

# THE ORISSA MINERALS DEVELOPMENT COMPANY LIMITED

98<sup>TH</sup>

2015-16  
ANNUAL REPORT



THE ORISSA MINERALS DEVELOPMENT COMPANY LIMITED





# THE ORISSA MINERALS DEVELOPMENT COMPANY LIMITED

## 98<sup>TH</sup>

ANNUAL REPORT & ACCOUNTS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

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**THE ORISSA MINERALS DEVELOPMENT COMPANY LIMITED**

(A GOVERNMENT OF INDIA ENTERPRISE)

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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)

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Shri Ponnappalli Madhusudan	<i>Ex-Officio Non Executive Chairman of the Board</i>
Smt Urvilla Khati	<i>Government of India, Nominee Director</i>
Shri Prabhat Kumar Sinha	<i>Managing Director</i>
Shri Prem Sagar Mishra	<i>Director (Production &amp; Planning)</i>
Shri Dasari Nageswara Rao	<i>Ex-Officio Non Executive Director</i>
Shri Abdul Kalam	<i>Non Executive Independent Director</i>
Shri Kumar Jitendra Singh	<i>Non Executive Independent Director</i>
Shri Ravishankar Gangadhar Shinde	<i>Non Executive Nominee Director, (Nominee Director of LIC)</i>

## AUDIT COMMITTEE

Shri Abdul Kalam, *Chairman*  
 Shri Kumar Jitendra Singh  
 Shri Dasari Nageswara Rao

## NOMINATION AND REMUNERATION COMMITTEE

Shri Kumar Jitendra Singh, *Chairman*  
 Shri Abdul Kalam  
 Shri Dasari Nageswara Rao

## STAKEHOLDERS RELATIONSHIP COMMITTEE

Shri Abdul Kalam, *Chairman*  
 Shri Kumar Jitendra Singh  
 Shri Prabhat Kumar Sinha

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Shri Kumar Jitendra Singh, *Chairman*  
 Shri Abdul Kalam  
 Shri Prabhat Kumar Sinha  
 Shri Prem Sagar Mishra

## RISK MANAGEMENT COMMITTEE

Shri Abdul Kalam, *Chairman*  
 Shri Kumar Jitendra Singh  
 Shri Prabhat Kumar Sinha  
 Shri. Arijit Chakravarty  
 Shri Satyaki Chakraborty

**CFO****Shri. Arijit Chakravarty****SECRETARY****Smt. Sucharita Das** (till 04.07.2016)**STATUTORY AUDITORS****M/S L.B. Jha & Co***Chartered Accountant*GF-1 Gillander House  
8, Netaji Subhas Road, Kolkata - 700 001**SECRETARIAL AUDITORS****M/s S.K. Khemka and Associates***Practicing Company Secretaries*P12, New Howrah Bridge  
Approach Road, 6<sup>th</sup> Floor, Kolkata - 700 001**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"**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)**REGISTRAR AND TRANSFER AGENT****CB Management Services (P) Limited.**

P-22, Bondel Road, Kolkata-700019

Phone : (033) 4011-6700

Fax : (033) 4011-6739

E-mail : [rta@cbmsl.com](mailto:rta@cbmsl.com)**MINES OFFICE****P.O Thakurani**

Via – Barbil, Dist. Keonjhar, Odisha - 758035

Tel : (06767) 276777/ 275058

Fax : (06767) 275405

E-mail : [omdc\\_fin\\_mo@yahoo.com](mailto:omdc_fin_mo@yahoo.com)

## BOARD OF DIRECTORS



Shri Prabhat Kumar Sinha  
*Managing Director*



Shri Ponnappalli Madhusudan  
*Chairman*



Smt Urvilla Khati  
*Jt. Secy (Steel), MOS & Director*



Shri Dasari Nageswara Rao  
*Director*



Shri Abdul Kalam  
*Director*



Shri Kumar Jitendra Singh  
*Director*



Shri Ravishankar Gangadhar Shinde  
*Director*



Shri Prem Sagar Mishra  
*Director*

## VISION

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

## MISSION

To ensure sustainable growth of the Company by having synergy with all stake holders and maximization of returns, while following best practices of corporate governance and promoting ecological balance and mineral conservation.

To ensure high level of customer satisfaction.

To achieve international standards of productivity by scientific mining & adequate thrust on R & D, power consumption, environmental standards, preservation of flora & fauna, water resources.

To share developmental benefits with people living in & around mines, while improving the welfare of employees.

To expand the mining activities in other minerals like Coal, Chromites and other rare minerals in & outside the country by acquiring new mines.

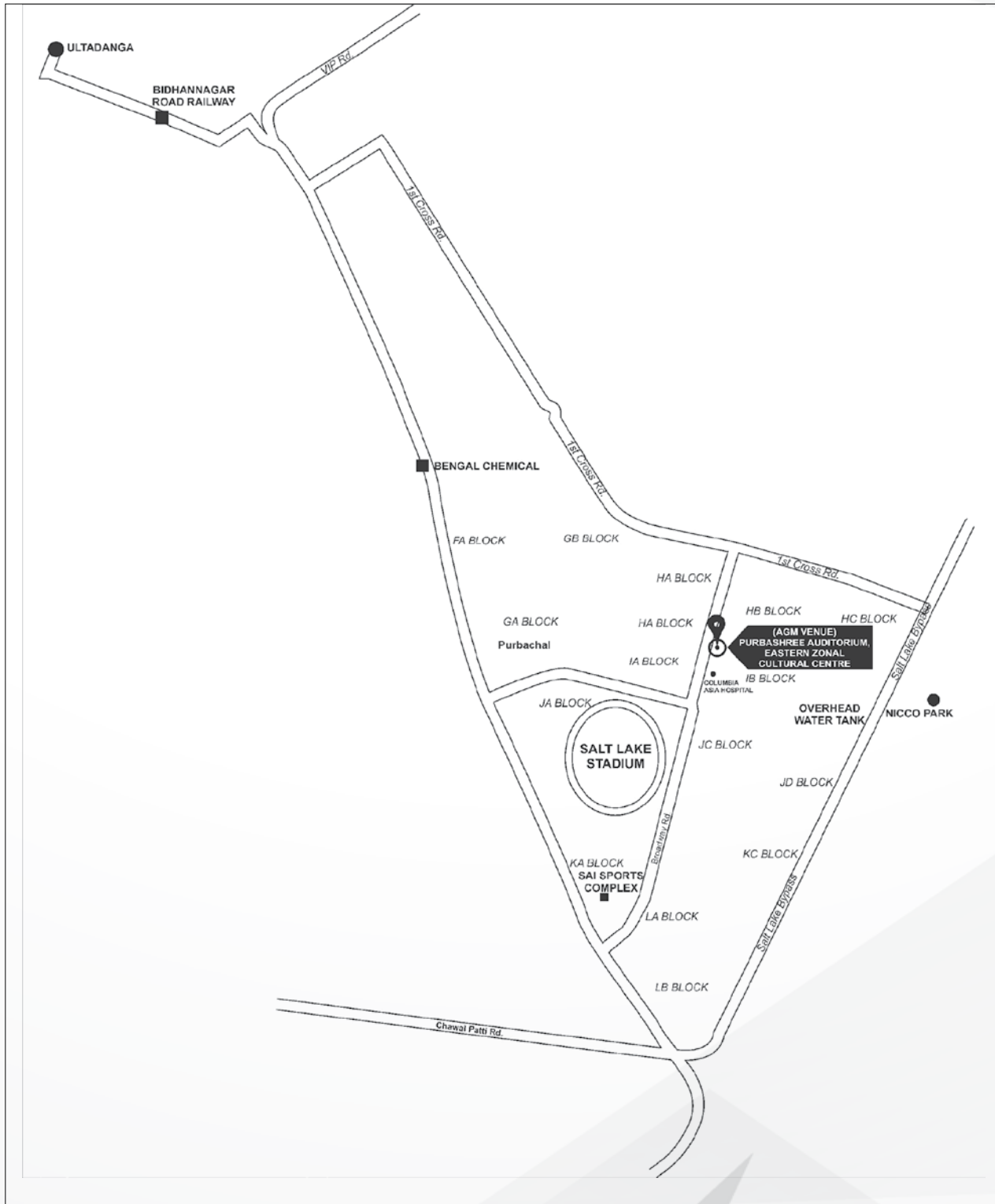
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# ROUTE MAP OF 98<sup>TH</sup> AGM VENUE



# NOTICE OF 98TH ANNUAL GENERAL MEETING

Notice is hereby given that the 98th Annual General Meeting of The Orissa Minerals Development Company Limited will be held on **Wednesday, the 21st day of September, 2016 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 consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2016, 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, 2016.
3. To appoint a Director in place of Shri P. Madhusudan (DIN :02845996), 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, the following resolution as an **Ordinary Resolution**:

## "RESOLVED THAT

Pursuant to Section 142 of the Companies Act, 2013, M/s M C BHANDARI & CO (Firm registration no:- CA0049) , the Statutory Auditors of the Company, appointed by the Comptroller & Auditor General of India for the financial year 2016-17 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, 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. 7/4/2015-BLA dated 02.11.2015 Shri Prem Sagar Mishra (DIN: 07379202) was appointed as Director (Production & Planning) of the Company 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 Prem Sagar Mishra (DIN: 07379202), was appointed as an Additional Director of the Company by the Board of Directors w.e.f 16-11-2015 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 Prem Sagar Mishra, 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."

**6. To consider and, if thought fit, to pass, the following resolution as an Ordinary Resolution:**

## "RESOLVED THAT

pursuant to the provisions of Sections 196(3), Part-I of 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 Prem Sagar Mishra designated as Director (Production & Planning) of the Company for a period of five (5) years commencing from 16-11-2015 be paid remuneration in the scale of pay of Rs. 22500-600-27300/-(Pre-revised), by way of salary, perquisites and allowances, etc.

## "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 Prem Sagar Mishra 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."

*By Order of the Board*  
**For The Orissa Minerals Development Company Ltd**

Sd/-

**P.K.Sinha**

*Managing Director*

DIN : 06872165

Place : Delhi  
 Date : 23.08.2016

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL 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 DULY COMPLETED AND SIGNED AT LEAST FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IS ANNEXED TO THIS REPORT.**
2. Members / Proxies are requested to bring their admission slips along with copy of the Annual Report to the Annual General Meeting.
3. 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.
4. 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.
5. 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 of the intention so to inspect is given to the Company.
6. 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 Thursday, September 15th, 2016 to Wednesday, September 21st, 2016 (both days inclusive).
7. Additional information pursuant to SEBI (LODR) Regulations, 2015 in respect of the Directors seeking appointment/ re-appointment as mentioned under item nos. 3, 5 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.
8. The explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of item nos. 5 and 6 of the accompanying notice is annexed hereto.
9. The route map to the venue of the meeting is separately attached for the convenience of the members to attend the meeting.
10. The Board has recommended final dividend of ₹ 2.66 per equity share for the financial year 2015-16.
11. The Dividend, after declaration, will be paid to those shareholders, whose names stand on the Register of Members on 21st September, 2016. 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 14th September, 2016. The dividend shall be paid on and from 4th October, 2016.

12. Pursuant to Section 124 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. Shareholders are requested to note that no claims shall lie against the said Fund or the Company in respect of any amounts which were unclaimed and unpaid for a period of seven years from the dates that they first became due for payment and no payment shall be made in respect of any such claims.

Unclaimed final dividend for the year 2008-09 is due for transfer to Investors' Education and Protection Fund (IEPF) established by Government of India on or after 04.11.2016. All shareholders, whose dividend is unpaid, are requested to lodge their claim with M/s CB Management Services (P) Limited, the Registrar & Transfer Agent of the Company by submitting an application on or before 19th October, 2016. Kindly note that no claims will lie against the Company or the IEPF once the dividend amount is deposited in IEPF.

13. Members who have not encashed their dividend warrants within their validity period may write to the Company at its Registered Office or CB Management Services (P) Limited, Registrar & Transfer 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.
14. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made there under, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their email address either with the Company or with the Depository Participant(s). Members who have not yet registered their email address can now register the same either with the Company or with the Depository Participant(s). Members of the Company who have registered their email address are also entitled to receive such communication in physical form, upon request.
15. SEBI has made it mandatory for all companies to use bank account details 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.
16. 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.
17. 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.

18. Members desirous of making a nomination in respect of their shareholding in physical form, as permitted under Section 72 of the Companies Act, 2013, are requested to submit the prescribed form SH13 and SH14, accordingly to the Share Department of the Company or to the office of the Registrar and Share Transfer Agent, M/s C B Management Services (P) Limited.
19. 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.
20. Cut-off date for e-voting has been fixed on 14th September , 2016.
21. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
22. 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.
23. To receive all communication promptly, please update your address registered with the Company or Depository Participant, as may be applicable.
24. 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.

*By Order of the Board*

**For The Orissa Minerals Development Company Ltd**

Sd/-

**P.K.Sinha**

*Managing Director*

DIN : 06872165

Place : Delhi

Date : 23.08.2016

# INFORMATION PURSUANT TO SEBI (LISTING OBLIGATIONS DISCLOSURE REQUIREMENTS) IN CONNECTION WITH THE DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING (REFER ITEM NOS. 3, 5 OF THE NOTICE)

Name of the Director	Shri Ponnappalli Madhusudan	Shri Prem Sagar Mishra
Date of Birth	09.05.1958	15.01.1965
Date of Appointment	09.01.2014	16.11.2015
Qualification	Chartered Accountant, Cost Accountant and Company Secretary	B.Tech(Mining Engg.) First division Honours from ISM Dhanbad, pursuing Ph. D from Management studies Division, ISM, Dhanbad.
Experience	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 in different Managerial capacities in under ground and open cast mines of SECL for around 16 years. Worked as project officer of different prestigious and World Bank aided Coal Mining Projects of CCL & BCCL for around 5 Years. About 7 Years of experience as General Manager in BCCL having managed and operated underground and opencast mines as well as Coal Washery and initiated different innovative projects. Active members of different institutes/ associations viz. ISMAA, MGMI, NIPM, IIMM, IM&EF, IMMA etc. and worked as convener of different Conferences/ Congress/ Seminars.
Directorship Details	<ol style="list-style-type: none"> <li>1. Rashtriya Ispat Nigam Limited</li> <li>2. Eastern Investments Limited.</li> <li>3. RINLMOIL Ferro Alloys Private Limited (RMFA).</li> <li>4. International Coal Ventures (P) Limited.</li> <li>5. The Bisra Stone Lime Company Limited</li> <li>6. *Uttarbanga RINL Rail Karkhana Limited</li> </ol> <p>* Name struck off u/s. 560(3) of the Companies Act, 1956 in MCA records &amp; Gazette Notification is awaited.</p>	NIL

<b>Terms and conditions of appointment</b>	He has been designated as Ex - Officio Non-Executive Chairman	He has been designated as Director(Production & Planning) of OMDC in the scale of pay of Rs. 22,500-600-27,300 (w.e.f.01.01.1997) for a period of five years from the date of his assumption of charge of the post or till the date of his superannuation, or until further orders, whichever is the earliest.
<b>Relationship with other Directors, Manager and other Key Managerial Personnel of the Company</b>	No	No
<b>No of Meetings of the Board attended during 2015-16</b>	<b>5 out of 5</b>	<b>1 of 1</b>
<b>Membership of Committees</b>	Nil	Nil
<b>Number of Shares held in the Company</b>	Nil	Nil

**\*Membership/Chairmanship of Audit Committee and Stakeholders Investors Relationship Committee' of Public Limited Companies only have been considered.**

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

### Item No: 5 & 6

Shri Prem Sagar Mishra (DIN: 07379202) was appointed as Director (Production & Planning) of the Company by the Government of India vide letter No. 7/4/2015-BLA dated 02.11.2015 issued by Ministry of Steel for a period of five years and was accordingly appointed as an Additional Director of the Company on 16th November, 2015 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 Prem Sagar Mishra, as a candidate for the office of the Director of the Company.

Shri Prem Sagar Mishra (DIN: 07379202) 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.

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

The brief profile of Shri Prem Sagar Mishra, 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 Prem Sagar Mishra, are in any way, concerned or interested, financial or otherwise, in the said resolution.

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

*By Order of the Board*  
**For The Orissa Minerals Development Company Ltd**

Sd/-

**P.K.Sinha**

*Managing Director*

DIN : 06872165

Place : Delhi

Date : 23.08.2016

# 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.

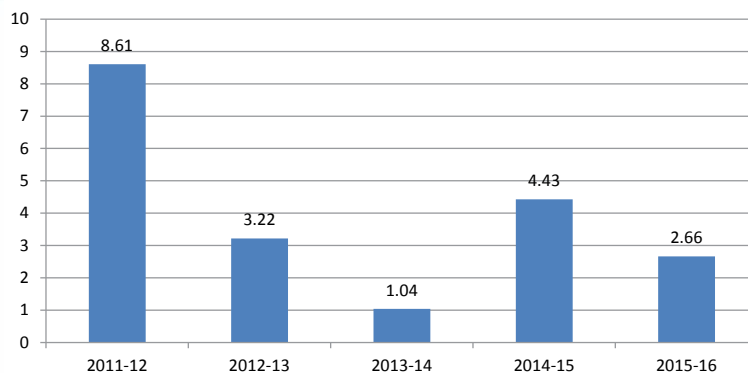
## IMPORTANT COMMUNICATION TO MEMBERS

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.

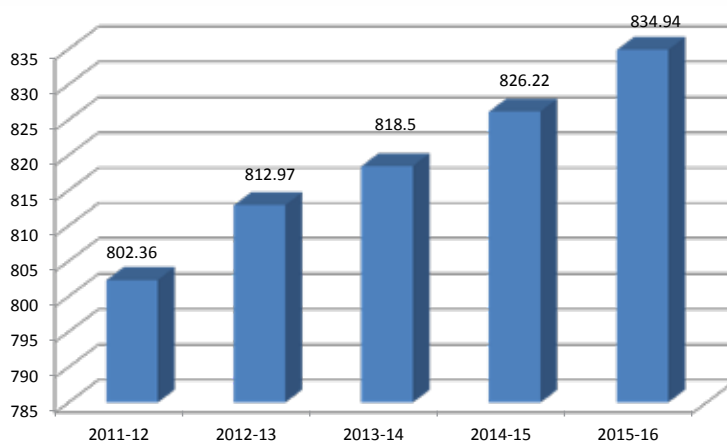
# PHYSICAL AND FINANCIAL PERFORMANCE FOR LAST FIVE YEARS AT A GLANCE

Particulars	2011-12	2012-13	2013-14	2014-15	2015-16
<b>Production Lakh Tonnes</b>					
Iron Ore					
Manganese Ore					
Sponge Iron					
<b>Sales – Lakh Tonnes</b>					
Iron Ore					
Manganese Ore					
Sponge Ore	0.01				
<b>Finance - ₹ in crores</b>					
Turnover	1.53				
Gross Margin	6.91	35.07	25.75	34.54	25.91
Profit Before Tax	8.28	26.25	16.74	25.83	18.91
Profit After Tax	3.44	12.86	6.26	17.70	10.63

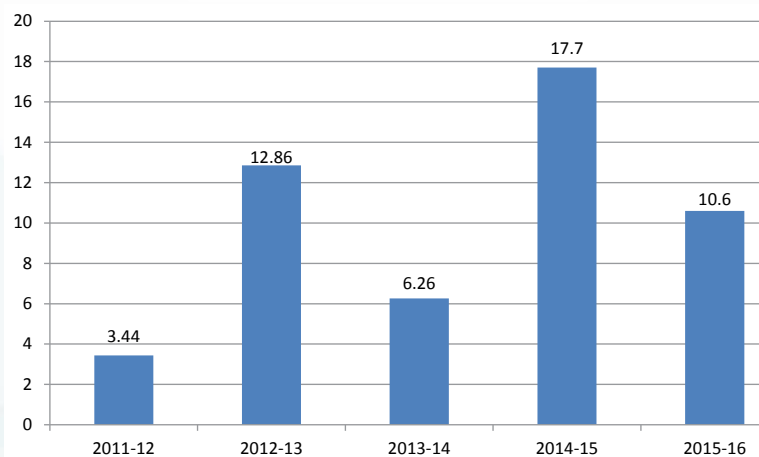
## Dividend per share allocation 5 years ( ₹ )



## Graph Representing Net Worth For Last 5 Years ( ₹ in Crore)



## Graph Representing Profit After Tax(PAT) For Last 5 Years ( ₹ in Crores)





## Mr. P Madhusudan, Chairman

*Chairman's Speech at the 98th Annual General Meeting on 21ST September, 2016*

### 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 98th Annual General Meeting of Your Company.

The Directors' Report and the Audited Statement of the Accounts for the year 2015-16 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. This situation has resulted in loss of opportunity by the Company to enhance and expand the business from its core activity. The management of your Company has been putting constant efforts and regularly meeting with State Governments Officials for renewal of mining leases. 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 ₹68.04 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 ₹ 1891.22 lacs as compared to ₹ 2583.69 lacs in the previous year. Profit after tax stood at ₹ 1063.16 lacs as compared to ₹ 1770.09 lacs during the previous year.

### 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.

Your Company is looking for new mining avenues and accordingly drawn up plans to participate in auction of iron ore blocks which are to be placed for auction from the State Government of Orisha.

### Allocation of Brahmani Coal Block to OMDC

Brahmani Coal Block in Talcher coalfield of Dhenkanal District, Odisha having estimated geological reserve of 58.90 Million Tonnes and area of 13.26 Sq. Km. allocated to OMDC on 07.11.2013 by Ministry of Coal, Govt. of India. OMDC has approached MoC for agreement regarding Coal Block. The agreement is likely to be cleared soon.

### 3) Dividend for the year 2015-16

We have been consistently rewarding our shareholders with dividend. For the year 2015-16, your Company has recommended a dividend of ₹ 2.66 per equity share of ₹ 1/- each. The financial out go on this account shall be ₹ 191.94 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 the Company has been following it much before it became a norm for the corporate sector in India. The Company has been allocating CSR budget as per the guidelines of DPE.

Your Company's CSR activities are focused in areas such as Health, Education, Employment generation, Empowerment of women and Drinking Water etc.

### 6) Acknowledgement

On behalf of your Company's Board of Directors, I wish to convey earnest thanks to the valued Share holders for their continuous support and reposing trust on us. This motivates us to excel in all our pursuits and constant endeavour to create value for the stakeholders.

I take this opportunity to thank the Government of India, 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 : 21st September, 2016

Place : Kolkata

# DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2016

Dear Members,

On behalf of the Board of Directors of the Company, I take great pleasure in presenting the 98th Annual Report of the Company for the financial year ended 31st March, 2016 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 the Company for the year 2015-16 in comparison with previous financial year 2014-15 are highlighted here in **Table-1** below:

**TABLE - 1**

PARTICULARS	For the year ended 31-03-2016 ( ₹ in Lacs)	For the year ended 31-03-2015 ( ₹ in Lacs)
<b>Income :-</b>		
Revenue from operations		
Other Income	6996.96	7466.58
Total Income	6996.96	7466.58
Total Expenditure	4406.09	4013.01
Total Expenditure including prior period items & Extraordinary items	4406.09	4013.01
Profit and loss after charging all expenses but before providing for depreciation	2590.87	3453.57
Depreciation	699.65	869.88
Net profit before tax	1891.22	2583.69
Net profit after tax	1063.16	1770.09
Balance B/F from previous year	50253.56	49657.68
Profit available for appropriations	51316.72	50749.51
<b>Appropriations:-</b>		
General Reserve	106.32	177.01
Proposed Dividend	159.47	265.80
Dividend Tax	32.47	53.14
Surplus carried to Balance Sheet	<b>51018.46</b>	<b>50253.56</b>

## 2. REVIEW OF THE FINANCIAL PERFORMANCE

As there was no production and dispatch of Iron Ore and Manganese Ore during the year 2015-16, there was no operating income during this year.

