

47th
Annual Report
2009-2010



**GUJARAT MINERAL DEVELOPMENT
CORPORATION LIMITED**

BOARD OF DIRECTORS

CHAIRMAN

Shri M. Sahu, IAS

MANAGING DIRECTOR

Smt. V. S. Gadhavi, IAS

COMPANY SECRETARY

Shri Joel Evans

AUDITORS

M/s. Jain Seth & Co.
Chartered Accountants

REGISTERED OFFICE

Khanij Bhavan
132 Feet Ring Road
Near University Ground
Vastrapur, Ahmedabad – 380 052

Phone : 2791 3200 / 3501 / 1662 / 1680 / 0665 /
0096 / 0465 / 2416 / 2457 / 2443 / 1340

FAX : (079) 2791 3038 / 1151 / 1454 / 1822 / 0969

E-Mail : contact@gmdcltd.com

Website : www.gmdcltd.com

DIRECTORS

Shri Atanu Chakraborty, IAS
Shri Vinay Vyasa, IAS
Shri Bhadres Mehta

BANKERS

Bank of Baroda
Dena Bank
Vijaya Bank
Axis Bank Ltd.
HDFC Bank Ltd.

PROJECTS:

Lignite Projects

Panandhro (Dist. Kutch)
Rajpardi (Dist. Bharuch)
Tadkeshwar (Dist. Surat)
Mata-No-Madh (Dist. Kutch)
Bhavnagar (Dist. Bhavnagar)

Fluorspar Project

Kadipani (Dist. Baroda)

Bauxite Projects

Gadhsisa (Dist. Kutch)
Bhatia (Dist. Jamnagar)

Calcination Project

Gadhsisa (Dist. Kutch)

Multi-Metal Project

Ambaji (Dist. Banaskantha)

Manganese Project

Shivrajpur (Dist. Panchmahal)

Power Project

Nani Chher (Dist. Kutch)

Wind Farm Project

Maliya (Dist. Rajkot)

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AGM DATE, DAY, TIME & VENUE

Date of AGM	: 28-09-2010
Day	: Tuesday
Time	: 11.00 a.m.
Venue	: Registered Office of the Company Khanij Bhavan Off: 132 Ft. Ring Road Near University Ground Vastrapur, Ahmedabad-380 052

Registrar & Share Transfer Agent for physical & D-mat Shares :

M/s. MCS Limited
101, Shatdal Complex, 1st floor
Opp: Bata Show Room
Ashram Road
Ahmedabad – 380 009
Tel. 26582878
Fax: (079) 26581296



GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

FINANCIAL HIGHLIGHTS

Sr.	Particulars	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01
(Rs. In lacs)											
(A) Profit & Loss Account											
1.	Total Sales	1,06,608.05	98,121.21	98,105.54	58,895.65	43,374.08	36,925.50	27,295.60	29,275.01	25,256.58	21,789.94
2.	Profit before tax	40,608.25	36,990.48	40,839.48	16,775.22	6,669.12	16,799.15	12,046.25	13,052.92	10,978.86	10,879.88
3.	Interest	2,611.22	5,390.84	7,024.77	7,370.52	5,054.94	20.34	88.56	113.93	164.19	91.54
4.	Depreciation	8,615.31	7,777.77	9,553.69	12,932.05	13,034.02	804.22	1,133.37	1,262.56	2,116.62	2,776.20
5.	Provision for tax	12,621.37	13,359.87	14,446.38	5,907.38	2,494.48	6,478.03	3,950.57	4,561.87	4,360.58	4,891.92
6.	Profit after tax	27,986.88	23,630.61	26,393.10	10,867.85	4,174.64	10,321.13	8,095.59	8,473.39	6,618.46	5,874.69
7.	Short/Excess provision of tax of earlier years	1.17	488.85	-	1,420.48	649.31	20.33	0.08	17.66	0.18	113.27
8.	Net Profit after short/excess tax prov of earlier years	27,988.05	23,141.76	26,393.10	9,447.37	3,525.33	10,341.46	8,095.51	8,491.05	6,618.28	5,987.96
9.	Balance of profit of last year	12,939.98	4,739.10	2,066.44	1,339.52	2,989.78	1,461.33	1,980.17	2,103.47	1,757.19	2,346.19
10.	Profit available for appropriation	40,928.03	27,880.86	28,459.54	10,786.89	6,515.11	11,802.79	10,075.68	10,594.52	8,375.47	8,334.15
11.	Dividend in %	125.00	100.00	100.00	100.00	60.00	50.00	45.00	45.00	40.00	45.00
12.	Dividend in Rupees	7,950.00	6,360.00	3,180.00	3,180.00	1,908.00	1,590.00	1,431.00	1,431.00	1,272.00	1,431.00
(B) Balance Sheet											
1.	Share Capital	6,360.00	6,360.00	3,180.00	3,180.00	3,180.00	3,180.00	3,180.00	3,180.00	3,180.00	3,180.00
2.	Reserves & Surplus	1,34,197.57	1,15,510.61	102,989.73	80,693.28	74,966.36	73,616.63	65,088.77	58,607.00	51,730.30	47,537.99
3.	Gross Fixed Assets	1,97,608.33	1,88,640.64	184,653.41	179,178.43	171,358.45	92,749.45	37,249.35	36,937.07	36,335.47	35,008.23
4.	Net Fixed Assets	1,34,143.07	1,30,820.45	134,283.09	137,135.55	136,496.96	70,877.57	7,055.98	7,825.87	8,459.20	8,046.77
5.	Current Assets	1,48,090.21	1,50,108.13	135,104.82	115,401.80	108,466.19	59,790.43	44,423.45	43,164.17	34,480.09	60,957.07
6.	Current Liabilities	1,12,113.46	95,387.21	82,782.69	67,659.48	63,101.47	21,546.83	19,635.83	21,906.55	12,184.29	3,945.18
7.	Capital Employed	1,71,092.32	1,85,736.39	187,945.97	188,169.08	186,376.29	1,80,521.34	1,37,391.26	1,05,200.96	63,635.94	44,134.76
8.	Net worth	1,38,755.83	1,20,769.80	105,847.65	80,319.15	74,446.76	73,713.62	66,141.06	60,558.49	53,550.24	49,579.60
(C) Financial Ratios											
1.	% of Net Profit	26.25	24.08	26.90	18.45	9.57	27.95	29.66	28.94	26.20	26.96
	On Sales	14.16	12.53	14.29	6.07	2.44	11.13	21.73	23.31	18.21	16.78
	On Gross Fixed Assets	16.36	12.72	14.04	5.78	2.24	5.72	5.89	8.06	10.40	13.31
	On Capital Employed	20.17	19.57	24.93	13.53	5.61	14.00	12.24	13.99	12.36	11.85
	On net worth	440.05	371.55	829.97	341.76	131.28	324.56	254.58	266.45	208.13	184.74
2.	Debt/Equity Ratio	0.15	0.39	0.63	1.14	1.39	1.45	1.16	0.84	0.33	0.03

NOTICE

Notice is hereby given that the 47th Annual General Meeting of the Shareholders of 'Gujarat Mineral Development Corporation Limited' will be held on Tuesday, the 28th September, 2010 at 11.00 a.m. at the Registered Office of the Company, at Khanij Bhavan, Off:132 Ft. Ring Road, Near University Ground, Vastrapur, Ahmedabad - 380 052 to transact the following business :

ORDINARY BUSINESS :

- Item No. 1.** To receive, consider and adopt the 'Profit & Loss Account' of the Corporation for the year ended 31st March, 2010 and the 'Balance Sheet' as on that date and the Report of the Board-of-Directors and Auditors thereon.
- Item No. 2.** To declare dividend on Equity Shares for the year ended 31st March, 2010.
- Item No. 3.** To fix up the remuneration of Statutory Auditors for the year 2010-11 to be appointed by the Comptroller & Auditor General of India.

