of Directorship in other companies and partnership in firms		*No. of Committee position held in other Public Limited Companies		
				Director	Partner	Chairman	Member	
Shri Prabhat Kumar Sinha, DIN:06872165 (Director, Production & Planning)	1	1	N.A	0	0	0	0	Appointed from 4.02.2014& continuing till date.

**v) Government of India Nominee Director**

Name & Designation	Financial Year 2013-14 Attendance at			As on date				Remarks
	No. of Board Meetings held during his/her tenure	No. of Board Meetings Attended	Attendance in last AGM (20.09. 2013)	**No. of Directorship in other Companies and partnership in firms	*No. of Committee position held in other Public Limited Companies			
				Director	Partner	Chairman	Member	
Shri E.K Bharat Bhusan, DIN:01124966	0	0	N.A	7	0	0	0	Appointed from 2.8.2012 &



(Government of India Nominee Director)								ceased w.e.f 1.05.2013
<b>Shri Lokesh Chandra,</b> <b>DIN:06534076</b> (Government of India Nominee Director)	6	6	No	7	0	0	0	Appointed on 1.05.2013 & continuing till date.

**vi) Non -Executive Independent Directors**

Name & Designation	Financial Year 2013-14 Attendance at			As on date				Remarks
	No. of Board Meetings held during his/her tenure	No. of Board Meetings Attended	Attendance in last AGM (20.09. 2013)	**No. of Directorship in other companies and partnership in firms	*No. of Committee position held in other Public Limited Companies			
				Director	Partner	Chairman	Member	
Shri Harsh Mahajan, DIN:03043760 (Non -Executive Independent Director)	0	0	N.A	0	0	0	0	Appointed from 6.4.2010 & ceased w.e.f 6.04.2013
Shri Ashok Vij, DIN: 00494487 (Non -Executive Independent Director)	0	0	N.A	1	0	0	0	Appointed from 6.4.2010 & ceased w.e.f 6.04.2013
Smt. Uma Menon, DIN: 03043780 (Non -Executive Independent Director)	3	3	Yes	0	0	0	0	Appointed from 6.4.2010 & ceased w.e.f 6.04.2013  Again reappointed on 24.05.2013 & ceased w.e.f 20.10.13
Shri Abdul Kalam, DIN: 01869712 (Non -Executive Independent	1	1	N.A	0	0	0	0	Appointed from 18.12.2013 & continuing till date.

Director)								
<b>Shri Kumar Jitendra Singh, DIN: 00626836 (Non - Executive Independent Director)</b>	1	1	N.A	0	0	0	0	Appointed from 18.12.2013 & continuing till date.
<b>Shri Partha Sarathi Bhattacharyya, DIN: 00329479 (Non - Executive Independent Director)</b>	1	1	N.A	2	0	0	0	Appointed from 18.12.2013 & continuing till date.

**vii) Non-Executive Nominee Director**

Name & Designation	Financial Year 2013-14 Attendance at			As on date				Remarks
	No. of Board Meetings held during his/her tenure	No. of Board Meetings Attended	Attendance in last AGM (20.09. 2013)	**No. of Directorship in other Companies and partnership in firms		*No. of Committee position held in other Public Limited Companies		
				Director	Partner	Chairman	Member	
<b>Shri Tapasendra Chattopadhyay, DIN: 00041581 (Nominee Director of LICI)</b>	6	4	Yes	1	0	0	0	Appointed from 23.02.2009 & continuing till date

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

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

**Notes :**(i) Directors are not related to each other;

(ii) Directors do not have any pecuniary relationships or transactions with the Company;

(iii) The Directorships/Committee Memberships are based on the latest disclosure received from Directors;

(iv) None of the Director is a Member of more than 10 Committees or Chairman of more than 5 Committees, across all the Companies in which he is a Director.

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

<b>Name of the Director</b>	<b>Shri Lokesh Chandra</b>
<b>Date of Birth</b>	30.11.1970
<b>Date of Appointment</b>	01.05.2013
<b>Qualification</b>	M.Tech- I.I.T, Delhi, B.E. (Civil)- Allahabad University
<b>Experience</b>	Presently he is Joint Secretary of Ministry of Steel, Govt. of India since 4.03.2013. Before this he was Director of Ministry of Power, Govt. of India from Nov, 2007 – Nov, 2009, Private Secretary to Union Power Minister from 08.11.2009 – 31.07.2012 and Private Secretary to Union Home Minister from 01.08.2012 – 04.03.2013. He has more than 15 years of working experience in different departments of Govt of India.
<b>Directorship Details</b>	a) Rashtriya Ispat Nigam Ltd. b) KIOCL Limited c) MOIL Limited d) The Bisra Stone Lime Company Limited. e) Eastern Investments Limited f) Hindustan Steelworks Construction Limited g) MSTC Limited
<b>Membership of Committees</b>	NIL
<b>Number of Shares held in the Company</b>	NIL

#### e. Meetings of Board & attendance during the year

During the year 2013-2014, six (6) Board Meetings were held, the details of which are given below:

Sl. No.	Date of Board Meeting	Board Strength	Number of Directors Present
1	24.05.2013(1) at 10:30 A.M	5	5
2	24.05.2013(2) at 2:30 P.M	6	6
3	5.08.2013	5	5
4	11.10.2013	5	4
5	13.11.2013	4	3
6	14.02.2014	8	8

### 3. COMMITTEE

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

#### 3.1 AUDIT COMMITTEE OF BOARD

The Audit Committee assists the Board in discharging its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Committee's purpose is to oversee the accounting and financial reporting process of the Company, the audits of the Company's financial statements, the appointment, independence, performance and remuneration of the statutory auditors, the performance of internal auditors and the Company's risk management policies. The terms of reference of the committee are as spelt out in Listing Agreement, Companies Act, 2013 and DPE Guidelines on Corporate Governance.

##### a. Powers of Audit Committee

The Audit Committee has powers, which include the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.

3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

**b. Brief description of terms of reference**

The role of the Audit Committee shall include the following:

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

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

#### c. Review of information by Audit Committee

The Audit Committee shall mandatorily review the following information:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
- Requirement of a valid peer review certificate for statutory auditors.

#### d. Composition, Name of Members

The Audit Committee of OMDC consists of the following Directors:-

1. \* Smt Uma Menon, Independent Director
2. \*/\*\* Shri T. Chattopadhyay, Independent Director
3. \*/\*\* Shri Umesh Chandra, Non-Executive Director
4. \*\* Shri K.J Singh, Independent Director
5. \*\* Shri Abdul Kalam, Independent Director
6. \*\* Shri P.S Bhattacharyya, Independent Director

\* Indicates the members of Audit Committee Meeting held on 24.05.2013 & 4.08.2013.

\*\* Indicates the members of Audit Committee Meeting held on 14.02.2014

The Company Secretary acts as the Secretary to the Committee.

#### e. Meetings of Audit Committee & attendance during the year

During the year under review, 3(three) meetings of the Audit Committee were held. The details of which are as follows:

Sl. No.	Date	Strength of Audit Committee at Respective Meeting	Number of Members Present
1	24.05.2013	3	3
2	4.08.2013	3	3
3	14.02.2014	5	5

The audit committee meeting held only three times during the financial year 2013-14. The meeting of the third quarter could not be held due to insufficient quorum as Smt Uma Menon, Independent Director retired w.e.f. 20.10.2013. OMDC being a Government Company under the administrative control of Ministry of Steel, the Directors of the Company are nominated by the Government of India. The Company has pursued to the Government of India to induct requisite number of Independent Directors to comply with the provisions of clause 49(II)(B) of the Listing Agreement.

Accordingly Ministry of Steel as on 18.12.2013 appointed three Non Executive Independent Directors of the Company.

The Committee's composition meets with requirements of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. Members of the Audit Committee possess financial / accounting expertise / exposure.

### 3.2 SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

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

#### a. Brief description of terms of reference

The responsibilities of the committee are as follow:

- a. Redressal of investors' complaints
- b. Non-receipt of declared dividend, balance sheets of the company
- c. Carrying out any other function contained in the Listing agreement as and when amended from time to time.

#### b. Composition, Name of Members

The Shareholders/ Investors' Grievance Committee of OMDC consists of the following Directors:

1. \* Smt Uma Menon, Independent Director
2. \*/\*\* Shri T. Chattopadhyay, Independent Director
3. \*\* Shri Umesh Chandra , Non-Executive Director
4. \*\* Shri K.J Singh, Independent Director
5. \*\* Shri Abdul Kalam, Independent Director

\* Indicates the members of Shareholders/ Investors' Grievance Committee held on 24.05.2013 & 4.08.2013.

\*\* Indicates the members of Shareholders/ Investors' Grievance Committee held on 14.02.2014

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



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

During the year under review, 3 (three) meetings of the Shareholder / Investors' Grievance Committee were held. The details of which are as follows:

Sl. No.	Date	Strength of the Committee at Respective Meeting	Number of Directors Present
1	24.05.2013	2	2
2	4.08.2013	2	2
3	14.02.2014	4	4

**Stakeholders Relationship Committee:** The Board in its 29<sup>th</sup> Board Meeting held on 30<sup>th</sup> day of May, 2014 has constituted Stakeholders Relationship Committee with new Committee Members in accordance with the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The terms of reference of Shareholders' / Investors' Grievance Committee was conferred on the Stakeholders Relationship Committee and consequently, the Shareholders' / Investors' Grievance Committee was dissolved.

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

Particulars	Number of Cases	Number of Equity Shares
Transfer of shares	1	1000
Transmission of shares	1	1500
Issue of duplicate share certificates	NIL	NIL

**e. Details of Dematerialisation of Physical Shares and Rematerialisation of Shares during the period from 1st April, 2013 to 31<sup>st</sup> March, 2014**

<u>PARTICULARS</u>	<u>DEMAT</u>		<u>REMAT</u>	
	<u>NO.OF CASES</u>	<u>NO OF EQUITY SHARES</u>	<u>NO. OF CASES</u>	<u>NO OF EQUITY SHARES</u>
NSDL	6	5720	NIL	NIL
CDSL	3	2510	NIL	NIL
<b>TOTAL</b>	<b>9</b>	<b>8230</b>	NIL	NIL

**f. Details in respect of shareholders' complaints in SEBI Complaint Redressal System (SCORES):**

- Number of shareholders complaints received during the year -5
- Number of complaints redressed during the period -5
- Number of pending complaints as on 31.03.2014 - Nil

During the financial year ended 31<sup>st</sup> March, 2014, the Company and the RTA have attended investor grievances expeditiously except for the cases constraint by disputes or legal impediment.

**g. Compliance Officer :**

Mrs. S Das, Company Secretary  
Address : AG - 104, " Sourav Abasan" , 2<sup>nd</sup> Floor,  
Sector - II, Salt Lake City, Kolkata - 700 091  
Tel : (033) 4016-9200, Fax : (033) 4016-9267  
Email : [info.birdgroup@nic.in](mailto:info.birdgroup@nic.in)  
Website : [www.birdgroup.gov.in](http://www.birdgroup.gov.in)

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

**3.3 REMUNERATION COMMITTEE**

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

**a. Role of Remuneration Committee:**

The Remuneration Committee is to

1. decide annual bonus/variable pay pool and policy for its distribution across the executives and non unionized supervisors, within the prescribed limits.
2. discharge such other responsibilities as may be applicable and prescribed, in Companies Act, 1956, DPE Guidelines and Listing Agreement and other Government Guidelines.

**b. Composition, Name of Members**

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

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

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

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

**c. Meeting of Remuneration Committee & attendance during the year**

During the year no meeting of the Remuneration Committee was held.

**Nomination and Remuneration Committee:** To rationalize all employees' related issues, while adhering to the requirements of Section 178 of the Companies Act, 2013 / Clause 49 of the Listing Agreement, Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended from time to time, the Board in its 29<sup>th</sup> Board Meeting held on 30<sup>th</sup> day of May, 2014 has constituted "Nomination and Remuneration Committee" with new committee Members. The term of reference of the 'Remuneration Committee' was conferred on the "Nomination and Remuneration Committee"; consequently, the Remuneration Committee was dissolved.

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

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

**d. The details of remuneration paid to Functional Director during the financial year 2013-14 are as follows:**

Name of the Director	Pay & Benefits (₹ In Lacs)	Contribution to PF & Super Annuation Funds (₹ In Lacs)	Other Benefits (₹ In Lacs)	Total (₹ In Lacs)
Dr. Satish Chandra (upto 15.07.2013)	1.95	0.44	2.75	5.14

Shri P.K Sinha, General Manager of Central Coalfields Limited (CCL), a subsidiary company of Coal India Limited has joined the Company from 4<sup>th</sup> day of February, 2014 as Director (Production & Planning) of the Company. As per the rules of Department of Public Enterprises, Government of India (DPE), Shri P.K Sinha is entitled for protection of his last pay drawn at CCL. Payment is being made to him accordingly.

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

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

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

Name of the Non Executive Independent Directors/ Nominee Director	Sitting Fees (₹) Total
Shri Tapasendra Chattopadhyay	45000
Smt.Uma Menon	45000
Shri Ashok Vij	7500
Shri Abdul Kalam	7500
Shri K.J. Singh	7500
Shri P.S. Bhattacharyya	7500
<b>TOTAL</b>	1,20,000

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

### 3.4 CORPORATE SOCIAL RESPONSIBILITY (CSR) AND SUSTAINABLE DEVELOPMENT COMMITTEE (SD)

As per the DPE guidelines, a Board level Corporate Social Responsibility (CSR) Committee was constituted with Smt Uma Menon, Director as Chairperson of the Committee and Shri Harsh Mahajan, Director to review the performance of CSR activities based on the proposal forwarded by the internal CSR Committee as well as the proposal initiated by the sub-committee.

A Board -level Designated Committee on Sustainable Development (SD) was constituted with Smt Uma Menon, Shri Ashok Vij and Shri Harsh Mahajan to monitor its implementation, oversee the SD performance and approve changes if required while implementing the project under SD plan within the limit of budgeted expenditure in terms of the DPE guidelines and policy of the Company.

The Corporate Social Responsibility (CSR) Committee was constituted by the Board on 30<sup>th</sup> May, 2014 with new committee members considering requirements of the Companies Act, 2013 relating to the constitution of a Corporate Social Responsibility Committee. The Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating, monitoring and implementation of the framework of 'Corporate Social Responsibility Policy' of the company from time to time. The Committee's constitution and terms of reference meet with the requirements of the Companies Act, 2013.

#### 4. OTHER FUNCTIONAL COMMITTEES

Apart from the above, the Board constitutes, from time to time, functional committees with specific terms of reference as it may deem fit. Meetings of such committees are held as and when the need for discussing the matter concerning the purpose arises. Time schedule for holding the meetings of such committees are finalized in consultation with the committee members. The Company's internal guidelines for Board/Board Committee meetings facilitate the decision making process at its meetings in an informed and efficient manner.

#### 5. PROCEDURE AT COMMITTEE MEETINGS

The Company's guidelines relating to Board meetings are applicable to Committee meetings as far as may be practicable. Each Committee has the authority to engage outside experts, advisors and counsels to the extent it considers appropriate to assist in its work. Minutes of the proceedings of the Committee meetings are placed before the Board meetings for perusal and noting.