Other income during the year in comparison to last year from ₹ 7466.58 lacs to ₹ 6996.96 lacs. The main earning of the Company for the year 2015-16 was interest from the term deposits and there was reduction in interest rates. Profit before tax during the year stood at ₹ 1891.22 lacs as compared to ₹ 2583.69 lacs last year Profit after tax for the year arrived at ₹ 1063.16 lacs as compared to ₹ 1770.09 lacs last year

## 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 resulted in nil production and nil dispatch during the year 2015-16.

## 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 has recommended a dividend of ₹ 2.66/- per equity share of ₹ 1/- each for the year 2015-16. This would involve a cash outgo of ₹ 191.94/- lacs inclusive of tax on dividend.

## 5. OTHER INCOME

The Company continued its prudent cash planning to focus on judicious management of its working capital. Receivables, inventories and other working capital parameters were kept under strict check through continuous monitoring. As per the Government guidelines, the Company deployed the surplus funds in fixed deposits and earned an interest income of ₹ 6804.32 lacs on fixed deposits during the year which is included under 'other income' in the Profit & Loss Account for the year

## 6. NETWORTH

The net worth of the Company has recorded an increase of 1.06 % from the previous financial year. For the year 2015-16, the Net-Worth of the Company is ₹ 834.94 crores as compared to ₹ 826.22 crores in the previous financial year

## 7. TRANSFER TO RESERVES

During the year 2015-16, the Company has transferred ₹ 106.32 lacs to General Reserve as per Profit and Loss Account.

## 8. INVESTOR EDUCATION AND PROTECTION FUND

The Company has transferred a total sum of ₹ 32, 82,156/- during the financial year 2015-2016 to the Investor Education & Protection Fund established by the Central Government in compliance with Section 125 of the Companies Act, 2013 for the unclaimed dividend period pertaining to financial year 2007-2008. The said amount represents unclaimed dividend for the year which were lying with the company for a period of seven years from their respective due dates of payment. Prior to transferring the aforesaid sum, the company has sent reminders to the shareholders for submitting their claims for unclaimed dividend.

## 9. SHARE CAPITAL

The paid up Equity Share Capital as on March 31, 2016 was ₹ 60 lacs divided into 60,00,000 equity share of face value of ₹ 1 each. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity. As on March 31, 2016, none of the Directors of the Company hold shares or convertible instruments of the Company.

## 10. MEETINGS OF THE BOARD OF DIRECTORS

The Board met 5 (five) times during the year 2015-16. The details of Board Meetings are provided in the Corporate Governance Report annexed with this Board Report. The gap between any two Board Meetings never exceeded the prescribed time limit under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

## 11. DECLARATION OF INDEPENDENCE BY INDEPENDENT DIRECTORS

All the Independent Directors of the Company have given declaration to the Company stating their independence pursuant to Section 149(6) of the Companies Act, 2013 and the same have been placed and noted by the Board.

## 12. AUDIT COMMITTEE

The composition and terms of reference of the Audit Committee has been furnished in the Corporate Governance Report forming a part of this Annual Report. There have been no instances where the Board has not accepted the recommendations of the Audit Committee during the year. Five (5) Audit Committee Meetings were held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

## 13. NOMINATION AND REMUNERATION COMMITTEE

The company had constituted Nomination and Remuneration Committee consisting of Non- Executive Directors out of which half is Independent Directors. The composition and terms of reference of the Committee has been furnished in the Corporate Governance Report forming a part of this Annual Report.

Being a Central Public Sector Undertaking, the appointment, tenure, performance evaluation, remuneration, etc., of Directors are made/fixed by the Government of India. The remuneration of officers is decided as per Government

guidelines on Pay Revision and remunerations of other employees of the company are decided as per Wage Settlement Agreement entered with the Union. The appointments/promotions etc. of the employees are made as per Recruitment and Promotion Policy approved by the Board.

## 14. STAKEHOLDER RELATIONSHIP COMMITTEE

The composition and terms of reference of the Stakeholder Relationship Committee has been furnished in the Corporate Governance Report forming a part of this Annual Report. During the year, four (4) Stakeholder Committee Meetings were held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

## 15. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Corporate Social Responsibility Committee comprises of Shri K.J Singh as the Chairman and Shri Abdul Kalam, Shri P.K Sinha, Shri P. S Mishra as members.

The target areas are water supply, education, infrastructure, health programme through conduct of health camps for treatment of villagers of peripheral villages, women empowerment, vocational training to candidates from weaker section of society for ITI training etc.

Details about the CSR initiatives and policy of the company are available at the Company's website. Report on CSR activities is annexed herewith marked as **Annexure I** forming part of this Report.

## 16. SWACHH BHARAT ABHIYAAN

The Company has participated in Swachh Bharat Abhiyaan. The Company constructed 11 nos. of toilets in 11 schools in Keonjhar district Odisha by July, 2015 as per the allocation of Ministry of Human Resource Development (MHRD) under "Swachh Vidyalaya Abhiyan". The activity was taken up in coordination with District Project Coordinator, Govt. of Odisha under supervision of Department of Education, Govt. of Odisha. Completion was and reported to the Ministry of Human Resource Development (MHRD).

## 17. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not given any loan, guarantee or made any investment exceeding sixty per cent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more, as prescribed in Section 186 of the Companies Act, 2013.

## 18. RELATED PARTY TRANSACTION

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, transaction with related party has been disclosed in Note no 26 and 26.01 of notes to the accounts. Hence no disclosure is made on form AOC-2 as required under Section 134(3) read with rule 8 of the Companies (accounts) Rules, 2014. The Company has Related Party Transaction Policy and the same is uploaded in its website.

## 19. INTERNAL CONTROL SYSTEMS

Your Company has a system of internal control to ensure that the financial and other records are reliable, the assets and properties are safeguarded and protected against loss from unauthorized use or disposition and those transactions are authorized, recorded and reported correctly.

The Internal Control System is supplemented by extensive programme of internal audits, review by management and documented policies, guidelines and procedures. The internal control is designed to ensure that the financial and other records are reliable for preparing financial statements and other data and for maintaining accountability of assets.

Your Company also has an Audit Committee. The Audit Committee reviews adequacy of internal control systems and the Internal Audit Reports and compliance thereof. The Committee reviews the internal control system and conduct of internal audits during the year.

## 20. FUTURE OUTLOOK

The six mines of the company are in-operative due to non renewal of mining leases and non availability of statutory clearances. The company is committed to put all efforts to sort out the uncertainties and also geared up to move forward for sustenance and better future.

## 21. STATUS OF BRAHMANI COAL BLOCK

Brahmani Coal Block in Talcher coalfield of Dhenkanal District, Odisha having estimated geological reserve of 58.90 Million Tonnes and area of 13.26 Sq. Km. allocated to The Company on 07.11.2013 by Ministry of Coal, Govt. of India. The Company has approached MoC for agreement regarding Coal Block and the same is under process. The matter is being pursued actively.

## 22. FIXED DEPOSITS

Your company has not accepted any fixed deposit and, accordingly no account was outstanding as at the Balance Sheet date.

## 23. STATUS OF RENEWAL OF THE MINING LEASES

The Company has approached Attorney General for India for legal opinion regarding vesting of Kolha- Roida, Dalki & Thakurani leases to the Company as although those were operated by the Company, those were in the name of M/s BPMEL ( a PSU under Ministry of Heavy Industry), after nationalization of Bird & Co. As BPMEL is under liquidation, the leases were sought to be vested to the Company. Major Statutory clearances are available for Kolha Roida and Dalki leases.

The leases of Bhadrasahi, Belkundi and Bagiaburu were declared as lapsed by the Govt. of Odisha alongwith other mines. The Company has filed appeal against the order with the Revisional Authority, Ministry of Mines, Govt. of India New Delhi and the case is followed up for a favourable decision in this regard.

## 24. INFORMATION TECHNOLOGY & TECHNOLOGY UPGRADATION

- The Company 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.
- Biometric based Attendance System and CCTV based surveillance system is present at Corporate office.
- Maintenance of leave records and processing of salaries is being done through customized payroll system.
- Tally based Accounting Package is being used to pay vendors bill and different employee entitlements through RTGS and e-payment mode.
- The technology focus of the Company is to develop as a green mining Company, having technological upgradation and taking all safety measures to have safe and cost effective mining operations.

## 25. SAFETY MEASURES

The Company takes safety measures according to provision of the Mines Act, 1952 and in terms of Rules, Regulations and Guidelines towards safety of employees engaged in mining and allied activities. Necessary safety devices, tools and implements have been provided to the concerned employees. Safety handbook has been made and distributed as per instruction of DGMS. Basic and refresher training is imparted to the workers in the Vocational Training Center from different disciplines and operational activities in the mines as per the guidelines of DGMS. Disaster Management plan has been put in place by the Company.

## 26. IMPLEMENTATION OF THE RIGHT TO INFORMATION ACT, 2005

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 Assistant Public Information Officer. The information sought under the Act has been furnished within the stipulated time period. Whenever there is a likely delay in reply due to unavailability of proper information within the stipulated time limit, an interim reply is always sent to the applicants. 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.

During the year ended on 31st March, 2016, total 14 applications received and all were disposed off.

## 27. PROGRESSIVE USE OF HINDI

The Company has taken positive steps in order to enhance awareness and usage of Hindi among employees. Your company is situated in category (C) area as per the Official Language Act. The Company had observed "Hindi Pakhwada" 2015 by way of organizing competitions such as essay writing, Hindi poems recitation and Anubad in which the employees took active participation. The company is ensuring steps under the directives of the Official Language Act to use and propagate the use of Hindi. Bilingual Boards and advertisements are being issued. "Rajbhasha Shikshan Board" is put up at Head Office to appraise the employees with new words

everyday. 'Rajbhasa Training classes were conducted under "Hindi Sikhsan Yojana" for learning Hindi and use of Hindi language for official use. Employees are putting signatures in attendance registers in Hindi. "Praveen, Pragya & Parangat" examination have been completed for the employees who attended classes.

## 28. 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. The Company does not differentiate in terms of gender, and is an equal opportunity employer.

Total women employees on roll of the Company as on 31.03.2016 were 91 which constitute about 17.70% of its total workforce of 514 employees. As a part of CSR also, the Company strives to empower women, details of which is listed with CSR.

## 29. WELFARE OF WEAKER SECTIONS OF SOCIETY

The total number of employees in the company as on 31.03.2016 was 514. About 70.43% of the total strength (362 out of 514) belong to SCs/STs/OBCs, out of which, 64 (12.45%) belongs to SCs, 191(37.16%) to STs and 107(20.82%) to OBCs.

Your Company is also taking keen interest in development of the weaker section of society living in the periphery 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.

## 30. INDUSTRIAL RELATIONS

Industrial relations in your Company and at Mines continued to be cordial during the year.

## 31. VIGILANCE

The Company has its Vigilance Department headed by Chief Vigilance Officer (CVO) of RINL, and assisted by one Vigilance Officer and PSO to CVO in Head Office, Kolkata. In addition one Vigilance Officer (additional charge) are appointed for the Company 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 systemic improvement to bring more and more transparency in working environment of the Company and conducted various training programme and interactive sessions for creating Vigilance Awareness among the employees. As per the directives of Central Vigilance Commission, the Company observes 'Vigilance Awareness Week' every year.

## 32. GRIEVANCE REDRESSAL MECHANISM (GRM)

Grievance Redressal Mechanism is in place in Company at Unit Level and at Corporate Level. Nodal Officer has been notified for this purpose. The name & designation of the officer have been posted in the Company website Status of Public/ Employees' Grievances from 1.04.15 to 31.03.16

**TABLE-2**

Sl. No	Type of Grievances	Grievances outstanding as on 01.04.2015	No. of Grievances received during the period 01.04.15 to 31.03.16	No. of cases disposed of during the period 01.04.2015 to 31.03.2016	No. of cases pending as on 31.03.2016
1.	Public rievancs	Nil	12	12	Nil
2.	Employee Grievances	Nil	Nil	Nil	Nil

## 33. IMPLEMENTATION OF THE PERSONS WITH DISABILITIES ACT, 1995

The Company being a mining organization is governed by the provisions of the Mines Act, 1952 and Rules & Regulations there under. The Company has implemented the provisions of "Persons with Disabilities Act, 1995". 1(one) employee with disability is employed in The Company . The Company has provided access for disabled persons at its head office.

## 34. COMPLIANCE WITH LAW/ LEGAL REQUIREMENTS

The Company has taken measures to ensure legal compliances and the annual legal compliance report from all the departmental heads are placed before the Board.

## 35. WEBSITE OF THE COMPANY

The Company maintains its website where information about the Company is provided.

## 36. VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The company has a vigil mechanism for Directors and Employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the company's Code of Conduct. The mechanism provides for adequate safeguards against victimization of Directors and employees who avail of the mechanism. In exceptional cases, Directors and employees have direct access to the Chairman of Audit Committee.

The Company has a Whistle Blower Policy in place and the same is also available in the website.

## 37. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUT GO

The prescribed particulars of conservation of Energy, Technology Absorption and Foreign Exchange Earnings and outgo required under Sec 134(3)(m) read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is followed at the Company.

## 38. STATUTORY AUDITORS

On the advice of the Comptroller and Auditor General of India, New Delhi, the Company appointed the under mentioned firm of Chartered Accountants as Statutory Auditor of the year 2015-16:

SL NO	Name of the Auditor	Address of the Auditor
	M/s L B Jha & Co	GF-1, Gillander House, Netaji Subhas Road, Kolkata- 70001

The Statutory Auditors Report on the Accounts of the Company for the Financial Year ended 31st March, 2016 is enclosed as **Annexure II** to the Directors' Report.

## 39. COMMENTS BY THE COMPTROLLER AND AUDITOR GENERAL OF INDIA (CAG) ON THE ACCOUNTS OF THE COMPANY FOR THE YEAR ENDED 31ST MARCH, 2016

The Comptroller and Auditor General of India (CAG) had conducted Supplementary Audit under Section 143 (6) (a) of the Companies Act, 2013 of the financial statements of The Company for the year ended 31st March, 2016. The comments of Comptroller & Auditor General of India under Section 143 (6) (b) of the Companies Act, 2013 on the Accounts of the Company for the year 2015-16 forms part of this report. It has been stated that nothing significant has come to their knowledge which would give rise to any comment upon or supplement to statutory auditor's report.

## 40. SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT

A Secretarial Audit was conducted during the year by the Secretarial Auditor M/s S.K. Khemka and associates, Practicing Company Secretaries. The Secretarial Auditor's Report for the financial year ending 31st March, 2016 is annexed to the Board's Report as **Annexure III**. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

## 41. 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 OMDCTHE COMPANY.

Two separate Writ petitions under Article 226 & 227 of the Constitution of India, for issue of Writ of Quo Warranto 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 the Company in the "High Court of Orissa", Cuttack separately for the mines of the Company.

The High Court of Orissa heard both the above petitions on 17.07.13 and passed an order for 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.

## 42. MAJOR LEGAL CASES

The Company is contesting major legal cases at High Court Kolkata to separate the issue of leases from the liquidation process of BPMEL (for Kolha Roida, Dalki & Thakurani leases). The Revisional Authority Ministry of Mines has been approached to set aside the lapsing orders regarding the leases of Bhadrasahi, Belkundi and Bagiaburu.

The Revisional Authority has also been approached to set aside demand notice from Govt. of Orisha for Rs 5395.37 crores.

## 43. RISKS & MITIGATING STEPS

The Company has identified various risks faced by the Company from different areas. As required under SEBI (LODR) Regulation 2015, the Board has adopted a Risk management policy whereby a proper framework is set up.

## 44. DIRECTORATE

Shri Prem Sagar Mishra was appointed as the Director (Production & Planning) of the company as on 16.11.2015.

## 45. WOMAN DIRECTOR

In terms of the provisions of Section 149 of the Companies Act, 2013 and SEBI (LODR) Regulation 2015, a company shall have at least one Woman Director on the Board of the company. Presently Smt Urvilla Khatri is on the Board of the Company as Woman Director.

## 46. DETAILS ABOUT KEY MANAGERIAL PERSONNEL

Shri A.Chakravarty, CFO was nominated as Key Managerial Personnel of the Company by the Board at its Board meeting held on 24th July, 2015 in place of Shri T.K. Saha, CFO.

Pursuant to section 134(3) (q) read with rule (8) (5) (iii) of Companies (Accounts) Rules, 2014, the Board has identified Managing Director, Chief finance Officer (CFO), and Company Secretary as Key Managerial Personnel.

## 47. REPORT ON MANAGEMENT DISCUSSIONS AND ANALYSIS

A Report on Management Discussions and Analysis as required in terms of Schedule V of the SEBI (LODR) Regulation, 2015 enclosed and forms part of the report as **Annexure IV**.

## 48. CORPORATE GOVERNANCE

A report on Corporate Governance regarding compliance of the conditions of Corporate Governance pursuant to Schedule V of the SEBI(LODR) Regulation, 2015 also forms part of this Directors' Report as **Annexure V**.

**Certificate attested by the CEO/CFO** is also enclosed forming part of the Corporate Governance Report and **Certificate on Compliance** was obtained from a Practicing Company Secretary regarding compliance of the conditions of Corporate Governance as stipulated under Regulation 34(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 also forms part of this Annual Report.

## 49. DEPOSIT

During the year under review, the Company did not accept any deposits from the public within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

## 50. 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, 2016.

## 51. 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 Limited (CDSL).

All the Shareholders are holding shares in dematerialized form except 150 nos. Members having certificate in physical form are requested to dematerialize their holdings for operational convenience.

## 52. EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of annual return forms part of the Board's Report.

## 53. APPOINTMENT AND REMUNERATION POLICY

Being a Central Public Sector Undertaking, the appointment, tenure, performance evaluation, remuneration, etc., of Directors are made/fixed by the Government of India.

The remuneration of officers is decided as per Government guidelines on Pay Revision and remunerations of other employees of the company are decided as per Wage Settlement Agreement entered with the Union. The appointments/promotions etc. of the employees are made as per Recruitment and Promotion Policy approved by the Board.

## 54. MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitment, affecting the financial position of the company which has occurred between the end of the financial year and the date of the report except the following developments which have taken place in the recent past :-

- Letter for allotment of Brahmani Coal Block located in the state of Odisha received by the Company (the 'Block Allocattee') for Commercial Mining under Rule 4 of the "Auction by Competitive Bidding of Coal Mines Rules, 2012'.
- Opinion has been received from Attorney General for India regarding vesting of Kolha- Roida, Dalki & Thakurani leases to the Company and the same has been submitted to Govt of Odisha for consideration.
- Revisional Authority, Ministry of Mines, Govt. of India has remanded the case of Bhadrasahi, Belkundi and Bagiaburu leases to Govt. of Odisha for issuing the order in view of Apex Court.

## 55. CAUTIONARY STATEMENT

Statements in the report, describing the Company's objectives, expectations and/or anticipations may be forward looking within the meaning of Applicable Laws, Rules and Regulations. Actual results may differ materially from those stated in the statement. Important factors that could influence the Company's operations include global and domestic supply and demand conditions affecting selling prices of finished goods, availability of inputs and their prices, changes in the Government policies, regulations, tax laws, economic developments within the country and outside and other factor such as litigations and industrial relations.

The Company assumes no responsibility in respect of the forward-looking statements, which may undergo changes in future on the basis of subsequent developments, information or events.

## 56. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of the knowledge and belief and according to the information and explanations obtained Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- 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 period 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.
- v. That the Directors had devised proper system to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

The Company's Internal Auditors have conducted periodic audits to provide reasonable assurance that the Company's approved policies and procedures have been followed.

## 58. ACKNOWLEDGEMENT

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, Forest & Climate Change, Ministry of Corporate Affairs and from Government of West Bengal and Odisha and other Departments of Government of India and States.

Directors place on records their sincere thanks to the support extended by the valued and esteemed Customers, Shareholders, Stakeholders, 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*

Place: New Delhi

Date: 23.08.2016

## BRIEF OUTLINE OF THE COMPANY'S CSR POLICY

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1. The objective of the company is to actively contribute to the social and economic development of the communities in which we operate, so as to promote sustained growth for the society and community and in particulars take up the activities as included in Schedule VII of the Companies Act, 2013.
2. The CSR committee will facilitate the Annual CSR action plan containing the clear terms of reference outlining the key tasks, duration of assignment, allocation of budget for different projects, method of implementation and review. The CSR budget shall be according to Companies Act, 2013.
3. Money unutilized, if any, in the previous year will be carried forward and included in the budget for the next year. Any surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company.
4. The Corporate Social Responsibility activities undertaken by the Company will be monitored by the Corporate Social Responsibility Committee duly constituted by the Board. The committee will be responsible to institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the company.
5. During the year 2015-2016, the CSR activities of the Company are largely focused in the areas of education, health, skill development and financial inclusion and other activities as the Company may choose to select in fulfilling its CSR objectives. In addition to it in compliance with the Swachh Bharat Abhiyaan launched by Hon'ble Prime Minister on 2nd October, 2014, OMDC has proceeded for construction of toilets in school and around OMDC mines.

# REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

1	A brief outline of the company's CSR policy including overview of project or programmes proposed to be undertaken and a reference to the web link to the CSR Policy and projects or programmes.	<p>The CSR activities at OMDC are implemented by the company itself and not through any NGO's.</p> <p>The Company has framed a CSR and Sustainability Policy in compliance with the provisions of the companies Act, 2013 and DPE guidelines and the same is placed on the company's website and the web link for the same is <a href="http://www.birdgroup.gov.in">www.birdgroup.gov.in</a>.</p>
2	The Composition of CSR Committee	<p>Shri K.J. Singh</p> <p>Shri Abdul Kalam</p> <p>Shri P.K Sinha</p> <p>Shri P.S Mishra</p>
3	Average net profit of the company for the last three financial years	Rs 22.94 crores
4	Prescribed CSR Expenditure (2% of the Amount in item 3)	Rs 45.89 lakhs
5	Amount unpaid carried forward of the financial year 2014-2015	Nil
6	Total CSR budget for financial year 2015-2016	Rs 73.00 lakhs ( includes unutilized CSR Budget amount carried forward from 2014-15 of Rs 27.20 lakhs)
7	<p>Detail of CSR spend during the financial year-</p> <p>i. Total amount spent for the Financial Year.</p> <p>ii. Amount unspent, if any</p> <p>iii. Manner in which the amount spent during the financial year</p>	<p>Rs 73.00 lakhs</p> <p>Nil</p> <p>The manner in which the amount is spent is detailed in the annexure.</p>

## 6. The manner in which the amount spent during financial year 2015-16, is detailed below:

Sl.No	CSR project or activity identified	Sector in which the project is covered	Project of programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (Budget) project or programs wise	Amount spent on the projects or programs sub-heads (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto to the reporting period	Amount spent : Direct or through implementing agency*
1	Construction of 4 nos. Steel over structure with 500 litre PVC water tank at peripheral villages of OMDC.	Jaladhara (Water Supply)	State-Odisha, Dist- Keojhar	₹11,47,396	8,83,154.00		Departmentally / Directly
2	Pipeline For water supply of periphery villages from submersible pump of kundurpani villages Borewell.	-Do-	State-Odisha, Dist- Keojhar		10,601.00		Departmentally / Directly
3	Operation of 7 nos Borewells in 6 villages, i.e Ulliburu, Santabahal, Belkundi, Kara, Barbil-7, Kundurpani for drinking water.	-Do-	State-Odisha, Dist- Keojhar		2,53,641.00		Departmentally / Directly
<b>11,47,396.00</b>							
4	Free medicine to peripheral villagers from Thakurani Hospital and Roida Dispensary with free health check-up and distribution of mosquito nets to CDMO, Keonjhar.	Swasthya Karyakrama (Health Programme)	State-Odisha, Dist- Keojhar	<b>61,26,289</b>	20,15,465.00		Departmentally / Directly
5	Expenditure for health camp in peripheral through Mobile Health Unit.	-Do-	State-Odisha, Dist- henkanal		30,737.00		Departmentally / Directly
6	Referral Patient Sri Seba Singh of Barbil-7 village to Mental Hospital, Ranchi (Kanke).	Swasthya Karyakrama (Public Health)	State-Odisha, Dist- Keojhar		40,80,087.00	61,26,289.00	Departmentally / Directly
7	Repairing of Mobile Health Unit	Gramya Vikash(village development)	State-Odisha, Dist- Keojhar	<b>7250.00</b>	7250.00	7250.00	Departmentally / Directly

## 7. The CSR Committee confirms that the implementation and monitoring of the CSR policy is in compliance with the CSR objectives and policy of the company.