By Order of the Board-of-Directors
Joel Evans
Company Secretary

Date : 26th May, 2010

Place : Ahmedabad.

Registered Office :

Gujarat Mineral Development Corporation Limited
'Khanij Bhavan' Vastrapur, Ahmedabad-380 052

NOTES:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxies in order to be effective shall be deposited at the Registered Office of the Corporation, not less than 48 hours before the commencement of the meeting.
2. The 'Members Register' and the 'Share Transfer Book' of the Company shall remain closed from 21.09.2010 to 28.09.2010 (both dates inclusive).
3. The Dividend declared by the Company will be paid within 30 days from the date of the meeting to those Shareholders whose names appear on the 'Members Register' of the Company on 20.09.2009. The Shareholders are advised to encash their Dividend Warrants during their original validity period. Thereafter, payment of the dividend shall be made by cheques payable on the Company's Bankers at Ahmedabad. The Shareholders are advised to get merged/consolidated their multiple folios held in the same names and in the same order.
4. Relevancy of questions and the order of speaker at the meeting will be decided by the Chairman.
5. Members are requested to give full particulars of their Bank Account details for safe payment of dividend.
6. Members are requested to notify immediately any change of address to their Depository Participants (DPs) in respect of their holdings in electronic form and to M/s. MCS Limited, 101, Shatdal Complex, Opp. Bata Show Room, Ahmedabad in respect of their physical share folios, if any.
7. Members desiring any information about accounts at the meeting, are requested to write to the Company at least seven days in advance of the Annual General Meeting.
8. Members / Proxies are requested to bring a copy of their Annual Report and are also requested to produce the Attendance Slip at the entrance of the Meeting Hall.
9. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956 dividends for the financial year ended 31st March, 2001 which had remained unclaimed for a period of seven years from the date of transfer of the same will have to be transferred to the 'Investor Education and Protection Fund' established by the Central Government. Shareholders who have not encashed the dividend warrant(s) so far for the



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financial year ended 31st March, 2001 or any subsequent financial years are requested to make their claim to M/s. MCS Limited, Ahmedabad,. 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.

The due dates of transfer of unpaid/unclaimed dividend for various years are as under :-

Sr No.	Year	Date of declaration	Due Date of transfer
1.	2002-2003	29.09.2003	29.09.2010
2.	2003-2004	30.09.2004	30.09.2011
3.	2004-2005	30.09.2005	30.09.2012
4.	2005-2006	22.12.2006	22.12.2013
5.	2006-2007	29.09.2007	29.09.2014
6.	2007-2008	11.09.2008	11.09.2015
7.	2008-2009	29.09.2009	29.09.2016

By Order of the Board-of-Directors

Joel Evans

Company Secretary

Date : 26th May, 2010

Place : Ahmedabad.

Registered Office :

Gujarat Mineral Development Corporation Limited
'Khanij Bhavan' Vastrapur, Ahmedabad-380 052

DIRECTORS' REPORT

To
The Shareholders,
Gujarat Mineral Development Corporation Limited

Your Directors have pleasure in presenting 47th Annual Report along with the audited accounts of your Corporation for the financial year 2009-2010. Our profit after tax for the year is Rs. 27,986.88 lacs as against Rs. 23,630.61 lacs last year.

Financial Results	2009-10	2008-09
	(Rs. in lacs)	(Rs. in lacs)
Operating profit	51,834.79	50,159.09
Less: Interest	2,611.23	5,390.84
Profit after interest, but Before depreciation	49,223.56	44,768.25
Less: Depreciation	8,615.31	7,777.77
Profit for the year before tax	40,608.25	36,990.48
Less: Provision for tax for the year including deferred tax and fringe benefit tax	12,621.37	13,359.87
Profit after tax	27,986.88	23,630.61
Add: Balance of profit brought forward	12,939.98	4,739.10
Less : Short provision of deferred tax liability (net)	-	517.79
Add : Excess provision of FBT for earlier years	1.18	49.55
Profit available for appropriation	40,928.04	27,880.86
Less: Appropriation		
(i) Proposed Dividend	7,950.00	6,360.00
(ii) Corporate tax on dividend	1,351.10	1,080.88
(iii) General Reserve	20,000.00	7,500.00
Balance carried to Balance Sheet	11,626.94	12,939.98