#### 6. POST MEETING FOLLOW-UP MECHANISM

The Guidelines for Board and Board Committee meetings facilitate an effective post meeting follow-up, review and reporting process for the decisions taken by the Board and Board Committees thereof. The important decisions taken at the Board/Board Committee meetings are communicated to the departments/divisions concerned promptly. Action taken report on the decisions/minutes of the previous meeting(s) is placed at the immediately succeeding meeting of the Board/Board Committee for noting by the Board/Board Committee.

#### 7. OBSERVANCE OF THE SECRETARIAL STANDARDS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA

The Institute of Company Secretaries of India (ICSI), one of the premier professional bodies in India. ICSI has issued Secretarial Standards on important aspects like Board Meetings, General Meetings, Payment of Dividend, Maintenance of Registers and Records, Minutes of Meetings and Transfer/ Transmission of shares. Though these standards are recommendatory in nature, the company adheres to the standard voluntarily.

#### 8. SHARE TRANSFER COMMITTEE

In order to render better services to the Shareholders, Board has constituted a Share Transfer Committee comprising of i) Managing Director, ii) General Manager (Commercial) iii) General Manager (Personnel), iv) CFO and v) Company Secretary to decide on Share related issues like- transfer, transmission , issue of duplicate share certificates etc.

Share transfers are generally registered within a maximum period of 15 days from the date of receipt provided the documents are complete in all respects. All share transfers and transmissions are first processed by the Transfer Agent and submitted to the "Share Transfer Committee" for approval thereafter.

The Company obtains a certificate from a Practicing Company Secretary on half yearly basis to the effect that all the share transfers are completed in the statutorily stipulated period. In compliance with clause 47 (c) of the Listing Agreements, a copy of the certificate so received is submitted to the stock exchanges, where the shares of the Company are listed.

The Company has appointed M/s CB Management Services (P) Limited as a common agency for share registry work (both physical & electronic) in compliance of circular No. D&CC/FITTC/CIR15/2002 dated 27<sup>th</sup> December, 2002 issued by SEBI, for all matters connected with transfers and transmissions of shares and also dematerialization of shares and other related functions.

**a) During the year two (2) meetings of Committee were held. The details of attendance of the Members are indicated below:**

Sl.No.	Meeting Date	Strength of STC	No. of Members present
1	09.07.2013	5	5
2	6.08.2013	5	4

**b) Attendance of each Member at the Share Transfer Committee meetings**

Sl.No.	Name of the Member	No. of meetings held	No. of meetings attended
1	Dr. Satish Chandra, Managing Director	2	1
2	Shri B. Dutta, General Manager (Commercial)	2	2
3	Shri S. Chakraborty, General Manager (Personnel)	2	2
4	Shri T.K Saha, CFO	2	2
5	Smt. S.Das, Company Secretary	2	2

## 9. NON OFFICIAL INDEPENDENT DIRECTORS COMMITTEE MEETING

As per Circular No. 16(4)/2012- GM dated 28<sup>th</sup> December, 2012 issued by the Ministry of Heavy Industries and Public Enterprises, Department of Public Enterprises regarding the Role & Responsibilities of non-official Directors on the Boards of Central Public Sector Enterprises (CPSEs) a separate Meeting of Non-Official Directors of the company is required to be held at

least once in a year, without the attendance of Functional and Government directors and members of management. Accordingly, One (1) meeting of Committee was held on 04.04.2013 with the following Committee Members:

- i) Shri Ashok Vij
- ii) Smt Uma Menon
- iii) Shri Harsh Mahajan
- iv) Shri Tapasendra Chattopadhyay

**a) The details of attendance of the Members are indicated below**

S.No.	Meeting Date	Strength of STC	No. of Members present
1.	04.04.2013	4	3

**b) Attendance of each Member at the Non official Independent Directors Committee Meeting**

Sl.No.	Name of the Member	No. of meetings held	No. of meetings attended
1.	Shri Ashok Vij	1	1
2.	Smt Uma Menon	1	1
3.	Shri Harsh Mahajan	1	0
4.	Shri .T. Chattopadhyay	1	1

**10. GENERAL BODY MEETINGS**

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



Year	Venue	Date	Time
2010-11	“PURBASHREE AUDITORIUM” Eastern Zonal Cultural Centre, Bhartiyam Cultural Multiplex, IB - 201, Sector - III, Salt Lake City, Kolkata – 700106	16-09-2011	11.00 A.M
2011-12	“PURBASHREE AUDITORIUM” Eastern Zonal Cultural Centre, Bhartiyam Cultural Multiplex, IB-201, Sector III, Salt Lake City, Kolkata-700106	19-09-2012	11.00 A.M.
2012-13	“PURBASHREE AUDITORIUM” Eastern Zonal Cultural Centre, Bhartiyam Cultural Multiplex, IB-201, Sector III, Salt Lake City, Kolkata-700106	20-09-2013	11:00 A.M.

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

Date of Annual General Meeting	Number of Special Resolution Passed	Details of Special Resolution
16-09-2011	Nil	Nil
19-09-2012	1	Alteration of division of capital clause (Clause 4) of the articles of association of the company for giving effect to sub-division of the existing equity shares of face value of ₹ 10/- each into 10 equity shares having face value of ₹1/- (Rupees One) per equity
20-09-2013	Nil	Nil

**iii. Details of Extra Ordinary General Meeting held during the last three years: NIL**

No Extra Ordinary General Meeting was held during the year.

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

In the Year	Date of Passing of the Resolution by Postal Ballot	Number of Ordinary Resolution Passed	Details of Ordinary Resolution
2010-11	30-04-2010	1 (One)	Appointment and fixation of remuneration and other terms and condition of the appointment of Dr. Satish Chandra, the Chairman cum Managing Director of the Company.
2011-2012	Nil	Nil	Nil
2012-2013	Nil	Nil	Nil

**11. DISCLOSURES :**

- The Company has not entered into any materially significant related party transactions that may have potential conflict with the interests of the Company at large. Nonetheless, transactions with related parties have been disclosed in Note No. 27 to the Accounts in the Annual Report.
- There was no case of non-compliance of provisions of Companies Act, 1956 or Rules & Regulations of Stock Exchanges or SEBI or any Statutory Authority. These Authorities have also not passed any strictures or imposed penalty on the Company, on any matter related to Capital Markets, during the last three years.
- In respect of Whistle Blower Policy, no personnel of the Company have been denied access to the Audit Committee.
- The Company has complied with the requirement of Clause 49 of the Listing Agreement and DPE Guidelines on Corporate Governance.
- The Company has formulated and implemented Code of Conduct for all Board Members and Senior Management of the Company in compliance with Clause 49 of the Listing Agreement. The same has also been posted at the Company's website at [www.birdgroup.gov.in](http://www.birdgroup.gov.in). All Board Members and Senior Management personnel affirm compliance with the code on annual basis. A declaration to this effect for the relevant year duly signed by Managing Director of the Company is annexed with this report.
- The certification under Clause 49(V) of the Listing Agreement by CEO and CFO to the Board is appended to this report.
- The Company has also laid down the Enterprise Risk Management Policy and Procedures thereof for periodically informing Board Members about the risk assessment and minimizing procedures.

h. In preparation of the Financial Statements, the Company has followed the accounting standards issued by the Institute of Chartered Accountants of India. The significant accounting policies have been set out in the notes to accounts.

i. None of the Directors inter-se related to other Directors of the Company.

j. The details of the Presidential Directives received by the Company and the compliance thereof have been provided in the Directors' Report.

#### **Compliance with non-mandatory requirement:**

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

##### **❖ The Board:**

The Chairman is Ex-Officio Non-Executive Chairman. Managing Director of the Company is in whole time employment (upto 15.07.2013) and onwards an Ex-officio Non-Executive Director is holding the additional charge of Managing Director of the Company. Independent Directors are appointed by Ministry of Steel, Govt. of India for a tenure not exceeding three years.

##### **❖ Remuneration Committee**

The Company has constituted 'Nomination and Remuneration Committee' as per the requirements of Clause 49 of the Listing Agreement and the Companies Act, 2013.

##### **❖ Shareholders' Rights:**

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

##### **❖ Audit Qualification:**

The Company always aims to present unqualified financial statements.

##### **❖ Training of Board Members:**

The newly appointed Director of the Company are familiarized with the various aspects of the Company like Vision & Mission Statement, core activities, board procedures, strategic directions, etc. by way of a detailed presentation. Information material like Code of Conduct , Insider Trading Code, Performance Highlights etc. are provided to supplement the above presentation. Periodic presentations are made at the Board and Committee Meeting to update them all business- related issues and new initiatives undertaken. The Directors are also nominated for training programs/seminars conducted by SCOPE and other government authorities.

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

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

❖ **Whistle Blower Policy:**

The Company has framed a Whistle Blower Policy wherein the employees are free to report any improper activity resulting in violation of laws, rules, regulations or code of conduct by any of the employees, to the Competent Authority or Chairman of the Audit Committee, as the case may be. The confidentiality of those reporting violations shall be maintained. No person has been denied access to the Audit Committee.

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

❖ **Employee Stock Options:**

The Company has not granted any Options during the financial year 2013-14.

## 12. HOLDING/ SUBSIDIARY COMPANY

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

OMDC does not have any subsidiary company.

## 13. MEANS OF COMMUNICATION

- i) **Quarterly Results:** The Company publishes the quarterly unaudited/audited financial results in leading National English Newspaper i.e. "Business Standard" in English on an all India basis and "Dainik Statesman" in Bengali (vernacular) language from Kolkata.
- ii) **News Releases, Presentation, etc.:** Company communicates major achievements and important events taking place in the Company through Press, Electronic Media and also on its Website.
- iii) **Annual Report:** Annual Report containing, inter alia, Audited Annual Accounts, Directors' Report, Auditors' Report and other important information is circulated to members and other entitled thereto. The Management's Discussion and Analysis Report forms part of the Annual report and is displayed on the Company's website [www.birdgroup.gov.in](http://www.birdgroup.gov.in).

- iv) **Chairman's Communique:** Printed copy of the Chairman Speech is distributed to all the shareholders at the Annual General Meetings. The same is also placed on the website of the Company.
- v) **Reminder to Investors:** Reminders for unclaimed dividend are sent to the shareholders as per records every year.
- vi) **NSE Electronic Application Processing System (NEAPS):** The NEAPS is a web based application designed by NSE for Corporates. The Shareholding Pattern and Corporate Governance Report are also filed electronically on NEAPS.
- vii) **SEBI Complaints Redress System (SCORES):** The investor complaints are processed in a centralized web based complaints redress system. The salient features of this system are : Centralised database of all complaints, online upload of Action Taken Reports (ATRS) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.
- viii) **Green Initiative in the Corporate Governance:**

As part of the green initiative process, the company has taken an initiative of sending documents like notice calling annual general meeting, Corporate Governance Report, Directors Report, audited Financial statements, auditors report, dividend intimations etc., by email. Physical copies are sent only to those shareholders whose email addresses are not registered with the company. Shareholders are requested to register their email id with Registrar and transfer agent / concerned depository to enable the company to send the documents in electronic form or inform the company in case they wish to receive the above documents in paper mode.

#### 14. CODE OF INSIDER TRADING

In pursuance of the SEBI (Prohibition of Insider Trading) Regulations, 1992, the Board has laid down "Code of Conduct for Prevention of Insider Trading" with objective of Preventing purchase and or sale of shares of the company by an insider on the basis of unpublished price sensitive information.

#### 15. GENERAL SHAREHOLDER INFORMATION

##### i) AGM Date, Time and Venue:

Date	Time	Venue
24 <sup>th</sup> September, 2014	11.00 A.M	"PURBASHREE AUDITORIUM" Eastern Zonal Cultural Centre, Bhartiyam Cultural Multiplex, IB-201, Sector- III, Salt Lake, Kolkata-700 106

**ii) Financial Calendar for 2014-15 (Tentative)**

Sl. No.	Approval / Adoption of	On or before
1 <sup>st</sup> quarter results	(Unaudited)	on or before 14.08.2014
2 <sup>nd</sup> quarter results	(Unaudited)	on or before 14.11.2014
3 <sup>rd</sup> quarter results	(Unaudited)	on or before 14.02.2015
4 <sup>th</sup> quarter results	(Audited)	on or before 30.05.2015
Next Annual General Meeting within September		30 <sup>th</sup> September, 2015

**iii) Date of Book Closure**

: From 16<sup>th</sup> September to 24<sup>th</sup> September, 2014 (both days inclusive)

**iv) Dividend Payment Date**

: Within 30 days from the date of declaration of dividend

**v) Last date of submission of ECS mandate/ bank particulars**

: On or before 15<sup>th</sup> September, 2014 to  
CB Management Services (P) Ltd.  
P-22, Bondel Road  
Kolkata - 700019

**vi) Listing on Stock Exchanges**

:

OMDC shares are listed on National Stock Exchange, Calcutta Stock Exchange and got trading permission under permitted category at Bombay Stock Exchange. Listing fees for the year 2014-15 has been paid to the Stock Exchanges.

**vii) Stock Code**

:

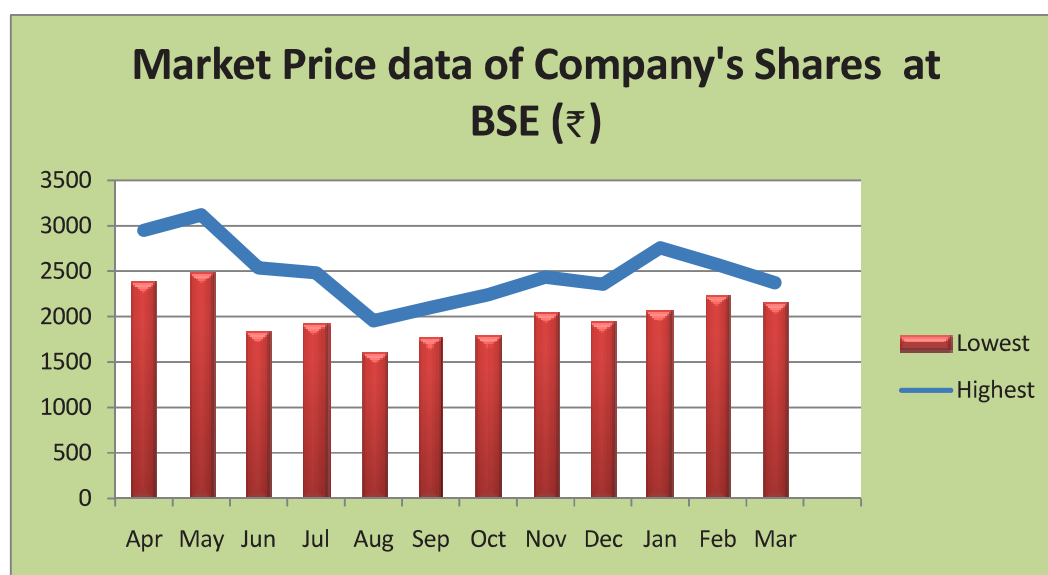
Sl. No.	Name of the Stock Exchange where Company's Equity Shares are Listed	Scrip Code / Company Code
1	National Stock Exchange, Mumbai	ORISSAMINE
2	Calcutta Stock Exchange, Kolkata	25058
3	Bombay Stock Exchange, Mumbai	590086

**viii) Market price data:** The monthly high & low price of the shares of OMDC for the period from April, 2013 to March, 2014.

