



## **The Orissa Minerals Development Co. Ltd**

**MR A P Choudhary, Chairman**

**Chairman's Speech at the 93<sup>rd</sup> Annual General Meeting on 16<sup>th</sup> September, 2011**

Dear Shareholders,

On behalf of the Board of Directors, I extend a very warm welcome to all of you on the 93<sup>rd</sup> Annual General Meeting of your company.

### **Corporate Performance**

The financial year 2011 has been eventful for your company. Consequent to the implementation of a restructuring scheme of the Bird Group of Companies, approved by the Union Cabinet, 51 % of the shareholding of the Government of India in EIL was acquired by Rashtriya Ispat Nigam Limited (RINL). This makes RINL the holding company of EIL and its subsidiaries OMDC and BSLC, with effect from January 5, 2011. Timely execution of the scheme had been feasible with your support, for which we are thankful to you.

The year under review witnessed firming up of iron ore prices. However, OMDC could not capitalize on rising trend of prices due to closure of all its mines on account of non-availability of required statutory forest and environmental clearances. Four mines remained inoperative, while two small mines Bhadrasai Iron and Manganese Ore mines and Bagiaburu Iron ore Mines produced small quantity of iron and manganese ores till 30<sup>th</sup> September 2010, when the lease period of both the mines expired.

The financial performance of your company has been much below your expectations, as all the six mines are in-operative, mainly on account of non-availability of forest & environment clearance. This has severely dented the financial performance of your company.

### **Business Initiatives**

The management of your company is vigorously pursuing for renewing the mining leases. The renewal status of each mine has been given in the Annual Report. The management is endeavouring to start the mining operation at Kolha-Roida Iron & Manganese mines & Dalki Manganese Mines in the next few months after receipt of formal environment clearance from MOEF (Ministry of Environment & Forests). Since environment clearance as per the latest guidelines of CEC (Central Empowerment Committee) is mandatory for mining operation once lease expires, the management took measures to complete 'Environmental Impact Study' and organised successful public hearing for all the mines. However, as per the MOEF instruction of 31<sup>st</sup> March, 2011, environment clearance will be granted once 1<sup>st</sup> stage forest clearance is obtained by the mine owner. The company has completed all the formalities for 1<sup>st</sup> stage forest clearance for four mines, i.e. Thakurani, Belkundi, Bagiaburu & Bhadrasahi, as forest clearance for Kolha-Roida & Dalki mines is already available. As soon as 1<sup>st</sup> stage forest clearance is obtained, MOEF will consider the grant of environment clearance for the aforementioned four mines and after that mining operation may start in the said mines. The company expects that all these formalities may be completed in next 8/9 months. Thus, the next financial year i.e. 2012-13 may witness good fiscal & financial performance.

## **Strategic Initiatives**

The management has taken steps to install 2 million tons per annum Beneficiation & 2 million tons Pellet Plant. The Techno Economic Feasibility Report has been completed by M/s. M.N. Dastur & Company and the same is under active consideration of the Board. All formalities for obtaining single window clearance from the Government of Orissa for allotment of required land, power & water for the Beneficiation & Pellet Plant have almost been completed.

## **Responsible Corporate Citizen**

Your company is committed to the welfare of the society wherever it operates. Consequently, it has taken measures to bring in perceivable changes in the socio-economic life of the people living in 18 villages (combined population of 20,000) situated in and around the mines of OMDC. CSR activities are focussed in the areas of education, supply of drinking water, health & sanitation, road, social & cultural activities etc. Under the unique 'OMDC Jaldhara Scheme', supply of drinking water is ensured in all 18 villages. The company is also taking measures to upgrade the skill level of the local people for self employment. Training programme was organized for women on various crafts & sewing. 20 sewing machines were provided to women. Bi-cycles were provided to 50 girl students to enable them to attend school. To promote education in the remote tribal area of Barbil, Keonjhar, where your mines are located, the company has constructed two rooms for School building and provided furniture. Apart from taking care of the tuition fees, school children are also provided reading material & school bags. In 2010-11, the company earmarked ` 2.16 crore for CSR activities, of which an amount of ` 83 lacs has already been spent and the remaining amount is being spent on ongoing projects.

## **Corporate Governance**

Your company is committed to conforming to the highest standards of corporate governance by ensuring transparency, disclosures and reporting as required under various laws, regulations and guidelines including those issued by the Department of Public Enterprises (DPE), SEBI and stock exchanges through listing agreements.

## **Acknowledgement**

I would like to take this opportunity to thank all the shareholders of the company for their continued support and encouragement. I would also like to acknowledge the immense contributions made by the employees for their dedicated services and thank them for the same. On behalf of the company and the shareholders, I also want to put on record my sincere thanks for the guidance and cooperation extended by the Ministry of Steel, Government of India, State Governments of Orissa, West Bengal , other organizations and institutions.

Before I conclude, I would like to bring to your kind attention that OMDC is going to organize "Annual Day" with cultural programme in this very hall of Eastern Zonal Cultural Centre, Salt Lake at 6 P.M. on 16<sup>th</sup> September,2011 after AGM so that all shareholders and customers can attend. You are all cordially invited to attend the cultural program.

Thank you ladies and gentlemen.

Sd/-  
Chairman

Place : Kolkata

Date : 16<sup>th</sup> September 2011.