<b>P.K Sinha</b> (Chief Executive Officer)	<b>K.J Singh</b> (Chairman - CSR Committee)
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# REPORT OF MANAGEMENT DISCUSSION AND ANALYSIS

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

1. The Quick Estimates of Index of Industrial Production (IIP) with base 2004-05 for the month of March 2016 have been released by the Central Statistics Office of the Ministry of Statistics and Programme Implementation.
2. The General Index for the month of March 2016 stands at 198.2, which is 0.1 percent higher as compared to the level in the month of March 2015. The cumulative growth for the period April-March 2015-16 over the corresponding period of the previous year stands at 2.4 %.
3. The Indices of Industrial Production for the Mining, Manufacturing and Electricity sectors for the month of March 2016 stand at 148.8, 207.7 and 196.3 respectively, with the corresponding growth rates of (-) 0.1%, (-) 1.2 % and 11.3 % as compared to March 2015. The cumulative growth in these three sectors during April-March 2015-16 over the corresponding period of 2014-15 has been 2.2%, 2.0% and 5.6% respectively.
4. In terms of industries, twelve out of the twenty two industry groups (as per 2-digit NIC-2004) in the manufacturing sector have shown positive growth during the month of March 2016 as compared to the corresponding month of the previous year. The industry group 'Radio, TV and communication equipment & apparatus' has shown the highest positive growth of 36.5%, followed by 19.8% in 'Tobacco products' and 16.9% in 'Wearing apparel; dressing and dyeing of fur'. On the other hand, the industry group 'Electrical machinery & apparatus n.e.c.' has shown the highest negative growth of (-) 36.2%, followed by (-) 15.0% in 'Food products and beverages' and (-) 9.9% in 'Publishing, printing & reproduction of recorded media'.
5. As per Use-based classification, the growth rates in March 2016 over March 2015 are 4.0% in Basic goods, (-) 15.4% in Capital goods and 3.7% in Intermediate goods. The Consumer durables and Consumer non-durables have recorded growth of 8.7% and (-) 4.4% respectively, with the overall growth in Consumer goods being 0.4%.
6. Some important items showing high positive growth include 'Wood Furniture' (77.0%), 'Leather Garments' (73.0%), Telephone Instruments including Mobile Phone and Accessories' (60.2%), 'Tea' (56.2%), 'Transformers (small)' (53.8%), 'Cashew Kernels' (31.3%), 'Scooter and Mopeds' (25.0%), 'Aluminium Conductor' (23.8%) and 'Commercial Vehicles' (22.2%).
7. Some important items that have registered high negative growth during the current month over the same month in previous year include 'Cable, Rubber Insulated' [(-) 77.3%], 'Polythene Bags including HDPE & LDPE Bags' [(-) 47.5%], 'Cement Machinery' [(-) 46.0%], 'Heat Exchangers' [(-) 39.4%], 'H. R. Sheets' [(-) 35.9%], 'Ship Building and Repairs' [(-) 35.8%], 'Boilers' [(-) 35.5%], 'Lubricating oil' [(-) 31.8%], 'Sugar' [(-) 30.1%], 'Furnace oil' [(-) 27.2%], 'Molasses' [(-) 23.4%], 'Stainless/ alloy steel' [(-) 21.5%] and 'Woollen Carpets' [(-) 20.6%].

## 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 comprise nearly 38 % of the weight of items included in the Index of Industrial Production (IIP). The combined Index of Eight Core Industries stands at 188.0 in March, 2016, which was 6.4 % higher compared to the index of March, 2015. Its cumulative growth during April to March, 2015-16 was 2.7 %.

### **Coal**

Coal production (weight: 4.38 %) increased by 1.7 % in March, 2016 over March, 2015. It's cumulative index during April to March, 2015-16 increased by 4.6 % over corresponding period of previous year.

### **Crude Oil**

Crude Oil production (weight: 5.22 %) decreased by 5.1 % in March, 2016 over March, 2015. It's cumulative index during April to March, 2015-16 decreased by 1.4 % over the corresponding period of previous year.

### **Natural Gas**

The Natural Gas production (weight: 1.71 %) decreased by 10.5 % in March, 2016 over March, 2015. It's cumulative index during April to March, 2015-16 declined by 4.2 % over the corresponding period of previous year.

### **Refinery Products**

Petroleum Refinery production (weight: 5.94%) increased by 10.8 % in March, 2016 over March, 2015. It's cumulative index during April to March, 2015-16 increased by 3.8 % over the corresponding period of previous year.

### **Fertilizers**

Fertilizer production (weight: 1.25%) increased by 22.9 % in March, 2016 over March, 2015. It's cumulative index during April to March, 2015-16 increased by 11.3 % over the corresponding period of previous year.

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

Steel production (weight: 6.68%) increased by 3.4 % in March, 2016 over March, 2015. It's cumulative index during April to March, 2015-16 declined by 1.4 % over the corresponding period of previous year.

### **Cement**

Cement production (weight: 2.41%) increased by 11.9 % in March, 2016 over March, 2015. It's cumulative index during April to March, 2015-16 increased by 4.6 % over the corresponding period of previous year.

### **Electricity**

Electricity generation (weight: 10.32%) increased by 11.3 % in March, 2016 over March, 2015. It's cumulative index during April to March, 2015-16 increased by 5.2 % 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 ₹ 3525/- in NSE in April, 2015.</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>● All the six mines are inoperative since 2010 for want of clearances for renewal of mining leases.</li> <li>● 3 (three) mining leases namely (1) Dalki Manganese Mines, (2) Kolha Roida Iron &amp; Manganese mines, (3) Thakurani Iron &amp; Manganese Mines, are in the name of Bharat Process &amp; Mechanical Engineers Limited (BPMEL) under the Ministry of Heavy Industry.</li> <li>● Renewal of Dalki and Kolha-Roida mines are rejected by Govt. of Odisha and the matter is sub-judice now.</li> <li>● Bagiaburu, Belkundi &amp; Bhadrasahi mines of OMDC are lapsed and rejected by Govt. of Odisha. The favourable decision of Revisional Authority is under consideration by Govt. of Odisha.</li> </ul>

OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> <li>● Govt. of India has permitted M/s OMDC to undertake coal mining from already allotted Brahmani Coal Block for commercial purpose.</li> </ul>	<ul style="list-style-type: none"> <li>● Non renewal of mining leases and non vesting of three major mining leaseholds which are in the name of BPMEL constitutes threat.</li> <li>● Risk factors such as high inflation, low interest regime, rising energy prices, uncertain domestic and international environment, change in government policies could affect the Company's performance adversely.</li> <li>● Disposal of various Court Cases lying with various Courts/Revisional Authorities related to mining lease/financial claims.</li> </ul>

### 3) SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

There was no mining activity in any of the mines of OMDC during the year 2015-16. Closure of all six mines, owing to non renewal of mining leases has resulted 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

The six mines of OMDC are in-operative due to non renewal of mining leases and consequent non availability of statutory clearances. 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 to put all efforts to sort out the uncertainties and geared also to move forward for sustenance and better future.

### 5) RISKS AND CONCERNS

Risk is inherent in any business organization and that managing risk effectively is important for the present as well as the future of the company. The company has adopted the Enterprise Risk Management Policy.

### 6) INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

OMDC has put in place all the necessary internal controls which are adequate and effective.

### 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 I

The details of Sales from operation and Profit after tax for the financial year 2015-16 as compared to previous financial year 2014-15 is represented in **Table I**.

**TABLE I**

	2015-16	2014-15	Change	Change in %
				(₹In Lacs)
Sales	NIL	NIL	–	–
Profit before tax and depreciation	2590.87	₹ 3453.57	(-)862.7	(-)24.98
Profit before tax	1891.22	₹ 2583.69	(-)692.47	(-)26.80
Profit after tax	1063.16	₹ 1770.09	(-)706.93	(-)39.94

It can be observed from the above table that Company has made a net profit of ₹1063.16 lacs in the financial year 2015-16 as compared to ₹1770.09 lacs in the previous financial year 2014-15, recording a decrease of 39.94%, for declining interest rates in banks.

### **b) APPROPRIATION**

The Company has transferred ₹106.32 lacs to the General Reserve during the year 2015- 2016 as compared to previous year's ₹177.01 lacs.

### **c) DIVIDEND**

The Board of Directors of the Company recommended a dividend of ₹2.66/- per share of ₹1/- for the year ended 31st March, 2016 subject to the approval of the shareholders. The total payment on account of dividend would be ₹191.94 lacs inclusive of tax on dividend.

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

Men on roll of the Company as on 31st March, 2016 had been 514 as compared to 564 as on 31st March, 2015. IR situations did not arise during the year.

### **Strength of SC/ST/OBC as on 31<sup>st</sup> March, 2016**

Total number of employees	= 514
Scheduled Castes amongst them	= 64 (Executive-6, and Non Executive-68)
Scheduled Tribes amongst them	= 191 (Executive-2, and Non Executive-189)
OBC	= 107
Total SCs STs and OBC	= 362
Physically Challenged Employee	= 01

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 coordination between the Management and the Workers, and for smooth functioning of the organisation and expeditious decisions for the settlement of grievances. Training programme is taken up to enhance the skill-sets of the employees in alignment with their respective roles as required.

## 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 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 as per Companies Act & DPE guidelines. Company has taken up projects under CSR during the year. 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 laws, rules 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 statutes and incidental factors. Readers are cautioned not to place undue conviction on the forward looking statements.

# CORPORATE GOVERNANCE REPORT

“Corporate Governance encompasses a set of systems and practices to ensure that the Company’s affairs are being managed in a manner which ensures accountability, transparency and fairness in all transactions in the widest sense.”

## 1. A BRIEF STATEMENT ON COMPANY’S PHILOSOPHY

The essence of Corporate Governance lies in promoting and maintaining integrity, transparency and accountability in the management’s higher echelons. The demands of Corporate Governance require professionals to raise their competence and capability levels to meet the expectations in managing the enterprise and its resources effectively with the highest standards of ethics. It has thus become crucial to foster and sustain a culture that integrates all components of good governance by carefully balancing the complex inter-relationship among the Board of Directors, Audit Committee, Finance, Compliance teams, Auditors and the Senior Management. Above all, OMDC feels honoured to be integral to India’s social development. Details of several such initiatives are available in the Report on Corporate Social Responsibility.

### **Corporate Governance at OMDC is based on the following main principles**

In essence we believe that good corporate governance consists of a system of structuring, operating and controlling a company such as to achieve the following:

1. A culture based on a foundation of sound business ethics.
2. Fulfilling the long-term strategic goal of the owners while taking into account the expectations of all the key stakeholders, and in particular consider and care for the interests of employees, past, present and future work to maintain excellent relations with both customers and suppliers take account of the needs of the environment and the local community.
3. Maintaining proper compliance with all the applicable legal and regulatory requirements under which the company is carrying out its activities.
4. Ensuring timely flow of information to the Board and its Committees to enable them to discharge their functions effectively.
5. Independent verification and safeguarding integrity of the Company’s financial reporting.
6. A sound system of risk management and internal control.
7. The annual secretarial audit reports are placed before the Board, is included in the Annual Report.
8. Timely and balanced disclosure of all material information concerning the Company to all stakeholders.
9. Transparency and accountability.
10. Fair and equitable treatment of all its stakeholders including employees, customers, shareholders and investors.
11. We believe that a organization must be structured in such a way that all the above requirements are catered for and can be seen to be operating effectively by all the interest groups concerned.

## 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, OMDC have adopted various codes and policies to carry out duties in an ethical manner. Some of these codes and policies are:

- Code of Conduct for Directors and Senior Management Personnel
- 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.
- Policy on determination of materiality of events or information
- Code of Practice and Procedure for fair Disclosure.

Based on the aforesaid objectives and in compliance with the disclosure requirements of SEBI (LODR) Regulations, 2015 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

As on 31st March, 2016 the Board of OMDC comprises of eight directors, headed by Ex-Officio Non-Executive Chairman, Ex-Officio Non-Executive Director, Two Whole Time Directors, a Government Nominee Director, two Non-Executive Independent Directors and one Non-Executive Nominee Director nominated by Life Insurance Corporation of India (LIC). The composition of Board of OMDC is not in conformity with SEBI (LODR) Regulations, 2015 and DPE Guidelines on Corporate Governance, as there are only two Independent Directors as against requirement of six.

### **a) Composition and category of Board of Directors of OMDC**

**Category wise Composition of the Board of Directors as on 31<sup>st</sup> March, 2016 is as follows:**

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

Shri Ponnappalli Madhusudan

#### **Ex-Officio Non-Executive Director**

Shri Dasari Nageswara Rao

#### **Whole Time Directors**

Shri Prabhat Kumar Sinha, Managing Director

Shri Prem Sagar Mishra, Director (Production & Planning)

**Government of India Nominee Director**

Smt Urvilla Khati, Joint Secretary, Ministry of Steel.

**Non-Executive Independent Directors**

Shri Abdul Kalam

Shri Kumar Jitendra Singh

**Non-Executive Nominee Director**

Shri Ravishankar Gangadhar Shinde

(Nominee Director of LIC)

Managing Director and Functional Director are appointed by Government of India for a period of five years from the date of his assumption of charge of the post 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 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.

**b. Board Meeting Procedures****Board Meeting Procedure**

- i. The Board of Directors is the apex body constituted by shareholders for overseeing the Company's overall functioning. The Board provides and evaluates the Company's strategic direction, management policies and their effectiveness and ensures that shareholders' long term interests are being served. The Board has constituted five Committees, namely Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders' Relationship Committee and Risk Management Committee. The Board is authorised to constitute additional functional Committees, from time to time, depending on business needs.
- ii. The meetings are convened by giving appropriate advance notice after seeking approval of the Chairman of the Board/ Committee as the case may be. To address specific urgent needs, meetings are also being called at a shorter notice. In case of exigencies or urgency resolutions are also passed by way of circulation.
- iii. Detailed agenda note containing the management reports and other explanatory statements are circulated in advance in the agenda format amongst the Directors 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.
- iv. Presentations are made to the Board/Committee covering Finance, Operations, major Business Segments, Human Resources, Marketing, Legal whenever required.

## Information placed before the Board of Directors

As per Regulation 17(7) of SEBI(LODR) Regulations, 2015 Part A of Schedule-II, the Board of Directors has complete access to minimum information within the Company. The minimum information, inter alia, regularly supplied to the Board includes:

- A. Annual operating plans and budgets and any updates.
- B. Capital budgets and any updates.
- C. Quarterly results for the Company and its operating divisions or business segments.
- D. Minutes of meetings of audit committee and other committees of the board of directors.
- E. The information on recruitment and remuneration of senior officers just below the level of board of directors, including appointment or removal of Chief Financial Officer and the Company Secretary.
- F. Show cause, demand, prosecution notices and penalty notices, which are materially important.
- G. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- H. Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company.
- I. Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that may have negative implications on the Company.
- J. Details of any joint venture or collaboration agreement.
- K. Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- L. Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- M. Sale of investments, subsidiaries, assets which are material in nature and not in normal course of business.
- N. Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- O. Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc

## **c. Compliance**

Company Secretary prepares agenda, notes on agenda, minutes of the meeting's etc. as applicable to the company in accordance with Secretarial Standard (SS-1 & 2).

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

The details of the Directors with regard to their category, directorship in other companies, and membership/ chairmanship in committees of the Board of other companies, Attendance at Board Meetings and Annual General Meetings during 2015-16 are as follows:

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

Name & Designation	Financial Year 2015-16 Attendance at			As on date				Remarks
	No. of Board Meetings held during his/her tenure	No. of Board Meetings Attended	Attendance in last AGM (22.09. 2015)	**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 Ponnappalli Madhusudan, DIN:02845996 (Ex-officio Non-Executive Chairman)	5	5	YES	4	0	0	0	Appointed from 9.1.2014 & continuing till date.

**ii) Ex-Officio Non-Executive Director**

Name & Designation	Financial Year 2015-16 Attendance at			As on date				Remarks
	No. of Board Meetings held during his/her tenure	No. of Board Meetings Attended	Attendance in last AGM (22.09. 2015)	**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 Dasari Nageswara Rao DIN:06914797 ( Ex-officio Non-Executive Director)	5	5	NO	1	0	0	0	Appointed from 02.08.2014 & continuing till date.

**iii) Whole Time Directors**

Name & Designation	Financial Year 2015-16 Attendance at			As on date				Remarks
	No. of Board Meetings held during his/her tenure	No. of Board Meetings Attended	Attendance in last AGM (22.09. 2015)	**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 (Managing Director)	5	5	Yes	1	0	0	0	Appointed as Managing Director from 4.2.2015 and continuing till date.
Shri Prem Sagar Mishra DIN:07379202 Director (Production & Planning)	1	1	NA	0	0	0	0	Appointed from 16.11.2015 & continuing till date.

**iv) Government of India Nominee Director**

Name & Designation	Financial Year 2015-16 Attendance at			As on date				Remarks
	No. of Board Meetings held during his/her tenure	No. of Board Meetings Attended	Attendance in last AGM (22.09. 2015)	**No. of Directorship in other Companies and partnership in firms		*No. of Committee position held in other Public Limited Companies		
				Director	Partner	Chairman	Member	
Smt. Urvilla Khati DIN:07011413 (Government of India Nominee Director)	5	3	NO	4	0	0	0	Appointed from 29.05.2015 & continuing till date.
Shri Mahabir Prasad DIN:07094229 (Government of India Nominee Director)	0	0	NA	0	0	0	0	Ceased w.e.f 29.05.2015

**v) Non-Executive Independent Director**

Name & Designation	Financial Year 2015-16 Attendance at			As on date				Remarks
	No. of Board Meetings held during his/her tenure	No. of Board Meetings Attended	Attendance in last AGM (22.09. 2015)	**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 Abdul Kalam, DIN: 01869712 (Non -Executive Independent Director)	5	5	YES	1	0	0	0	Appointed from 18.12.2013 & continuing till date.
Shri Kumar Jitendra Singh, DIN: 00626836 (Non -Executive Independent Director)	5	5	YES	1	0	0	0	Appointed from 18.12.2013 & continuing till date.

**vi) Non-Executive Nominee Director**

Name & Designation	Financial Year 2015-16 Attendance at			As on date				Remarks
	No. of Board Meetings held during his/her tenure	No. of Board Meetings Attended	Attendance in last AGM (22.09. 2015)	**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 Tapasendra Chattopadhyay, DIN: 00041581 (Nominee Director of LICI)	0	0	NA	1	0	0	0	Ceased w.e.f 29.05.2015
Shri R.G.Shinde DIN:03106953 (Nominee Director of LICI)	5	2	YES	0	0	0	0	Appointed w.e.f 29.05.2015 and continuing till date.

\* In accordance with Regulation 26(1)(b) of SEBI (LODR) Regulations, 2015, Chairmanship/ Membership of only the Audit Committees and Stakeholders Relationship Committees of all Public limited companies whether Listed or not in which he/she is a Director have been considered.

\*\* The other Directorships held by Directors as mentioned above, do not include Directorships of Private Limited Companies, Foreign Companies, Section 8 Companies under Companies Act, 2013.

**Notes :**

- Directors are not related to each other;
- The Directorships/Committee Memberships are based on the latest disclosure received from Directors;
- None of the Director is a Member of more than 10 Committees or Chairman of more than 5 Committees, across all the Listed entities in which he is a Director.

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

During the year 2015-2016, five (5) Board Meetings were held, the details of which are given below:

Sl. No.	Board Meeting No.	Board Meeting Date	Board Strength	Number of Directors Present
1	34	29.05.2015	7	7
2	35	24.07.2015	7	5
3	36	13.08.2015	7	6
4	37	13.11.2015	7	6
5	38	11.02.2016	8	7

### 3. COMMITTEES

The Board committees focus on certain specific areas and make informed decisions with the authority delegated to them. Each committee of the Board functions according to its charter that defines its composition, scope, power and role in accordance with Companies Act, 2013, SEBI(LODR) Regulations, 2015 and DPE Guidelines on Corporate Governance. Presently, the Company is having following Board Committees:

#### 3.1 AUDIT COMMITTEE

The terms of reference of the committee are as spelt out in Part C of Schedule II of Regulation 18(3) of SEBI(LODR) Regulations, 2015, Section 177 of Companies Act, 2013 and DPE Guidelines on Corporate Governance.

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

**The role of the Audit Committee shall include the following:**

1. 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;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements.
  - f. Disclosure of any related party transactions.
  - g. Modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;

11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. 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;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. 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;
17. 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;
18. To review the functioning of the Whistle Blower Mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

**The role of the Audit Committee shall include the following under the Companies Act, 2013**

21. Every Audit Committee shall act in accordance with the terms of reference specified in writing by the Board under Companies Act, 2013 which shall, *inter alia*, include,—
  - (i) the recommendation for remuneration of the auditors of the company;
  - (ii) review and monitor the auditor's independence and performance, and effectiveness of audit process;
  - (iii) examination of the financial statement and the auditors' report thereon;
  - (iv) approval or any subsequent modification of transactions of the company with related parties;  
*[PROVIDED that the Audit Committee may make omnibus approval for related party transactions proposed to be entered into by the company subject to such conditions as may be prescribed.]*
  - (v) scrutiny of inter-corporate loans and investments;
  - (vi) valuation of undertakings or assets of the company, wherever it is necessary;
  - (vii) evaluation of internal financial controls and risk management systems;
  - (viii) monitoring the end use of funds raised through public offers and related matters.

## **b. Review of information by Audit Committee**

**The Audit Committee shall mandatorily review the following information:**

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
6. Statement of deviations:
  - a.) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1)
  - b.) annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7).

## **c. Composition, Name of Members and Chairperson**

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

- 1) Shri Abdul Kalam, Independent Director and Chairman
- 2) Shri K.J Singh, Independent Director and Member
- 3) Shri D.N. Rao, Ex-officio Non-Executive Director and Member

The Company Secretary shall act as the Secretary to the Audit Committee.

## **d. Meetings of Audit Committee & attendance during the year**

During the year under review, 5(five ) meetings of the Audit Committee were held. The details of attendance of the Members are indicated below:

Sl. No.	Meeting No.	Meeting Date	Strength of Audit Committee	Number of Members Present
1	ACM/3/2015	29.05.2015	3	3
2	ACM/4/2015	23.07.2015	3	3
3	ACM/5/2015	12.08.2015	3	3
4	ACM/6/2015	13.11.2015	3	3
5	ACM/1/2016	11.02.2016	3	3

### **Attendance of each Director at the Audit Committee Meetings**

Sl. No.	Name of the Director	No. of meetings held	No. of meetings attended
1	Shri Abdul Kalam	5	5
2	Shri K.J. Singh	5	5
3	Shri D.N. Rao	5	5

The Committee's composition meets with requirements of Section 177(2) of the Companies Act, 2013 and Regulation 18 of SEBI (LODR) Regulations, 2015. Members of the Audit Committee possess financial / accounting expertise / exposure.

## **3.2 STAKEHOLDERS RELATIONSHIP COMMITTEE**

The terms of reference of the committee are as spelt out in Part D of Schedule II of Regulation 20(4) of SEBI(LODR) Regulations, 2015, Section 178(6) of the Companies Act, 2013 and DPE Guidelines on Corporate Governance.