**Note:** Fully paid up equity shares of F.V. ₹1/- each against every 1 fully paid up equity shares of F.V. ₹ 10/- were allotted to shareholders on 31.10.2012 under new ISIN INE725E01024 of the company. The existing equity shares of face value of ₹10/- each bearing distinctive nos.000001 to 600000 stand cancelled w.e.f 31<sup>st</sup> October, 2012.

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

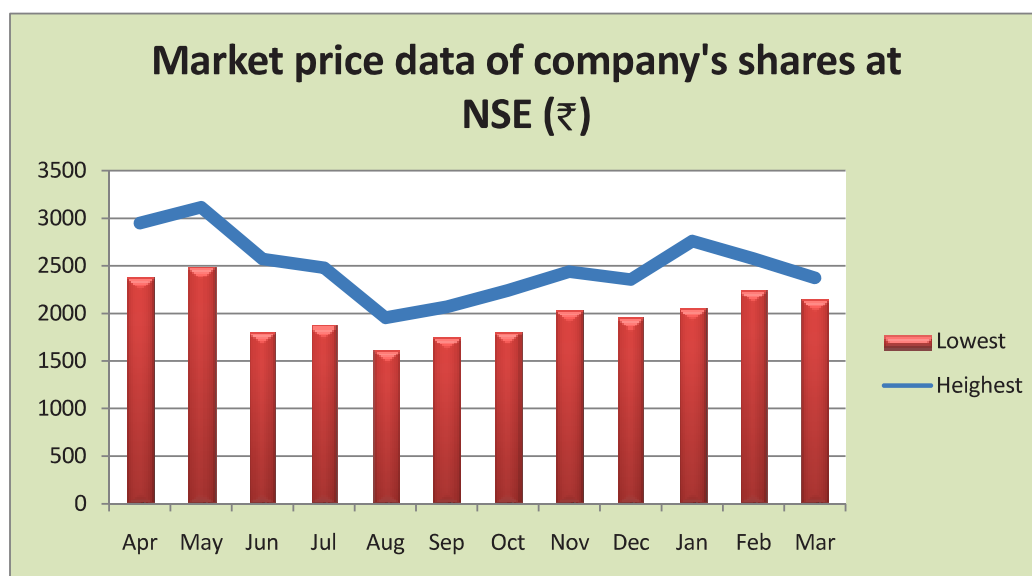
Year	Month	Highest (₹)	Lowest (₹)
2013	April	2950.00	2370.00
2013	May	3120.00	2480.00
2013	June	2538.00	1820.00
2013	July	2481.50	1905.00
2013	August	1954.00	1615.00
2013	September	2100.00	1765.05
2013	October	2241.00	1792.10
2013	November	2435.00	2030.00
2013	December	2356.80	1929.75
2014	January	2760.00	2061.00
2014	February	2570.00	2240.00
2014	March	2374.00	2145.00





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

Year	Month	Highest (₹)	Lowest (₹)
2013	April	2948.00	2365.00
2013	May	3115.00	2475.00
2013	June	2570.00	1814.00
2013	July	2479.00	1870.05
2013	August	1953.70	1611.25
2013	September	2068.80	1750.05
2013	October	2240.00	1801.00
2013	November	2440.00	2026.00
2013	December	2355.00	1940.25
2014	January	2759.90	2050.00
2014	February	2573.00	2240.00
2014	March	2373.95	2135.00



**ix) Performance in comparison to broad-based indices on BSE and NSE for 2013-14**

Month	NSE		BSE	
	S&P CNX NIFTY	OMDC	SENSEX	OMDC
	(₹)	(₹)	(₹)	(₹)
April, 2013	5930.20	2948.00	19622.68	2950.00
May, 2013	6187.30	3115.00	20443.62	3120.00
June, 2013	5939.30	2570.00	19860.19	2538.00
July, 2013	6077.80	2479.00	20351.06	2481.50
August, 2013	5742.30	1953.70	19569.20	1954.00
September, 2013	6115.55	2068.80	20739.69	2100.00
October, 2013	6299.15	2240.00	21205.44	2241.00
November, 2013	6317.35	2440.00	21321.53	2435.00
December, 2013	6363.90	2355.00	21483.74	2356.80
January, 2014	6345.65	2759.90	21409.66	2760.00
February, 2014	6276.95	2573.00	21140.51	2570.00
March, 2014	6704.20	2373.95	22467.21	2374.00

**x) Liquidity**

The Company's Equity Shares are among the most liquid and actively traded shares on the Indian Stock Exchanges. OMDC shares are one of the frequently traded shares, both in terms of the number of shares traded, as well as value. The highest trading activity is witnessed on the NSE and BSE.

**xi) Registrar and Share Transfer Agent (RTA)**

CB Management Services (P) Ltd  
P-22, Bondel Road,  
Kolkata – 700019.  
Ph : (033) 4011-6700  
Fax : (033) 4011-6739  
e-mail : [rta@cbmsl.com](mailto:rta@cbmsl.com)

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

Name	ISIN CODE
Central Depository Services (India) Limited (CDSL)	INE 725E01024
National Securities Depository Limited (NSDL)	INE 725E01024

**xiii) Corporate Identity Number**

Corporate Identity Number(CIN) of the Company, allotted by the Ministry of Corporate Affairs, Government of India is L51430WB1918GOI003026.

**xiv) Payment of Depository Fees**

Annual Custody/ Issuer fee for the year 2014-15 has been paid by the Company to NSDL and CDSL.

**xv) No. of Shares held in dematerialized and physical mode as on 31st March, 2014**

Particulars	Shares	% of Shareholder	Number of Shareholders	% to Share Capital
Held in dematerialized form in NSDL	4310614	71.84	9721	60.82
Held in dematerialized form in CDSL	1350506	22.51	6099	38.16
Physical	338880	5.65	163	1.02
<b>TOTAL</b>	<b>6000000</b>	<b>100.00</b>	<b>15983</b>	<b>100.00</b>

**xvi) Top Ten Shareholders of the Company as on 31st March, 2014.**

<b>Sl. No.</b>	<b>Name of the Shareholder</b>	<b>Number of Shares held</b>	<b>% of Shareholding</b>
1.	Eastern Investments Limited	3000890	50.01
2.	Life Insurance Corporation of India	925000	15.42
3.	Mahendra Girdharilal	90625	1.51
4.	3A Capital Services Limited	77000	1.28
5.	Aspi H Tangree	75000	1.25
6.	All Bank Finance Limited	66000	1.10
7.	Misrilall Jain	49500	0.83
8.	Darius R Madon	39000	0.65
9.	The Property Company Private Limited	63609	1.06
10.	Hitesh SatishChandra Doshi	33430	0.56
	<b>TOTAL</b>	<b>4420054</b>	<b>73.67</b>

**xvii) Categories of Shareholders with Shareholding Pattern as on 31-03-2014**

<b>Shareholders</b>	<b>Number of Shares</b>	<b>Percentage (%)</b>
1. Government (Central and State )	0	0.00
2. Government Companies (Eastern Investments Limited)	3000890	50.01
3. Public Financial Companies(LICI)	925000	15.42
4. Nationalized and other Banks	22733	0.38
5. Mutual Funds	58	0.00
6. Venture capital	0	0.00
7. Foreign holdings	104833	1.75
[Foreign Institutional Investor(s) Foreign Companie(s).		

Foreign Financial Institution(s) Non Resident Indians, Overseas corporate bodies or others.]		
8. Body corporate(not mentioned above)	434802	7.25
9. Directors or relatives of directors	0	0.00
10. Other top fifty (50) shareholders (other than listed above)	562285	9.37
11. Indian Public	931190	15.52
12. Others		
a) Clearing Members	18209	0.30
b) Custodian of Enemy Property for India	0	0.00
<b>TOTAL</b>	<b>6000000</b>	<b>100.00</b>

**xviii) Distribution of shareholding by size as on 31.03.2014**

Category	Number of Shareholders		Number of Shares	
	Total	% of Shareholder	Total	% to Share Capital
1-500	15462	96.74	536885	8.95
501-1000	256	1.60	213295	3.55
1001-2000	127	0.79	188197	3.14
2001-3000	53	0.33	146296	2.44
3001 – 4000	14	0.09	50375	0.84
4001- 5000	20	0.13	91743	1.53
5001-10000	31	0.19	215811	3.60
10001-50000	14	0.09	322883	5.38
50001-100000	4	0.03	308625	5.14
100001 And Above	2	0.01	3925890	65.43
<b>Total</b>	<b>15983</b>	<b>100.00</b>	<b>6000000</b>	<b>100.00</b>

**xix) Geographical Analysis Report as on 31<sup>st</sup> March, 2014**

State	Number of Shareholders	% of Shareholder	Number of Shares	% of Shares
AHMEDABAD	2167	13.56	205276	3.42
BANGALORE	367	2.30	14392	0.24
CHENNAI	311	1.95	12028	0.20
HYDERABAD	246	1.54	10099	0.17
KOLKATA	1225	7.66	3524409	58.74
MUMBAI	5063	31.68	1815968	30.27
NEW DELHI	483	3.02	65429	1.09
PUNE	373	2.33	94643	1.58
SURAT	304	1.90	10211	0.17
OTHERS	5444	34.06	247545	4.12
<b>TOTAL</b>	<b>15983</b>	<b>100.00</b>	<b>6000000</b>	<b>100.00</b>

**xx) Dividend History (Five years)**

Financial Year Ended	Dividend Per Share (₹)	Total Dividend (₹ In Crores)
31.03.2010	186.00	11.16
31.03.2011	19.30	1.16
31.03.2012	8.61	0.52
31.03.2013	3.22 (of Rs. 1 each)	1.93
31.03.2014	1.04 (of Rs. 1 each)	0.624

Note : Total dividend is exclusive of dividend tax.

**xxi) Unclaimed Dividend**

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

Financial Year	Date of Payment of Dividend	Total Dividend (₹In Crores)	Unclaimed Dividend as on 31.03.2014 (₹)	Due Date for Transfer of Unclaimed Dividend Amount to IEPF*
2006-07	09.10.2007	26.02	<b>51,54,918.00</b>	08.10.2014
2007-08	10.10.2008	22.32	<b>47,12,496.00</b>	09.10.2015
2008-09	16.10.2009	27.30	<b>45,94,135.00</b>	15.10.2016
2009-10	12.10.2010	11.16	<b>22,22,514.00</b>	11.10.2017
2010-11	10.10.2011	1.16	<b>2,37,004.00</b>	09.10.2018
2011-12	05.10.2012	0.51	<b>1,33,170.87</b>	04.10.2019
2012-13	07.10.2013	1.93	<b>5,13,702.70</b>	06.10.2020

\* Investor Education and Protection Fund (IEPF)

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

During the year under review, an amount of ₹26,08,125 (Rupees Twenty Six Lacs Eight Thousand One Hundred Twenty Five only) pertaining to unpaid dividend for the financial year 2005-06 were transferred to Investor Education and Protection Fund (IEPF) of the Central Government.

As per provision of the Section 205A read with Section 205C of the Companies Act, 1956 the Company is required to transfer unpaid dividends remaining unclaimed and unpaid for the



period of 7 years from the due date(s) to the Investor Education and Protection Fund (IEPF) set up by the Central Government.

Unclaimed final dividend for the year 2006-07 is due for transfer to Investors' Education and Protection Fund (IEPF) established by Government of India on or after 8<sup>th</sup> October, 2014. All shareholders, whose dividend is unpaid, are requested to lodge their claim with CB Management Services (P) Limited, the Registrar and Share Transfer Agent of the Company by submitting an application latest by 15<sup>th</sup> September, 2014. Kindly note that no claims will lie against the Company or the IEPF once the dividend amount is deposited in IEPF.

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

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 20<sup>th</sup> September, 2013 (date of last Annual General Meeting) on the website of the Company ([www.birdgroup.gov.in](http://www.birdgroup.gov.in)).

#### **xxiii) Reconciliation of Share Capital Audit**

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

#### **xiv) Mines Locations**

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

At/P.O. Thakurani, Via Barbil,  
District : Keonjhar, (Odisha)  
Pin : 758035

**Other Offices at:**

New Delhi:

Core-IV, II Floor, Scope Minar,  
Laxmi Nagar District Centre,  
New Delhi-110092

Bhubaneswar:

Plot No-2132/5131/5161  
Jayadev Nagar  
Nageswar Tangi  
Bhubaneswar- 751002

**xxv) Address for Correspondence:**

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

CB Management Services (P) Ltd  
P – 22, Bondel Road,  
Kolkata – 700019.  
Phone: (033) 4011-6700  
Fax : (033) 2287-0263  
E mail : [rta@cbmsl.com](mailto:rta@cbmsl.com)

OR

Company Secretary  
The Orissa Minerals Development Company Limited  
AG-104, “Sourav Abasan”, 2nd Floor  
Sector-II, Salt Lake City,  
Kolkata-700091  
Tel : (033) 4016-9200  
Fax : (033) 4016-9267,  
E-mail : [info.birdgroup@nic.in](mailto:info.birdgroup@nic.in),  
Website : [www.birdgroup.gov.in](http://www.birdgroup.gov.in)

**xxvi) Cautionary Statement:**

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

**xxvii) Auditor’s Certificate on Corporate Governance:**

The Company has obtained a Certificate from CS Mohan Ram Goenka, Practicing Company Secretary, Partner of M/s M.R & Associates regarding compliance of Corporate Governance as stipulated in Clause 49 of the Listing agreement and the same is enclosed herewith.

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

**DECLARATION AS REQUIRED UNDER CLAUSE 49 1(D) OF THE  
LISTING AGREEMENT WITH THE STOCK EXCHANGE**

In compliance with Clause 49 1(D) of the Listing Agreement, all Members of the Board and Senior Management of the Company have affirmed compliance with the Code of Conduct for the year ended 31<sup>st</sup> March, 2014.



Umesh Chandra

Managing Director

Place: Kolkata

Date: 14.5.14


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

We, Shri Umesh Chandra, Chief Executive Officer (CEO) and Managing Director (MD) and Shri Tapan Kumar Saha, Chief Financial Officer (CFO) of The Orissa Minerals Development Company Limited (OMDC), to the best of our knowledge and belief certify that:

- a) We have reviewed the financial statements and cash flow statement for the year ended 31<sup>st</sup> March 2014 and that to the best of our knowledge and belief:
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) these statements together present a true and a fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b) There were, to the best of our knowledge and belief, no transactions entered into by the company during the year 2013-2014 which was fraudulent, illegal, and violative of the Company's code of conduct.
- c) We accept responsibilities for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Company's Auditors and the Audit Committee:
  - i) significant changes if any, in internal control over financial reporting during the year;
  - ii) significant changes if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii) As regards to the transactions of the company during the year 2013-2014 is concerned it is to declare that we are not aware of any significant fraud and involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.