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed that :

- (1) in the preparation of the accounts for the financial year ended 31st March, 2010, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- (2) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.
- (3) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (4) the Directors have prepared the accounts for the financial year ended 31st March, 2010 on a going concern basis.

DIVIDEND

Your Directors have pleasure to recommend a dividend of 125 % on equity shares. An amount of Rs. 7,950 Lacs on equity share capital of Rs. 6,360 lacs shall be paid as dividend.

CONTRIBUTION TO STATE EXCHEQUER:

The Corporation has contributed to the State Exchequer an amount of Rs. 22,777 lacs including Royalty of Rs. 5,994 lacs and Sales Tax of Rs. 16,783 lacs.

SHARE CAPITAL

During the year under review the issued, subscribed and paid-up share capital remained constant at Rs. 63.60 Crores divided into 31,80,00,000 equity shares of Rs. 2 each.

FINANCE AND TAXATION

Income Tax assessment of the Corporation has been completed up to the Financial Year 2006-07 and the Sales Tax assessment has been completed up to the Financial Year 2005-06.

INTERNAL AUDIT

M/s. Sandip Desai & Company, Chartered Accountants were appointed as Internal Auditor of the Corporation for the year 2009-10.

STATUTORY AUDIT

M/s. Jain Seth & Co., Chartered Accountants were appointed Statutory Auditors of the Corporation by the Comptroller & Auditor General of India for the year 2009-10.

COST AUDIT

M/s Manish Analkat were appointed as Cost Auditors in respect of Akrimota Thermal Power Station for the year 2009-10.

NEW MINERAL POLICY FOR LIMESTONE, LIGNITE, BAUXITE AND MANGANESE.

During the year under review, the Government of Gujarat has announced a new mineral policy for development of mineral resources in the State of Gujarat vide resolution No. MCR-102008.1868-CHH dated 18.11.2009 for limestone, Resolution No. MCR-102008.1868-CHH dated 19.11.2009 for lignite, Resolution No. MCR-102008.1868-CHH dated 19.11.2009 for bauxite and Resolution No. GMC-1006-2472-CHH dated 19.11.2009 for manganese. The new mineral policy emphasizes more on triggering mineral based industrial growth.

LIMESTONE

Limestone leases granted for trading purpose shall have to register with GMDC before supply of limestone.

The role of GMDC and Commissioner of Geology and Mining would be to over see assured mining from lease area for trading purpose as well as for requirement of Small Scale Industrial units.



GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

LIGNITE

The lignite resources have been reserved for power generation and wherever possible, for under ground coal gasification by State PSUs or by Joint Ventures with State PSUs.

GMDC would continue to supply surplus quantity of lignite from its mines to the industries in state, in particular to small and medium industries on a long term basis in a transparent manner.

BAUXITE

All Bauxite bearing areas in the State except already granted has been reserved for GMDC.

GMDC has been made a facilitating and channelizing agency for bauxite sale and export. GMDC would become the sole supplier to bauxite users in the state for higher value addition. Export of bauxite, both plant grade and non plant grade would be carried out through GMDC. GMDC will also set up plants in JV for maximum value addition.

MANGANESE

In addition to the existing 1153 hectares reserved for GMDC, the remaining areas of manganese reserves would be granted to captive users for forming a JV with GMDC to produce value added products like MnSo₄, MnO, Ferro Alloys or EMD etc.

The new mineral policy has made GMDC as a catalyst and a propeller in manganese based industries. This would open up a whole new gamut of industrial growth particularly in the under developed regions of the state.

