

CHAIRMANS' SPEECH

At the 105th Annual General Meeting



Good Morning!

Ladies & Gentlemen

On behalf of the Board of Directors of the Company, it is a great honor and privilege for me to extend a very warm welcome to all of you at the 105th Annual General Meeting of your company.

The Directors' Report and the Audited Statement of the Accounts for the year FY 2022-23 and the Notice to the Shareholders have already been circulated and with your permission, I take them as read.

Performance of Your Company:

I am pleased to inform you that the Company has achieved some progress towards resumption of mining operations.

Operational Performance:

There was no mining activity of OMDC during the year 2022-23. Owing to non-availability of statutory clearances all the mines have remained non-operational. The company is vigorously pursuing the matter for obtaining statutory clearance with the state government and central government authorities, so as to resume its mining operations at an early date. EC of Bagiaburu has been obtained on 14.07.2023 and mining operations will resume by Nov' 23.

Belkundi mines is having Forest Clearance and public hearing is scheduled to be held on 25.10.2023 was again cancelled. Environmental clearance of Belkundi mines will be obtained after successful conductance of public hearing and mining operation will be resumed by 1st quarter of FY 2024-25.

Forest clearance of Bhadrasahi Mines is pending for payment of NPV of Rs 51.25 Crs and hence Public Hearing date is awaited.

All the three BPMEL mining leases are non-operational due to legal cases at High Court-Orissa, High Court-Calcutta, DRAT, Kolkata and Supreme Court of India which are sub-judice.

OMDC obtained permission from Hon'ble Supreme Court of India for Sale of undisposed stock of minerals from Bhadrasahi vide order dated 11.08.2020 and for Belkundi & Bagiaburu mines vide order dated 07.04.2022. Despatch from Bhadrasahi mines started on 28.06.2021 and 1.50 lakh tonnes of Iron & Manganese Ore dispatched during FY 23. ~3.58 lakh tones of additional undisposed stock of Iron Ore Fines (58-60% Fe grade) at Bhadrasahi Mines and ~0.34 lakh tonnes

of Iron Ore Fines (51-55% Fe grade) at Bagiaburu mines have been updated in i3MS Portal on 25.01.2023. For Bagiaburu first E-Auction conducted on 17.03.2023

Financial Performance:

Total earning of Rs 44.95 Crs includes sale of old stocks of Rs 35.53 Crs and interest received from the term deposits of Rs 3.71 Crs during the FY 2022-23. The interest income reduced during the year from the previous year due to depletion of funds on account of repayment of EMI against Short-term loan.

On the other hand, the interest expense decreased to Rs. 2442.68 lakhs in current financial year as compared to Rs. 3000.26 lakhs in previous financial year due against the Short-Term Loan of Rs.310 Cr taken for payment of compensation.

Existing short-term Loan of Rs. 310 crore with outstanding of Rs 271.17 crore has been restructured by deferment of remaining instalments by 15 months i.e. from March 2021 to June 2022. Sanction of total FITL of Rs 36.12 Crs. on STL Loan of Rs 310 Crs. Outstanding balance of ST Loan is 156.40 Crs and outstanding balance of FITL loan is Rs. 17.20 Crs as on 31.03.23.

Profit/ (Loss) before tax stood at Rs. (2721.94) Lakhs compared to Rs. (1357.26) Lakhs for the previous year. Profit/(Loss) after tax was Rs. (1654.18) Lakhs as compared to Rs. (1449.40) Lakhs during the previous year.

Looking Ahead

The mining operation of Bagiaburu mines is expected to resume by Sept 2023. Co terminus Forest Clearance (FC) for Belkundi mines is at an advanced stage. Environmental Clearance of Belkundi mines will be obtained after successful conductance of Public Hearing and mining operation will be resumed by 1st quarter of FY 2024-25.

Exploring the possibility for enhancement of production capacity in near future through up gradation in technological aspects is incorporated in the MDO contract for the operationalization of Belkundi mines.

Dividend for the year FY 2022-23

In view of the accumulated losses incurred by the Company during financial Year 2022-23, your Company have not proposed any dividend.

Corporate Governance

OMDC as a responsible Corporate citizen strongly believes in complying with the basic principles of Corporate Governance i.e. accountability, transparency, fairness and responsibility. Your company being a Central Public Sector Enterprise (CPSE) has been complying in toto with various guidelines issued by DPE/DoPT/DOE and various other government organizations.

Your Company has been adhering to the principles of good Corporate Governance so as to ensure ethical and efficient conduct of the affairs of the Company. OMDC aims at not only its own growth

THE ORISSA MINERALS DEVELOPMENT COMPANY LIMITED

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 practices in all its operations which are vital to achieve its Vision.

Corporate Social Responsibility (CSR)

Corporate Social Responsibility (CSR) has been an integral part of our business philosophy and your Company has been following it much before it became a norm for the corporate sector in India. As the Average net profits of OMDC for the last three years is negative, no amount was allocated to CSR during FY 2022-23

However, Your Company is focused in areas such as Health, Education, Employment generation, Empowerment of women and Drinking Water etc. which are enumerated under schedule VII of Companies Act, 2013.

Acknowledgement

On behalf of your Company's Board of Directors, I wish to convey my sincere thanks to the valued Shareholders for their continuous support and reposing trust on us. This motivates us to excel in all our pursuits and constant 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& Climate Change, Ministry of Corporate Affairs, other Departments of Government of India, Government of Odisha, and all other Authorities and Regulatory bodies for their unstinted support and valuable guidance.

I also appreciate the continued and dedicated efforts put in by all the employees/unions to overcome many challenges faced during the year. Last but not the least, I would like to thank my colleagues on the Board who have given their valuable time and assistance in charting Company's progressive move.

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

Thank you and Jai Hind.

Atul Bhatt
(Chairman)

Dated: 30.11.2023

Place: Visakhapatnam