### **a. Role of the Stakeholders Relationship Committee**

**The role of the committee shall, inter-alia, include the following as specified in Part D of Schedule II of Regulation 20(4) of SEBI(LODR) Regulations, 2015**

1. The Committee shall consider and resolve the grievances of the security holders of the company including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends.
2. The role of the Committee shall include the following under Sec 178(6) of the Companies Act, 2013  
The Stakeholders Relationship Committee shall consider and resolve the grievances of security holders of the company.

### **b. Composition, Name of Members and Chairperson**

**The Stakeholders Relationship Committee of OMDC consists of the following Directors :**

1. Shri Abdul Kalam, Independent Director, Chairman
2. Shri K.J. Singh, Independent Director and Member
3. Shri P.K. Sinha, Managing Director and Member

### **c. Meeting of Stakeholders Relationship Committee & attendance during the year**

During the year under review, 4(four) meetings of the Stakeholders Relationship Committee were held. The details of attendance of the Members are as follows:

Sl. No.	Meeting No.	Meeting Date	Strength of the Committee	Number of Members Present
1	SRCM/2/2015	29.05.2015	3	3
2	SRCM/3/2015	12.08.2015	3	3
3	SRCM/4/2015	13.11.2015	3	3
4	SRCM/1/2016	11.02.2016	3	3

### **d. Attendance of each Member at the Stakeholders Relationship Committee Meetings**

Sl. No.	Name of the Director	No. of meetings held	No. of meetings attended
1	Shri Abdul Kalam	4	4
2	Shri K.J. Singh	4	4
3	Shri P.K. Sinha	3	3
4	Shri S.Chakraborty	1	1

OMDC at the 35th Board Meeting held on 24th July, 2015 has reconstituted the Stakeholder Relationship Committee with inclusion of Shri P.K.Sinha in place of Shri S. Chakraborty.

## **3.3 NOMINATION AND REMUNERATION COMMITTEE**

The Board of Directors at its meeting held on 24th July, 2015, had reconstituted the Nomination and Remuneration Committee consisting of the following Directors who are all Non -Executive Directors and out of which two are non-executive Independent Directors of the Company :

### **a. Composition, Name of Members and Chairperson**

The present composition of the Nomination & Remuneration Committee is as under:

Sl. No.	Name of Members of the Committee
1	Shri K.J Singh, Independent Director, Chairman
2	Shri Abdul Kalam, Independent Director & Member
3	Shri D.N.Rao- Non Executive Director & Member

The scope, powers and terms of reference of the Nomination & Remuneration Committee are as per the directives issued by DPE , SEBI(LODR)Regulations,2015 , the Companies Act,2013 etc.

## **b. During the year under review, no meetings of the Nomination and Remuneration Committee were held.**

OMDC being a Government Company, the terms and conditions of appointment and remuneration of Functional Directors are determined by Government through its administrative Ministry, Ministry of Steel. Non- executive Part-time Official Directors(Independent) does not have any pecuniary relationship or transaction with the company except their sitting fees/ re-imbusement in relation to meeting of the Board / committee attended by them.

The non-executive Directors are paid sitting fees as approved by the Board within the ceiling fixed under the Companies Act, 2013 and as per guidelines issued by the Government of India.

The details of remuneration paid to Functional Directors during the financial year 2015-16 are as follows:

Sl. No.	Name of the Directors	Salary Rs.	Benefits Rs.	PF and other funds Rs.	Performance Linked Incentives Stock Option*	Total Rs.
1	P.K.Sinha	18,74,919	3,17,719	4,26,881	NA	<b>26,19,519</b>
2	P.S.Mishra (16th Nov'2015-31st March' 2016)	6,30,000	4,118	1,57,500	NA	<b>7,91,618</b>

During the year under review, the Non-Executive Independent Directors/Nominee Director were paid sitting fees of Rs 7500/- per meeting 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 Directors are not paid sitting fees for attending the meeting of the Board or any Committee meeting thereof.

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 Independent Directors/ Nominee Director	Sitting Fees (in Rs)
Shri Abdul Kalam	1,54,115
Shri K.J. Singh	1,45,565
Shri R.G.Shinde	25,565
<b>TOTAL</b>	<b>3,25,245</b>

## **Remuneration Policy:**

OMDC, being a Central Public Sector Undertaking, the appointment, tenure, performance evaluation, remuneration, etc., of Directors are made/fixed by the Government of India. The remuneration of officers is decided as per Government guidelines on Pay Revision and remunerations of other employees of the company are decided as per Wage Settlement Agreement entered with their Union every ten years. The appointments/promotions etc. of the employees are made as per Recruitment and Promotion Policy approved by the Board.

### 3.4 CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Committee has been constituted for formation/review of CSR and Sustainability policy, monitoring the progress of the CSR and Sustainability projects sanctioned by the Company to ensure that they are carried out in terms of sanction. All the CSR and Sustainability proposals are put up to the Committee, before putting the same to the Board and if found appropriate, the Committee recommends the same to the Board.

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

**The responsibilities of the Committees are as follows:-**

- (1) Review of CSR and Sustainability Policy of the Company, if necessary.
- (2) Review the compliance of the DPE Guidelines on CSR and Sustainability or under any law for time being in force.
- (3) Review and monitoring of implementation of CSR and Sustainability projects approved by the Board of OMDC,
  - Recommending, for approval of projects /schemes to be undertaken under CSR & Sustainability Policy.
  - Any other matters as may be applicable and prescribed in the Companies Act, 2013, DPE Guidelines, determined by the Board from time to time.

#### **b. Composition, Name of Members and Chairperson of the CSR Committee :**

**The CSR Committee of OMDC consists of the following Directors :**

1. Shri K.J Singh, Independent Director, Chairman of the Committee
2. Shri Abdul Kalam, Independent Director and Member
3. Shri P.K. Sinha, Managing Director and Member

#### **c. Meetings and Attendance of CSR Committee during the year**

During the year 2015-2016, four (4) Meetings of the CSR Committee were held. The details of attendance of the Members are indicated below:

Sl. No.	Meeting No.	Meeting Date	Strength of CSR Committee	Number of Members Present
1	CSR/2/2015	29.05.2015	3	3
2	CSR/3/2015	12.08.2015	3	3
3	CSR/4/2015	13.11.2015	3	3
4	CSR/1/2016	11.02.2016	3	3

**d. Attendance of each Member at the CSR Committee meetings**

Sl. No.	Name of the Member	No. of meetings held	No. of meetings attended
1	Shri K.J Singh, Independent Director and Chairman of the Committee	4	4
2	Shri Abdul Kalam, Independent Director and Member	4	4
3	Shri P.K. Sinha, Managing Director and Member	4	4

**3.5 RISK MANAGEMENT COMMITTEE**

The Board of Directors of the Company has constituted a Risk Management Committee voluntarily. The Board has defined the roles and responsibilities of the Risk Management Committee and has delegated monitoring and reviewing of the risk management plan to the committee.

**a. Brief description of terms of reference:**

**The responsibilities of the Committees are as follows:**

- Assessment of the Company's risk profile and key areas of risk in particular.
- Recommending to the Board and adopting risk assessment and rating procedures.
- Examining and determining the sufficiency of the Company's internal processes for reporting on and managing key risk areas.
- Assessing and recommending to the Board acceptable levels of risk.
- Development and implementation of a risk management framework and internal control system.

**b. Composition, Name of Members and Chairperson of the Committee**

**As on 31.03.2016, the Committee comprises following members namely:**

- Shri Abdul Kalam, Independent Director, Chairman of the Committee
- Shri P.K. Sinha, Managing Director and Member of the Committee
- Shri S. Chakraborty, Member of the Committee

**c. Meeting of Risk Management Committee**

**During the year 2015-2016, One (1) Meeting was held, the details of which are given below:**

Sl. No.	Meeting No.	Meeting Date	Strength of Risk Management Committee	Number of Members Present
1	RMC/1/2015	26.06.2015	3	3

#### **d. Attendance of each Member at the Risk Management Committee meetings**

<b>Sl. No.</b>	<b>Name of the Member</b>	<b>No. of meetings held</b>	<b>No. of meetings attended</b>
1	Shri Abdul Kalam, Independent Director, Chairman of the Committee	1	1
2	Shri P.K. Sinha, Managing Director and Member of the Committee	1	1
3	Shri S. Chakraborty, Member of the Committee	1	1

## **4. SHARE TRANSFER COMMITTEE**

In order to render better services to the Shareholders, the Board has constituted a Share Transfer Committee to consider and approve all related issues of Shares and Share transfers. The Members of the Committee are as under:-

<b>S.No.</b>	<b>Name of Members of the Committee</b>
1.	Shri P.K.Sinha , Managing Director and Chairman
2.	Shri S.Chakraborty , General Manager(Personnel) and Member
3.	Shri Arijit Chakravarty , CFO and Member
4.	Smt Sucharita Das, CS and Member.

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 Regulation 40(10) of SEBI (LODR) Regulations, 2015, 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 27th 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 one (1) meeting of Committee was held.****The details of attendance of the Members are indicated below:**

Sl. No.	Meeting No.	Meeting Date	Strength of STC	Number of Members present
1	STC/1/2016	25.02.2016	4	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	Shri P.K. Sinha (Managing Director)	1	1
2	Shri S. Chakraborty, General Manager (Personnel)	1	1
3	A.Chakravarty, CFO	1	1
4	Smt. S.Das, Company Secretary	1	1

**c. During the year 2015-2016 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	NIL	NIL
Transmission of shares	1	3000
Issue of duplicate share certificates	NIL	NIL

**d. Details of Dematerialisation of Physical Shares and Rematerialisation of Shares during the period from 1st April, 2015 to 31st March, 2016**

DEMAT			REMAT	
PARTICULARS	NO.OF CASES	NO OF EQUITY SHARES	NO. OF CASES	NO OF EQUITY SHARES
NSDL	1	3000	NIL	NIL
CDSL	1	10	NIL	NIL
<b>TOTAL</b>	<b>2</b>	<b>3010</b>	NIL	NIL

**e) Name and designation of the Compliance Officer :**

Mrs. Sucharita Das, Company Secretary

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

Number of shareholders complaints received during the year -	2
Number of complaints redressed during the period -	2
Number of pending complaints as on 31.03.2016	NIL

During the financial year ended 31st March, 2016, the Company and the RTA have attended investor grievances expeditiously except for the cases constraint by disputes or legal impediment.

**g) Pursuant to Regulation 62(1)(d) of SEBI(LODR) Regulations, 2015 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.**

## 5. 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 applicable w.e.f July, 2015. The Company adheres to the Standards mandatorily.

## 6. 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
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.
2013-14	"PURBASHREE AUDITORIUM" Eastern Zonal Cultural Centre, Bhartiyam Cultural Multiplex, IB-201, Sector III, Salt Lake City, Kolkata-700106	24-09-2014	11:00 A.M.
2014-15	"PURBASHREE AUDITORIUM" Eastern Zonal Cultural Centre, Bhartiyam Cultural Multiplex, IB-201, Sector III, Salt Lake City, Kolkata-700106	22-09-2015	11:00 A.M.

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

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

- iv. Details of Resolutions passed last year through Postal Ballot : NIL

## 7. DISCLOSURES

- There are no materially significant related party transactions which have potential conflict with the interest of the Company at large. The policy on related party transactions has been placed on the Company's website .
- There was no case of non-compliance of provisions of Companies Act, 2013 or Rules & Regulations of Stock Exchanges or SEBI or any Statutory Authority on any matter related to Capital Markets, during the last three years except non compliance of appointment of Woman Director on the Board from February,2015 to May,2015 for which SEBI had imposed a nominal fine.
- Non- executive Directors are not holding any shares or convertible instruments in the Company.
- No personnel of the Company have been denied access to the Audit Committee.
- The Company has a Whistle Blower Policy and the same is uploaded on its website . The Company has a competent and independent vigilance department, headed by Chief Vigilance Officer (CVO) , its officer for monitoring any unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. All the personnel are having the access to the vigilance department for their complaints, grievances etc.
- In January,2015 SEBI notified the SEBI(Prohibition of Insider Trading) Regulations,2015 which came into effect from May,2015.Pursuant thereto, the Company has formulated and adopted a new Code for Prevention of Insider Trading.

The new code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting Trading by Insiders" and the " Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information" allows the formulation of a trading plan subject to certain conditions and requires pre-clearance for dealing in the Company's shares. It also prohibits the purchase or sale of Company's shares by the Directors, designated employees and connected persons, while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

- g. The Company publishes the quarterly unaudited/audited financial results in leading National English Newspaper as mentioned under Heading " Means of Communication"

The unaudited/audited financial results are also posted on Company's website. The Company communicates official news, major events, performances, achievements, presentations etc. through electronic media, newspapers and also on website.

- h. It is always Company's endeavor to present unqualified financial statements.
- i. The Company has complied with the requirement of Corporate Governance as per SEBI(LODR) Regulations, 2015 and DPE Guidelines on Corporate Governance except provisions related to composition of Board of Directors. OMDL is a Government Company and Directors are appointed by President of India through Ministry of Steel. The appointment of Independent Director is pending with the Ministry of Steel.

## 8. OTHER DISCLOSURES

- a. The Company has formulated and implemented Code of Conduct for all Board Members and Senior Management of the Company in compliance with Regulation 17(5) of SEBI(LODR) Regulations, 2015. The same has also been posted at the Company's website at. 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.
- b. The certification by CEO and CFO in compliance with Regulation 33(2)(a) of SEBI(LODR) Regulations, 2015 to the Board is appended to this report.
- c. 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.
- d. 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.
- e. None of the Directors inter-se related to other Directors of the Company.
- f. The details of the Presidential Directives received by the Company and the compliance thereof have been provided in the Directors' Report.
- g. There have been no public issues, right issues or other public offerings during the past five years. The Company has not issued any GDR's/ADR's/Warrants or any convertible instruments.
- h. The Board has periodically reviewed the Compliance Reports of all applicable laws to the Company and has ensured the compliance of all the applicable laws.

- i. 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.
- j. 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.
- k. Items of expenditure debited in books of accounts, which are not for the purposes of the business : Nil
- l. Expenses incurred which are personal in nature and incurred for the Board of Directors and Top Management : Nil
- m. The Company has not granted any Options during the financial year 2014-15.

## 9. COMPLIANCE WITH NON-MANDATORY REQUIREMENT

The Company has complied with and adopted the following non-mandatory requirements of SEBI(LODR) Regulations, 2015 are appended below:-

### **The Board:**

The Chairman is Ex-Officio Non-Executive Chairman. Chairman's office is separate from that of the Managing Director & CEO and no reimbursement of his expenses is made by the Company.

### **Separate posts of Chairman and CEO:**

The Chairman of the Board is a Non-executive Director and his position is separate from that of the Managing Director & CEO.

### **Shareholders' Rights:**

The Company's financial results are published in the newspapers and also posted on its own website. Hence, the Financial Results are not sent to the shareholders. However, the Company furnishes the financial results on receipt of request from the shareholders.

### **Audit Qualification:**

As mentioned earlier, the Company's Standalone Financial Statements for the year ended March,31 ,2016 are qualified. The Audit Qualification is place in page no. 105 of the Annual Report.

### **Reporting of Internal Auditor**

The Internal Audit cell of OMDC report directly to the Audit Committee through CFO in all functional matters.

### **Meeting of Non-official (Independent Director)**

In compliance with DPE vide Office Memorandum No.F.No.16(4)/2012-GM dated 28th December, 2012 and Companies Act,2013 a separate meeting of Non-official (Independent) Directors was held on 11th February, 2016 without the attendance of Functional, and Government Directors and Members of Management.

## 10. 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.**

## 11. MEANS OF COMMUNICATION

- i. **Quarterly Results:** The Company publishes the quarterly unaudited/audited financial results in leading National English Newspaper i.e. "Financial Express" in English on an all India basis and "Khabar 365 Din, Kolkata" 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.
- 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 attached with the Annual Report 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 quarterly compliances are mandatorily 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 (ATR) 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.

## 12. GENERAL SHAREHOLDER INFORMATION

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

Date	Time	Venue
<b>21<sup>st</sup> September, 2016</b>	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 2016-17 (Tentative)

Sl. No.	Approval / Adoption of	On or before
1st quarter results	(Unaudited)	on or before 14.08.2016
2nd quarter results	(Unaudited)	on or before 14.11.2016
3rd quarter results	(Unaudited)	on or before 14.02.2017
4th quarter results	(Audited)	on or before 30.05.2017
Next Annual General Meeting within September		30th September, 2017

### iii. Date of Book Closure : From 15th to 21nd Sept. 2016 (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 1st September, 2016 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 2016-17 has been paid to the Stock Exchanges.

### vii. Stock Code

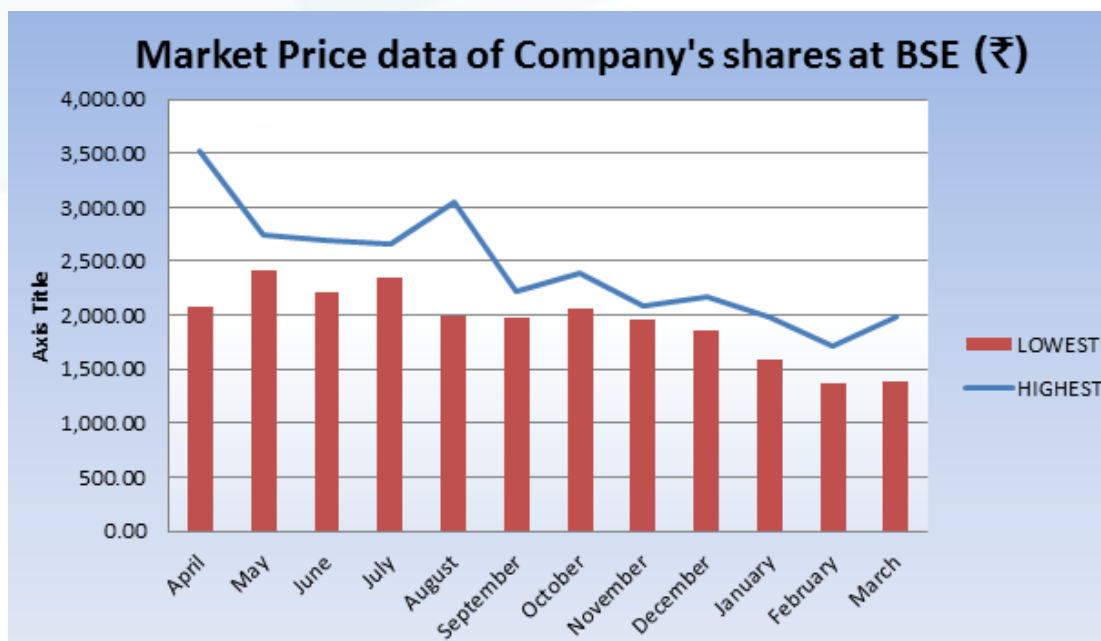
Sl. No.	Name of the Stock Exchange where Company's Equity Shares are Listed	Scrip Code / Company Code
1	National Stock Exchange, Mumbai	ORISSAMINE
2	Calcutta Stock Exchange, Kolkata	25058
3	Bombay Stock Exchange, Mumbai	590086

### viii. Market price data: The monthly high & low price of the shares of OMDC for the period from April, 2015 to March, 2016.

**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 31st October, 2012.

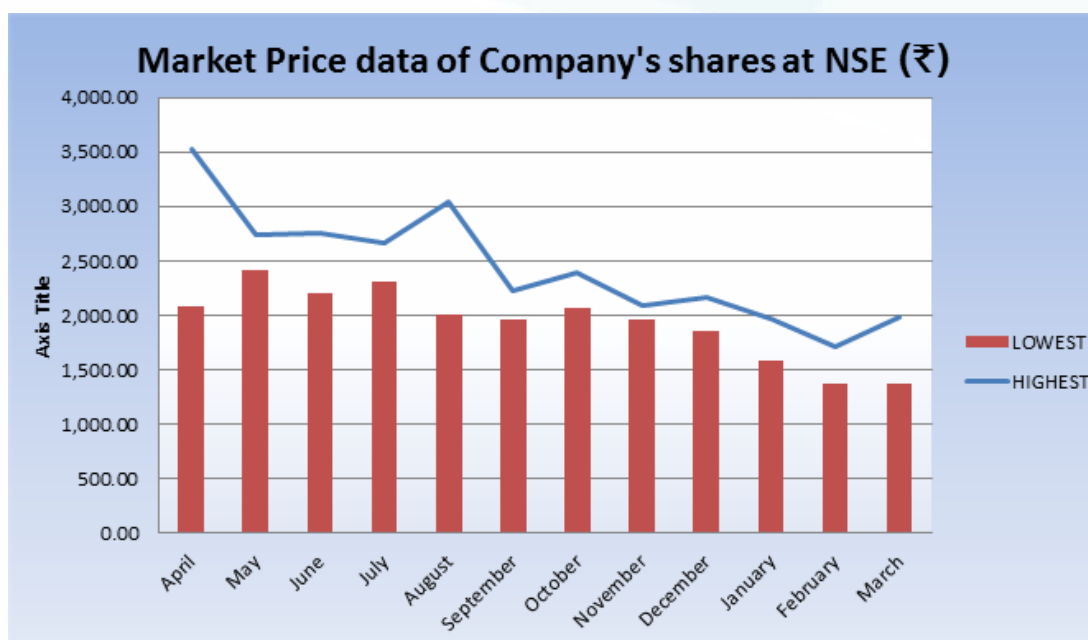
#### A. Market price data of the Company's share at Bombay Stock Exchange Limited (BSE)

Year	Month	Highest (₹)	Lowest (₹)
2015	April	3,523.50	2,074.00
2015	May	2,740.00	2,415.00
2015	June	2,694.00	2,219.00
2015	July	2,665.00	2,355.00
2015	August	3,040.00	2,000.00
2015	September	2,225.00	1,978.00
2015	October	2,388.00	2,067.00
2015	November	2,080.00	1,965.00
2015	December	2,172.00	1,853.50
2016	January	1,980.00	1,589.00
2016	February	1,715.00	1,370.00
2016	March	1,977.25	1,384.00



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

Year	Month	Highest (₹)	Lowest (₹)
2015	April	3,525.00	2,079.30
2015	May	2,745.30	2,415.40
2015	June	2,760.00	2,202.00
2015	July	2,670.15	2,305.00
2015	August	3040.00	2000.00
2015	September	2,229.00	1,965.00
2015	October	2,395.55	2,068.00
2015	November	2,090.00	1,965.00
2015	December	2,165.00	1,855.00
2016	January	1,965.00	1,590.00
2016	February	1,710.00	1,380.00
2016	March	1,983.25	1,378.80



### C. Performance in comparison to broad-based indices on BSE and NSE for 2015-16

Month	NSE		BSE	
	S&P CNX NIFTY (₹)	OMDC (₹)	SENSEX (₹)	OMDC (₹)
April, 2015	8844.80	3,525.00	29,094.61	3,523.50
May, 2015	8489.55	2,745.30	28,071.16	2,740.00
June, 2015	8467.15	2,760.00	27,968.75	2,694.00
July, 2015	8654.75	2,670.15	28,578.33	2,665.00
August, 2015	8621.55	3,040.00	28,417.59	3,040.00
September, 2015	8055.00	2,229.00	26,471.82	2,225.00
October, 2015	8336.30	2,395.55	27,618.14	2,388.00
November, 2015	8116.10	2,090.00	26,824.30	2,080.00
December, 2015	7979.30	2,165.00	26,256.42	2,172.00
January, 2016	7972.55	1,965.00	26,197.27	1,980.00
February, 2016	7600.45	1,710.00	25,002.32	1,715.00
March, 2016	7777.60	1,983.25	25,479.62	1,977.25

**ix. 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.

**x. 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

**xi. 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

**xii. Corporate Identity Number**

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

**xiii. Payment of Depository Fees**

Annual Custody/ Issuer fee for the year 2016-17 has been paid by the Company to NSDL and CDSL.

