

**NOTICE**

Notice is hereby given that the 93rd Annual General Meeting of The Orissa Minerals Development Company Limited will be held at "Purbashree Auditorium" of Eastern Zonal Cultural Centre at Bhartiyam Cultural Multiplex, IB-201, Sector-III, Salt Lake, Kolkata-700106 on Friday, the 16th September, 2011 at 11.00 A.M to transact the following business :

**Ordinary Business :**

1. To receive, consider and adopt the Profit & Loss Account of the company for the year ended 31st March, 2011 and the Balance Sheet as at that date together with the Report of the Directors' and Auditors' and comments of the Comptroller and Auditor General of India thereon.
2. To declare dividend.
3. To appoint a Director in place of Shri Harsh Mahajan, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To fix remuneration of Auditors under provision of section 224(8)(aa) of the Companies Act, 1956.

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

"RESOLVED THAT pursuant to Section 224(8)(aa) of the Companies Act, 1956, that the Statutory Auditors of the Company, appointed by the Comptroller & Auditor General of India for the financial year 2011-12 under provision of Section 619(2) of the Companies Act, 1956, be paid a remuneration as may be determined by the Board plus out of pocket expenses for conduct of audit."

**Special Business :**

To consider and, if thought fit, to pass with or without modification(s), the following resolutions as :

**5. An Ordinary Resolution :**

"RESOLVED that Shri Udai Pratap Singh, who was appointed as an Additional Director of the company and who holds office as such upto the date of the ensuing Annual General Meeting and in respect of whom a Notice under section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Shri Udai Pratap Singh, as a candidate for the office of the Director of the company, be and is hereby appointed as a Director of the company whose period of office will be liable to determination by retirement by rotation."

**6. An Ordinary Resolution:**

"RESOLVED that Shri A.P. Choudhary, who was appointed as an Additional Director of the company and who holds office as such upto the date of the ensuing Annual General Meeting and in respect of whom a Notice under section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Shri A.P. Choudhary, as a candidate for the office of the Director of the company, be and is hereby appointed as Director of the company whose period of office will be liable to determination by retirement by rotation."

7. An Ordinary Resolution :

“RESOLVED that Shri Umesh Chandra, who was appointed as an Additional Director of the company and who holds office as such upto the date of the ensuing Annual General Meeting and in respect of whom a Notice under section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Shri Umesh Chandra, as a candidate for the office of the Director of the company, be and is hereby appointed as Director of the company whose period of office will be liable to determination by retirement by rotation.”

By Order of the Board  
Sd/-  
**Smt S. Das**  
Company Secretary

**Registered Office :**

Sourav Abasan, 2nd Floor,  
AG-104, Sector – II,  
Salt Lake City  
Kolkata - 700 091

Dated : 10th August, 2011

**NOTES :**

- a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- b) A blank form of proxy is enclosed which, if used, should be returned to the company duly completed not later than 48 hours before the commencement of the Annual General Meeting.
- c) Members are requested to bring their admission slips along with copy of the Report and Accounts to the Annual General Meeting.
- d) 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 representative to attend and vote on their behalf at the Meeting.
- e) The Register of Members and Share Transfer Books of the company will remain closed from 8th September, 2011 to 16 th September, 2011 (both days inclusive).
- f) The Dividend, after declaration, will be paid to those shareholders, whose names stand on the Register of Members on 16th September, 2011. 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 of 7th September, 2011. The dividend shall be paid on and from 10th October, 2011.
- g) With a view to providing protection against fraudulent encashment of dividend warrants, the members were requested in the past to provide full particulars of their Bank Accounts. Those members who have not provided such information to our Registrars and Share Transfer Agents are again requested to provide the details quoting their Folio Number/ DP ID Number in the format enclosed. The shareholders will appreciate that the company will not be responsible for any loss arising out of such fraudulent encashment of dividend warrants. Further such of those shareholders who intend to receive their dividend amount through the NECS (National Electronic Clearing System) route at the specified centers are requested to furnish the relevant details in the form provided.
- h) Members can avail of the nomination facility by filing (Form 2B) with the company. Blank Forms will be supplied on request.
- i) 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.
- j) To receive all communications promptly please update your address registered with the Company or DPS, as may be applicable.
- k) Explanatory Statements pursuant to Section 173(2) of the Companies Act, 1956 relating to the special business to be transacted at the Annual General Meeting are annexed.