(T.K.Saha )  
Chief Financial Officer (CFO)



(UMESH CHANDRA)  
Chief Executive Officer (CEO) & Managing Director

Place: Kolkata

Date: 30<sup>th</sup> May, 2014

*MR & Associates*  
Company Secretaries  
46 B B Ganguly Street, 406, Kolkata 700 012  
E : [goenkamohan@hotmail.com](mailto:goenkamohan@hotmail.com)  
Cell : 9831074332

### **Certificate**

To the Member of


**M/s. The Orissa Minerals Development Company Limited**

Re: Certificate regarding compliance of conditions of Corporate Governance

1. We have examined the compliance of conditions of Corporate Governance by The Orissa Minerals Development Company Limited, for the year ended 31.03.2014, as stipulated in clause 49 of the Listing Agreement of the said company with Stock Exchange (s).
2. The Compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our Examination has been limited to procedure and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.
3. In our opinion and to the best of our information and according to the explanation given to us and based on the representation made by the directors and the management, we certify that the company has complied with the conditions of the Corporate Governance *except clause I and II* of as stipulated in the above mentioned Listing Agreement.
4. We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company

Place: Kolkata  
Date: 14.07.2014

For MR & Associates  
Company Secretaries



(Mohan Ram Goenka)  
Partner  
C P No.: 2551



**INDEPENDENT AUDITOR'S REPORT**

To  
The Members of  
The Orissa Minerals Development Company Limited

**A. Report on the Financial Statements**

We have audited the accompanying financial statement of The Orissa Minerals Development Company Limited, which comprise the Balance Sheet as at 31<sup>st</sup> March, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**B. Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial Statements that are free from material misstatement, whether due to fraud or error.

**C. Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standard on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**D. Opinion**

In our opinion and to the best of information and according to the explanations given to us, the financial statement 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:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date;
- (c) In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

**E. Emphasis of matter**

- 1) Attention is drawn to the Note 32 to the Financial Statements regarding non-availability of confirmation of balances from Trade Payables/Trade Receivables/Loans & Advances and the adjustment, if any, which may arise on receipt of confirmations is presently not quantifiable and accordingly their consequential impact on the year's profit and year-end Assets & Liabilities is not ascertainable.
- 2) We also draw attention to Note 36 to the financial statements which states about preparation of the accounts on a going concern basis inspite of the fact that mining operations of the Company have been stopped for more than three years due to non-receipt of environment/forest/other clearances from the Government of Odisha as well as Central Government and the management is regularly following up with the Governments for opening and resumption of mining operations.

Our opinion is not qualified in respect of the above matters.

**F. Report on Other Legal and Regulatory Requirements**

- 1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2. As required by Section 227(3) of the Act, we report that:
  - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - 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,



- c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d. In our opinion, the Balance Sheet , Statement of Profit and Loss and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
- e. The provision of clause (g) of sub-section (1) of Section 274 of the Act is not applicable to the Company, vide notification GSR – 829 (Z) dated 21.10.2003 issued by the Department of Company Affairs, Govt. of India, New Delhi.
- f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under Section 441A of the Act nor has it issued any Rules under the said Section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

**For L.B.JHA & Co.**  
Chartered Accountants  
Firm Registration Number: 301088E

  
(A.R. Gandhi)  
Partner  
Membership No 16350

Place: Kolkata  
Date: 30.05.2014

## ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Paragraph F.1 of our report of even date)

1.
  - [a] The Company has maintained proper records to show full particulars including quantitative details and situation of the fixed assets.
  - [b] The Fixed Assets have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its fixed assets. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
  - [c] In our opinion, and according to the information and explanations given to us, the Company has not disposed off a substantial part of its fixed assets during the year.
2.
  - [a] As explained to us, stock of stores have been physically verified during the year by the management. Stock of Finished Goods and Raw Materials has been physically verified by an outside agency on behalf of the Company. In our opinion, the frequency of verification is reasonable.
  - [b] In our opinion, the procedures of physical verification of inventory followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - [c] In our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
3. The Company has not granted/taken any loans secured unsecured to/from companies, firm or other parties covered in the register maintained under Section 301 of the act.
4. In our opinion and according to the information and explanations given to us and based on our review, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of services. There was no sale of goods made during the year. Further, on the basis of our examination on the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have we been informed of any instances of major weaknesses in the aforesaid internal control procedure and continuing failure on the part of the management to take corrective course of action in this regard.
5. In our opinion and according to the information and explanations given to us, during the year there were no transactions that were need to be entered into the register in pursuance of Section 301 of Act.
6. The Company has not accepted any deposits under the provisions of Sections 58A and 58AA of the Act and the rules framed there under.
7. In our opinion, and based on our review, the Company has an internal audit system which need to be strengthened to make it commensurate with the size and nature of its business.

8. We have made an overall review of the books of account maintained by the Company, pursuant to the rules made by the Central Government of India, for the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act and are of the opinion that *prima facie*, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate and complete.

9. [a] According to the information and explanations given to us and records of the Company examined by us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues as applicable to it.

There are no arrears of outstanding statutory dues other than share of shortfall of distributable interest on Provident Fund as at the last day of the financial year for a period of more than 6 months from the date they became payable:

Name of Statute	Nature of due	Amount (₹ in lacs)	Period to which it relate	Due date of payment
P.F. Act.	Share of shortfall of distributable interest	3.00 (Estd.)	2012-13	*

\*P.F A/cs. yet to be audited after which the dues would be deposited to the P.F Fund.

- [b] According to the information and explanations given to us records of the Company examined by us, no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty, excise duty and cess as at March 31, 2014 which have not been deposited on account of disputed except as follows:-

Name of Statute	Nature of dues	Period to which it pertains	Forum where dispute is pending	Amount (₹. in Lac)
Sales Tax Act	CST	2003-2004	Tribunal	4.44
Orissa Entry Tax Act	Entry Tax	2005-2008	Additional Commissioner (Appeal)	30.11
Sales Tax Act	O-VAT	2005-06	High Court of Orissa	21.34
Sales Tax Act	O-VAT	2006-07	Commissioner (Appeal)	224.26

10. The Company does not have any accumulated losses. The Company has neither incurred cash losses during the financial year covered by our audit nor in the immediately preceding financial year.
11. According to the records of the Company as examined by us and the information and explanations given to us, the Company has not accepted any deposits/loans from any financial institutions/banks nor it has issued any debentures.



12. Based on our examination of documents and records and according to the information and explanations given by the management, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, and according to explanations received from the management, the provisions of any special statutes relating to a chit fund or a nidhi/mutual benefit fund/ societies are not applicable to the Company.
14. In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments.
15. In our opinion and according to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions during the year.
16. In our opinion, and according to the information given to us, the Company has not availed any Term loans.
17. On the basis of an overall examination of the balance sheet of the Company, in our opinion, and according to the information and explanations given to us, there are no funds raised on a short-term basis, which have been used for long-term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
19. In our opinion and according to the information and explanations given to us, the Company has not issued any debentures during the year nor has any debentures outstanding as at 31<sup>st</sup> March, 2014.
20. The Company has not raised any money by way of any public issue during the year.
21. 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 according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

Place: Kolkata  
Date: 30.05.2014

**For L.B.JHA & Co.**  
Chartered Accountants  
Firm Registration Number: 301088E

  
(A.K. Gandhi)

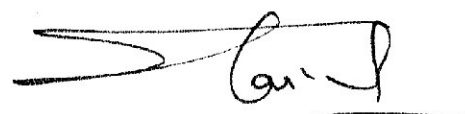
Partner  
Membership No 16350

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA  
UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS  
OF THE ORISSA MINERALS DEVELOPMENT COMPANY LIMITED FOR THE  
YEAR ENDED 31 MARCH 2014.**

The preparation of financial statements of The Orissa Minerals Development Company Limited for the year ended 31 March 2014 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the Standards on Auditing prescribed by their professional body the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 30.05.2014.

I, on the behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under Section 619(3) (b) of the Companies Act, 1956 of the financial statements of The Orissa Minerals Development Company Limited for the year ended 31 March 2014. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' Report under Section 619(4) of the Companies Act, 1956.

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



**(Sushil Kumar Jaiswal)  
Principal Director of Commercial Audit  
Ranchi**

**Place: Ranchi  
Date: 4 August 2014**

**BALANCE SHEET AS AT 31st MARCH 2014**

(₹ In Lacs)

	Note No.	As at 31st March 2014	As at 31st March 2013
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. SHAREHOLDERS' FUNDS</b>			
(a) Share Capital	01	60.00	60.00
(b) Reserves and Surplus	02	81790.08	81236.79
<b>2. NON CURRENT LIABILITES</b>			
(a) Deferred Tax Liabilities ( Net )	03	886.97	769.64
(b) Other Long Term Liabilites	04	1743.93	958.84
(c) Long Term Provisions	05	574.03	568.75
<b>3. CURRENT LIABILITES</b>			
(a) Trade Payables	06	184.03	151.05
(b) Other Current Liabilities	07	5659.78	5492.88
(c) Short Term Provisions	08	2368.68	2099.97
<b>Total</b>		<b>93267.50</b>	<b>91337.92</b>
<b>II. ASSETS</b>			
<b>1. NON CURRENT ASSETS</b>			
(a) Fixed Assets			
(i) Tangible assets	09	3128.72	3276.84
(ii) Intangible assets	09	5252.67	5699.44
(iii) Capital work-in-progress	10.	129.41	139.99
(b) Non Current Investments	11	387.73	387.73
(c) Long term Loans and Advances	12	571.20	4594.70
<b>2. CURRENT ASSETS</b>			
(a) Inventories	13	2714.32	2708.99
(b) Trade Receivables	14	39.39	43.73
(c) Cash and Bank Balances	15	74023.76	67816.41
(d) Short Term Loans and Advances	16	4520.75	3948.28
(e) Other Current Assets	17	2499.55	2721.81
<b>Total</b>		<b>93,267.50</b>	<b>91,337.92</b>
Significant Accounting Policies	38		

Notes referred to above and Notes 26 to 37 form an integral part of the Financial Statements.

In terms of our report of even date

**For L.B Jha & Co.**

Firm Registration No. 301088E

Chartered Accountants

**For and on behalf of Board of Directors**

Sd/-  
**A.K Gandhi**  
Partner  
(Membership No. 016350)

Sd/-  
**Umesh Chandra**  
Managing Director

Sd/-  
**Tapan Kumar Saha**  
CFO

Sd/-  
**P.K.Sinha**  
Director ( P & P )

Sd/-  
**S.Das**  
Company Secretary

**Kolkata, Dated : 30th May 2014**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2014**

	Note No.	For the Year Ended 31st March,2014	(₹ In Lacs) For the Year Ended 31st March,2013
<b>I . INCOME</b>			
Revenue From Operations	18	-	-
II. Other Income	19	7,536.36	7,998.11
<b>Total Revenue</b>		<u>7,536.36</u>	<u>7,998.11</u>
<b>EXPENSES</b>			
Cost of Materials consumed	20	-	-
Changes in Inventories of Finished goods	21	(6.75)	(50.54)
Employee Benefits Expenses	22	2,774.34	2,690.03
Depreciation and Amortisation Expenses		901.35	881.60
Other Expenses	23	2,156.89	1,797.76
<b>Total Expenditure</b>		<u>5,825.83</u>	<u>5,318.85</u>
Profit for the year before tax and Prior period Items (PPI)		1,710.53	2,679.26
Prior period items - Net debit	24	36.09	54.22
<b>Profit after Prior Period Items and Before Tax</b>		<u>1,674.44</u>	<u>2,625.04</u>
Tax Expense -			
Current Tax		610.00	670.00
Tax for earlier years		320.81	
Deferred Tax		117.33	668.62
		<u>1,048.14</u>	<u>1,338.62</u>
<b>Profit for the period after tax</b>		<u>626.30</u>	<u>1,286.42</u>
Basic and Diluted Earnings Per Share (Face Value Re.1 per share.)	25	<u>10.44</u>	<u>21.44</u>
Significant Accounting Policies	38		

Notes referred to above form an integral part of the Financial Statements.

In terms of our report of even date

**For and on behalf of Board of Directors**

**For L.B Jha & Co.**

Firm Registration No. 301088E

Chartered Accountants

Sd/-  
**A.K Gandhi**  
Partner  
(Membership No. 016350)

Sd/-  
**Umesh Chandra**  
Managing Director

Sd/-  
**P.K.Sinha**  
Director ( P & P)

Sd/-  
**Tapan Kumar Saha**  
CFO

Sd/-  
**S.Das**  
Company Secretary

**Kolkata, Dated : 30th May 2014**



**THE ORISSA MINERALS DEVELOPMENT COMPANY LIMITED**

<b>CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014</b>				(₹ in Lacs)	
	<b>2013-14</b>		<b>2012-13</b>		
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>					
Net Profit before taxes		1,674.44		2,625.04	
Adjustments for :					
Depreciation/Amortisation	901.35		881.60		
Interest Income	(7,285.94)		(7,378.79)		
Dividend Income	(0.39)		(0.45)		
Unspent Liability no longer required written back	(8.63)		(35.11)		
Provision for doubtful debts/advances	(1.65)		14.89		
Provision for Stock	1.60		0.65		
Profit on Sale/Transfer of Fixed Assets	(4.60)		(0.32)		
Prior period adjustment	36.09		54.22		
		<u>(6,362.17)</u>		<u>-</u>	<u>(6,463.31)</u>
<b>Operating Profit before working capital changes</b>		<b>(4,687.73)</b>			<b>(3,838.27)</b>
Movement in Working Capital for :					
(Increase)/Decrease in Inventories	(6.93)		(46.45)		
(Increase)/Decrease in Trade Receivables	2.68		76.96		
(Increase)/Decrease in Loans & Advances	3,948.37		(4,040.19)		
Increase/( Decrease) in Trade Payable\Liabilities\Provision	845.07	4,789.19	(348.79)		(4,358.47)
<b>Cash generated from Operations</b>		<b>101.46</b>			<b>(8,196.74)</b>
Direct Tax (Paid)/ Refund Received		<u>(914.90)</u>			<u>106.97</u>
<b>Net Cash used in Operating Activities</b>		<b>(813.44)</b>			<b>(8,089.77)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>					
Purchase of Fixed Assets	(330.53)		(946.40)		
Sale of Fixed Assets	-		0.32		
Interest Received	7,599.26		7,074.96		
Dividend Received	0.39		0.45		
<b>Net cash generated from investing activities</b>		<u>7,269.12</u>		<u>6,129.33</u>	
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>					
Payment of Dividend and Dividend Tax	(248.33)		(147.30)		
<b>Net cash used in Financing Activities</b>		<u>(248.33)</u>		<u>(147.30)</u>	
Net Increase/(Decrease) in cash & cash equivalents (A+B+C)		<b>6,207.35</b>			<b>(2,107.74)</b>
<b>Cash &amp; Cash equivalents as on 01.04.2013 (opening Balance)</b>		<b>67,816.41</b>			<b>69,924.15</b>
<b>Cash &amp; Cash equivalents as on 31.03.2014 (closing Balance)</b>		<b>74,023.76</b>			<b>67,816.41</b>

In terms of our report of even date

**For L.B Jha & Co.**

Firm Registration No. 301088E

Chartered Accountants

**For and on behalf of Board of Directors**

Sd/-  
**A.K Gandhi**  
Partner  
(Membership No. 016350)

Sd/-  
**Umesh Chandra**  
Managing Director

Sd/-  
**Tapan Kumar Saha**  
CFO

Sd/-  
**P.K.Sinha**  
Director ( P & P)