**xiv. No. of Shares held in dematerialized and physical mode as on 31st March, 2016**

Particulars	Shares	% to Share capital	Number of Shareholders	% of Shareholder
Held in dematerialized form in NSDL	4296882	71.61	10792	59.05
Held in dematerialized form in CDSL	1377018	22.95	7335	40.13
Physical	326100	5.44	150	0.82
<b>TOTAL</b>	<b>6000000</b>	<b>100.00</b>	<b>18277</b>	<b>100.00</b>

**xv. Top Ten Shareholders of the Company as on 31st March, 2016.**

Sl. No.	Name of the Shareholder	Number of Shares held	% of Shareholding
1.	EASTERN INVESTMENTS LIMITED	3000890	50.01
2.	LIFE INSURANCE CORPORATION OF INDIA	925000	15.42
3.	3A CAPITAL SERVICES LIMITED	77000	1.28
4.	ASPI H TANGREE	75000	1.25
5.	GHI LTP LTD	73845	1.23
6.	ALL BANK FINANCE LTD	66000	1.10
7.	ATYANT CAPITAL INDIA FUND I	49942	0.83
8.	MISRILALL JAIN	49500	0.83
9.	NAUSHAD D MADON	38800	0.65
10.	THE PROPERTY COMPANY PVT LTD	55313	0.92
<b>TOTAL</b>		<b>4411290</b>	<b>73.52</b>

**xvi. Categories of Shareholders with Shareholding Pattern as on 31-03-2016**

Total No. of shareholders -18277

**xvii. Distribution of shareholding by size as on 31.03.2016**

Category	Number of Shareholders		Number of Shares	
	Total	% of Shareholder	Total	% to Share Capital
1-500	17747	97.10	590886	9.85
501-1000	284	1.55	227746	3.80
1001-2000	129	0.71	193063	3.22
2001-3000	43	0.24	119519	1.99
3001 – 4000	11	0.06	37450	0.62
4001- 5000	19	0.10	88493	1.48
5001-10000	23	0.013	155839	2.60
10001-50000	15	0.08	369269	6.15
50001-100000	4	0.02	291845	4.86
100001 And Above	2	0.01	3925890	65.43
<b>Total</b>	<b>18277</b>	<b>100.00</b>	<b>6000000</b>	<b>100.00</b>

**xviii. Geographical Analysis Report as on 31st March, 2016**

State	Number of Shareholders	% of Shareholder	Number of Shares	% of Shares
Ahmedabad	2391	13.08	214712	3.58
Bangalore	376	2.06	15572	0.26
Chennai	383	2.09	19694	0.33
Hyderabad	281	1.54	11226	0.19
Kolkata	1372	7.51	3441028	57.35
Mumbai	5428	29.70	1807708	30.13
New Delhi	563	3.08	46422	0.77
Pune	396	2.17	93714	1.56
Surat	371	2.03	15595	0.26
Others	6716	36.74	334329	5.57
<b>TOTAL</b>	<b>18277</b>	<b>100.00</b>	<b>6000000</b>	<b>100.00</b>

**xix. Dividend History (Five years)**

Financial Year Ended	Dividend Per Share (₹)	Total Dividend (₹ In Crores)
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
31.03.2015	4.43 ( of Rs 1 each)	2.66

**Note :** Total dividend is exclusive of dividend tax.

**xx. Unclaimed Dividend**

Pursuant to the provisions of Section 123 of the Companies Act, 2013, 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 31.03.2016 (₹)	Due Date for Transfer of Unclaimed Dividend Amount to IEPF*
2008-09	16.10.2009	27.30	45,48,635.00	04.11.2016
2009-10	12.10.2010	11.16	22,03,914.00	03.11.2017
2010-11	10.10.2011	1.16	2,35,074.00	22.10.2018
2011-12	05.10.2012	0.51	1,32,301.00	25.10.2019
2012-13	07.10.2013	1.93	5,06,989.00	26.10.2020
2013-14	14.10.2014	0.624	1,72,031.00	30.10.2021
2014-15	08.10.2015	2.66	7,58,562.19	28.10.2022

\* Investor Education and Protection Fund (IEPF)

**xxi. Transfer of unpaid/ unclaimed dividend amount to Investor Education and Protection Fund**

During the year under review, an amount of 32,82,156 (Rupees Thirty Two Lacs Eighty Two Thousand One Hundred Fifty Six only) pertaining to unpaid dividend for the financial year 2007-08 were transferred to Investor Education and Protection Fund (IEPF) of the Central Government.

**xxii. Address for correspondence with Depositories****National Securities Depository Limited**

Trade World, 4th & 5th Floor  
Kamala Mills Compound  
Senapati Bapat Marg, Lower Parel  
Mumbai - 400 013

Telephone No : 022-2499 4200

Facsimile Nos : 022-2497 2993/6351

E-mail : info@nsdl.co.in

Website : www.nsdl.co.in

**Central Depository Services (India) Limited**

Phiroze Jeejeebhoy Towers, 17th Floor,  
Dalal Street  
Mumbai - 400 001

Telephone No : 022-2272 3333

Facsimile Nos : 022-2272 3199/2072

E-mail : investors@cdslindia.com

Website : www.cdslindia.com

**xxiii. Pledge of shares:**

No pledge has been created over the Equity Shares held by the promoters as on March 31, 2016.

**xxiv. Shareholding of Directors and Key Managerial Personnel**

No Directors or KMP's holds any shares in the company.

**xxv. 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

**xxvi. 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

**OR**

The 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,

Website : www.birdgroup.gov.in

**xxvii. Nomination Facility :**

Shareholders who hold shares in the physical form and wish to make/change a nomination in respect of their shares in the Company, as permitted under the Companies Act, 2013, may obtain from CB Management Services (P) Ltd, the prescribed Form. Members holding shares in electronic form may obtain Nomination forms from their respective Depository Participant (DP).

**xxviii. Investor Safeguards**

In pursuit of the Company's objective to mitigate/avoid risks while dealing with shares and related matters, the following are the Company's recommendations to its Members:

**a) Open Demat Account and Dematerialization of Shares**

Members should convert their physical holdings into electronic holdings. Holding shares in electronic form helps Members to achieve immediate transfer of shares. No stamp duty is payable on transfer of shares held in electronic form and risks associated with physical certificates such as forged transfers, fake certificates and bad deliveries are avoided.

**b) Consolidation of Multiple Folios**

Members are requested to consolidate their shareholding held under multiple folios. This facilitates one-stop tracking of all corporate benefits on the shares and would reduce time and efforts required to monitor multiple folios.

**c) Confidentiality of Security Details**

Folio Nos./DP ID/Client ID should not be disclosed to any unknown persons. Signed blank transfer deeds, delivery instruction slips should not be given to any unknown persons.

**d) Dealing with Registered Intermediaries**

Members should transact through a registered intermediary who is subject to the regulatory discipline of SEBI, as it will be responsible for its activities, and in case the intermediary does not act professionally, Members can take up the matter with SEBI.

**e) Obtain documents relating to purchase and sale of securities**

A valid Contract Note/Confirmation Memo should be obtained from the broker/sub-broker, within 24 hours of execution of the trade. It should be ensured that the Contract Note/Confirmation Memo contains order no., trade no., trade time, quantity, price and brokerage.

**f) Updation of Address**

To receive all communications and corporate actions promptly, please update your address with the Company or DP, as the case may be.

**g) Prevention of Frauds**

There is a possibility of fraudulent transactions relating to folios which lie dormant, where the Member is either deceased or has gone abroad. Hence, we urge you to exercise diligence and notify the Company of any change in address, stay abroad or demise of any Member, as and when required.

**h) Monitor holdings regularly**

Do not leave your demat account dormant for long. Periodic statement of holdings should be obtained from the concerned DPs and holdings should be verified.

**i) PAN Requirement for Transfer of Shares in Physical Form**

SEBI has mandated the submission of Permanent Account Number (PAN) for securities market transactions and off market/private transactions involving transfer of shares of listed companies in physical form. It is, therefore, mandatory for any transferee(s) to furnish a copy of the PAN card for registration of such transfers. Members are, therefore, requested to make note of the same and submit their PAN card copy.

**j) Mode of Postage**

Share Certificates and high value dividend warrants/cheques/demand drafts should not be sent by ordinary post. It is recommended that Members should send such instruments by registered post or courier.

**13. 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.

**13. AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

The Company has obtained a Certificate from CS Atul Kumar Labh , Practicing Company Secretary of M/S A.K.Labh & Co confirming compliance of Corporate Governance as stipulated in SEBI(LODR) Regulations,2015 and the same is enclosed herewith.

## CERTIFICATE

***To the Members of The Orissa Minerals Development Co. Limited***

We have examined the compliance of conditions of Corporate Governance by ***The Orissa Minerals Development Co. Limited*** ("the Company") ended on 31<sup>st</sup> March, 2016 as stipulated in clause 49 of the Listing Agreement ("Listing Agreement") of the Company with the stock exchanges for the period April 1, 2015 to November 30, 2015 and as per the relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as referred to in Regulation 15(2) of the Listing Regulations for the period December 1, 2015 to March 31, 2016.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit for an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement/Listing Regulations, as applicable, ***except :***

***The Board of Directors of the Company is not properly constituted as the Company does not have requisite number of independent directors in its Board.***

We further state such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

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

Place : Kolkata  
Dated : 20.07.2016

***( CS A. K. LABH )  
Practicing Company Secretary  
FCS – 4848 / CP No - 3238***

# ANNUAL COMPLIANCE WITH THE CODE OF CONDUCT FOR THE FINANCIAL YEAR 2015-2016

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Pursuant to the Schedule V (Part D) of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, I hereby confirm that the Company has received affirmations on compliance with the Code of Conduct for the financial year ended March 31, 2016 from all the Board Members and Senior Management Personnel.

*For and on behalf of the Board of Directors*  
**The Orissa Minerals Development Company Limited**

**P. K Sinha**  
*Chief Executive Officer & Managing Director*  
DIN: 06872165

Place: Kolkata  
Date : 26.05.2016

## CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION PURSUANT TO PART B OF SCHEDULE II OF REGULATION 17(8) OF SEBI(LODR) REGULATIONS, 2015.

We, Shri P.K.Sinha , Chief Executive Officer(CEO) and Managing Director(MD) and Shri Arijit Chakravarty, Chief Financial Officer (CFO) of The Orissa Minerals Development Company Limited (OMDC) shall certify to the Board that:

- A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
  - (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There were, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2015-2016 which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we 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 they 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:
  1. significant changes, if any, in internal control over financial reporting during the year;
  2. 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
  3. As regards to the transaction of the company during the year 2015-2016 is concerned it is to declare that we are not aware of any instances of 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.

**ARIJIT CHAKRAVARTY**

*Chief Financial Officer (CFO)*

**P. K SINHA**

*Chief Executive Officer (CEO) &  
Managing Director*

Place : Kolkata

Date : 26.05.2016

**FORM NO. MGT-9****EXTRACT OF ANNUAL RETURN  
AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2016**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

- i) CIN:- L51430WB1918GOI003026**
- ii) Registration Date:** 16.08.1918
- iii) Name of the Company:** The Orissa Minerals Development Company Limited
- iv) Category/Sub-Category of the Company:** Company Limited by shares/Indian Government Company
- v) Address of the Registered office and contact details:**  
 AG-104, "Sourav Abasan", 2nd Floor, Sector – II, Salt Lake City,  
 Kolkata-700091  
 Phone : (033) 4016 9200, Fax : (033) 4016 9267  
 Email : info.birdgroup@nic.in  
 Website : www.birdgroup.gov.in
- vi) Whether listed company :** Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any:**  
 C B Management Services (P) Ltd.  
 P – 22, Bondel Road, Kolkata – 700019  
 Phone : (033) 4011 6700/2280 6692/ 2282 3643/2287 0263  
 Fax : (033) 4011 6739, Email : rta@cbmsl.com  
 Website: www.cbmsl.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

**All the business activities contributing 10% or more of the total turnover of the company shall be stated:-**

Closure of all six mines, owing to non availability of statutory clearance 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 2015-2016.

Sl.No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1			
2		N.A.	
3			

### III, PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Eastern Investments Limited	L65993WB1927GOI005532	Holding Company	50.01%	2(46)

### IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

#### i. Category-wise Share Holding

Category of Shareholder	No. of Shares held at the beginning of the year -01.04.2014				No. of Shares held at the end of the year -31.03.2015				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total	
<b>(A) Promoter</b>									
<b>1 Indian</b>									
(a) Individuals/ HUF									
(b) Central Government(s)									
(c) State Government(s)									
(d) Bodies Corporate	3000890	0	3000890	50.01	3000890	0	3000890	50.01	0.00
(e) Bank/Financial Institutions									
(f) Others									
<b>Sub Total(A)(1)</b>	<b>3000890</b>	<b>0</b>	<b>3000890</b>	<b>50.01</b>	<b>3000890</b>	<b>0</b>	<b>3000890</b>	<b>50.01</b>	<b>0.00</b>
<b>2 Foreign</b>									
a NRIs-Individuals									
b Other-Individuals									
c Bodies Corporate									
d Bank/Financial Institutions									
e Any Others									
<b>Sub Total(A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>		<b>0.00</b>
<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>3000890</b>	<b>0</b>	<b>3000890</b>	<b>50.01</b>	<b>3000890</b>	<b>0</b>	<b>3000890</b>	<b>50.01</b>	<b>0.00</b>

		No. of Shares held at the beginning of the year -01.04.2014				No. of Shares held at the end of the year -31.03.2015				% Change during the year
Category of Shareholder		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total	
<b>(B) Public shareholding</b>										
<b>1 Institutions</b>										
(a) Mutual Funds		45	0	45	0.00	43	0	43	0.00	0.00
(b) Bank/Financial Institutions		2380	20000	22380	0.37	2621	20000	22621	0.37	0.00
(c) Central Government(s)										
(d) State Government(s)										
(e) Venture Capital Funds										
(f) Insurance Companies		925000	0	925000	15.42	925000	0	925000	15.42	0.00
(g) Foreign Institutional Investors (FII)		130961	0	130961	2.18	124714	0	124714	2.08	(-)0.10
(h) Foreign Venture Capital Investors										
(i) Other (specify)										
(j) Foreign Portfolio Investors		0	0	0	0.00	80926	0	80926	1.35	(+)1.35
<b>Sub-Total (B)(1)</b>		<b>1058386</b>	<b>20000</b>	<b>1078386</b>	<b>17.97</b>	<b>1133304</b>	<b>20000</b>	<b>1153304</b>	<b>19.22</b>	<b>1.25</b>
<b>B 2 Non-institutions</b>										
(a) Bodies Corporate		396116	41500	437616	7.30	327232	41500	368732	6.15	(-)1.15
i) Indian										
ii) Overseas										
(b) Individuals										
i. Individual shareholders holding nominal share capital up to Rs 1 lakh		1169542	252110	1421652	23.70	1141523	249100	1390623	23.18	(-)0.52
ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.		0	0	0	0.00	0	0	0	0.00	0.00
(c) Other (specify)										
1 NRI		22571	15500	38071	0.64	62062	15500	77562	1.29	0.65
2 Clearing Member		22385	0	22385	0.37	7849	0	7849	0.13	(-)0.24
3 OCB										
4 Trust		1000	0	1000	0.01	1040	0	1040	0.02	0.01
5 Foreign Portfolio Investor										
<b>Sub-Total (B)(2)</b>		<b>1611614</b>	<b>309110</b>	<b>1920724</b>	<b>32.02</b>	<b>1539706</b>	<b>306100</b>	<b>1845806</b>	<b>30.77</b>	<b>(-) 1.25</b>
<b>(B) Total Public Shareholding (B)= (B)(1)+(B)(2)</b>		<b>2670000</b>	<b>329110</b>	<b>2999110</b>	<b>49.99</b>	<b>2673010</b>	<b>326100</b>	<b>2999110</b>	<b>49.99</b>	<b>0.00</b>
<b>TOTAL (A)+(B)</b>		<b>5670890</b>	<b>329110</b>	<b>6000000</b>	<b>100.00</b>	<b>5673900</b>	<b>326100</b>	<b>6000000</b>	<b>100.00</b>	<b>0.00</b>
<b>(C) Shares held by Custodians for GDRs &amp; ADRs</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>GRAND TOTAL ( A )+( B )+( C )</b>		<b>5670890</b>	<b>329110</b>	<b>6000000</b>	<b>100.00</b>	<b>5673900</b>	<b>326100</b>	<b>6000000</b>	<b>100.00</b>	<b>0.00</b>

**(ii) Shareholding of Promoters**

Sl No.	Shareholder's Name	Shareholding at the beginning of the year - 01.04.2015			No. of shares held at the end of the year 31.03.2016 - 31.03.2015		
		No of Shares	% of total shares of Company	% of shares Pledged/ encumbered to total shares	No of Shares	% of total shares of Company	% of shares Pledged/ encumbered to total shares
1	EASTERN INVESTMENTS LTD IN30036020450793						
	a) At the Beginning of the Year	3000890	50.01	NIL	3000890	50.01	NIL
	b) Change during the Year	NO CHANGE	NO CHANGE	NO CHANGE			
	c) At the end of the Year				3000890	50.01	NIL

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

Sl No.		Shareholding at the beginning of the year - 01.04.2015		Cumulative Shareholding during the year - 31.03.2016	
		No of Shares	% of total shares of Company	No of Shares	% of total shares of the Company
1	At the beginning of the year	3000890	50.01	3000890	50.01
	Date wise increase/decrease in Promoters Share holding during the year specifying reason for increase/decrease (e.g.allotment/ transfer/bonus sweat equity etc.):	No Change in Shareholding during the year			50.01
	At the end of the year			3000890	50.01

**(iv) Shareholding of top ten Shareholders  
(other than Directors, Promoters and Holders of GDRs and ADRs)**

		Shareholding at the beginning of the year - 01.04.2015		Cumulative Shareholding during the year -31.03.2016		
Sl.No.	Name	No. of Shares	% of total shares of the Company	No .of Shares	% of total shares of the Company	
1	LIFE INSURANCE CORPORATION INDIA 1601000000000506					
	a) At the beginning of the year	01/04/2015	925000	15.42	925000	15.42
	b) Changes during the year		NO CHANGE			
	c) At the end of the year	31/03/2016		925000	15.42	
2	3A CAPITAL SERVICES LIMITED IN30115121889966					
	a) At the beginning of the year	01/04/2015	77000	1.28	77000	1.28
	b) Changes during the year		NO CHANGE			
	c) At the end of the year	31/03/2016		77000	1.28	

		Shareholding at the beginning of the year - 01.04.2015		Cumulative Shareholding during the year -31.03.2016			
Sl.No.	Name	No. of Shares	% of total shares of the Company	No .of Shares	% of total shares of the Company		
3	ASPI H TANGREE IN30085310008373						
	a) At the beginning of the year	01/04/2015	75000	1.25	75000	1.25	
	b) Changes during the year		NO CHANGE				
	c) At the end of the year	31/03/2016		75000	1.25		
4	GHI LTP LTD. IN30016710106965						
	a) At the beginning of the year	01/04/2015	72845	1.21	72845	1.21	
	b) Changes during the year						
		Date	Reason				
		12/04/2015	Buy	1000	0.02	73845	1.23
	c) At the end of the year	31/03/2016		73845	1.23		
5	ALL BANK FINANCE LTD. IN30085310123882						
	a) At the beginning of the year	01/04/2015	66000	1.10	66000	1.10	
	b) Changes during the year		NO CHANGE				
	c) At the end of the year	31/03/2016		66000	1.10		
6	MISRILALL JAIN J00014						
	a) At the beginning of the year	01/04/2015	49500	0.83	49500	0.83	
	b) Changes during the year		NO CHANGE				
	c) At the end of the year	31/03/2016		49500	0.83		
7	DARIUS R MADON IN30015910855802						
	a) At the beginning of the year	01/04/2015	39000	0.65	39000	0.65	
	b) Changes during the year						
		Date	Reason				
		29/05/2015	SALE	39000	0.65	0	0
	c) At the end of the year	31/03/2016		0	0.00		
8	THE PROPERTY COMPANY PVT.LTD P00093/1203000000033362						
	a) At the beginning of the year	01/04/2015	62413	1.04	62413	1.04	
	b) Changes during the year						
		Date	Reason				
		10/04/2015	SALE	200	0.00	62213	1.04
		24/04/2015	SALE	1078	0.02	61135	1.02
		08/05/2015	SALE	105	0.00	61030	1.02
		15/05/2015	SALE	118	0.00	60912	1.02
		22/05/2015	SALE	1193	0.02	59719	1.00
		29/05/2015	SALE	1034	0.02	58685	0.98
		05/06/2015	SALE	85	0.00	58600	0.98
		26/06/2015	SALE	617	0.01	57983	0.97
		31/07/2015	SALE	340	0.01	57643	0.96
		07/08/2015	SALE	300	0.00	57343	0.96
		09/10/2015	SALE	305	0.01	57038	0.95

		Shareholding at the beginning of the year - 01.04.2015			Cumulative Shareholding during the year -31.03.2016		
Sl.No.	Name		No. of Shares	% of total shares of the Company	No .of Shares	% of total shares of the Company	
		16/10/2015	SALE	500	0.01	56538	0.94
		25/12/2015	SALE	456	0.01	56082	0.93
		31/12/2015	SALE	569	0.01	55513	0.92
	c) At the end of the year	31/03/2016				55513	0.92
9	GHI JBD LTD IN30016710107015						
	a) At the beginning of the year	01/04/2015		29405	0.49	29405	0.49
	b) Changes during the year						
		Date	Reason				
		24/04/2015	BUY	500	0.01	29905	0.50
		01/05/2015	BUY	500	0.01	30405	0.51
		04/12/2015	BUY	494	0	30899	0.51
	d) At the end of the year	31/03/2016				30899	0.51
10	HITESH SATISHCHANDRA DOSHI IN30012610936068						
	a) At the beginning of the year	01/04/2015		28437	0.47	28437	0.47
	b) Changes during the year			NO CHANGE			
	c) At the end of the year	31/03/2016				28437	0.47
11	ATYANT CAPITAL INDIA FUND IN30016710121990						
	a) At the beginning of the year	01/04/2015		12247	0.20	12247	0.20
	b) Change during the year						
		Date	Reason				
		10/04/2015	BUY	4195	0.07	16442	0.27
		17/04/2015	BUY	30000	0.5	46442	0.77
		24/04/2015	BUY	2500	0.04	48942	0.81
		30/09/2015	BUY	1000	0.02	49942	0.83
	c) At the end of the year	31/03/2016				49942	0.83
12	NAUSHAD D MADON IN30021418037339						
	a) At the beginning of the year	01/04/2015		0	0	0	0
	b) changes during the year						
		Date	Reason				
		06/05/2015	BUY	39000	0.65	39000	0.65
		18/12/2015	SALE	200	0	38800	0.65
	c) At the end of the year	31/03/2016				38800	0.65

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl No.	For each of the Directors and KMP	Shareholding at the beginning of the year - 01.04.2015		Cumulative Shareholding during the year - 31.03.2016	
		No of Shares	% of total shares of Company	No of Shares	% of total shares of the Company
1	a) At the Beginning of the Year	0	0.00	0	0
	b) Change during the Year				
	c) At the end of the Year				

**Note:** None of the Directors and KMP of the Company hold any shares of the Company at the beginning of the year 01.04.2015 as well as at the end of the year i.e 31.03.2016.