REVIEW OF THE OPERATIONS

During the year your Corporation operated Panandhro, Mata no Madh, Rajpardi, Tadkeshwar and Bhavnagar Lignite mines. Total 83.79 Lac MT of lignite was mined during the year. The mines wise production details are tabulated hereunder :

Mines	In Lac MT
Panandhro	28.38
Mata no Madh	28.87
Tadkeshwar	10.48
Rajpardi	9.55
Bhavnagar	6.51
Total	83.79

In spite of stiff competition from alternative fuels such as pet coke and imported coal, the total lignite sales was sustained.

Your Directors are pleased to inform that during the period under review, Mata no Madh and Tadkeshwar mines achieved highest ever production since their inception.

FLOURSPAR PROJECT, KADIPANI (DIST. VADODARA)

During the year, a second line was commissioned at Flourspar Plant at Kadipani. This project produced 100237 tones of flourspar ore and 8786 M.T. of flourspar concentrate. In order to unleash the potential of this project, it has been proposed to hive off this plant in a joint venture details of which are described elsewhere in this report.

BAUXITE

During the year under review, the Gadhsisa Group of Mines produced 89,535 M.T. High grade; 3,75,523 M.T. Low grade (<54%) bauxite and 17366 M.T. Calcined bauxite generating a revenue of Rs. 42.90 Crores. The bauxite sold was 67,910 M.T. of High grade (>54%), 2,43,154 M.T. of Low grade (<54%), 16,840 M.T. of Calcined bauxite, 1,291 M.T. of C.B. Balls and 5,925 M.T. of dust. The Bauxite, Calcined Bauxite, CB Balls, Plant dust produced was supplied to the units in the State.

MANGANESE

During the period under review, special efforts were initiated to dispose off the manganese waste dump lying at Shivrajpur mines. As a result, the GMDC generated a revenue of Rs. 83.00 Lacs (20% of total sale value) by sale of 55,090 M.T. Manganese Ore dump.

POWER PROJECT - NANI CHHER

During the year under review, the total generation of Akrimota Thermal Power Station was 1,394 MUs. The power project generated the revenue of Rs. 269.03 Crores. During the year, this project generated its maiden profit of Rs. 44 crores.

WIND FARM

Your directors are pleased to inform you that Wind Farm with a capacity of 19.5 MW was commissioned on 1.10.2009 and it earned revenue of Rs. 3.37 Crores. Your Corporation has further executed orders of installing 81 MW Wind Farm in two phases. The first phase of 40.5 MW is expected to be commissioned by September, 2010 and the next phase is expected to commence by March 2011.

NEW PROJECTS AND SCHEMES OF THE CORPORATION UPCOMING LIGNITE MINES

Mining of lignite has been the core competence of your company since inception. Keeping the high growth trajectory, your company plans to commence Umarsar Lignite Mines, Kutch having an estimated lignite reserves of 22 million tones, Lakhpat Dhedadi Lignite and Limestone Mine, Kutch having an estimated reserves of 50 million tones and Damlai Padal Lignite Mine, Bharuch, having an estimated reserves of 19 million tones. Your Corporation has also applied for mining lease in Ghala near Surat.

The Environmental Clearance for Umarsar mines has been granted subject to clearance from Standing Committee on Wild Life of Government of India as the mines is lying in the vicinity of a protected wild life sanctuary. Efforts are under way to obtain the sanction from Wild Life so as to commence lignite production at Umarsar.

UNDERGROUND COAL GASIFICATION

Your corporation has entered in to Memorandum of Understanding with ONGC and with M/s Reliance Industries Limited for undertaking underground Coal Gasification for deep seated Lignite.

CEMENT PLANT

Your corporation has also participated in joint venture with

M/s Jay Prakash Group to set up 2.6 Million Tonnes of Cement Plant. As per the existing arrangements, the lime stone required for the Cement Plant will be supplied by GMDC. A proposal for allocation of land for this project has been submitted to Revenue department of Government of Gujarat.