**The Orissa Minerals Development Co. Ltd**  
(A GOVERNMENT OF INDIA ENTERPRISE)

Registered Office :  
AG-104, "Sourav Abasan", 2<sup>nd</sup> Floor, Sector – II  
Salt Lake City, Kolkata – 700 091



## **The Orissa Minerals Development Co. Ltd**

**MR A P Choudhary, Chairman**

**Chairman's Speech at the 93<sup>rd</sup> Annual General Meeting on 16<sup>th</sup> September, 2011**

Dear Shareholders,

On behalf of the Board of Directors, I extend a very warm welcome to all of you on the 93<sup>rd</sup> Annual General Meeting of your company.

### **Corporate Performance**

The financial year 2011 has been eventful for your company. Consequent to the implementation of a restructuring scheme of the Bird Group of Companies, approved by the Union Cabinet, 51 % of the shareholding of the Government of India in EIL was acquired by Rashtriya Ispat Nigam Limited (RINL). This makes RINL the holding company of EIL and its subsidiaries OMDC and BSLC, with effect from January 5, 2011. Timely execution of the scheme had been feasible with your support, for which we are thankful to you.

The year under review witnessed firming up of iron ore prices. However, OMDC could not capitalize on rising trend of prices due to closure of all its mines on account of non-availability of required statutory forest and environmental clearances. Four mines remained inoperative, while two small mines Bhadrasai Iron and Manganese Ore mines and Bagiaburu Iron ore Mines produced small quantity of iron and manganese ores till 30<sup>th</sup> September 2010, when the lease period of both the mines expired.

The financial performance of your company has been much below your expectations, as all the six mines are in-operative, mainly on account of non-availability of forest & environment clearance. This has severely dented the financial performance of your company.

### **Business Initiatives**

The management of your company is vigorously pursuing for renewing the mining leases. The renewal status of each mine has been given in the Annual Report. The management is endeavouring to start the mining operation at Kolha-Roida Iron & Manganese mines & Dalki Manganese Mines in the next few months after receipt of formal environment clearance from MOEF (Ministry of Environment & Forests). Since environment clearance as per the latest guidelines of CEC (Central Empowerment Committee) is mandatory for mining operation once lease expires, the management took measures to complete 'Environmental Impact Study' and organised successful public hearing for all the mines. However, as per the MOEF instruction of 31<sup>st</sup> March, 2011, environment clearance will be granted once 1<sup>st</sup> stage forest clearance is obtained by the mine owner. The company has completed all the formalities for 1<sup>st</sup> stage forest clearance for four mines, i.e. Thakurani, Belkundi, Bagiaburu & Bhadrasahi, as forest clearance for Kolha-Roida & Dalki mines is already available. As soon as 1<sup>st</sup> stage forest clearance is obtained, MOEF will consider the grant of environment clearance for the aforementioned four mines and after that mining operation may start in the said mines. The company expects that all these formalities may be completed in next 8/9 months. Thus, the next financial year i.e. 2012-13 may witness good fiscal & financial performance.

### **Strategic Initiatives**

The management has taken steps to install 2 million tons per annum Beneficiation & 2 million tons Pellet Plant. The Techno Economic Feasibility Report has been completed by M/s. M.N. Dastur & Company and the same is under active consideration of the Board. All formalities for obtaining single window clearance from the Government of Orissa for allotment of required land, power & water for the Beneficiation & Pellet Plant have almost been completed.

## **Responsible Corporate Citizen**

Your company is committed to the welfare of the society wherever it operates. Consequently, it has taken measures to bring in perceivable changes in the socio-economic life of the people living in 18 villages (combined population of 20,000) situated in and around the mines of OMDC. CSR activities are focussed in the areas of education, supply of drinking water, health & sanitation, road, social & cultural activities etc. Under the unique 'OMDC Jaldhara Scheme', supply of drinking water is ensured in all 18 villages. The company is also taking measures to upgrade the skill level of the local people for self employment. Training programme was organized for women on various crafts & sewing. 20 sewing machines were provided to women. Bi-cycles were provided to 50 girl students to enable them to attend school. To promote education in the remote tribal area of Barbil, Keonjhar, where your mines are located, the company has constructed two rooms for School building and provided furniture. Apart from taking care of the tuition fees, school children are also provided reading material & school bags. In 2010-11, the company earmarked ` 2.16 crore for CSR activities, of which an amount of ` 83 lacs has already been spent and the remaining amount is being spent on ongoing projects.

## **Corporate Governance**

Your company is committed to conforming to the highest standards of corporate governance by ensuring transparency, disclosures and reporting as required under various laws, regulations and guidelines including those issued by the Department of Public Enterprises (DPE), SEBI and stock exchanges through listing agreements.

## **Acknowledgement**

I would like to take this opportunity to thank all the shareholders of the company for their continued support and encouragement. I would also like to acknowledge the immense contributions made by the employees for their dedicated services and thank them for the same. On behalf of the company and the shareholders, I also

want to put on record my sincere thanks for the guidance and cooperation extended by the Ministry of Steel, Government of India, State Governments of Orissa, West Bengal , other organizations and institutions.

Before I conclude, I would like to bring to your kind attention that OMDC is going to organize "Annual Day" with cultural programme in this very hall of Eastern Zonal Cultural Centre, Salt Lake at 6 P.M. on 16<sup>th</sup> September,2011 after AGM so that all shareholders and customers can attend. You are all cordially invited to attend the cultural program.

Thank you ladies and gentlemen.

Sd/-  
Chairman

Place : Kolkata

Date : 16<sup>th</sup> September 2011.

**The Orissa Minerals Development Co. Ltd**  
(A GOVERNMENT OF INDIA ENTERPRISE)

Registered Office :  
AG-104, "Sourav Abasan", 2<sup>nd</sup> Floor, Sector – II  
Salt Lake City, Kolkata – 700 091