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

Name of Director	Shri U. P. Singh	Shri A. P. Choudhary	Shri Umesh Chandra
Date of Birth	01.10.1958	26.12.1953	2.07.1954
Date of Appointment	01.06.2011	1.08.2011	1.06.2011
Qualification	Graduate in English, Sanskrit, History P. G. in Political Science.	Post Graduate in Design Engineering from Regional Engineering College, Rourkela.	Bachelor of Engineering.
Experience	Jt. Secretary. Ministry of Steel. Government of India.	Mr. Choudhary joined Rourkela Steel Plant in 1978 where he worked in Projects Department and was associated with modernization of RSP and also worked in Maintenance Department. From 1997 he worked in Corporate Office of SAIL, New Delhi and was reporting to chairman dealing with various issues related to technical, financial, commercial and industrial relations of all the units under SAIL. Prior to joining RINL he was executive Director in SAIL. Mr. Choudhary has joined RINL at most opportune time when he project (capacity Expansion) work is in full swing and 6.3 MT expanded capacity is getting commissioned. He joined RINL as Director (Projects) on 1st June, 2009. He is CMD, RINL from 01.08.2011.	He joined Visakhapatnam Steel Plant in 1990 as a manager and was given the task of setting up and heading a new Department known as Power Engineering Maintenance. He worked in various senior position in other departments such as Thermal Power Plant, Steel Melting Shop and was entrusted to head Central Maintenance Mechanical and a major Production Unit – Wire Rod Mill. He was holding the post of General Manager (power) with three prime departments, Thermal Power Plant, Distribution Network and PEM reporting him from November 2006. His area of wide experience is in the field of Precision alignment of high speed rotating machines, In-situ balancing, condition monitoring and predictive Maintenance. He is also well apt in QMS, EMS and OHSAS. He is also undergone specialised training in the field of Reliability Centered maintenance and is a certified lead auditor for Business Excellence Model.
Directorship in other company	1) The Orissa Minerals Development Company Limited. 2) The Bisra Stone Lime Company Limited. 3) Eastern Investments Limited. 4) MECON Ltd. 5) NMDC Ltd. 6) Neelachal Ispat Nigam Ltd.	1) M/s Rastriya Ispat Nigam Ltd. 2) M/s Eastern Investment Ltd. 3) The Bisra Stone Lime Company Ltd. 4) The Orissa Minerals Development Company Limited. 5) M/s RINMOIL Ferro Alloys Pvt. Ltd. 6) M/s Uttarbanga RINL Rail Karkhana Ltd. 7) M/s International Coal Ventures Ltd.	a) M/s RINL b) M/s RINMOIL Ferro Alloys Pvt Ltd c) IIM Vizag Chapter

**EXPLANATORY STATEMENTS PURSUANT TO SECTION 173(2)  
OF THE COMPANIES ACT, 1956**

**Item No. 5**

Shri Udai Pratap Singh, Joint Secretary, Ministry of Steel was inducted in the Board as an Additional Director of the Company effective from 1.06.2011 pursuant to the provisions of section 260 of the Companies Act, 1956 and Article No. 94 of the Articles of Association of the Company.

Shri Singh holds office till the date of the ensuing Annual General Meeting. A Notice from a member of the Company under section 257 of the Companies Act, 1956 has been received proposing, the appointment of Shri Udai Pratap Singh as a Non- Executive Director of the Company.

Your Directors recommend his appointment in the interest of the Company. No other director except Shri Singh in his personal capacity is interested or concerned in the Resolution.

**Item No. 6**

Shri A.P. Choudhary, CMD, RINL was inducted in the Board as an Additional Director of the Company effective from 1.08.2011 pursuant to the provisions of section 260 of the Companies Act, 1956 and Article No. 94 of the Articles of Association of the Company.

Shri A. P. Choudhary holds office till the date of the ensuing Annual General Meeting. A Notice from a member of the Company under section 257 of the Companies Act, 1956 has been received proposing, the appointment of Shri Choudhary as a Director of the Company, holding the position of Ex-Officio Non-Executive Chairman.

Your Directors recommend his appointment in the interest of the Company. No other director except Shri Choudhary in his personal capacity is interested or concerned in the Resolution.

**Item No. 7**

Shri Umesh Chandra, Director(Operations), RINL was inducted in the Board as an Additional Director of the Company effective from 1.06.2011 pursuant to the provisions of section 260 of the Companies Act, 1956 and Article No. 94 of the Articles of Association of the Company.

Shri Chandra holds office till the date of the ensuing Annual General Meeting. A Notice from a member of the Company under section 257 of the Companies Act, 1956 has been received proposing, the appointment of Shri Chandra as a Director of the Company, holding the position of Ex-Officio Non-Executive Director.