Sd/-  
**S.Das**  
Company Secretary

Kolkata, Dated : 30th May 2014

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

₹ In Lacs

Particulars	As at 31st Mar, 2014	As at 31st March, 2013
<b>Note 01 : Share Capital</b>		
(a) Authorized 60,00,000 Equity Shares of Re. 1/- each	60.00	60.00
(b) Issued,Subscribed & Fully paid up 60,00,000 Equity Shares of Re. 1/- each	60.00	60.00
© ) A reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period		
	Equity Shares	
<b>Particulars</b>	Number	Face Value ( ₹ )
Shares outstanding as at the beginning of the year	60,00,000	Re. 1/-
Shares outstanding as at the end of the year	60,00,000	Re. 1/-
( d ) The Company has only one class of equity shares having a par value of ₹ 1 /- each. Each share holder is eligible for one vote per share. The dividend proposed by the board of directors is subject to the approval of shareholders, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.		
( e ) Shares in the company held by each shareholder holding more than 5 percent shares specifying the number of shares held.		
<b>Name of the Shareholder</b>	<b>% of Shares held</b>	<b>No of Shares Held</b>
Eastern Investments Ltd.	50.01%	30,00,890
Life Insurance Corporation of India	15.42%	925,000

	As at 31st Mar, 2014	As at 31st March, 2013
<b>Note 02 : Reserves and Surplus</b>		
<b>Capital Reserve</b>		
Amount as per last Balance Sheet	89.50	89.50
(Arising out of Revaluation of Fixed Assets)	89.50	89.50
<b>General Reserve</b>		
Amount as per last Balance Sheet	31,980.27	31,851.63
Add Transferred during the Year	62.63	128.64
	32,042.90	31,980.27
<b>Surplus</b>		
Amount as per last Balance Sheet	49,167.02	48,235.27
Add: Surplus as per Statement of Profit and Loss	626.30	1,286.42
Less: Appropriations -		
General Reserve	62.63	128.64
Proposed Dividend (Final)	62.40	193.20
Tax on Proposed Dividend (Final)	10.60	32.83
	49,657.68	49,167.02
<b>Total</b>	<b>81,790.08</b>	<b>81,236.79</b>
<b>02.01: Proposed Dividend &amp; Dividend per Share</b>		
	<b>2013-14</b>	<b>2012-13</b>
<b>Equity Dividend</b>		
Proposed Dividend	6,240,000.00	19,320,000.00
Number of Equity Shares	6,000,000.00	6,000,000.00
Dividend per Share	1.04	3.22

			₹ In Lacs
		As at 31st Mar , 2014	As at 31st Mar , 2013
<b>Note 03.00 : Deferred Tax Liabilities (Net)</b>			
<b>Deferred Tax Liability</b>			
Difference between Book and Tax depreciation		1,045.01	864.20
	Sub-Total (A)	<u>1,045.01</u>	<u>864.20</u>
<b>Deferred Tax Assets</b>			
Provision for Gratuity/Leave Encashment		10.69	89.73
Provision for Doubtful Debts, Advances, Claims, Interest		0.54	4.83
Expense U/S 43B of I.T Act		146.81	-
	Sub-Total (B)	<u>158.04</u>	<u>94.56</u>
<b>Net Deferred Tax Liability</b>	(A) - (B)	<u>886.97</u>	<u>769.64</u>
<b>Note 04.00 : Other Long Term liabilities</b>			
Others			
Other Liabilities (Refer Note no. 33.02)		1743.93	958.84
<b>Total</b>		<u>1743.93</u>	<u>958.84</u>
<b>Note 05.00 : Long Term Provisions</b>			
<b>Provisions for Employee Benefits</b>			
Leave Encashment ( Half Pay Leave + Earned Leave )		287.48	282.20
<b>Others</b>			
Provision for Site Reclamation		286.55	286.55
<b>Total</b>		<u>574.03</u>	<u>568.75</u>
<b>Note 06.00 : Trade Payables</b>			
Others (Refer Note no. 33.01)		184.03	151.05
<b>Total</b>		<u>184.03</u>	<u>151.05</u>
<b>Note 07.00 : Other Curent Liabilities</b>			
Advances from Customers		2,423.19	2,566.51
Earnest Money, Security & Other Deposits		1,123.26	1,219.60
Unpaid Dividend		175.66	210.85
Disputed Dividend		12.89	
Provision for Salary & Wages (Pending wage revision)		1,924.78	1,495.92
<b>Total</b>		<u>5,659.78</u>	<u>5,492.88</u>
<b>Note 08.00 : Short Term Provisions</b>			
<b>Provisions for Employee Benefits</b>			
Gratuity to employees		95.83	316.28
Leave Encashment(Half Pay Leave + Earned Leave)		40.20	22.35
Liability for Gratuity- Prior to LIC		7.58	7.58
Gratuity,Half Pay Leave & Earned Leave (wage revision provision)		205.22	173.76
PF differential interest (due to provident fund Institution)		6.00	6.13
<b>Others</b>			
Provision for Income Tax		1,940.84	1,347.84
Proposed Dividend (Final)		62.40	193.20
Tax on proposed Dividend (Final)		10.60	32.83
<b>Total</b>		<u>2,368.68</u>	<u>2,099.97</u>

Note: 9.00 Fixed Assets									
(₹ in Lacs)									
Name of the Asset	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	Cost/Book Value as on 31.03.2013	Addition during the year	Asset Sold/Adjusted during the Year	Adjusted Cost/Book Value of Assets as at 31.03.2014	Up to 31.03.2013	For the year	Adjusted for Assets Sold	Upto 31.03.2014	Net Asset Value as on 31.03.2014
<b>A.TANGIBLE ASSETS</b>									
Land									
Freehold	0.28	-	-	0.28	-		-	-	0.28
Leasehold	196.77	-	-	196.77	14.98	1.99	-	16.97	179.80
Leasehold Properties	439.58	-	-	439.58	344.11	21.83	-	365.94	73.64
Buildings	1,590.59	14.50	-	1,605.09	224.60	26.78	-	251.38	1,353.71
Railway Siding	376.98	41.31	-	418.29	194.53	19.66	-	214.19	204.10
Plant & Machinery	3,318.35	118.05	45.23	3,391.17	2,016.38	233.06	38.82	2,210.62	1,180.55
Furniture	217.73	1.89	-	219.62	68.85	14.13	-	82.98	136.64
Prospecting & Development	150.66	-	-	150.66	150.66	-	-	150.66	-
Motor Car	22.28	-	-	22.28	22.28	-	-	22.28	-
<b>TOTAL: A</b>	<b>6,313.22</b>	<b>175.75</b>	<b>45.23</b>	<b>6,443.74</b>	<b>3036.39</b>	<b>317.45</b>	<b>38.82</b>	<b>3315.02</b>	<b>3128.72</b>
Figures for the previous year	5798.85	514.37	-	6313.23	2750.64	285.75	-	3036.39	3276.84
<b>B.INTANGIBLE ASSETS</b>									
Mining Rights	9010.33	165.36	-	9175.69	3310.89	612.13	-	3923.02	5252.67
<b>TOTAL: B</b>	<b>9010.33</b>	<b>165.36</b>	<b>-</b>	<b>9175.69</b>	<b>3310.89</b>	<b>612.13</b>	<b>-</b>	<b>3923.02</b>	<b>5252.67</b>
Figures for the previous year	8437.31	573.02	-	9010.33	2715.04	595.85	-	3310.89	5699.44
<b>TOTAL (A+B)</b>	<b>15323.55</b>	<b>341.11</b>	<b>45.23</b>	<b>15619.43</b>	<b>6347.28</b>	<b>929.58</b>	<b>38.82</b>	<b>7238.04</b>	<b>8381.39</b>
									<b>8976.28</b>
<b>Note</b>									
Earlier Year Depreciation				28.23					
Current Year Depreciation				901.35					
<b>Total Depreciation</b>				<b>929.58</b>					

		₹ In Lacs	
		As at 31st Mar , 2014	As at 31st Mar , 2013
<b>Note 10.00 : Capital Work-In-Progress</b>			
Capital Work- in -Progress	140.98		151.56
Less: Provision for WIP	11.57		11.57
		129.41	139.99
<b>Total</b>		129.41	139.99
		₹ In Lacs	
		As at 31st Mar, 2014	As at 31st Mar, 2013
<b>Note 11.00 : Non Current Investments</b>			
<b>A. Trade Investment, Unquoted</b>			
East India Minerals Limited (Joint Venture Company)	2811010	@ ₹ 10/-	281.10
Woodlands Multispeciality Hospital Limited ( Formerly The East India Clinic Ltd.)	500	@ ₹ 10/-	0.05
The Sijua (Jherriah) Electric Supply Co. Ltd. 100 Nos of Ordinary Shares @ Rs. 10/- each (In Liquidation)			0.01
<b>Total ( A )</b>		281.16	281.16
<b>B. Other Investment</b>			
B 1 . Non Trade - Quoted - Investments in Equity Shares			
The Eastern Investments Limited 25434 Nos of Ordinary Shares @ Rs. 10/-each * Market Value Rs.619.69 lacs(Previous Year Rs.619.69 lacs)		2.42	2.42
		2.42	2.42
B 2 . Non Trade - Quoted - Investments in Bonds			
8.95% Gujarat Electricity Bonds 100 Nos. of Bonds (Face Value 1,00,000)		104.15	104.15
		104.15	104.15
<b>Total ( B 1+ B 2 )</b>		106.57	106.57
<b>Total (A+B)</b>		387.73	387.73
* There is no transaction during 2013-14.			

	₹ In Lacs	
	As at 31st Mar , 2014	As at 31st Mar , 2013
<b>Note 12.00 : Long Term Loans and Advances</b> (considered good unless otherwise stated)		
<b>Others</b>		
Considered Good	41.47	4.97
Considered Doubtful	7.24	7.24
	<u>48.71</u>	<u>12.21</u>
Less: Provision for doubtful advances	<u>7.24</u>	<u>7.24</u>
	41.47	4.97
<b>Security Deposits</b>		
Considered Good	197.00	191.38
Term deposits with Banks over 1 year	119.81	4,030.00
Accrued Interest on FD with banks , maturity after 1 year	27.77	77.75
Balances with Banks to the extent held as margin Money or security against guarantee over 1 year	185.15	290.60
Total	<u>571.20</u>	<u>4,594.70</u>
	₹ In Lacs	
	As at 31st Mar , 2014	As at 31st Mar , 2013
<b>Note 13.00 : Inventories (As taken and certified by the Management)</b>		
Finished goods	2,525.80	2,519.04
Raw materials	47.78	47.80
Stores & Spares	143.42	143.23
Less: Provision for Stores Stock	<u>2.68</u>	<u>1.08</u>
	140.74	142.15
Total	<u>2,714.32</u>	<u>2,708.99</u>
<b>13.01 :</b> Quantities of Closing Stock of finished goods have been taken as per physical verification done by third parties.		
<b>Note 14.00 : Trade Receivables</b> (Unsecured & considered good unless otherwise stated) (For due from related party refer to Note:27)		
<b>Trade Receivables</b>		
Outstanding for a period exceeding six months from the date they are due for payment.		
Considered Good	39.40	43.73
Considered Doubtful	211.97	214.61
	<u>251.37</u>	<u>258.34</u>
Less: Provision for doubtful debt	<u>211.98</u>	<u>214.61</u>
	39.39	43.73
Other debts	-	-
Total	<u>39.39</u>	<u>43.73</u>

	₹ In Lacs	
	As at 31st Mar , 2014	As at 31st Mar , 2013
<b>Note 15.00 : Cash and bank balances</b>		
<b>a) Cash and cash equivalents</b>		
Cash on Hand	0.57	0.98
Cheques in Hand	-	0.10
Balances with Banks	416.81	102.30
Term deposits with Banks upto 3 months	1104.50	1,000.00
Balances with Banks to the extent held as margin Money or security against guarantee upto 3 months .	9.77	-
Unpaid Dividend A/c	175.66	210.85
<b>b) Other Bank Balances</b>		
Term deposits with Banks over 3 months to 1 year	72045.50	66,346.54
Balances with Banks to the extent held as margin Money or security against guarantee over 3 months to 1 year	270.95	155.64
<b>Total</b>	<b>74023.76</b>	<b>67,816.41</b>
<b>Note 16.00 : Short Term Loans and Advances</b>		
(Unsecured & considered good unless otherwise stated)		
<b>Others</b>		
<b>Advances &amp; other recoverables</b>		
(Recoverable in cash or in kind or for value to be received)	66.34	66.59
(Including doubtful ₹ 60.33/- lacs)		
Less:Provision for doubtful advances	60.33	60.33
(For due from related party refer to Note:27)	6.01	6.26
Suppliers	63.38	64.54
Employees	41.93	35.71
Others (Including doubtful ₹ 229.07 lacs: Previous year ₹ 229.13 lacs.)	229.07	299.34
Less:Provision for doubtful advances	229.07	229.13
Advance Income Tax	4306.14	3,717.75
Prepaid expenses	103.29	53.81
<b>Total</b>	<b>4520.75</b>	<b>3948.28</b>
<b>Note 17.00 : Other Current assets</b>		
(Unsecured & considered good unless otherwise stated)		
Interest Receivable		
On Short Term Deposit with Banks	2349.53	2,612.87
On Other Investments	8.06	8.06
Others		
(Including doubtful ₹ 128.74/- lacs, Previous year ₹128.74/- lacs)	270.70	229.63
Less:Provisions	128.74	128.74
(For due from related party refer to Note:27)	141.96	100.89
<b>Total</b>	<b>2499.55</b>	<b>2,721.81</b>



**THE ORISSA MINERALS DEVELOPMENT COMPANY LIMITED**

( ₹ In Lacs)				
Particulars	As at 31st Mar , 2014		As at 31st Mar , 2013	
<b>Note 18.00 : Revenue from Operations</b>				
<b>Sale of Products</b>				
Iron	-	-	-	-
Less of Excise	-	-	-	-
Manganese	-	-	-	-
Less of Excise	-	-	-	-
Sponge Iron	-	-	-	-
Less of Excise	-	-	-	-
<b>Total</b>	-		-	
<b>18.01 : Stocks &amp; Sales</b>				
	( ₹ In Lacs)			
	Iron	Manganese	Sponge Iron	Total
<b>Opening stock</b>				
Value	2,122 (1,856)	374 (589)	23 (23)	2,519 (2,468)
<b>Production</b>				
Value	- (-)	- (-)	- (-)	- (-)
<b>Sales</b>				
Value	- (-)	- (-)	- (-)	- (-)
<b>Excess/Shortage</b>				
Value	(-)191 (266)	198 ((-)215)	- (-)	7 (51)
<b>Closing stock</b>				
Value	1,931 (2,122)	572 (374)	23 (23)	2,526 (2,519)
Note: (i) Figures in brackets are for previous year.				
	As at 31st Mar , 2014		As at 31st Mar , 2013	
<b>Note 19.00 : Other Income</b>				
<b>Interest Income</b>				
Fixed Deposit with Banks	7277.89		7,369.84	
Investment -Long term	8.06		8.95	
Other Interest-IT Refund	123.58		-	
Others	0.90	7410.43	-	7,378.79
(TDS receivable for year is Rs.736.23 lacs & Previous year it was 720.99 lacs)				
<b>Sundry receipts</b>				
Old Liability against EMD/Security Deposit written back		101.94		487.16
<b>Dividend Income on long term Investments</b>				
		0.39		0.45
<b>Other Non-Operating Income</b>				
Liability /provision no longer required written back	5.99		117.70	
Provision against Sundry debtors written back-realised	2.64		-	
Profit on sale/exchange of Fixed Assets	4.60		0.32	
Other Income	10.38	23.61	13.69	131.71
<b>Total</b>	7536.36		7,998.11	
	Quantity	Value	Quantity	Value
<b>Note 20.00 : Cost of Raw materials consumed</b>				
(all Indigeneous)				
Coal	-	-	-	-
Dolomite	-	-	-	-
Others	-	-	-	-
<b>Total</b>	-		-	
<b>Note 21.00 : Changes in Inventories of Semi-Finished / Finished goods</b>				
Opening stock	2,519.04		2,468.50	
Less: Closing stock	2,525.79		2,519.04	
<b>Net Decretion/(Accretion)</b>	(6.75)		(50.54)	