**V. INDEBTEDNESS****Indebtedness of the Company including interest outstanding/accrued but not due for payment**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>Change in Indebtedness during the financial year</b>				
· Addition				
· Reduction				
<b>Net Change</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### a. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. no.	Particulars of Remuneration	SHRI P.K.SINHA ₹ 01.04.2014 to 03.02.2015	SHRI P.S MISHRA ₹
		MD	WTD (w.e.f 16.11.2015)
<b>1</b>	<b>Gross salary</b>		
	(a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961	20,44,089.00	6,30,000.00
	(b) Value of perquisites u/s 17(2) of the Income-Tax Act, 1961	1,33,549.00	
	(c) Profits in lieu of salary under section 17(3) of the Income- Tax Act, 1961		
<b>2</b>	<b>Stock Option</b>	-	-
<b>3</b>	<b>Sweat Equity</b>	-	-
<b>4</b>	<b>Commission - as % of profit/ Others, specify</b>	-	-
<b>5</b>	<b>Others, please specify</b>	-	-
	<b>Total (A)</b>		
	Ceiling as per the Act		

### b. Remuneration to other directors:

Sl No.	Particulars of Remuneration	Name of Directors			Total Amount
		Shri Abdul Kalam ₹	Shri K.J. Singh ₹	Shri R.G Shinde ₹	
<b>1</b>	<b>Independent Directors</b>	1,54,115	1,45,565	25,565	3,25,245
	· Fee for attending board committee meetings				
	· Commission				
	· Others, please specify				
	<b>Air Ticket &amp; Conveyance</b>				
	<b>Total (1)</b>	<b>1,54,115</b>	<b>1,45,565</b>	<b>25,565</b>	<b>3,25,245</b>
<b>2</b>	<b>Other Non-Executive Directors</b>				
	· Fee for attending board committee meetings				
	· Commission				
	· Others, please specify				
	<b>Total (2)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
	<b>Total(B)=(1+2)</b>	<b>1,54,115</b>	<b>1,45,565</b>	<b>25,565</b>	<b>3,25,245</b>
	Total Managerial Remuneration				
	Overall Ceiling as per the Act				

**c. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTB**

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		S.Das Company Secretary ₹	Arijit Chakravarty CFO ₹	Total ₹
<b>1</b>	<b>Gross salary</b>			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7,35,490.00	18,72,109.00	26,07,599.00
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961		82,701.00	82,701.00
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961			
<b>2</b>	<b>Stock Option</b>	-	-	
<b>3</b>	<b>Sweat Equity</b>	-	-	
<b>4</b>	<b>Commission - as % of profit/ Others, specify</b>	-	-	
<b>5</b>	<b>Others, please specify</b>	-	-	
	<b>Total (A)</b>	<b>7,35,490.00</b>	<b>19,54,810.00</b>	<b>26,90,300.00</b>

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

**P. K. SINHA**  
Managing Director

**FORM NO. MR-3**

# SECRETARIAL AUDIT REPORT

For the Financial Year ended **31st March, 2016**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To  
The Members  
**M/s. Orissa Minerals Development Company Limited**  
Sourav Abasan, 2nd Floor  
AG-104, Sector II, Salt Lake City  
Kolkata – 700 091, West Bengal.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Orissa Minerals Development Company Limited (hereinafter called the 'company') having CIN-L51430WB1918GOI003026. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on the 31<sup>st</sup> March, 2016 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on the 31<sup>st</sup> March, 2016 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998;
6. We have also examined compliance with the applicable clauses of the following:
  - (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
  - (ii) The Listing Agreements entered into by the Company with The Calcutta Stock Exchange Ltd./ BSE Ltd./ National Stock Exchange of India Ltd.;
7. During the period under review, as no occasion arose, provisions of the following regulations guidelines standards were not applicable to the company-
  - (i) The securities & Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (ii) The securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (iii) The securities & Exchange Board of India (Buy back of Securities) Regulations, 1998;
  - (iv) The securities & Exchange Board of India (Employee stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (v) The securities & Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (vi) The securities & Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009;
  - (vii) The securities & Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
8. Department of Public Enterprises Guidelines issued by the ministry of heavy Industries & Public Enterprises.

9. Laws specifically applicable to the industry to which the belongs, as identified by the management, that is to say –
  - a) The Legal Metrology Act, 1986
  - b) The Mines & Minerals (Development & Regulations) Act, 1957
  - c) The Mines Act, 1952
  - d) The Mines Rules, 1966
  - e) The Minerals Conservation and Development Rules, 1988
  - f) The Forest Conservation Rules, 2003
  - g) The Metalliferous Mines Regulations, 1961
10. Labour Laws-
  - a) All the premises and establishment have been registered with the appropriate authorities, as applicable.
  - b) The company has not employed any child labour/Bonded labour in any of its establishments.
  - c) The company is ensuring the compliance of PF/ESI and other social security measures to the contract employees. One of the responsible officers of the company carries out the survey regarding the compliance of this.
  - d) There is no complaint lodged with the company under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
11. During the period under review, since there were no operations in the Company, Industry Specific Laws were practically not applicable and therefore, we have nothing to report on the same.
12. During the period under review, provisions of the following regulations guidelines standards were applicable to the company for part of the year -
  - a) The Secretarial Standard - 1 (SS-1) relating to the Meetings of the Board of Directors issued by the Institute of Company Secretaries of India (effective from 01st July, 2015);
  - b) The Secretarial Standard - 2 (SS-2) relating to the General Meetings issued by the Institute of Company Secretaries of India (effective from 01st July, 2015);
  - c) Listing Agreement (upto 30th November, 2015);
  - d) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (effective from 01st December, 2015)

### **Management Responsibility:**

1. Maintenance of secretarial records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit;
2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company;
4. Wherever required we have obtained the Management Representation about the compliance of laws Rules and Regulations and happening of events etc.;
5. The compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, Standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basis;
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company;

### **Our observation:**

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

#### **Except-**

- a) *The Board of Directors of the Company is not properly constituted as the Company does not have prescribed number of independent directors in its Board and accordingly compliance pertaining to the constitution of various committees and the necessary functions and duties as required to be discharged by these committee and the Board with Independent Directors are not made during the year under report as required under the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and the provisions of the Companies Act, 2013. The changes in the composition of Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.*
- b) *The Directors' Report dated 24th July, 2015 relating to the financial year 2014-15 at Para 7 reads as "During the year 2014-15, the Company has transferred Rs.89.50 lacs from Capital Reserve to General Reserve." As per information provided and explanations given to us this amount was created by Revaluation of Assets. There was no note appearing in the Accounts for such transfer being originally Revaluation Reserve and the Directors Report was also silent on the issue.*
- c) *During the course of our audit we found that there was atleast five occassions where the company has delayed the filing of forms with MCA and thereby paid the additional fee.*

#### **We further report that**

- a) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- b) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
- c) There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, Rules, Regulations and Guidelines.
- d) The performances of the Directors are not evaluated during the year under report. However, the same stands exempted to the Government Companies vide the Notification dated 05th June, 2015 for Government Companies issued by the Ministry of Corporate Affairs.

- e) During the period under review, the Company has not incurred any specific event/action that can have a major bearing on the Company's affairs in pursuance of the above referred laws, Rules, Regulations, Guidelines, Standards etc. except the following:
  - (i) The mining operations of the Company has been stopped for more than 4 years due to non-receipt of environment/forest/ other clearances from the Government of Odisha as well as the Central Government;
  - (ii) Recommendation of Chief Conservator, Government of Odisha in respect of Forest Division proposal is still pending due to want of NOC under Forest Rights Act, 2006.
  - (iii) Legal issues/Court cases are being pursued in High Courts at Calcutta, DRT-Kolkata, High Courts of Odisha in regard to transfer of 03(three) Mining Leases of the company.
- f) Resolutions have been approved by majority while the dissenting member's views are captured and recorded as part of the minutes;
- g) Recommendation of Chief Conservator, Government of Odisha in respect of Forest Diversion proposal is still pending due to want of NOC under the Forest Rights Act, 2006.
- h) Six number of revision applications are ending against issue of demand note for excess mining for each of the mining leases of the company before the Revisional Authority, Ministry of Mines and Government of India.

## Recommendations for Compliance

The company should initiate steps to appoint adequate number of Independent Directors on the Board to comply with the requirements of the SEBI Regulations and the Act.

*For* **S. K. Khemka & Associates**

**Sushil Kumar Khemka**  
**Paractising Company Secretary**  
**FCS:3315; C.P.No.:2941**

Kolkata, the 21<sup>st</sup> June, 2016.

# INDEPENDENT AUDITOR'S REPORT

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To  
The Members Of  
**The Orissa Minerals Development Company Limited**

## **Report on the Standalone Financial Statements**

1. We have audited the accompanying standalone financial statements of The Orissa Minerals Development Company Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, signed by us under reference to this report and a summary of the significant accounting policies and other explanatory information. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

## **Management's Responsibility for the Standalone Financial Statements**

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## **Auditor's Responsibility**

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### **Basis for Qualified Opinion**

8. The title deeds of immovable properties including leasehold were not made available for our examination.
  - 8.1. There being restrictions on movement of the items of inventory, we are unable to ascertain whether these will fetch the value at which these are stated in the financial statements.
  - 8.2. Current assets considered good include Rs. 119.63 lakhs (net of provision) receivable from Bisra Stone Lime & Company Ltd. Based on the available information we are unable to ascertain the timing and extent of ultimate realization of the said amount.
  - 8.3. Current Liabilities include Rs.469.39 lakhs being aggregate amount of outstanding dues on account of legal charges Rs. 57.63 lakhs, Provision for Property Tax Rs. 60.84 lakhs, Dead Rent Rs. 288.68 lakhs and Surface Rent Rs. 62.24 lakhs for which supporting documents were not available for our inspection.
  - 8.4. Balances in respect of Advances, Receivables and Payables are subject to confirmation. The effect of any adjustment, as may be required, on reconciliation with the parties' confirmation is not currently ascertainable.
  - 8.5. Diminution other than temporary, if any, in the carrying amount of the investment in unquoted shares amounting to Rs. 281 lakhs could not be ascertained due to non-availability of latest financial statements of the investee Company.

### **Qualified Opinion**

9. In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2016, and its profit and its cash flows for the year ended on that date.

## Emphasis of Matter

10. As indicated in the Note 35 to the Financial Statements mining operation of the Company is continued to be remained suspended due to non-renewal of the leases and non-receipt of requisite clearances from the Government of Odisha and the Central Government. These conditions indicate the existence of a material uncertainty to resume the mining operations. These financial statements have been prepared on a going concern basis mainly for the initiative taken by the Company's management for opening of the mines and resumption of mining operations.

## Report on Other Legal and Regulatory Requirements

11. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143 of the Act, we give in Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
12. In terms of the Directions and Sub-Direction under section 143(5) of the Act sent to us under cover of letter dated 10<sup>th</sup> May 2016 of The Principal Director of Commercial Audit, Ranchi, we give in Annexure B, our report on the matters included in the Directions and Sub-Directions as aforesaid.
13. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained, except any report as might have made by the Vigilance department of the Company, all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) The provisions of section 164(2) are not applicable to the Company as it is a Government Company.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we refer to our separate report in Annexure C; and
  - g) The matter described in the Basis for Qualified Opinion paragraph and the Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
  - h) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
  - i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- a) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 25 to the financial statements.
- b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

## Other Matter

- 14. The Company has not prepared consolidated statements in accordance with the provisions of section 129 of the Companies Act, 2013.
- 14.1 This revised Report issued in compliance with Audit Memo No. Annual A/Cs/OMDC/Audit Memo No.1 dated 10.6.16 and Annual A/Cs/OMDC/Audit Memo No.17 dated 10.6.16 issued by the Office of the Principal Director of Commercial Audit, Ranchi supersedes our Audit Report dated 26<sup>th</sup> May, 2016 to the members of The Orissa Minerals Development Company Limited.

**For L.B. Jha & Co.,**  
*Chartered Accountants*  
 (Firm Registration number 301088E)

**(Kamal Kumar Bhanja)**  
**Partner**  
 (Membership number 14722)

Kolkata, 20<sup>th</sup> June, 2016

# ANNEXURE A

## TO THE INDEPENDENT AUDITORS' REPORT

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To  
the Members of  
**The Orissa Minerals Development Company Limited**  
[Referred to in paragraph 10 of the Auditors' Report of even date]

1. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.  
(b) The fixed assets of the Company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.  
(c) The title deeds of immovable properties including leasehold were not made available for our examination.
2. (a) The inventory has been physically verified by the management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of account.
3. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act.
4. According to the information and explanations given to us and the records of the Company examined by us, the Company has not made any investment, advanced any loan, given any guarantee or provided any securities to others.
5. The Company has not accepted any deposits within the meaning of Sections 73 or 76 of the Act and the rules framed there under.
6. The Central Government of India has prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act for the products of the company. However, as the turnover of such products is lower than the prescribed threshold limits, in our opinion, maintenance of cost records is not applicable.
7. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities except provident fund.

The extent of the arrears of statutory dues outstanding as at 31st March 2016, for a period of more than six months from the date they became payable, in respect of share of shortfall of distributable interest on Provident Fund are as follows-

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

- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of sales-tax, service tax, duty of excise and value added tax as at 31st March 2016 which have not been deposited on account of a dispute, are as follows-

Name of the statute	Nature of dues	Amount (Rs in Lacs.)	Period to which the amount relates	Forum where the dispute is pending
Mines and Minerals Development Act, 1957	Cost of excess production	539539.24	2000-01 to 2009-10	Mines Tribunal
The Central Sales Tax Act, 1956	Central Sales Tax	4.44	2003-04	Sales Tax Tribunal
Odisha Value Added Tax Act, 2004	VAT	21.34	2005-06	Odisha High Court
Odisha Entry Tax Act, 1999	Entry Tax	34.79	2005-06	Odisha High Court
Odisha Entry Tax Act, 1999	Entry Tax	2.31	2006-07	Commissioner of Commercial Taxes (Appeal )
Odisha Entry Tax Act, 1999	Entry Tax	0.88	2007-08	Sales Tax Tribunal
Odisha Value Added Tax Act, 2004	VAT	224.25	2006-07	Commissioner of Commercial Taxes (Appeal )
Finance Act, 1994	Service Tax	7.05	2012-13	Commissioner of Service Tax (Appeal)
Income Tax Act, 1961	Income Tax Interest	28357.89 14539.41	2008-09 to 2012-13	Commissioner of Income Tax (Appeals)

8. The Company has neither taken any loan from financial institution, bank or Government nor issued any debentures.
9. The Company has neither raised any money by public issues of shares or debentures nor obtained any term loans during the year.
10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and the books and papers made available to us, we have not come across any instance of fraud on or by the Company.
11. In our opinion, the provisions of section 197 read with Schedule V to the Act are not applicable to the Company.

12. The Company being not a Nidhi Company the related statutes are not applicable to the company.
13. According to the information and explanations given to us and the records of the Company examined by us, the requirements of sections 177 and 188 of the Act is not applicable to this Company.
14. The Company has not made any preferential allotment of shares or fully or partly convertible debentures during the year under audit.
15. According to the information and explanations given to us and the records of the Company examined by us, the Company has not entered into any non-cash transactions, with any director of the Company or persons connected with them, involving acquisition of assets by or from them for consideration other than cash.
16. In our opinion, and according to the information and explanations given to us, not being a non-banking financial company, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For L.B. Jha & Co.,**  
*Chartered Accountants*  
(Firm Registration number 301088E)

**(Kamal Kumar Bhanja)**  
**Partner**  
(Membership number 14722)

Kolkata, 20<sup>th</sup> June, 2016

# ANNEXURE- B

## TO THE INDEPENDENT AUDITORS' REPORT

To the Members of

**The Orissa Minerals Development Company Limited**

[Referred to in paragraph 11(h) of the Auditors' Report of even date]

### I. Directions

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

## II. Sub Directions

Sl.	Description	Auditor's Response						
1	Examine the percentage escalation in salary assumed by management for computation of actuarial liability against gratuity and other employee benefits and report whether the same was reasonable, and source data provided by the Company to the Actuaries for actuarial valuation were correct, complete and valid.	<div>1. The salary escalation rates considered by the actuaries for computing liabilities towards employee benefit are as follows:</div> <table><tr><td>Gratuity</td><td>6%</td></tr><tr><td>Privilege Leave</td><td>5%</td></tr><tr><td>Half-pay Leave</td><td>5%</td></tr></table> <div>As the pay revision of the Company is pending before the Ministry of Steel, we are unable to comment on the adequacy of the rates considered for actuarial valuation of liabilities pertaining to employee benefits.</div> <div>Further, the Company has created a provision to cover the impact of such pay revision on the accrued liabilities towards employee benefits which, however is not based on actuarial valuation.</div> <div>2. The source data provided for computation of gratuity liability was for only 511 employees out of total 512 employees of the company.</div>	Gratuity	6%	Privilege Leave	5%	Half-pay Leave	5%
Gratuity	6%							
Privilege Leave	5%							
Half-pay Leave	5%							

**For L.B. Jha & Co.,**  
*Chartered Accountants*  
 (Firm Registration number 301088E)

**(Kamal Kumar Bhanja)**  
**Partner**  
 (Membership number 14722)

Kolkata, 20<sup>th</sup> June, 2016

# ANNEXURE- C

## TO THE INDEPENDENT AUDITORS' REPORT

To the Members of

**The Orissa Minerals Development Company Limited**

[Referred to in paragraph 11(h) of the Auditors' Report of even date]

### **Report on the Internal Financial Control under Clause (i) of Sub –sections 3 of Section 143 of the Companies Act, 2013("the Act")**

1. We have audited the internal financial controls over financial reporting of **The Orissa Minerals Development Company Limited**("the Company") as of 31<sup>st</sup> March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Control**

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

### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the "Guidance Note" and the Standard on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintaining and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting includes obtaining an understanding of internal financial control over financial reporting, assessing the risk that a material Weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedure selected depends on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statement, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Control over Financial Reporting**

6. A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statement for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that
  - 1) pertain to the maintenance of the records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
  - 2) provide reasonable assurance that the transactions are recorded as necessary to permit preparation of financial statement in accordance with generally accepted accounting principles, and that receipts and expenditure of the Company are being made only in accordance with authorization of management and directors of company; and
  - 3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statement.

### **Inherent Limitations of Internal Financial Control over Financial Reporting**

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

### **Disclaimer of Opinion**

8. According to the information and explanation given to us, the Company is in the process of establishing its internal financial control over financial reporting on criteria considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.
9. Because of this reason, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the Company had adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at 31<sup>st</sup> March, 2016.
10. We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company, and the disclaimer does not affect our opinion on the financial statements of the Company.

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

*Chartered Accountants*

(Firm Registration number 301088E)

**(Kamal Kumar Bhanja)**

**Partner**

(Membership number 14722)

Kolkata, 20<sup>th</sup> June, 2016

# THE ORISSA MINERAL DEVELOPMENT COMPANY LIMITED

**In their Report, the auditors have made certain observations to which clarifications have been given by your Directors as below:**

Sl. No.	Observations of the Auditor	Management Replies
01	The title deeds of immovable properties including leasehold were not made available for our examination	<p>Records available with the Revenue Department of the State clearly indicate that the title is in the name of OMDC. Copy of the online records is available in OMDC Mines. OMDC is paying Land Tax to State Govt. based on such record.</p> <p>However steps have been initiated to obtain certified and stamped copies of Title Deeds from the Revenue Department, Government of Odisha.</p>
02	There being restrictions on movement of the items of inventory, we are unable to ascertain whether these will fetch the value at which these are stated in the financial statements	Movement of mines stock inventory is not permitted by statutory authority. On resumption of mines and on obtaining approval from appropriate authority, the available inventory is expected to fetch the value as per the market rate prevailing at that point of time.
03	Current assets considered good include Rs. 119.63 lakhs (net of provision) receivable from Bisra Stone Lime Company Ltd. Based on the available information; we are unable to ascertain the timing and extent of ultimate realization of the said amount.	Continuous persuasion is being made for realization of the dues from BSLC.
04	Current Liabilities include Rs. 469.39 Lakhs being aggregate amount of outstanding dues on account of legal charges Rs. 57.63 lakhs, provision for property Tax Rs. 60.84 lakhs, Dead Rent Rs. 288.68 lakhs and Surface Rent Rs. 62.24 lakhs for which supporting documents were not available for our inspection.	Action has been initiated for logical conclusion for legal charges and surface rent. Action has been already taken for property tax and necessary effect has been given in accounts.
05	Balances in respect of Advance, Receivable and payables are subject to confirmation. The effect of any adjustment, as may be required, on reconciliation with the parties' confirmation is not currently ascertainable.	Letters sent to the customers on quarterly basis for confirmation of their balances. Action has been initiated for balances not confirmed.
06	Diminution other than temporary, if any, in the carrying amount of the investment in unquoted shares amounting to Rs. 281 lakhs could not be ascertained due to non-availability of latest financial statements of the investee Company	As the case with M/s EIML is subjudice at Company Law Board, Kolkata the financial statements are not available with OMDC.

# COMPTROLLER AND AUDITOR GENERAL OF INDIA

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## **COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF THE ORISSA MINERALS DEVELOPMENT COMPANY LIMITED FOR THE YEAR ENDED 31 MARCH 2016.**

The preparation of financial statements of The Orissa Minerals Development Company Limited for the year ended 31 March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their revised Audit Report dated 20 June 2016 superseding their Audit Report dated 26 May 2016.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the Act of the financial statements of The Orissa Minerals Development Company Limited for the year ended 31 March 2016. 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 noting significant has come to my knowledge which would give rise to any comments upon or supplement to statutory auditor's report.

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

**(Sushil Kumar Jaiswal)**

*Principal Director of the Commercial Audit &  
Ex- officio Member, Audit Board, Ranchi.*

Place : Ranchi

Date : 22th July, 2016

# BALANCE SHEET AS AT 31ST MARCH, 2016

(Rs. in Lac)

	Note No.	As at 31st Mar, 2016	As at 31st Mar, 2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. SHAREHOLDERS' FUNDS</b>			
(a) Share Capital	01	60.00	60.00
(b) Reserves & Surplus	02	83,434.19	82,562.97
<b>2. NON-CURRENT LIABILITIES</b>			
(a) Deferred Tax Liabilities (Net)	03	790.58	696.57
(b) Other Long Term Liabilities	04	1,643.93	1,743.93
(c) Long Term Provisions	05	647.67	574.76
<b>3. CURRENT LIABILITIES</b>			
(a) Trade Payables	06	206.39	176.07
(b) Other Current Liabilities	07	6,342.51	5,934.02
(c) Short Term Provisions	08	461.49	604.64
<b>Total</b>		<b>93,586.76</b>	<b>92,352.96</b>
<b>II. ASSETS</b>			
<b>1. NON-CURRENT ASSETS</b>			
(a) Fixed Assets			
(i) Tangible Assets	09	1,877.02	2,165.82
(ii) Intangible Assets	09	4,485.86	4,698.84
(iii) Capital Work-In-Progress	10	166.05	177.57
(b) Non-Current Investments	11	325.24	357.73
(c) Long Term Loans & Advances	12	293.13	288.50
<b>2. CURRENT ASSETS</b>			
(a) Inventories	13	2,166.96	2,670.74
(b) Trade Receivables	14	27.15	27.35
(c) Cash & Cash Equivalent	15	79,912.00	77,329.01
(d) Short Term Loans & Advances	16	2,435.70	2,281.88
(e) Other Current Assets	17	1,897.65	2,355.52
<b>Total</b>		<b>93,586.76</b>	<b>92,352.96</b>
Significant Accounting Policies	37		

Notes referred to above and Notes 25 to 37 form an integral part of the Financial Statements.