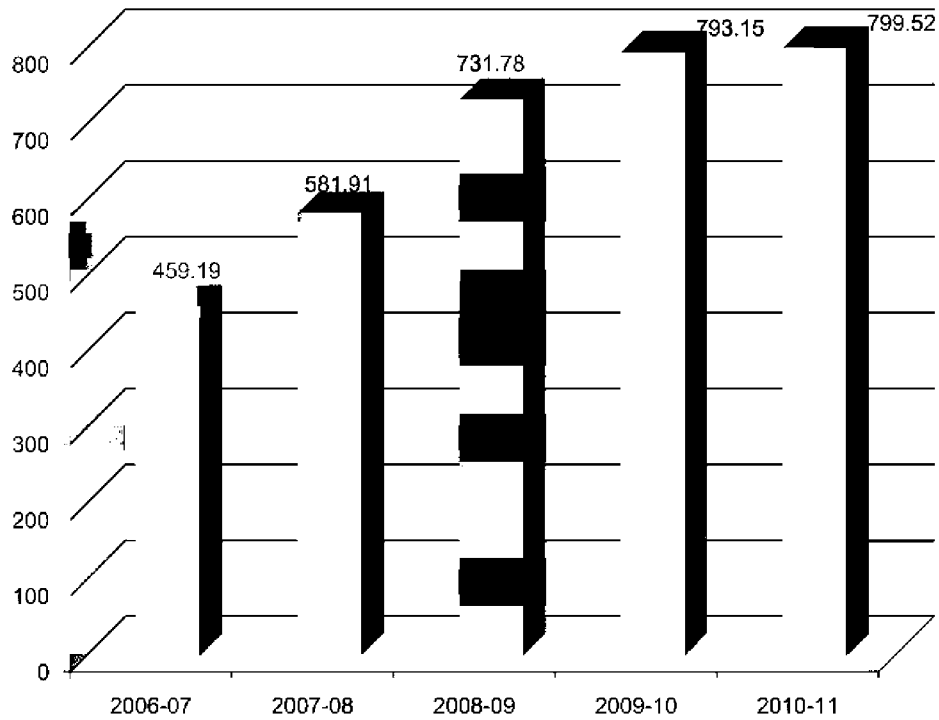
Your Directors recommend his appointment in the interest of the Company. No other director except Shri Chandra in his personal capacity is interested or concerned in the Resolution.

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

Particulars	2006-07	2007-08	2008-09	2009-10	2010-11
<b>Production- Lakh Tonnes</b>					
Iron Ore	22.30	17.28	16.60	5.64	0.70
Manganese Ore	0.27	0.82	0.32	0.17	0.13
Sponge Iron	0.11	0.11	0.03	0.08	0.02
<b>Sales- Lakh Tonnes</b>					
Iron Ore	21.16	16.63	17.34	6.43	2.22
Manganese Ore	0.39	0.86	0.26	0.19	0.07
Sponge Iron	0.05	0.17	0.02	0.06	0.04
<b>Finance - Rs. in Crore</b>					
Turnover	299.93	246.31	271.81	82.35	44.83
Gross Margin	262.91	227.88	289.29	114.81	34.86
Profit Before Tax	259.00	224.46	286.24	112.26	13.34
Profit After Tax	173.46	148.84	181.81	74.44	7.72

**Graph representing Net Worth for last 5 years**

■ (₹) In crores



**DIRECTORS' REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011**

Dear Members,

On behalf of the Board of Directors, I take pleasure in presenting the 93rd Annual Report on the performance of your company, together with the Audit Report and Audited Accounts, for the year ended 31st March, 2011 and the Report thereon by the Comptroller and Auditor General of India.

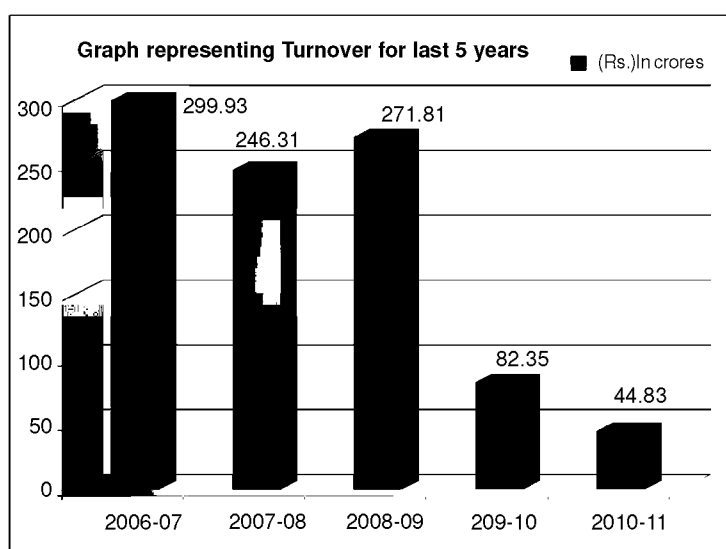
I am pleased to present in brief the financial performance of your company during the year under review in comparison to the earlier year as shown in Table : 1 below :