₹ In Lacs		
Particulars	As at 31st Mar , 2014	Year ended 31st Mar , 2013
<b>Note 22.00 : Employee Benefits</b>		
Salaries and Wages	2104.89	1,679.73
Gratuity Expenses	111.54	463.95
Leave Encashment with Half Pay Leave	85.02	100.68
Company's contribution - provident fund & other funds	229.66	212.86
Superannuation Pension Benefit Scheme	21.39	21.39
Staff Welfare expenses	221.84	211.42
<b>Total</b>	<b>2774.34</b>	<b>2,690.03</b>

#### 22.01 : Details of Employee Benefits

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

- |                |   |
|----------------|---|
| Provident Fund | - Company pays fixed contribution to Provident Fund at the rate of 12 % on Basic & IDA  |
| Gratuity       | - Payable on separation @ 15 days pay for each completed year of service to eligible employees who render continuous service of 5 years or more and maximum payable amount is calculated as per Gratuity Act. The gratuity is being covered under "Group Gratuity cum Life Insurance Scheme" with LIC of India and the provision on account of gratuity is being made as per the actuarial valuation. |

##### 22.02.02: Reconciliation of present value of defined benefit obligations

Particulars	Gratuity	₹ In Lacs	
		Earned Leave	Half Pay Leave
Obligation as at the beginning of the period	1215.17	257.45	43.32
	(954.11)	(233.11)	(41.91)
Service Cost	56.87	20.68	5.57
	(48.24)	(31.59)	(4.59)
Interest Cost	97.21	20.60	3.47
	(76.33)	(19.15)	(3.72)
Actuarial gains (-) / losses (+)	45.47	31.33	-6.79
	(245.17)	(24.27)	(6.90)
Benefits paid	-128.37	-49.90	-1.84
	(-108.68)	(-50.67)	-
<b>Obligations as at the end of the period</b>	<b>1286.35</b>	<b>280.16</b>	<b>43.73</b>
	(1215.17)	(257.45)	(43.32)

Note: Figures in the brackets are for previous year.

##### 22.02.03: Reconciliation of fair value of Plan Assets

Particulars	₹ In Lacs	
	Gratuity	
	2013-14	2012-13
Balance as at the opening of the period	984.78	658.04
Expected Return	101.05	85.06
Actuarial gains (+) / losses (-)	0.00	0.00
Contributions by the Employer	310.04	350.35
Benefits paid	(128.37)	(108.67)
Balance as at the end of the period	1267.50	984.78

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

Particulars	(₹ In Lacs)	
	Gratuity	
	2013-14	2012-13
Fair Value of Plan Assets	1267.50	984.78
Present Value of Defined Benefit Obligation	1286.35	1215.17
Amount recognised in Balance Sheet (Note - 09.00) as at the end of the period	(18.85)	(230.39)

**22.02.05: Expenses recognised in the statement of Profit and Loss**

Particulars	(₹ In Lacs)		
	Gratuity	Earned Leave	Half Pay Leave
Service Cost	56.87	20.68	5.57
	(48.24)	(31.59)	(4.59)
Interest Cost	97.21	20.60	3.47
	(76.33)	(19.15)	(3.72)
Actuarial gains (-) / losses (+)	45.47	31.33	-6.79
	(245.17)	(24.27)	(-6.90)
Expected Return on Plan Assets	-101.06	-	-
	(-85.06)	-	-
Other cost related to Actuarial Valuation	-8.78	-	-
	(25.48)	-	-
<b>Total to be charged - Employees Benefits</b>	<b>89.71</b>	<b>72.61</b>	<b>2.25</b>
	(310.16)	(75.01)	(1.41)

Note: Figures in the brackets are for previous year.

**22.02.06: Actuarial assumptions**

Description	As at 31st March 2014	As at 31st March 2013
Discount Rate (per annum)	8.00%	8.00%
Mortality rate	LIC(1994-96) ultimate	LIC(1994-96) ultimate
Withdrawal rates (per annum)	1% to 3% depending on age	1% to 3% depending on age
Estimated Rate of Return on Planned Assets	9.4%	9.4%
Salary Escalation (per annum)	5%	5%
Valuation Method :	Projected Unit Credit Method	

	As at	As at
Ref No:	31st Mar , 2014	31st Mar , 2013
₹ In Lacs		
<b>Note 23.00 : Other Expenses</b>		
Consumption of Stores and Spare parts(all Indigeneous)	30.68	33.03
Power and Fuel/Electricity Charges	167.94	176.73
Repairs and Maintenance ( Note 23.01)	52.57	72.92
Remuneration to Auditors ( Note 23.02)	4.41	5.41
Judicial Expenses ( Note 23.03)	785.09	100.00
Miscellaneous Expenses	74.02	86.15
Rent	11.33	13.83
Rates and taxes	22.52	22.87
Property Tax	10.00	9.77
Insurance	2.30	2.30
Contract Labour Expenses	286.32	259.76
Corporate Social Responsibility	33.94	17.51
Royalty/Dead rent	118.23	87.35
Selling Expenses	-	6.76
Directors' Fees	1.30	3.40
Law Charges/Legal Expenses	110.49	70.38
Interest & Financial Charges	0.82	1.37
Advertisement	15.22	19.48
Motor Car expenses	26.41	26.02
Printing & stationery	11.63	13.78
Travelling/Passage Fare & Hotel	47.80	79.54
Telephone	9.80	11.45
Business Development expenses	3.14	0.66
Security Charges/CISF	265.29	572.26
Mines & Lease Matter	9.20	16.46
Environment & Pollution	33.53	10.96
Consultancy Fees	17.91	59.76
Training & Development	1.75	2.30
Bad Debt written off	1.65	-
Provisions -		
Doubtful debts	-	14.89
Stock	1.60	0.65
<b>Total</b>	<b>2,156.89</b>	<b>1,797.75</b>
<b>23.01 : Repairs and Maintenance</b>		
Plant and Equipment	26.38	34.16
Buildings	25.97	37.92
Others	0.22	0.84
<b>Total</b>	<b>52.57</b>	<b>72.92</b>
<b>23.02 : Remuneration to Auditors</b>		
Statutory Audit	3.60	4.83
Tax Audit	0.56	0.56
Reimbursement of Expenses	0.25	0.02
<b>Total</b>	<b>4.41</b>	<b>5.41</b>
<b>23.03: Judicial Expenses</b>		
Loss on Judicial Judgement	785.09	100.00
	<b>785.09</b>	<b>100.00</b>

	₹ In Lacs	
	As at 31st Mar , 2014	Year ended 31st Mar , 2013
<b>Note 24.00 : Prior Period Items</b>		
Expenses relating to Pollution Control Board	4.06	16.23
Adjustment relating to Capital Work in Progress	-	4.39
Expenses relating to security services(CISF)	-	9.09
Property Tax	-	19.53
PF shortfall Interest	2.68	4.98
Membership fees-SCOPE	1.12	-
Earlier Year Depreciation	28.23	-
<b>Total</b>	<b>36.09</b>	<b>54.22</b>
<b>Note 25.00: Earnings Per Share(EPS)</b>		
Net Profit attributable to Equity Shareholders	(₹ in lacs) 626.30	1,286.42
No. of basic and diluted equity Shares of Re. 1 each	(No.of shares) 6,000,000	6,000,000
Face value per share	Amount in Rs. 1.00	1.00
Basic and diluted EPS	Amount in Rs. 10.44	21.44
<b>Note 26.00: Contingent liabilities and commitments(to the extent not accounted for)</b>		
<b>26.01: Contingent Liabilities</b>		
<b>26.01.01 Claims against the Company not acknowledged debt</b>		
	2013-14	2012-13
Claims against the Company not acknowledged as debts	544425.39 **	23903.34
Central Sales Tax	-	35.22
Income Tax	-	92.69
Customs / Excise duty	-	25.09
Service Tax	-	101.76
Others	1310*	1310*
<b>Total</b>	<b>545735.39</b>	<b>25468.10</b>
<p>★ Contingent Liability contain Rs.1310 Lacs due to non-fulfillment of the provisions of minimum guranted quantity of export since 2007-08. The Port Authorities of Haldia Dock Complex auctioned the stock of Iron Ore fines to the tune of 15569.68 M.T. to liquidate their dues towards demurrage imposed on OMDC by Port Authorities as on 15.12.2009. The value of the stock as on the date of disposal was ₹ 122 Lacs. Though Port Authorities have not raised any demand for any demurrage but they have retained the sale proceeds of said stock of Iron ore towards settlement of their claim for demurrage, rent etc. however no claim papers against the Company have been submitted.</p> <p>★★ Claims against the Company not acknowledged as debts of ₹ 544425.39 lacs includes demand received from DDM, Joda circle towards recovery under Sub Section (5) of Section 21 of Mines &amp; Minerals(Development &amp; Regulation) Act, 1957 for ₹ 539539.24 Lacs ( Previous Year Nil) towards price of minerals alleged to be raised without lawful Authority in respect of Six Mines. Against the above demand the Company has filed application for stay order with Revisional Authority,Ministry of Mines, Govt. of India.</p> <p>Pursuant to the amendments of the Orissa Land Reforms Act, the Sub-Collector, Champua had served a Notice against the Company for alleged unauthorized possession of 10.79 acres of leasehold land on the ground that the said land belongs to Adivasis and based on that, the Revenue Inspector asked OMDC to vacate the land. The Company filed an appeal before the Addl. District Magistrate but the appeal was not allowed. During April, 1999 the Company filed a writ application and obtained Stay Order from the Hon'ble High Court of Orissa to maintain the status quo about the possession of the land until further order. No specific liability could be ascertained.</p>		

**NOTE 27 : Related Party Disclosure**

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

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

**Ultimate Holding Company-**

Rashtriya Ispat Nigam Limited

**B. Parent Co/Associates/Group Companies & Joint Ventures :**

**Holding Company**

Eastern Investments Limited.

**Fellow Subsidiary Company**

**Associates/Group Companies**

The Bisra Stone Lime Company Limited.

**C. Joint Venture Company**

East India Minerals Limited.

**D. Key Management Personnel**

Dr. Satish Chandra

Managing Director (w.e.f - 29.10.2009 to 15.07.2013 A.N)

Shri Umesh Chandra

Managing Director (w.e.f - 15.07.2013 A.N)

Shri P.K. Sinha

Director (P & P) (w.e.f - 04.02.2014 )

**E. Enterprise over which Key Management Personnel have significant influence**

Scott & Saxby Limited.

The Karanpura Development Company Limited

**Note 27.01: Disclosure of transactions between the Company and Related Parties and the status of the out standing balances as on 31.03.2014**

Particulars	Holding/Subsidiaries Rs. in Lacs	Joint Venture Rs. in Lacs	Key Managerial Personnel Rs. in Lacs	Enterprises Over Which KMP have significant influence Rs. in Lacs
Loans / Advances given & recovered/adjusted				
- BSLC	-	-	-	-
- Scott & Saxby	-	-	-	-
- KDCL	-	-	-	-
Common expenses borne by holding Company				
- EIL	6.33 (4.96)	-	-	-
Remuneration	-	-	5.14 (11.21)	-
Reimbursement of Expenses				
-BSLC	-	-	-	-
Dividend paid(net)				
-EIL	96.24 (1.74)	-	-	-
Amount outstanding as on 31/03/2014(Dr)				
- BSLC	195.39 (160.21)	-	-	-
- EIL	6.33 (6.61)	-	-	-
- Scott & Saxby	-	-	-	107.41 (107.41)
- KDCL	-	-	-	38.84 (38.84)
- EIML	-	-	-	-

**Note 27.02 : Company's Interest in the Joint Venture Company**

- a) Name of the Company : East India Minerals Limited  
 b) Incorporated in India  
 c) Engaged in the business of mining of Iron Ore and Wind Energy  
 d) Company's holding in the Joint Venture Company: 26%  
 d) Company's Share in the Assets, Liabilities, Reserves & Surplus, Revenue & Expenditure (not accounted for in the books of the Company) are as follows:

Particulars	Latest Audited Accounts Figures	Previous Year
	31.03.2013	31.03.2012
	₹ In Lacs	₹ In Lacs
Assets	1903.09	2336.66
Liabilities	340.02	707.17
Reserve & Surplus	1281.98	1348.41
Revenue	119.10	105.18
Expense	193.88	176.64

Note 28: Director's Remuneration :	Year ended 31st March, 2014	Year ended 31st March, 2013
	(₹. In Lacs)	
Managing Director :		
i) Salary.	1.95	6.31
ii) Contribution to Provident Fund & Superannuation Fund	0.44	1.57
iii) Other Benefits actual and/ or estimated	2.75	3.34
Total	5.14	11.22

**Note:29- Stock Analysis**

**29.01-Finished Stock**

(Value ₹ in Lakhs)

		Iron	Manganese	Sponge Iron	Total
<b>Opening stock</b>	Value	2122	374	23	2519
		(1,856)	(589)	(23)	(2,468)
<b>Production</b>	Value	-	-	-	-
		(-)	(-)	(-)	(-)
<b>Sales</b>	Value	-	-	-	-
		(-)	(-)	(-)	(-)
<b>Excess/Shortage(-)MT</b>	Value	(-191)	198	-	(-7)
		(266)	((-215)	-	(51)
<b>Closing stock</b>	Value	1931	572	23	2526
		(2,122)	(374)	(23)	(2,519)

Note: Figures in brackets are for previous year.

**29.02- Raw Material Stock**

(Value ₹ in Lakhs)

		Coal	Dolomite	Others	Total
Stock as on 31.03.2014	Value(Rs.)	47.68	0.11	-	47.79
		(47.70)	(0.11)	-	(47.81)

Note: Figures in brackets are for previous year.



**Note: 30-Excess/Short found on physical verification**

Stocks found excess in physical verification are not considered in the valuation of closing stock for the purpose of account. The value of the stock found excess on physical verification on 31.03.2014 was Rs. 6.74 Lacs. (Previous year 50.54 Lacs)

**Note:31- Cash and Bank Balances**

Term Deposits with scheduled Banks shown under Cash and Bank balances (Note-15) include, Term Deposit Receipts for Rs. 280.72 lacs (Previous Year Rs. 155.64 lacs) pledged with banker against bank guarantee to IBM, Bhubaneswar for scheme of Mining including Progressive Mine Closure Plan with maturity period upto 1 year.

**Note:32- Balance Confirmation**

During the year the Company has sent letters to the parties under Trade receivables/Payables and loans & advances for confirmation of balances, however, in most of the cases confirmation from parties have not been received.

**Note:33- Current Liabilities & Provisions**

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

**33.02** A liability of ₹ 785.09 lacs (Previous Year- ₹100 /- Lacs) have been created in the books of account and charged off in the statement of Profit and Loss on the basis of judicial judgments against the company as a matter of prudence.