## For & On Behalf of Board of Directors

In terms of our report of even date  
**For L. B Jha & Co.**  
 Firm Registration No. 301088E  
 Chartered Accountants

**P. K. Sinha**  
 Managing Director

**P. S. Mishra**  
 Director

**Kamal Kumar Bhanja**  
 Partner  
 (Membership No. 14722)  
 New Delhi, Dated: 26th May, 2016

**A. Chakravarty**  
 CFO

**S. Das**  
 Co. Secretary

# STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

(Rs. in Lac)

	Note No.	As at 31st Mar, 2016	As at 31st Mar, 2015
<b>INCOME</b>			
Other Income	18	6,996.96	7,466.58
<b>Total Revenue</b>		<b>6,996.96</b>	<b>7,466.58</b>
<b>EXPENSES</b>			
Changes in Inventories of Finished goods	19	494.05	44.18
Employee Benefit Expenses	20	2,580.12	2,645.44
Depreciation & Amortisation Expenses	09	699.65	869.88
Other Expenses	21	1,331.92	1,323.39
<b>Total Expenditure</b>		<b>5,105.74</b>	<b>4,882.89</b>
Profit for the year Before Tax		<b>1,891.22</b>	<b>2,583.69</b>
Tax Expense -			
Current Tax		734.05	1,004.00
Tax for Earlier Years		-	-
Deferred Tax		94.01	(190.40)
		828.06	813.60
<b>Profit for the Period After Tax</b>		<b>1,063.16</b>	<b>1,770.09</b>
Basic and Diluted Earnings Per Share (Face Value Re.1/- per share.)	24	<b>17.72</b>	<b>29.50</b>
Significant Accounting Policies	37		

Notes referred to above and Notes 25 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

**Kamal Kumar Bhanja**  
 Partner  
 (Membership No. 14722)  
 New Delhi, Dated: 26th May, 2016

**P. K. Sinha**  
 Managing Director

**A. Chakravarty**  
 CFO

For & On Behalf of Board of Directors

**P. S. Mishra**  
 Director

**S. Das**  
 Co. Secretary

# CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

(Rs. in Lac)

	2015-16	2014-15
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit Before Taxes	1,891.22	2,583.69
Adjustments for :		
Depreciation/Amortisation	699.65	869.88
Interest Income	(6,816.20)	(7,410.13)
Dividend Income	-	(0.03)
Unspent Liability no longer required written back	167.64	(40.04)
Provision for doubtful debts/advances	-	12.04
Provision for CWIP	-	0.50
Provision for Stock	-	-
Profit on Sale/Transfer of Fixed Assets	-	-
Prior Period Adjustment	32.00	-
	(5,916.91)	(6,567.78)
<b>Operating Profit before working capital changes</b>	<b>(4,025.69)</b>	<b>(3,984.09)</b>
Movement in Working Capital for :		
(Increase)/Decrease in Inventories	503.78	43.58
(Increase)/Decrease in Trade Receivables	0.20	-
(Increase)/Decrease in Loans & Advances & others	(483.45)	(553.69)
Increase/(Decrease) in Trade Payable\Liab.\Prov.	315.31	231.36
	335.84	(278.75)
<b>Cash generated from Operations</b>	<b>(3,689.85)</b>	<b>(4,262.84)</b>
Income Tax (Paid)/ Refund Received	(184.00)	(1,323.68)
<b>Net Cash used in Operating Activities</b>	<b>(3,873.85)</b>	<b>(5,586.52)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(205.29)	(80.06)
Investment in Long Term Fixed Deposit	(10,161.31)	-
Investment realised	-	30.00
Interest Received	6,816.20	7,556.86
Dividend Received	-	0.03
<b>Net cash generated from investing activities</b>	<b>(3,550.40)</b>	<b>7,506.83</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Payment of Dividend and Dividend Tax	(318.94)	(106.49)
Net Cash used in Financing Activities	(318.94)	(106.49)
Net Increase/(Decrease) in Cash & Cash equivalents (A+B+C)	<b>(7,559.19)</b>	<b>3,137.50</b>
<b>Cash &amp; Cash equivalent as reconciled below-</b>		
<b>As at 31st March 2015</b>	<b>75,415.23</b>	<b>72,277.73</b>
<b>As at 31st March 2016</b>	<b>67,856.05</b>	<b>75,415.23</b>
<b>Reconciliation:</b>		
<b>Cash &amp; Cash equivalent as per Note 15</b>	<b>79,912.00</b>	<b>77,329.01</b>
Less: Term Deposits with maturity exceeding 3 months	11,529.31	1,368.00
Margin money	448.43	420.82
Unpaid dividend	78.21	124.96
<b>Closing Cash &amp; Cash equivalent as above</b>	<b>67,856.05</b>	<b>75,415.23</b>

Notes referred to above and Notes 25 to 37 form an integral part of the Financial Statements.

In terms of our report of even date  
**For L. B Jha & Co.**  
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 Director

**S. Das**  
 Co. Secretary

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in Lac)

Particulars	As at 31st Mar, 2016	As at 31st Mar, 2015
<b>Note 01 : Share Capital</b>		
(a) Authorized 60,00,000 Equity Shares of Re. 1/- each	<b>60.00</b>	<b>60.00</b>
(b) Issued,Subscribed & Fully paid up 60,00,000 Equity Shares of Re. 1/- each	<b>60.00</b>	<b>60.00</b>

(c) A reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period.

Particulars	Equity Shares		
	Number	Face Value (Rs.)	Rs. in Lacs
Shares outstanding as at the beginning of the year	<b>60,00,000</b>	<b>Rs. 1/-</b>	<b>60.00</b>
Shares outstanding as at the end of the reporting period	<b>60,00,000</b>	<b>Rs. 1/-</b>	<b>60.00</b>

(d) The Company has only one class of equity shares having a par value of Re.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.

Name of the Shareholder	% of Shares Held	No. of Shares Held
1. Eastern Investments Ltd. (Holding Company)	50.01%	30,00,890
2. Life Insurance Corporation of India	15.42%	925,000

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in Lac)

	As at 31st Mar, 2016		As at 31st Mar, 2015	
Note 02 : Reserves and Surplus				
Capital Reserve				
Amount as per Last Balance Sheet	-		89.50	
Less: Transferred to General Reserve	-	-	89.50	-
General Reserve				
Balance as per Last Balance Sheet	32,309.41		32,042.90	
Add: Transferred to General Reserve	106.32		177.01	
Add: Transferred from Capital Reserve	-	32,415.73	89.50	32,309.41
Surplus				
Balance as per Last Balance Sheet	50,253.56		49,657.68	
Less: Adjustment for expired useful life of existing assets	-		678.26	
Add: Surplus as per Statement of Profit & Loss	1,063.16		1,770.09	
Less: Appropriations -				
General Reserve	106.32		177.01	
Proposed Dividend (Final)	159.47		265.80	
Tax on Proposed Dividend (Final)	32.47	51,018.46	53.14	50,253.56
Total		83,434.19		82,562.97

### 02.01: Proposed Dividend & Dividend per Share

Equity Dividend				
Proposed Dividend	Amount in Rs.	<b>15,947,391</b>		26,580,000
Number of Equity Shares	(No. of shares)	<b>6,000,000</b>		6,000,000
Dividend per Share	Amount in Rs.	<b>2.66</b>		4.43

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in Lac)

	As at 31st Mar, 2016		As at 31st Mar, 2015	
<b>Note 03.00 : Deferred Tax Liabilities (Net)</b>				
Deferred Tax Liability				
Difference between Book and Tax Depreciation			924.59	869.69
	Sub-Total	(A)	924.59	(A) 869.69
<b>Deferred Tax Assets</b>				
Provision for Bonus/Gratuity/Leave Encashment/HPL			54.08	9.06
Provision for Doubtful Debts, Advances,Claims,Interest			0.06	24.83
Expenses U/S 43-B of I.T Act			79.87	139.23
	Sub-Total	(B)	134.01	(B) 173.12
<b>Net Deferred Tax Liability</b>		(A) - (B)	790.58	(A) - (B) 696.57
<b>Note 04.00 : Other Long Term Liabilities</b>				
Others				
Other Liabilities (Legal/ Judicial Expenses)			1,643.93	1,743.93
<b>Total</b>			1,643.93	1,743.93
<b>Note 05.00 : Long Term Provisions</b>				
<b>Provisions for Employee Benefits</b>				
Leave Encashment (Half Pay Leave + Earned Leave )			361.12	288.21
<b>Others</b>				
Provision for Site Reclamation			286.55	286.55
<b>Total</b>			647.67	574.76
<b>Note 06.00 : Trade Payables</b>				
Trade Payables			206.39	176.07
<b>Total</b>			206.39	176.07
<b>Note 07.00 : Other Curent Liabilities</b>				
Earnest Money, Security & Other Deposits			1,086.49	1,090.18
Unpaid Dividend			78.21	124.96
Disputed Dividend			43.79	30.10
Provision for Salary & Wages (Including pending wage revision)			2,568.64	2,333.65
Other Liabilities			2,565.38	2,355.13
<b>Total</b>			6,342.51	5,934.02
<b>Note 08.00 : Short Term Provisions</b>				
<b>Provisions for Employee Benefits</b>				
Gratuity to Employees	26.10		12.28	
Leave Encashment-Pay Revision (Half Pay Leave + Earned Leave)	43.94		25.03	
Liability for Gratuity (Prior to LIC)	13.13		13.13	
Gratuity(Pay Revision)	182.55		229.26	
PF Differential Interest (Due to P.F. Institution)	3.83	269.55	6.00	285.70
<b>Others</b>				
Proposed Dividend (Final)	159.47		-	
Tax on Proposed Dividend (Final)	32.47	191.94	-	318.94
<b>Total</b>		461.49		604.64

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in Lac)

### Note 9.0 Fixed Asset As at 31.03.2016

Particulars		Gross Block			Depreciation			Net Block			
Name of the Asset	Original Cost of Acquisition	Addition	Asset Sold/ Adjusted During 2015-16	Total Asset as on 31.03.2016	Cumulative Depn. up to 31.03.2015	Adjustment for expired useful life of assets	Depn. under SLM on Op. Balance & Asset Added	Charged to Prior Period	Cumulative Depn. as on 31.03.2016	Net Asset Value as on 31.03.2016	Net Asset Value as on 31.03.2015
LAND	0.28	-	-	0.28	-	-	-	-	-	0.28	0.28
LEASEHOLD LAND	196.77	-	-	196.77	18.95	-	1.97	-	20.92	175.85	177.82
LEASEHOLD PROPERTIES	439.58	-	-	439.58	387.76	-	21.36	-	409.12	30.46	51.82
BUILDING	1,341.15	-	-	1,341.15	261.47	-	24.16	-	285.63	1,055.55	1,079.68
ROADS	246.05			246.05	17.15		157.46		174.61	71.44	228.90
RAILWAY SIDING	426.51	31.51	-	458.02	243.17	-	29.71	7.45	280.33	177.69	183.34
PROSPECTING & DEVELOPMENT	150.66	-	-	150.66	150.66	-	-	-	150.66	-	-
MOTOR CAR	64.56	-	-	64.56	63.97	-	-	-	63.97	0.59	0.59
FURNIITURE & FIXTURE	214.52	-	-	214.52	96.69	-	18.17	-	114.86	99.66	117.83
PLANT & MACHINERY	3,081.00	6.11	-	3,087.11	2,859.39	(0.00)	25.24	-	2,884.64	202.47	221.61
ELECTRICAL INSTALLATION	233.68	-	-	233.68	145.37	-	29.51		174.88	58.81	88.32
COMPUTER	72.16	0.40	-	72.56	56.53	-	11.81		68.34	4.22	15.63
TOTAL TANGIBLE ASSETS (A)	6,466.93	38.02	-	6,504.95	4,301.11	(0.00)	319.39	7.45	4,627.96	1,877.02	2,165.82
INTANGIBLE ASSETS (B)	9,183.91	167.27	-	9,351.18	4,485.06	-	380.26	-	4,865.32	4,485.86	4,698.85
TOTAL ASSETS (A+B)	15,650.84	205.29	-	15,856.12	8,786.17	(0.00)	699.65	7.45	9,493.28	6,362.88	6,864.67

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in Lac)

	As at 31st Mar'16	As at 31st Mar'2015
<b>Note 10.00 : Capital Work-In-Progress</b>		
Capital Work- in -Progress	178.12	189.64
(Assets are yet to approved in view of no operation)		
Less: Provision for WIP	12.07	12.07
	<b>166.05</b>	<b>177.57</b>
<b>Total</b>	<b>166.05</b>	<b>177.57</b>

	No. of fully paid- up Equity Shares	Face Value of Each Share (Rs.)	As at 31st Mar'16	As at 31st Mar'16
<b>Note 11.00 : Non Current Investments</b>				
<b>A. Trade Investment, Unquoted</b>				
East India Minerals Limited (Joint Venture Company to the extent of 26%)	2,811,010	@ Rs. 10/-	<b>281.10</b>	<b>281.10</b>
Woodlands MultiSpeciality Hospital Limited (Formerly The East India Clinic Ltd.)	500	@ Rs. 10/-	<b>0.05</b>	<b>0.05</b>
The Sijua (Jherriah) Electric Supply Co. Ltd.	100 Nos of Ordinary Shares @ Rs. 10/- each			
(In Liquidation)			<b>0.01</b>	<b>0.01</b>
<b>Total ( A )</b>			<b>281.16</b>	<b>281.16</b>
<b>B. Other Investment</b>				
<b>B-1. Non Trade - Quoted - Investments in Equity Shares</b>				
The Eastern Investments Limited 25,434 Nos. of Ordinary Shares @ Rs.10/-each * Market Value Rs.619.69 lacs (Previous Year Rs.619.69 lacs) (Investment made prior to Investee became Holding Company)			<b>2.42</b>	<b>2.42</b>
			<b>2.42</b>	<b>2.42</b>
<b>B-2. Non Trade - Quoted - Investments in Bonds</b>				
8.95% Gujarat Electricity Bonds 100 Nos. of Bonds (Face Value 40,000.00)		44.15		<b>74.15</b>
Less: Loss on Redemption		2.49		
			<b>41.66</b>	<b>74.15</b>
<b>Total (B-1 + B-2)</b>			<b>44.08</b>	<b>76.57</b>
<b>Total (A+B)</b>			<b>325.24</b>	<b>357.73</b>

\* There is no transaction during the year.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in Lac)

	As at 31st Mar'16	As at 31st Mar'2015
<b>Note 12.00 : Long Term Loans and Advances</b> (considered good unless otherwise stated)		
<b>Vehicle/ Home Loans to Employees</b>	111.72	93.54
<b>Loans to Others</b>		
Considered Doubtful	7.24	24.52
	118.96	118.06
Less: Provision for doubtful advances	24.52	24.52
<b>Security Deposits</b>	<b>198.69</b>	<b>194.96</b>
<b>Total</b>	<b>293.13</b>	<b>288.50</b>

**Note 13.00 : Inventories (As taken and certified by the Management)**

<b>Finished Goods</b>	<b>1,987.57</b>	<b>2,481.62</b>
<b>Raw Materials</b>	<b>47.45</b>	<b>47.37</b>
<b>Stores &amp; Spares</b>	134.62	144.43
Less: Provision for Stores Stock	2.68	2.68
<b>Total</b>	<b>2,166.96</b>	<b>2,670.74</b>

**Note 14.00 : Trade Receivables**

(Unsecured &amp; considered good unless otherwise stated)

(For due from related party refer to Note: 26)

**Trade Receivables**

Outstanding for a period exceeding six months from the date they are due for payment.

Considered Good	<b>27.15</b>	<b>27.35</b>
Considered Doubtful	<b>224.19</b>	<b>224.02</b>
	<b>251.34</b>	<b>251.37</b>
Less: Provision for doubtful debt	<b>224.19</b>	<b>224.02</b>
	<b>27.15</b>	<b>27.35</b>
<b>Total</b>	<b>27.15</b>	<b>27.35</b>

**Note 15.00 : Cash and Bank Balances**

Cash on Hand	<b>0.14</b>	<b>0.29</b>
Balances with Banks		
On Current Account	<b>439.22</b>	<b>129.93</b>
Other Term Deposits	<b>67,416.69</b>	<b>76,497.00</b>
Term deposit with maturity exceeding 12 months	<b>11,529.31</b>	<b>156.00</b>
Margin money against Guarantee	<b>448.43</b>	<b>420.83</b>
Unpaid Dividend A/c	<b>78.21</b>	<b>124.96</b>
<b>Total</b>	<b>79,912.00</b>	<b>77,329.01</b>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

		(Rs. in Lac)	(Rs. in Lac)
		As at	As at
		31st Mar'16	31st Mar'2015
<b>Note 16.00 : Short Term Loans and Advances</b>			
(Unsecured & considered good unless otherwise stated)			
Others			
Advances & Other Recoverables			
(Recoverable in cash or in kind or for value to be received)	66.91	66.41	
(Including doubtful Rs.60.33 lac)			
Less: Provision for doubtful advances	60.33	60.33	
(For dues from Related Party, refer to Note 28)		6.58	6.08
Suppliers		64.28	63.38
Employees		33.32	50.36
Others	229.07	230.13	
Less: Provision for Doubtful Advances	229.07	0.00	1.06
Advance Income Tax / TDS (Net of Provision)		2,316.98	2,109.36
Prepaid Expenses		14.54	51.64
Total		2,435.70	2,281.88

		(Rs. in Lac)	(Rs. in Lac)
		As at	As at
		31st Mar'16	31st Mar'2015
<b>Note 17.00 : Other Current Assets</b>			
(Unsecured & considered good unless otherwise stated)			
Interest Receivable			
On Term Deposit with Banks		1,766.08	2,232.99
On Other Investments		3.23	5.64
Others	300.30	288.85	
Less: Provisions	171.96	128.34	171.96
Total		1,897.65	2,355.52

		(Rs. in Lac)	(Rs. in Lac)
		As at	As at
		31st Mar'16	31st Mar'2015
<b>Note 18.00 : Other Income</b>			
Interest Income			
Fixed Deposit with Banks	6,804.32	7,402.35	
Investment-Long Term	4.21	5.64	
Others	7.67	2.14	7,410.13
Sundry Receipts			
Sale of Tender Document/ Rent Receipt		4.07	13.28
Old Liability against EMD/ SD written back		-	-
Dividend Income on Long Term Investments		-	0.03
Other Non-Operating Income			
Liability/ Provision No Longer Required written back	167.64	40.04	
Provision for Sundry Debtors written back	-	-	
Profit on Sale/ Exchange of Fixed Assets	-	-	
Other Income	9.05	176.69	3.10
Total		6,996.96	7,466.58

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	(Rs. in Lac)	(Rs. in Lac)
	As at	As at
	31st Mar'16	31st Mar'2015
<b>Note 19.00 : Changes in Inventories of Semi-Finished / Finished goods</b>		
Opening Stock	2,481.62	2,525.80
Less: Closing Stock	1,987.57	2,481.62
Net Decretion/(Accretion)	494.05	44.18

	(Rs. in Lac)	(Rs. in Lac)
	As at	As at
	31st Mar'16	31st Mar'2015
<b>Note 20.00 : Employee Benefits</b>		
Salaries and Wages	1,894.81	2,051.38
Gratuity Expenses	140.82	87.25
Leave Encashment with Half Pay Leave	121.95	73.71
Company's Contribution-PF & Other Funds	191.60	201.62
Superannuation Benefit Scheme	53.07	43.65
Staff Welfare Expenses	177.87	187.83
Total	2,580.12	2,645.44

	As at	As at
Ref No:	31st Mar'16	31st Mar'2015

## **Note 21.00 : Other Expenses**

Consumption of Stores & Spares	20.49	26.72
Advertisement	5.65	11.62
Consultancy Fees	16.55	75.05
Security Charges	10.06	116.02
Corporate Social Responsibility	72.99	28.11
Directors' Fees	3.25	1.90
Environment & Pollution	20.26	28.97
Hotel & Incidental Exp.	22.33	6.30
Insurance	1.54	2.03
Legal & Judicial Expenses	44.40	63.67
Mines & Lease Matter	2.05	1.46
Miscellaneous Expenses (Note 21.01)	97.90	78.16
Motor Car Expenses	89.31	39.80
Power & Fuel (Electricity Charges)	146.51	140.73
Printing & Stationery	13.78	10.11
Property Tax	10.19	10.19
Provision for B/R BSLC	-	43.21
Provision for CWIP	-	0.50
Provision for Doubtful Debts	0.17	29.33
Rates & Taxes	36.00	26.20
Rent (Note 21.02)	46.96	98.02
Repairs & Maintenance (Note 21.03)	331.15	206.40
Remuneration to Auditors (Note 21.04)	5.31	4.60
Royalty/ Dead Rent/ Surface Rent	255.61	176.93
Telephone	9.88	9.48
Training & Development	1.57	1.50
Transfer Benefits	4.36	3.93
Travelling/ Passage Fare (Note 21.05)	29.91	79.06
Workmen Compensation	-	3.39
Prior Period Expenses	32.00	-
Selling Expenses-Physical Stock Verification Charges	1.74	-
Total	1,331.92	1,323.39

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in Lac)

	As at 31st Mar'16	As at 31st Mar'2015
<b>21.01 : Miscellaneous Expenses</b>		
AGM/ Annual Day/ Board Meeting	5.56	2.83
Bank Charges	0.10	0.08
Business Development	3.26	2.56
Books & Periodicals	0.63	0.44
Brokerage Charges	0.96	0.33
Cable Subscription Charges	0.10	0.07
Computer Appliances/ Internet Chg.	4.45	4.86
Conveyance Expenses	5.74	3.49
Cooking Gas/Firewood	-	4.71
Cost Audit & Other Audit Fees	2.26	0.58
Donation & Subscription	2.30	1.40
Entertainment Exps	2.50	2.43
Entertainment Exps (Club)	0.40	-
General Charges	1.71	7.59
Generator Hire Charges	-	0.12
Guest House Exps	8.18	6.02
Interest & Financial Charges	4.39	1.10
Kolkata Dak Services	1.22	1.46
Membership Fees	0.26	0.06
Mines & Plant Sundries	3.00	3.43
Loss on Redemption on Investment	2.49	-
Passage Fare-LTA	28.70	18.28
Writeoff A/c	0.71	-
Shares & ROC Compliance A/c	5.91	4.82
Stamps & Telegrams	3.77	3.22
Tea & Refreshment	9.30	8.26
<b>Total</b>	<b>97.90</b>	<b>78.16</b>
<b>21.02 : Rent</b>		
Office Buildings/MD's & Director's Residence	11.62	10.79
Lease to Employees	8.00	3.35
Guest House-BSLC	27.34	83.88
<b>Total</b>	<b>46.96</b>	<b>98.02</b>
<b>21.03 : Repairs and Maintenance</b>		
Plant and Equipment	30.64	26.20
Buildings	33.06	30.01
Others (Including General Maintenance)	267.45	150.19
<b>Total</b>	<b>331.15</b>	<b>206.40</b>
<b>21.04 : Remuneration to Auditors</b>		
Statutory Audit	4.76	3.95
Tax Audit	0.50	0.50
Reimbursement of Expenses	0.05	0.15
<b>Total</b>	<b>5.31</b>	<b>4.60</b>
<b>21.05 : Travelling/ Passage Fare</b>		
TA Exp-Directors	14.57	31.89
TA Exp-Employees	13.77	13.22
TA Exp-Others	1.57	33.95
<b>Total</b>	<b>29.91</b>	<b>79.06</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 22.00 : Details of Employee Benefits

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

- (i) **Provident Fund:-** Company pays fixed contribution to Provident Fund at the rate of 12 % on Basic & IDA.
- (ii) **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 amount is 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: Reconciliation of Present Value of Defined Benefit Obligations

Particulars	(Rs. in Lac)		
	Gratuity	Earned Leave	Half Pay Leave
Obligation as at the beginning of the period	1,266.13	281.79	31.44
	<i>1,286.35</i>	<i>280.16</i>	<i>43.73</i>
Service Cost	54.18	25.84	7.65
	<i>56.27</i>	<i>23.94</i>	<i>4.47</i>
Interest Cost	101.29	21.51	2.60
	<i>102.91</i>	<i>22.41</i>	<i>2.24</i>
Actuarial Gains (-)/ Losses (+)	23.80	29.10	(7.06)
	<i>35.80</i>	<i>21.62</i>	<i>(18.19)</i>
Benefits Paid	(186.46)	(74.06)	-
	<i>(215.20)</i>	<i>(66.34)</i>	<i>(0.81)</i>
Obligations as at the end of the period	1,258.94	284.18	34.63
	<i>1,266.13</i>	<i>281.79</i>	<i>31.44</i>

Note: Figures in italics are for previous year.