**Table : 1****1. FINANCIAL PERFORMANCE**

	<b>For the year ended 31-03-2011 (Rs in Lacs)</b>	<b>For the year ended 31-03-2010 (Rs in Lacs)</b>
Income :		
Sales	<b>4,482.89</b>	8,234.93
Other Operating Income	<b>493.88</b>	218.78
Other Income	<b>4,939.30</b>	7,136.16
Total Income	<b>9,916.07</b>	15,589.87
Total Expenditure	<b>6430.13</b>	4109.51
Profit and Loss account after charging all expenses but before providing for depreciation.	<b>3485.94</b>	11480.36
Depreciation	<b>2151.36</b>	254.79
Net profit before tax	<b>1334.58</b>	11225.57
Provision for tax (net)	<b>562.58</b>	3781.81
Net profit after Tax	<b>772.00</b>	7443.76
Balance b/f from previous year	<b>47,425.64</b>	42027.54
Profit available for appropriations	<b>48,197.64</b>	49,471.30
Appropriations :		
General Reserve	<b>77.20</b>	740.00
Proposed Dividend	<b>115.80</b>	1116.00
Dividend Tax	<b>19.23</b>	189.66
Surplus carried to Balance Sheet	<b>47,985.41</b>	47,425.64



It is observed from the above table that company's profitability had been abnormally low. The main reason of shortfall in revenue is almost nil mining operation, due to non availability of forest and environment clearance for which most of the formalities have been completed. Deposition of Rs. 81 crore as NPV to forest department and its capitalization has been the main cause of increase in depreciation during 2010-11 as compared to the year 2009-10. All the six mines are currently inoperative and it is expected that one mine namely Kolha Roida may come in operation in 3rd quarter of the current financial year and all remaining five mines may be operative by the end of the financial year, so main benefit will accrue in next financial year.



## 2. REVIEW OF THE FINANCIAL PERFORMANCE

The company recorded sales of Rs. 4482.89 lacs during the year as compared to Rs. 8234.93 lacs for the previous year showing decrease to the extent of 45.56 %. Profit before tax during the year stood at Rs.1334.58 lacs as compared to Rs. 11,225.57 lacs for the previous year declining by 88.11%. The net profit after tax registered a figure of Rs. 772.00 lacs dipping by 89.63 % over Rs. 7443.76 lacs for the previous year.

Closure of Mines owing to non availability of forest and environmental clearance coupled with the restriction imposed on

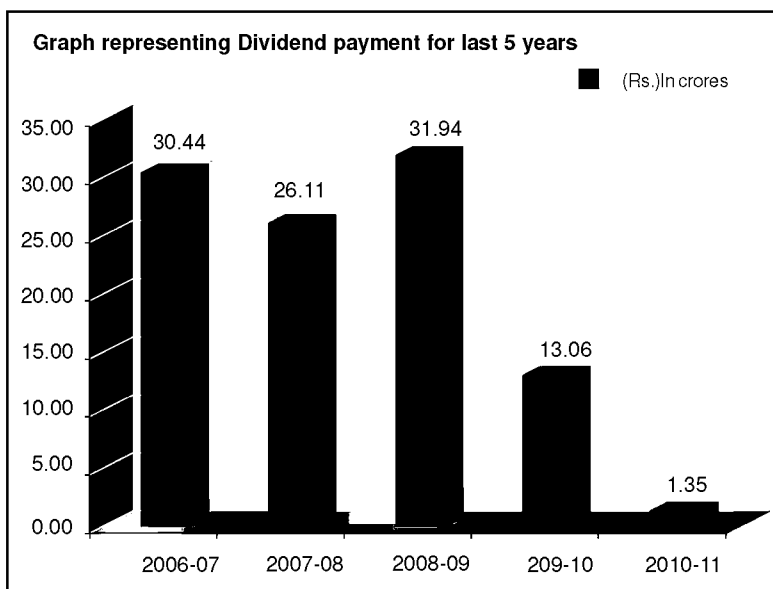
the transporting of minerals have affected production and dispatches adversely and resulted in decline in sales realization by 45.56 % which resulted in negative growth in profitability.