**Note:34 SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED FOR THE TWELVE MONTHS ENDED 31.03.2014**

(Value ₹ in Lacs)

Sl. No.	Particulars	Year Ended	
		31.03.2014	31.03.2013
1.	<u>SEGMENT REVENUE</u>		
	a. Iron Ore	-	-
	b. Manganese Ore	-	-
	c. Sponge Iron	-	-
	d. Unallocated	7536.36	7,998.11
	<b>Total</b>	<b>7536.36</b>	<b>7,998.11</b>
	Less: Inter Segment Revenue	-	-
	<b>Net sales/Income from Operations</b>	<b>7536.36</b>	<b>7,998.11</b>
2.	<u>SEGMENT RESULTS</u>		
	Segment Results (Profit(+)/ Loss(-) before tax and interest from each segment)		
	a. Iron Ore	(3211.96)	(3069.32)
	b. Manganese Ore	(243.18)	(586.15)
	c. Sponge Iron	(20.56)	(21.33)
	d. Unallocated	5150.14	6,301.84
	<b>Total</b>	<b>1674.44</b>	<b>2,625.04</b>
	Less :		
	i) Interest	-	-
	ii) Other Un-allocable Expenditure net off	-	-
	iii) Un-allocable Income net of expense	-	-
	<b>Profit/(Loss) before Tax</b>	<b>1674.44</b>	<b>2,625.04</b>
3.	<u>CAPITAL EMPLOYED</u>		
	(Segment Assets - Segment Liabilities)		
	a. Iron Ore	(2729.00)	482.96
	b. Manganese Ore	(573.84)	(294.66)
	c. Sponge Iron	905.11	925.67
	d. Unallocated	84174.50	81,182.82
	<b>Total</b>	<b>81812.88</b>	<b>81296.79</b>

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

**Note:35- Lease Matters:-**

Present status of Mining Leases as on 30.04.2014 are detailed below:

(1)	<b>Name of the Lease/area</b>	<b>Kolha-Roida Iron &amp; Manganese Mines (254.952 Hect)</b> <b>M/s B.P.M.E. Ltd.</b> <b>Lease area expired on 14.08.1996.</b>
	<b>Renewal of Mining Lease</b>	<ul style="list-style-type: none"> <li>○ 4<sup>th</sup> RML application rejected by Govt. of Odisha, matter is sub-judice.</li> <li>○ Officials from DDM office, Joda circle inspected the documents of Kolha-Roida mines on 08<sup>th</sup> January'2014 in connection with the excess mining.</li> <li>○ On 15.02.14 DDM, Joda has issued demand note for payment of Rs 8,87,77,84,863 for excess mining without valid EC, MD, OMDC raised the issue in the meeting of Secretary Steel, Govt of India with Chief Secretary, Govt of Odisha on 22-02-2014.</li> </ul> <p>Against the above demand, the Company has filed application for stay order with Revisional Authority, Ministry of Mines, Govt. of India on 13.03.2014.</p>
	<b>Status of Forest Clearance</b>	<ul style="list-style-type: none"> <li>○ Forest Clearance is valid up to 14-08-2016, however, fresh Diversion Proposal has been submitted as per new circular with CCF (Nodal), BBSR on 24<sup>th</sup> Oct'2013. CCF (Nodal) vide state serial 650/13 dated 27-12-2013 has forwarded the proposal to DFO, Keonjhar.</li> <li>○ On 25.02.14 ORSAC has send demand note of Rs.2,72,000 for vetting of DGPS map, payment has been made.</li> <li>○ On 21-02-2014, DFO has issued letter to ADM, Keonjhar for conducting Gram-Sabha as required under FRA' 2006. OMDC is following up.</li> <li>○ DGPS map showing forest patches of Kolha Roida, Iron &amp; Manganese Lease have been vetted by ORSAC.</li> </ul>
	<b>Status of Environment Clearance</b>	<ul style="list-style-type: none"> <li>○ EC obtained on 23<sup>rd</sup> July 2012.</li> <li>○ Compliance of Shah Commission report has been submitted to Regional MOEF on 11/04/2014 vide letter No. OMDC/G&amp;E/2014/79.</li> <li>○ Annual compliance of EC has been submitted on 22<sup>nd</sup> April 2014 vide letter No. OMDC/G&amp;E/2014/81</li> <li>○ Inspection and collection of water samples from upstream and downstream of Suna River flowing along the southern boundary of Kolha mines, by Regional MOEF &amp; OSPCB has been done on 28/04/2014 regarding report of Shah commission on Water pollution.</li> </ul>

(2)	<b>Name of the Lease/area</b>	<b>Dalki Manganese Mines (266.77 Hect) M/s B.P.M.E. Ltd. Lease Expired on 30.09.1994</b>
	<b>Renewal of Mining Lease</b>	<ul style="list-style-type: none"> <li>○ 3<sup>rd</sup> RML application rejected by Govt. of Odisha, matter is under sub-judice.</li> <li>○ 4<sup>th</sup> RML has been applied on 5<sup>th</sup> Sept.2013.</li> <li>○ Officials from DDM office, Joda circle inspected the documents of Bagiaburu mines on 8<sup>th</sup> January, 2014 in connection with the excess mining.</li> <li>○ On 15.02.14 DDM, Joda has issued demand note for payment of Rs 29, 56, 72,055 /- for excess mining without valid EC. MD, OMDC raised the issue in the meeting of Secretary Steel, Govt of India with Chief Secretary, Govt of Odisha on 22-02-2014.</li> </ul> <p>Against the above demand, the Company has filed application for stay order with Revisional Authority, Ministry of Mines, Govt. of India on 13.03.2014.</p>
	<b>Status of Forest Clearance</b>	<ul style="list-style-type: none"> <li>○ Forest Clearance valid up to 30<sup>th</sup> Sept 2014. Fresh diversion proposal is under scrutiny at Forest Range Office, Barbil.</li> </ul>
	<b>Status of Environment Clearance</b>	<ul style="list-style-type: none"> <li>○ EC obtained on 11<sup>th</sup> Sept. 2013.</li> <li>○ CTO fees of Rs 5,95000 /- along with application has been submitted on 14.11.2013 with SPCB, Odisha. Consent to Operate by SPCB has been obtained till 30/09/2014.</li> <li>○ Annual compliance of EC has been submitted on 1<sup>st</sup> March 2014 .</li> </ul>

(3)	<b>Name of the Lease/area</b>	<b>Thakurani Iron &amp; Manganese Mines (1546.55 Hect.) M/s B.P.M.E. Ltd. (Revised RML application filed over 778.762 Hect.) Lease expired on 30.09.04</b>
	<b>Renewal of Mining Lease</b>	<ul style="list-style-type: none"> <li>○ 3rd RML application is under scrutiny at Dept of Steel &amp; Mines, Govt. of Odisha, and file is held up as this Lease is not in the name of OMDC but is in the name of BPMEL.</li> <li>○ Draft Mining Plan has been submitted on 29.11.2013 at IBM.IBM has asked certain clarifications after vetting the draft Mining plan on 10/03/14. Extension of time for 45 days more has been applied on 10/04/14 vide letter No.OMDC/G&amp;E/2014/77.</li> <li>○ CTE &amp; CTO has been applied to SPCB.</li> <li>○ Officials from DDM office, Joda circle inspected the documents of Thakurani mines on 8<sup>th</sup> January, 2014 in connection with the excess mining.</li> <li>○ On 15.02.14 DDM, Joda has issued demand note for payment of Rs 2162.60 Crores for excess mining without valid EC. MD, OMDC raised the issue in the meeting of Secretary Steel, Govt of India with Chief Secretary, Govt of Odisha on 22-02-2014.</li> </ul> <p>Against the above demand, the Company has filed application for stay order with Revisional Authority, Ministry of Mines, Govt. of India on 13.03.2014.</p>
	<b>Action taken by the company to expedite Forest Clearance</b>	<ul style="list-style-type: none"> <li>○ Recommendation of Division Forest Officer, Keonjhar has been made on 26<sup>th</sup> Oct' 2013 in respect of Wild Life Management plan; recommendation of RCCF, Rourkela is awaited.</li> <li>○ The DRP has been returned by DFO vide letter No.1844/Mining Dt.18-03-2014 due to increase in R.F. area by 7.921% which is beyond acceptable limit of ORSAC.</li> </ul>
	<b>Status of Environment Clearance</b>	<ul style="list-style-type: none"> <li>○ EAC, MoEF has recommended for issue of EC subject to submission of Stage-1 Forest Clearance &amp; Wild Life Management Plan.</li> </ul>

(4)	<b>Name of the Lease/area</b>	<b>Belkundi Iron &amp; Manganese Mines (1276.79 Hect)</b> <b>M/s O.M.D.C. Ltd. Lease expired on 15.08.2006.</b>
	<b>Status of Renewal of Mining Lease Application</b>	<ul style="list-style-type: none"> <li>3<sup>rd</sup> RML application under scrutiny at Deptt. of Steel &amp; Mines, Govt. of Odisha. Hearing for Lapsing of lease under Rule 28 of MCR, 1960 was held on 4<sup>th</sup> April 2013 &amp; 24<sup>th</sup> April 2013. Final outcome is awaited from Deptt. of Steel &amp; Mines, Govt. of Odisha. For additional NOC of safety zone, site inspection has been done by DDM officials on 27<sup>th</sup> Nov, 2013.</li> <li>Officials from DDM office, Joda circle inspected the documents of Belkundi Mine on 17<sup>th</sup> January, 2014 in connection with the excess mining.</li> <li>On 15.02.14 DDM, Joda has issued demand note for payment of Rs 5,23,62,59,316/- for excess mining without valid EC. MD, OMDC raised the issue in the meeting of Secretary Steel, Govt of India with Chief Secretary, Govt of Odisha on 22-02-2014.</li> </ul> <p>Against the above demand, the Company has filed application for stay order with Revisional Authority, Ministry of Mines, Govt. of India on 13.03.2014.</p>
	<b>Action Taken by the company to expedite Forest Clearance.</b>	<ul style="list-style-type: none"> <li>Recommendation of Divisional Forest Officer, Keonjhar, has been made in respect of Forest Diversion proposal on 1<sup>st</sup> Nov, 2013.</li> <li>RCCF, Rourkela has inspected the Lease on 21st Nov, 2013 &amp; DRP is pending in his office.</li> <li>Recommendation of Division Forest Officer, Keonjhar has been made on 26<sup>th</sup> Oct, 2013 in respect of Wild Life Management plan, recommendation of RCCF, Rourkela awaited.</li> <li>District Level Committee, (DLC) Keonjhar has recommended issue of NOC on 17<sup>th</sup> Sept, 2013. In this context a site inspection has been done by DDM officials on 27<sup>th</sup> Nov, 2013. On 10<sup>th</sup> Dec, 2013 DLC put up the said proposal to be signed by collector, where as collector instructed to DFO &amp; DDM to give a joint report after which the case will be considered which has been submitted by DFO on 28<sup>th</sup> December, 2013.</li> <li>Nodal officer of FR has issued letter to Chairman, SDLC on 06-03-2014 vide letter No.632/ITDA(FRA) to comply seven points after which NOC under FRA, 2006 will be processed.</li> </ul>
	<b>Status of Environment Clearance</b>	<ul style="list-style-type: none"> <li>EAC, MoEF has recommended for issue of EC subject to submission of Stage-1 Forest Clearance &amp; Wild Life Management Plan.</li> </ul>

(5)	<b>Name of the Lease/area</b>	<b>Bhadrasai Iron &amp; Manganese Mines (998.70 hect.) M/s O.M.D.C. Ltd.</b>
	<b>Renewal of Mining Lease</b>	<ul style="list-style-type: none"> <li>○ 4th RML application is under scrutiny at Deptt. of Steel &amp; Mines, Govt. of Odisha. Hearing for Lapsing of lease under Rule 28 of MCR,1960 was held on 14<sup>th</sup> Aug' 2013, 16<sup>th</sup> September,2013 &amp; 25<sup>th</sup> Oct' 2013. Final outcome is awaited from Deptt. of Steel &amp; Mines, Govt. of Odisha.</li> <li>○ On 21.02.14 DDM, Joda has issued demand note for payment of Rs17, 290,504,119 for excess mining without valid EC. MD,OMDC raised the issue in the meeting of Secretary Steel, Govt of India with Chief Secretary, Govt of Odisha on 22-02-2014.</li> </ul> <p>Against the above demand, the Company has filed application for stay order with Revisional Authority, Ministry of Mines, Govt. of India on 13.03.2014.</p> <ul style="list-style-type: none"> <li>○ Officials from DDM Office, Joda circle inspected the documents of Bhadrasai Mines on 17<sup>th</sup> January,2014 in connection with the excess mining.</li> </ul>
	<b>Action Taken by the company to expedite Forest Clearance.</b>	<ul style="list-style-type: none"> <li>○ Recommendation of Chief Conservator of Forest, Govt. of Odisha is awaited in respect of Forest Diversion proposal due to want of NOC under Forest Rights Act, 2006.</li> <li>○ District Level Committee, (DLC) Keonjhar has recommended issue of NOC on 17<sup>th</sup> Sept, 2013. In this context a site inspection has been done by DDM officials on 27<sup>th</sup> Nov'2013 . On 10<sup>th</sup> Dec'2013 DLC put up the said proposal to be signed by collector, where as collector instructed to DFO &amp; DDM to give a joint report after which the case will be considered which has been submitted by DFO on 28<sup>th</sup> December, 2013.</li> <li>○ Recommendation of Division Forest Officer, Keonjhar has been made on 26<sup>th</sup> Oct, 2013 in respect of Wild Life Management plan, recommendation of RCCF, Rourkela is awaited.</li> <li>○ Nodal officer of FR has issued letter to Chairman,SDLC on 06-03-2014 vide letter No.632/ITDA(FRA) to comply seven points after which NOC under FRA, 2006 will be processed.</li> </ul>
	<b>Status of Environment Clearance</b>	<ul style="list-style-type: none"> <li>○ EAC, MoEF has recommended for issue of EC subject to submission of Stage-1 Forest Clearance &amp; Wild Life Management Plan.</li> <li>○ Compliance of Shah Commission report has been submitted to Regional MOEF on 11/04/2014 vide letter No.OMDC/G&amp;E/2014/79.</li> <li>○ Inspection and collection of water samples from upstream and downstream of Suna River flowing in the eastern boundary of Bhadrasahi mines, by Regional MoEF &amp; OSPCB has been done on 28/04/ 2014 regarding report of Shah commission on Water pollution.</li> </ul>