#### 22.03: Reconciliation of Fair Value of Plan Assets

Particulars	(Rs. in Lac)	
	Gratuity	
	2015-16	2014-15
Balance as at the opening of the period	1,253.85	1,267.50
Expected Return	110.69	111.90
Actuarial gains (+) / losses (-)	-	-
Contributions by the Employer	54.77	89.65
Benefits paid	(186.47)	(215.20)
Balance as at the end of the period	1,232.84	1,253.85

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

(Rs. in Lac)

Particulars	Gratuity				
	2015-16	2014-15	2013-14	2012-13	2011-12
Fair Value of Plan Assets	1,232.84	1,253.85	1,267.50	984.78	658.04
Present Value of Defined Benefit Obligation	1,258.94	1,266.13	1,286.35	1,215.17	1,008.70
Amount recognised in Balance Sheet (Note-08.00) as at the end of the period	(26.10)	(12.28)	(18.85)	(230.39)	(350.66)

### 22.05: Expenses Recognised in the Statement of Profit and Loss Account.

(Rs. in Lac)

Particulars	Gratuity	Earned Leave	Half Pay Leave
Service Cost	54.18	25.84	7.65
	<i>56.27</i>	<i>23.94</i>	<i>4.47</i>
Interest Cost	101.29	21.51	2.60
	<i>102.91</i>	<i>22.41</i>	<i>2.24</i>
Actuarial Gains (-) / Losses (+)	23.80	29.10	(7.06)
	<i>35.80</i>	<i>21.62</i>	<i>(18.19)</i>
Expected Return on Plan Assets	(110.69)	-	-
	<i>(111.90)</i>	-	-
Other cost related to Actuarial Valuation	35.10	-	-
	<i>(22.64)</i>	-	-
Total to be charged - Employees Benefits	103.68	76.45	3.19
	<i>60.44</i>	<i>67.97</i>	<i>(11.48)</i>

Note: Figures in italics are for previous year.

### 22.06: Actuarial Assumptions

Description	As at 31st March 2016	As at 31st March 2015
Discount Rate (per annum)	8.00%	8.00%
Mortality Rate	LIC (2006-08) 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)	6%	5%
Valuation Method:	Projected Unit Credit Method	

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in Lac)

	As at 31st Mar'16	As at 31st Mar'2015
<b>Note 23.00 : Prior Period Items</b>		
Dead Rent for 2014-15	10.41	-
Depreciation For Earlier Years	7.45	-
Amortisation of Intangible Assets	0.54	-
PF Shortfall Interest	-	-
SCOPE Membership Fees	13.60	-
<b>Total</b>	<b>32.00</b>	<b>-</b>

## **Note 24.00: Earnings Per Share (EPS)**

Net Profit/ (Loss) as per P&L Account	(Lakhs)	1,063.16	1,770.09
Tax Expenses thereon	(Lakhs)	828.06	813.60
Net Profit attributable to Equity Shareholders	(Rs. in lacs)	1,063.16	1,770.09
No. of Basic & Diluted Equity Shares of Re.1/- each	(No.of Shares)	6,000,000	6,000,000
Face Value Per Share	Rs.	1.00	1.00
Basic and Diluted EPS	Rs.	17.72	29.50

## **Note 25.00: Contingent Liabilities & Commitments (To the extent not accounted for)**

### **25.01: Contingent Liabilities**

<b>25.01.01: Claims against the Company not acknowledged as Debt</b>	<b>2015-16</b>	<b>2014-15</b>
Claims against the Company not acknowledged as Debts *	606,924.77	566,006.59
Other Dues	287.19	295.06
<b>Total</b>	<b>607,211.96</b>	<b>566,301.65</b>

\* Claims against the Company not acknowledged as debts of Rs.5,65,017.72 lakh include demand received from DDM, Joda circle towards recovery under Sub Section (5) of Section 21 of Mines & Minerals(Development & Regulation) Act, 1957 for Rs.5,39,539.24 Lakh (PY: Rs.5,39,539.24) 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.

As per the Court decision, Claim of Jai Balaji has been reduced by 379.27 lacs.

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.

Income Tax Department has raised a demand of Rs. 420.85 Crore towards mismatch of despatch figure submitted with IBM and the figure shown in annual accounts multiplied by sales price as per M.B. Shah commission Report.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## **NOTE 26: 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  
Shri P.K. Sinha Managing Director/ CEO (w.e.f. 04/02/2015)  
  
Shri A Chakravarty CFO  
Smt. S.Das Company Secretary

### **Note 26.01: Disclosure of Transactions between the Company & Related Parties and the Status of the outstanding balances as on 31.03.2016**

Particulars	Holding/ Subsidiaries	Joint Venture	Key Managerial Personnel	Enterprises over which KMP have significant influence
	(Rs. in Lacs)	(Rs. in Lacs)	(Rs. in Lacs)	(Rs. in Lacs)
Loans / Advances given & Recovered/ Adjusted				
Common Expenses borne by Holding Company - Eastern Invetment Ltd.	2.70 (1.76)	-	-	-
Remuneration to KMP	-	-	53.57 (52.53)	-
Reimbursement of Expenses - Bisra Stone Lime & Company Ltd.	-	-	-	25.07 (20.08)
Dividend Paid (Net) - Eastern Invetment Ltd.	132.94 (31.21)	-	-	-
Amount Outstanding as on 31/03/2016 (Dr)				
- Bisra Stone Lime & Company Ltd.	-	-	-	241.80 (210.51)
- Eastern Invetment Ltd.	2.70 (1.76)	-	-	-
- Scott & Saxby Ltd.	-	-	-	96.20 (96.20)
- Karnapura Development Company Ltd.	-	-	-	38.84 (38.84)
- East India Minerals Ltd.	-	51.02 (51.02)	-	-
Provision made during the year - Bisra Stone Lime & Company Ltd.	-	-	-	0.00 (43.21)

(Figures in bracket represent previous year figures)

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### **Note 26.02 : 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%

e) Company's Share in the Assets, Liabilities, Reserves & Surplus, Revenue & Expenditure (not accounted for in the books of the Company) are as follows:

<b>Particulars</b>	<b>(Rs. in Lacs)</b>	
	<b>Latest Audited Accounts Figures</b>	<b>Previous Year</b>
	<b>31.03.2015</b>	<b>31.03.2014</b>
Assets		1,859.55
Liabilities		339.39
Reserve & Surplus	Not Available	1,239.07
Revenue		115.27
Expense		179.06

<b>Note 27.00: Director's Remuneration</b>	<b>(Rs. in Lacs)</b>	
	<b>Year Ended</b>	<b>Year Ended</b>
	<b>31st Mar, 2016</b>	<b>31st Mar, 2015</b>
i) Salary	25.05	18.12
ii) Contribution to Provident Fund & S.A.F.	5.84	2.69
iii) Other Benefits (Actual and/ or Estimated)	3.21	2.98
<b>Total</b>	<b>34.10</b>	<b>23.79</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note: 28 - Stock Analysis

#### 28.01- Finished Stock (Quantity & Value)

Particulars	Qty. & Value	Iron	Manganese	Sponge Iron	Total
Opening Stock	Qty.(MT)	4,04,591	35,831	868	4,41,290
		(4,04,766))	(35,857)	(872)	(4,41,495)
	Value	1,886	572	24	2,482
	(Rs. in Lacs)	(1,931)	(572)	(23)	(2,526)
Production	Qty.(MT)	-	-	-	-
		(-)	(-)	(-)	(-)
	Value	-	-	-	-
	(Rs. in Lacs)	(-)	(-)	(-)	(-)
Sales	Qty.(MT)	-	-	-	-
		(-)	(-)	(-)	(-)
	Value	-	-	-	-
	(Rs. in Lacs)	(-)	(-)	(-)	(-)
Surplus/ Shortage (-)	Qty.(MT)	-27	-13	-1	-41
		(-175)	(-27)	(-3)	(-205)
	Value	-558	66	-3	-495
	(Rs. in Lacs)	(-45)	(-)	(1)	(-44)
Closing Stock	Qty.(MT)	4,04,564	35,818	867	4,41,249
		(4,04,591)	(35,831)	(868)	(4,41,290)
	Value	1,328	637	22	1,987
	(Rs. in Lacs)	(1,886)	(572)	(24)	(2,482)

#### Note:

- Figures in brackets are for previous year.
- Stock quantity of Iron ore also includes those available at Sponge Iron Plant.
- Figures of Closing Stock are after adjustments for surplus/shortages as per physical verification.
- Cost Price or Sale Price, whichever is lower, is considered for valuation of Closing Stock as on 31.03.2016.
- Stocks found in excess in physical verification are not considered for the purpose of valuation of closing stock.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 28.02- Raw Material Stock (Quantity & Value)

Particulars		Coal	Dolomite	Others	Total
Closing Stock	Qty.(MT)	2,768	19	80	2,867
		(2,770)	(19)	(82)	(2,871)
	Value	47.22	0.22	-	47.45
	(Rs. in Lacs)	(47.27)	(0.11)	(-)	(47.37)

Note: Figures in brackets are for previous year.

### Note: 29 - 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 31.03.2016 was Rs.0.75 lacs.

### Note: 30 - Cash and Bank Balances

Term Deposits with scheduled Banks shown under Cash and Bank balances (Note-15) include Term Deposit Receipts for Rs.448.43 lacs (Previous Year Rs.420.83 lacs) pledged with Banks against Bank Guarantee for IBM, Bhubaneswar for scheme of Mining including Progressive Mine Closure Plan with maturity period upto 1 year.

### Note: 31 – Investment of Surplus Fund

During the year the surplus funds of the Company have been invested as per Investment Policy of the Company as approved by the Board of Directors as per DPE guidelines.

### Note: 32 – Other Information

- 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 disclosure thereof has been made.
- Un-authorized occupation of some of the quarters have been made by contractor's employees in mines. Company is considering taking necessary action including legal course wherever necessary to take the ownership of the quarters.

**Note: 33 - SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED  
FOR THE TWELVE MONTHS ENDED 31.03.2016**

(Rs. in Lakh)

PARTICULARS	Year Ended	
	31.03.2016 (Audited)	31.03.2015 (Audited)
<b>1. SEGMENT REVENUE</b>		
a. Iron Ore	-	-
b. Manganese Ore	-	-
c. Sponge Iron	-	-
d. Unallocated	6,996.96	7,466.58
<b>Total</b>	<b>6,996.96</b>	<b>7,466.58</b>
Less: Inter Segment Revenue	-	-
<b>Net Sales/ Income from Operations</b>	<b>6,996.96</b>	<b>7,466.58</b>
<b>2. SEGMENT RESULTS</b>		
Segment Results (Profit+)/Loss(-) before Tax and Interest from each Segment)		
a. Iron Ore	(2,976.86)	(2,855.52)
b. Manganese Ore	(525.50)	(376.17)
c. Sponge Iron	(3.14)	0.64
d. Unallocated	5,396.72	5,814.74
<b>Total</b>	<b>1,891.22</b>	<b>2,583.69</b>
Less :		
i) Interest	-	-
ii) Other Un-allocable Expenditure net off	-	-
iii) Un-allocable Income	-	-
<b>Profit/ (Loss) before Tax</b>	<b>1,891.22</b>	<b>2,583.69</b>
<b>3. CAPITAL EMPLOYED</b>		
(Segment Assets - Segment Liabilities)		
a. Iron Ore	(8,561.38)	(5,584.52)
b. Manganese Ore	(1,439.51)	(914.01)
c. Sponge Iron	902.61	905.75
d. Unallocated	92,592.47	88,215.75
<b>Total</b>	<b>83,494.19</b>	<b>82,622.97</b>

**Note:34 - Lease Matters:-****Present status of Mining Leases as on 31.03.2016 are detailed below:**

<b>1)</b>	<b>Name of the Lease /Area</b>	<b>Kolha-Roida Iron &amp; Manganese Ore Mines (254.952 Ha.)- M/s BPMEL Lease period expired on 14.08.1996</b>
	<b>Renewal of Mining Lease</b>	<p>The 3<sup>rd</sup> RML application (15.08.1996 to 14.08.2016) was rejected by Govt. of Odisha.</p> <p>OMDC filed revision application on 30.11.2006 before the Revisional Authority, Ministry of Mines, Govt. of India challenging the order passed by Govt. of Odisha. The rejection order passed by Govt. of Odisha has been set aside by the Revisional Authority vide order dated 02-02-2009.</p> <p>Govt. of Odisha filed writ petition before the High Court of Odisha on 30.01.2010 challenging the order passed by the Central Govt. Mining Tribunal on 02.02.2009. OMDC has also filed writ petition before the Hon'ble High Court of Orissa to give a direction to the Govt. of Odisha for implementation of the order passed by the Revisional Authority. The matter is pending before the Hon'ble High Court of Orissa for adjudication.</p>
	<b>Forestry Clearance (FC)</b>	<p>Available for forest area 119.001 Ha.</p> <p>Forest Diversion proposal submitted on 23.10.2013 for forest area 207.096 Ha.</p> <p>DFO intimated on 28.10.2014 that Forest diversion proposal cannot be considered unless clearance is obtained from Steel &amp; Mines Dept. Govt. of Odisha. OMDC has submitted reply on 06.11.2014.</p>
	<b>Environment Clearance(EC)</b>	Available, obtained on 23.07.2012 for 3 MTPA Iron ore & 0.24 MTPA Manganese ore.
<b>2)</b>	<b>Name of the Lease /Area</b>	<b>Dalki Manganese Ore Mines (266.77 Ha.)-BPMEL Lease period expired on 30.09.1994</b>
	<b>Renewal of Mining Lease</b>	<p>3rd RML application was rejected by Govt. of Odisha.</p> <p>OMDC filed revision application on 04.10.2006 before the Revisional Authority (Central Govt. Mining Tribunal) challenging the order passed by Govt. of Odisha. The rejection order passed by Govt. of Odisha has been set aside by the Revisional Authority vide order dated 14-05-2010.</p>
	<b>Forestry Clearance (FC)</b>	<p>Available for forest area 167.815 Ha.</p> <p>Forest Diversion proposal submitted on 17.09.2012 for forest area 232.936 Ha.</p> <p>The proposal is under process in the office of DFO, Keonjhar.</p> <p>DFO intimated on 28.10.2014 that Forest diversion proposal cannot be considered unless clearance is obtained from Steel &amp; Mines Dept. Govt. of Odisha. OMDC has submitted reply on 06.11.2014.</p>
	<b>Environment Clearance(EC)</b>	Available, obtained on 11.09.2013 for 0.24 MTPA Manganese ore.

3)	<b>Name of the Lease /Area</b>	<b>Thakurani Iron &amp; Manganese Ore Mines (778.762 Ha.)-BPMEL</b> <b>Lease period expired on 30.09.2004</b>
	<b>Renewal of Mining Lease</b>	3rd RML application submitted on 27-09-2003 and is pending with concerned authorities.
	<b>Forestry Clearance (FC)</b>	Not available. Applied on 04.10.2003 for forest area 402.899 Ha.  DFO, Keonjhar has returned the forest diversion proposal on 18.03.2014 due to 7.791% difference in forest area as per RoR and DGPS survey which is more than permissible limit of 5%. Proposal resubmitted in the office of DFO, Keonjhar for further processing on 28/09/2014. The forest diversion is under process in the office of DFO Keonjhar.
	<b>Environment Clearance(EC)</b>	Expert Appraisal committee (EAC) has recommended EC on 24.05.2012 for production of 3 MTPA Iron ore and 0.06 MTPA Manganese ore subject to submission of Stage-1 Forestry Clearance and Site Specific Wild Life Management Plan.  As earlier EC recommendation had run into statutory time bar, fresh EC application has to be made again.

4)	<b>Name of the Lease /Area</b>	<b>Bagiaburu Iron Ore Mines (21.52 Ha.)</b> <b>Lease period expired on 30.09.2010</b>
	<b>Renewal of Mining Lease</b>	The 3rd RML application submitted by OMDC on 10.08.2009 has been rejected and the mining lease declared as lapsed by Govt. of Odisha vide proceeding no.-10424/SM dated 29.12.2014. Revision Application submitted before the Mines Tribunal, Ministry of Mines Govt. of India on 20.02.2015. RA vide order dated 11-05-2016 has set aside the order given by the State Govt.
	<b>Forestry Clearance (FC)</b>	Stage-1 Forest clearance available for 21.52 Ha. obtained on 21.11.2013.  OMDC paid all the demands (e.g. demand for alienation, cost for compensatory afforestation etc.) raised for compliance of Stage-I Forestry Clearance conditions.  Stage-I compliance submitted and is under process at the office of the PCCF, Bhubaneswar.
	<b>Environment Clearance(EC)</b>	Not available, Presentation was made to State Expert Appraisal Committee (SEAC) on 14.05.2014. SEAC has advised to obtain fresh EC from MoEF and has accordingly transferred the proposal to MoEF on 03.07.2014 for 0.36 MTPA Iron ore.  As earlier EC recommendation had run into statutory time bar, OMDC appointed M/S.-MECON, Ranchi as an expert who has submitted fresh on-line EC application to MoEF, New Delhi on 30.09.2014.  Call for appraisal meeting for TOR awaited from MoEF.

<b>5)</b>	<b>Name of the Lease /Area</b>	<b>Bhadrasahi Iron &amp; Manganese Ore Mines (998.70 Ha.)</b> <b>Lease period expired on 30.09.2010</b>
	<b>Renewal of Mining Lease</b>	The 4th RML application of Bhadrasahi has been lapsed and rejected by Govt. of Odisha vide proceeding no.341/S&M dated 08.01.2015.  Revision Application submitted before the Mines Tribunal, Ministry of Mines Govt. of India on 13.03.2015.  RA vide order dated 11-05-2016 has set aside the order given by the State Govt.
	<b>Forestry Clearance (FC)</b>	Not available, applied for 877.310 Ha. forest area on 22.09.2009.  The Forest Diversion proposal is under process at the office of the PCCF, Bhubaneswar.
	<b>Environment Clearance(EC)</b>	Not available. EAC recommended EC on 21.06.2012 for 1.8 MTPA Iron ore 0.12 MTPA Manganese ore subject to submission of Stage 1 Forest Clearance and Site Specific Wild Life Management Plan.

<b>6)</b>	<b>Name of the Lease /Area</b>	<b>Belkundi Iron &amp; Manganese Ore Mines (1276.79 Ha.)</b> <b>Lease period expired on 15.08.2006</b>
	<b>Renewal of Mining Lease</b>	The 3rd RML application has been lapsed and rejected by Govt. of Odisha vide proceeding dated 13.01.2015.  Revision Application submitted before the Mines Tribunal, Ministry of Mines Govt. of India on 13.03.2015.  RA vide order dated 11-05-2016 has set aside the order given by the State Govt.
	<b>Forestry Clearance (FC)</b>	Not available, applied for 448.276 Ha. forest area on 31.08.2005.  The Forest Diversion proposal is under process at the office of the PCCF, Bhubaneswar.
	<b>Environment Clearance(EC)</b>	Not available, Expert Appraisal Committee (EAC) has recommended EC on 25.07.2012 for 1.8 MTPA Iron ore and 0.3 MTPA Manganese ore subject to submission of Stage 1 Forest Clearance & Site Specific Wild Life Conservation Plan.  As earlier EC recommendation had run into statutory time bar, OMDC appointed M/S.-MECON, Ranchi as an expert who has submitted fresh on-line EC application to MoEF, New Delhi on 30.09.2014.  Call for appraisal meeting for TOR awaited from MoEF.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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**Note: 35** The accounts have been prepared on Going Concern Basis. All Mining Leases are at various stages of approval. In case of two mines i.e. Kolha-Roida and Dalki, environment clearance have been received. The Management is continuously following up with Govt. Of Odisha, Govt. Of India and other statutory authorities for opening of the mines, requisite clearances so that mining operation is commenced at the earliest. The Company is a profit making concern and having high positive net worth.

**Note: 36** previous year's figures have been re-grouped and rearranged wherever necessary to conform to this year's classification.

**Note: 37 SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2016.**

### 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 to comply with the Accounting Standards notified under the Companies (Accounts) Rules, 2014 and relevant provisions of the Companies Act, 2013.
- 1.2 The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP), requires that Management makes estimates and reports for revenues & expenses during the reported period accordingly. The Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Future results could differ due to these estimates and the difference between the actual results and the estimates are recognized in the periods in which the results are known/ materialize.

### 2.0 FIXED ASSETS

- 2.1 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.
- 2.2 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.
- 2.3 Expenditure incurred for obtaining required clearance to operate the mines subsequent to the allotment of their lease is capitalized as intangible assets.

- 2.4 Expenditure incurred for renewal of mining lease is capitalized under Mining Lease.
- 2.5 Machinery spare-parts 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.
- 2.6 Assets awaiting disposal are valued at the lower of written down value and net realizable value and disclosed separately.
- 2.7 Capital work-in-progress includes machinery or other fixed assets to be installed and unfinished construction & erection materials.

### 3. DEPRECIATION AND AMORTISATION

- 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 II of the Companies Act, 2013.
- 3.2 Depreciation on fixed Assets added/disposed off during the year is provided on pro-rata basis with reference to the date of addition/disposal.
- 3.3 Intangible Assets such as; Premium for Mining lease are amortized over the period of lease.
- 3.4 Leasehold land is amortized over the period of lease.
- 3.5 Intangible asset is amortized over the period of their useful life.
- 3.6 Where the remaining useful life of any asset is NIL as on 1st April, 2014, the carrying value of the assets net off the residual value has been adjusted in 2014-15 against opening reserves amounting to Rs.678.26 lacs in accordance with transitional provision of Schedule-II.

### 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 and quoted / fair value.

## 6. INVENTORIES

- 6.1 Stock-in trade of finished goods is valued on FIFO basis 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 Raw Materials, 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:

### 7.1 **Gratuity:**

Gratuity is 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 the maximum payable amount is calculated as per Gratuity Act. The sum of 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.

### 7.2 **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 balance. Maximum accumulated leave for 300 days is en-cashable 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 for 180 days is en-cashable at the time of separation. Liability of Leave salary is provided on the basis of actuarial valuation as per AS-15 (Revised, 2005).

### 7.3 **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".

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

#### 7.4 **Provident Fund:**

- (i) For Head Office Employee: The Company pays fixed contribution of Provident Fund at predetermined rates, to a separate trust i.e. The Orissa Minerals Development Company Limited Provident Institution.
- (ii) For Mines Employees: The Company pays fixed contribution of Provident Fund at the rate of 12% on Salary (i.e. Basic+IDA) to RPFC, Keonjhar.

### 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 recognized when the shareholders' right to receive payment is established by the balance sheet date.

#### 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.

- 9.5 The Consolidation of Accounts with JV, EIML by OMDC could not be made due to legal dispute of the company with EIML.

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

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

## 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 to 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 in 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 134 of the Companies Act, 2013 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

**Kamal Kumar Bhanja**  
PARTNER  
(Membership No. 14722)

**P.K.Sinha**  
Managing Director

**P. S. Mishra**  
Director

**Arijit Chakravarty**  
CFO

**Smt. S. Das**  
Company Secretary

Place : New Delhi  
Date : 26th May 2016.

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## **SOURAV ABASAN**

2nd Floor, AG 104, Sector-2, 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)