## 3. DIVIDEND

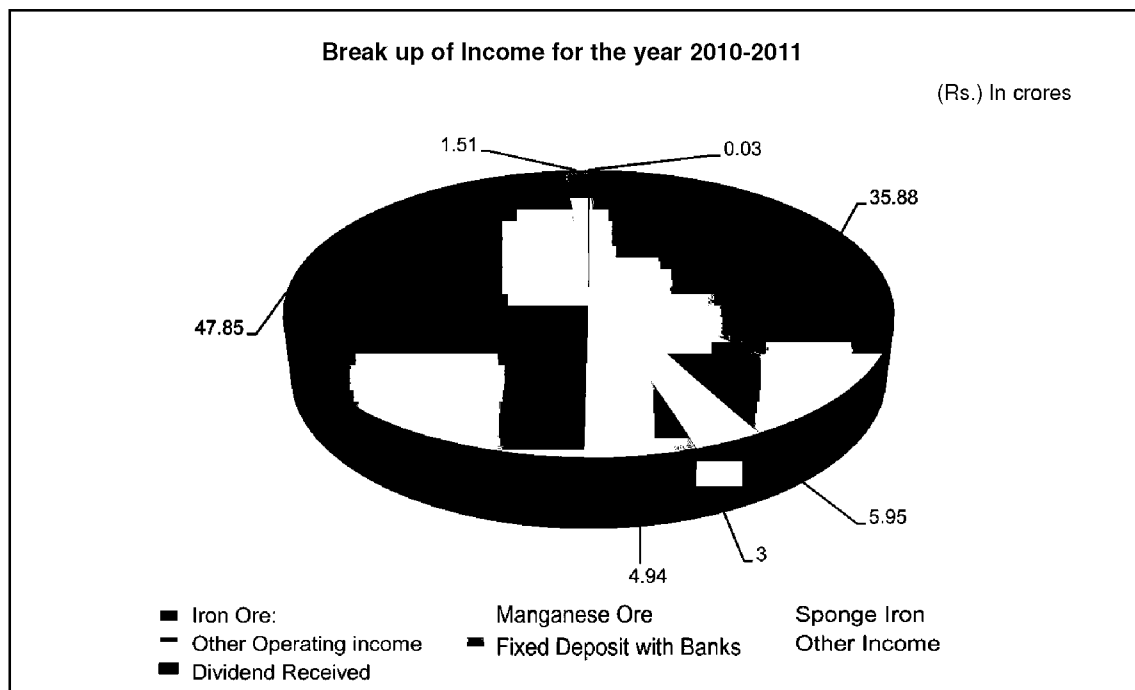
Based on the financial results, your Board is pleased to recommend for the year a dividend of Rs. 19.30 per equity share of Rs. 10/- each. This would involve a cash outgo of Rs.135.03 lacs inclusive of Rs 19.23 lacs towards tax on dividend.

## 4. OUTPUT AND DESPATCH

Two mines namely Bhadrasai Iron and Mn. Mines & Bagiaburu Iron Mines produced iron ore and Manganese ore till 30.09.2010. The sponge iron plant was in production up to



May, 2010 and had been out of production from June, 2010 due to non availability of sponge grade iron ore in view of closure of mines. The production of iron ore and manganese ore could not be



resumed as leases of all six mines of OMDC expired which needed fresh forest and environment clearance. The process of obtaining Environment & Forest Clearance is in progress. Low production had adverse effect on despatches of both the iron ore and the manganese ore during the year resulting in poor physical and financial performance.

## 5. FUTURE OUTLOOK

The management of your company has a well laid out plan for a revival in future. It has made plans to get forest clearances for four mines and obtain environment clearances for all six mines and to ensure renewal of all the mining leases. These achievements will lead to expected productions of 10 MTPA of iron ore and 1 MTPA of manganese ore in near future. It is also planned to set up 2 MTPA iron ore beneficiation plant and 2 MTPA pelletisation plant. As a part of its social responsibility towards communities, it plans to further ensure socio economic development programmes for villagers living in mining areas and to strive for a zero accident rate by improving safe mining practices.

## 6. RESTRUCTURING STATUS

In accordance with the Cabinet decision dated 10.09.2009, 51% shareholding, (i.e. 7,36,638 shares) of Government of India in EIL was transferred to Rashtriya Ispat Nigam Limited (RINL). Thus RINL has become the holding company of EIL, and its subsidiaries OMDC and BSLC are now also subsidiaries of RINL w.e.f 05.01.2011