(6)	<b>Name of the Lease/area</b>	<b>Bagiaburu Iron Mines (21.52 Ha) M/s. OMDC Ltd. Lease expired on 30.09.2010</b>
	<b>Status of Renewal of Mining Lease Application</b>	<ul style="list-style-type: none"> <li>○ 3<sup>rd</sup> RML application under scrutiny at Dept. of Steel &amp; Mines, Govt. of Odisha. Hearing for Lapsing of lease under Rule 28 of MCR,1960 was held on 14<sup>th</sup> Aug,2013 &amp; 25<sup>th</sup> Oct, 2013. Final outcome is awaited from Deptt. of Steel &amp; Mines, Govt. of Odisha.</li> <li>○ Officials from DDM office, Joda circle inspected the documents of Bagiaburu mines on 17<sup>th</sup> January,2014 in connection with the excess mining.</li> <li>○ On 15.02.14 DDM, Joda has issued demand note for payment of ₹62,76,38,675 for excess mining without valid EC. MD,OMDC raised the issue in the meeting of Secretary Steel, Govt of India with Chief Secretary, Govt of Odisha on 22-02-2014.</li> </ul> <p>Against the above demand, the Company has filed application for stay order with Revisional Authority, Ministry of Mines, Govt. of India on 13.03.2014.</p>
	<b>Action Taken by the company to expedite Forest Clearance.</b>	<ul style="list-style-type: none"> <li>○ On 21<sup>st</sup> Nov,2013 Regional MoEF has issued Stage-I FC subject to compliance of 29 points by OMDC .</li> <li>○ On 4<sup>th</sup> Dec, 2013 Govt. Of Odisha, F&amp;E Dept. has issued the letter in continuation to Stage-I FC of Regional MoEF.</li> <li>○ The demand note of ₹1,60,40,937/-for balance NPV &amp; ₹4,94,960/-for Regional wild life plan has been made by DFO &amp; the same has been paid by OMDC on 20/12/2013.</li> <li>○ On 13.02.14 DFO, Keonjhar has sent a letter to Tahasildar, Banspal for transfer &amp; mutation of 2.45 ha non forest land in favour of State Forest Dept for raising CA.</li> <li>○ On 28-02-2014, OMDC submitted the compliance of Stage-I Forest Clearance to DFO, Keonjhar through Forest Range Officer, Barbil.</li> </ul>
	<b>Status of Environment Clearance</b>	<ol style="list-style-type: none"> <li>1. State Level EAC recommended the issue of EC subject to submission of Stage 1 Forest Clearance.</li> <li>2. EC reviewed by SEAC on 22.04.2014 subject to Stage-I Forest Clearance.</li> <li>3. Stage - I Forest Clearance was granted on 21.11.2013</li> <li>4. SEAC was approached for grant of Environmental Clearance which was already reviewed.</li> <li>5. Due to time bar, fresh Environment Clearance applied on 06.01.2014.</li> <li>6. After submitting all the required data /information , a new date of 14.05.2014 has been fixed for hearing of EC.</li> <li>7. Application for temporary working permission applied on 03.12.2013 to MoEF.</li> <li>8. Credible action taken by State Government regarding certain violation was sought by MoEF.</li> <li>9. Matter pursued and DFO ,Keonjhar has finally sent the credible action letter to Additional PCCF ,Bhubaneswar on 30.04.2014.</li> </ol>

## **NOTES FORMING PART OF FINANCIAL STATEMENTS**

**Note:36** The accounts have been prepared on Going Concern Basis. All Mining Leases are at various stages of approval. Incase of two mines i.e. Kolha-Roida and Dalki, the consent to operate and environment clearance have been received. The Company is a profit making concern and having high positive networkth.

**Note:37** Previous year's figures have been re-grouped and rearranged wherever necessary to conform to this year's classification.

### **Note No. 38:**

## **SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014.**

### **1.0 BASIS OF ACCOUNTING AND USE OF ESTIMATES**

- 1.1 Financial Statements are prepared on an accrual basis under the historical cost convention in accordance with Generally Accepted Accounting Principles (GAAP) applicable in India and notified under Section 211(3C) and the relevant provisions of the Companies Act,1956 including Accounting Standards.
- 1.2 The preparation of financial statements, in conformity with Generally Accepted Accounting Principles (GAAP), requires that management makes estimates and reports revenue & expenses during the reported period accordingly.

### **2.0 FIXED ASSETS**

- a) Fixed Assets are stated at cost (or revalued amounts, as the case may be), less accumulated depreciation and impairment, if any. The cost of acquisition comprises purchase price inclusive of duties (net of Cenvat), taxes, incidental expenses, erection/commissioning/trial run expenses and interest etc, up to the date the assets are ready for intended use.
- b) Prospecting and development expenses incurred to prepare the mines ready for commercial exploration (i.e. in the nature of preliminary and preoperative expenses) are capitalized.
- c) Expenditure incurred for obtaining required clearance to operate the mines subsequent to the allotment of their lease is capitalized as intangible assets.
- d) Expenditure incurred for renewable of mining lease are capitalized under Mining Lease.
- e) Machinery spares which can be used only in connection with an item of fixed assets and whose use, as per technical assessment, is expected to be irregular are capitalized and depreciated over the residual life of the respective assets.
- f) Assets awaiting disposal are valued at the lower of written down value and net realizable value and disclosed separately.
- g) Capital work-in-progress includes machinery or other fixed assets to be installed, construction and erection materials .

### 3. DEPRECIATION AND AMMORTISATION

- 3.1 Depreciation is provided on straight line method (SLM), on full value of the cost of the assets over the specified period in accordance with the provision of Schedule XIV of the Companies Act, 1956, except in respect of certain assets where management decided to charge Depreciation at higher rates on Straight Line Method:

Photo Copiers & Fax Machines, Telecom Equipment (5 Years), Audio & Visual Equipment (10 Years), Other Office Equipment, Earth Moving Equipment, Air Conditioners, Refrigerators, Water Coolers, Air Coolers, Freezers (7 Years), Car (6 Years), Safety Equipment, Others light vehicles (8 Years) and Computer (including Software system) (4 Years).

- 3.2 The classification of Plant & Machinery into continuous and non-continuous process is done as per the technical evaluation and depreciation thereon is provided accordingly.
- 3.3 Depreciation on fixed Assets added/disposed off during the year is provided on pro-rata basis with reference to the date of addition/disposal.
- 3.4 Intangible Assets such as; Premium for Mining lease are amortized over the period of lease.
- 3.5 Leasehold land is amortized over the period of lease.
- 3.6 Intangible asset is amortized over the period of their useful life.

### 4. Impairment of Fixed Assets

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

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

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

### 5. INVESTMENTS

- 5.1 Long term Investments are carried at cost unless there is diminution in the value other than temporary.
- 5.2 Current investments are carried at lower of cost quoted/fair value.

## 6. INVENTORIES

- 6.1 Stock-in trade of finished goods is valued at lower of cost and Net Realizable Value. Cost includes direct material, Labour Cost and a proportion of manufacturing overhead based on normal operating Capacity.
- 6.2 Stock of Stores and spare parts, loose tools are valued at Weighted Average cost
- 6.3 Provision is made for old/Obsolete/Surplus/Non-moving inventories as well as other anticipated losses considered wherever necessary.
- 6.4 Quantities of Closing Stock including stock of stores & spare parts have been taken as per the physical verification done.
- 6.5 Where physical stock is more than book stock, book stock is considered for valuation of stock. However Surplus stock is valued at Rs. 1/- per LOT for the Surplus stock available as on date of closing.
- 6.6 The Excise Duty payable on closing stock of finished goods at the time of sale is not considered in valuation of closing stock.

## 7. Retirement and Other Employee Benefits: Defined Benefit Scheme:

- a) Gratuity: Payable on separation @ 15 days pay for each completed year of service to eligible employees who render continuous service of 5 years or more and maximum payable amount is calculated as per Gratuity Act. The gratuity is being covered under "Group Gratuity cum Life Insurance Scheme" with LIC of India and the provision on account of gratuity is being made as per the actuarial valuation.
- b) Leave Encashment:
  - (i) Earned Leave: Payable if encashment of leave is applied for during the tenure of service of employee as per Company Rule and on separation to eligible employees who have accumulated earned leave. Maximum accumulated leave 300 days is encashable at the time of separation. Liability of Leave salary is provided on the basis of actuarial valuation as per AS-15 (Revised,2005).
  - (ii) Half Pay Leave: Payable on separation to eligible employees who have accumulated Half pay leave balance. Maximum accumulated leave 180 days is encashable at the time of separation. Liability of Leave salary is provided on the basis of actuarial valuation as per AS-15 (Revised,2005).

(c) Superannuation Benefit: The Company pays fixed contribution @13% on (Basic+IDA) on a/c of Superannuation fund only for the executives. This amount is deposited with a separate trust maintained by "The Orissa Minerals Development Company Limited Superannuation Fund".

The company has no other liabilities apart from its contribution to the fund.

(d) Provident Fund : Head Office Employee  
Company pays fixed contribution to Provident Fund, at predetermined rates, to a separate trust i.e. The Orissa Minerals Development Company Limited Provident Institution.

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

## 8. **Taxation**

Tax expenses comprise of Current, Deferred and Prior year tax expenses, if any.

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

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The Company re-assesses unrecognized deferred tax assets at each balance sheet date.

## 9. **REVENUE RECOGNITION**

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

### 9.1 Sale of Goods

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

### 9.2 Interest

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

### 9.3 Dividend

Income from dividend is recognised when the shareholders' right to receive payment is established by the balance sheet date. Dividend from subsidiaries is recognised even if same are declared after the balance sheet date but pertains to period on or before the date of balance sheet.

### 9.4 Consideration for use of Company's facilities

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

## 10. Government grants and subsidies

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

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

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

## 11. Provisions, Contingent Liabilities and Contingent Assets

- 11.1 A provision is recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions made in terms of Accounting Standard 29 are not discounted to its present value and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.
- 11.2 Contingent liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty, are treated as contingent and disclosed by way of notes to the accounts.
- 11.3 Contingent Assets are neither recognized nor disclosed in the financial statements.

## 12. Earnings per Share

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

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

## 13. Segment Reporting

### Identification of segments :

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.



The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

**Inter segment Transfers :**

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

**Allocation of common costs :**

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

**Unallocated items :**

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

**14. Excise duty/Royalty**

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

**15. Cash and Cash equivalents**

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

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

For and on behalf of Board of Directors

For L.B Jha & Co.  
Firm Registration No. 301088E  
Chartered Accountants

Sd/-  
**A.K Gandhi**  
PARTNER  
(M. No. 016350)

Sd/-  
**Umesh Chandra**  
Managing Director

Sd/-  
**P.K.Sinha**  
Director (P & P)

Sd/-  
**Tapan Kumar Saha**  
CFO

Sd/-  
**S. Das**  
Company Secretary

Kolkata, Date: 30th May 2014.



**THE ORISSA MINERALS DEVELOPMENT COMPANY LIMITED****CIN: L51430WB1918GOI003026****Registered Office :** AG-104 " Sourav Abasan" 2nd Floor, Sector-II, Salt Lake City, Kolkata-700 091  
**Tel:** 91 33 4016-9200, **Fax:** 91 33 4016-9267, **E-mail:** [info.birdgroup@nic.in](mailto:info.birdgroup@nic.in) , **Website:** [www.birdgroup.gov.in](http://www.birdgroup.gov.in)**96<sup>th</sup> ANNUAL GENERAL MEETING****ADMISSION SLIP****DATE**Wednesday, 24<sup>th</sup> September, 2014**VENUE**Purbashree Auditorium of Eastern Zonal Cultural  
Centre at Bhartiyam Cultural Multiplex, IB-201,  
Sector- III, Salt Lake, Kolkata-700106**TIME**

11.00 A.M.

**Name & Address of Member :****DP ID No. & Client ID No. / :  
Registered Folio No.**

I certify that I am a Member / Proxy for the Member holding        shares.

Please ✓ in the box

☐

Member

☐

Proxy

Name of the Proxy in Block Letters

Signature of Member / Proxy attending

- NOTES:**
- i) Member / Proxy attending the Annual General Meeting (AGM) must bring his / her Admission Slip which should be signed and deposited before entry to the Main Auditorium.
- 
- ii) Duplicate Admission Slip will not be issued at the venue.

**ELECTRONIC VOTING**Electronic voting (e-voting) facility is being provided in respect of the Resolutions proposed at the 96<sup>th</sup> AGM, in accordance with Section`108 of the Companies Act, 2013 read with Rule`20 of the Companies (Management and Administration) Rules, 2014. Please see Note (v) to the Notice dated 13<sup>th</sup> August, 2014 convening the AGM for the procedure with respect to e-voting.

Your e-voting user ID and password are provided below:

Electronic Voting Event Number (EVEN)	User ID	Password

# THE ORISSA MINERALS DEVELOPMENT COMPANY LIMITED

**CIN: L51430WB1918GOI003026**

**Registered Office :** AG-104 " Sourav Abasan" 2nd Floor, Sector-II, Salt Lake City, Kolkata-700 091  
**Tel:** 91 33 4016-9200, **Fax:** 91 33 4016-9267, **E-mail:** [info.birdgroup@nic.in](mailto:info.birdgroup@nic.in) , **Website:** [www.birdgroup.gov.in](http://www.birdgroup.gov.in)

## 96<sup>th</sup> ANNUAL GENERAL MEETING

### PROXY FORM

1. Name(s) of Member(s)  
including joint holders, if any :

2. Registered address of the  
sole / first named Member :

3. E-mail ID :

4. DP ID No. & Client ID No. /  
Registered Folio No.

I / We, being the Member(s) of shares of OMDC, hereby appoint

(1) Name : \_\_\_\_\_ Address : \_\_\_\_\_

E-mail ID : \_\_\_\_\_ Signature : \_\_\_\_\_, or failing him

(2) Name : \_\_\_\_\_ Address : \_\_\_\_\_

E-mail ID : \_\_\_\_\_ Signature : \_\_\_\_\_, or failing him

(3) Name : \_\_\_\_\_ Address : \_\_\_\_\_

E-mail ID : \_\_\_\_\_ Signature : \_\_\_\_\_

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 96<sup>th</sup> Annual General Meeting (AGM) of the Company to be held on the 24th day of September, 2014 at 11:00 A.M at Purbashree Auditorium of Eastern Zonal Cultural Centre at Bhariyam Cultural Multiplex, IB-201, Sector- III, Salt Lake, Kolkata-700106 and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution Number	Description	Optional ( ✓ )	
		For	Against
Ordinary Business			
1	Adoption of Accounts for the financial year ended 31st March, 2014, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.		
2	Declaration of Dividend for the financial year ended 31st March, 2014.		
3	Appointment of Shri Lokesh Chandra (DIN : 06534076), who retires by rotation and offers himself for re-election.		
4	Fixation of remuneration of M/s L.B Jha & Co, Chartered Accountants,(firm registration number: 301088E), as the Statutory Auditors of the Company, for the financial year 2014-15 under provision of Section 142 of the Companies Act, 2013.		
Special Business			
5	Appointment of Shri Abdul Kalam (DIN: 01869712) as an Independent Director of the company.		
6	Appointment of Shri K.J Singh (DIN: 00626836) as an Independent Director of the company		
7	Appointment of Shri P.S Bhattacharyya (DIN: 00329479) as an Independent Director of the company.		
8	Appointment of Shri Ponnappalli Madhusudan (DIN: 02845996) as a Director of the company.		
9	Appointment of Shri Prabhat Kumar Sinha (DIN: 06872165), as a Director (Production & Planning) of the company for a period of five years with effect from 4 <sup>th</sup> February, 2014.		
10.	Approval of terms and conditions for appointment of Shri Prabhat Kumar Sinha as a Director (Production & Planning).		
11	Appointment of Shri Dasari Nageswara Rao (DIN: 06914797), as a Director of the company.		

Signed this.....day of ....., 2014.

Signature of shareholder.....

NOTE : This form of proxy, in order to be effective, should be duly completed and deposited at AG-104 "Sourav Abasan" 2nd Floor, Sector-II, Salt Lake, Kolkata-700 091 not less than 48 hours before the commencement of the AGM i.e. by 11.00 a.m. on 22nd September, 2014.

Affix Rs. 1  
Revenue  
Stamp