COAL BLOCK DEVELOPEMNT

Your corporation has been allocated two Coal block viz. at Morga-II in Chhatisgarh and at Naini in Orissa. Your corporation has participated in joint venture with M/s Pondicherry Industrial Promotion Development and Investment Corporation (PIPDIC), Government of Pondicherry with 50 : 50 equity stake. During the year under review, a company named Naini Coal Company Limited has been incorporated. A request has been submitted to Government of Orissa for seeking permission to carry out exploration.

NEW COAL BLOCKS

In order to participate in the anticipated auction of coal blocks by Government of India, your Corporation has identified several parties in collaboration with whom, applications can be submitted for allotment of coal blocks under Government dispensation route.

80 MW POWER PROJECT WITH M/S GOKUL REFOILS AND SOLVENTS LIMITED

Your Corporation has participated in joint venture with M/s Gokul Refoils and Solvents Limited with an equity stake of 26%. A separate joint venture company has been set up for this purpose. The land required for this project has been acquired and environmental clearance for the project has been received. Negotiations are being conducted with M/s BHEL for procurement of main plant and equipments of suitable configuration for the power plant.

DOWN STREAM PROJECT BASED ON MANGANESE ORE

Your corporation has envisaged promotion of projects for value addition of Manganese Ore. For this purpose, your corporation has executed MoUs with M/s Cube Mines & Minerals Pvt. Limited and M/s Shivam Manganese & Minerals Pvt. Limited to set up Manganese beneficiation project based on Manganese waste dump.

REFRACTORIES, MONOLITHICS AND CASTABLES

Your corporation has executed an MoU with M/s TATA Refractories Limited and M/s Meena Agency to manufacture refractories and Manganese (castables) and other value added products by using bauxite.

ALUMINA PLANT

The state of Gujarat is bestowed with bauxite reserves of 137 Million Tonnes. In order to exploit this vast bauxite mineral wealth, your corporation has executed MoU for setting up two Alumina Plants - one at Kutch and other at Saurashtra region. Each plant would be of 1 Million Tonne capacity.

FLUORSPAR BENEFICIATION

As reported earlier, your Corporation has entered in to several MoUs for mineral development and value addition with various business entities. As part of these initiatives, it has

proposed to set up joint venture with M/s Gujarat Fluoro chemicals Limited and M/s Navin Fluorine International Limited with equity pattern of 50 : 50 for GMDC & GFL / NFIL.

SILICA SAND BENEFICIATION

It has been proposed to set up a Silica Sand beneficiation plant in joint venture with M/s Asahi India Glass Co. with an investment of Rs. 37.50 Crores. As per the agreement, 2.00 Lacs MT per annum capacity Silica Sand beneficiation plant will be set up. M/s Asahi India Glass Co. will consume 1.00 Lac MT per annum and the remaining 1.00 Lac MT per annum will be made available to GMDC for sale. The operation and maintenance of the plant will be carried out by M/s Asahi India Glass Co.

SPECIALITY ALUMINA CHEMICALS

It has been proposed to set up Speciality Alumina Chemicals Plant in Gujarat based on the raw materials (Bauxite) to be supplied by GMDC with an investment of Rs. 30.00 Crores.

BROWN FUSE ALUMINA - TABULAR ALUMINA

Your Corporation has entered in to two MoUs to set up Brown Fuse Alumina - Tabular Alumina plant based on Bauxite.

INTEGRATED COKE OVEN PLANT

During the period under review, joint venture has been set up in collaboration with M/s Sunflag Iron & Steel Co. Limited with equity pattern of 51:49. A separate company namely Gujarat State Min. & Resources Corporation Limited has been incorporated for this purpose.

MULTI METAL PROJECT, AMBAJI

Your corporation has entered in to an MoU with M/s Binani Zinc Limited and M/s Rajasthan State Mines Mineral Development Corporation for setting up beneficiation plant with a capacity of 2000 tonnes per day based on the deposits of Ambaji Deri and Basant Gadh, with a approximate project cost of Rs. 239.11 Crores. The proposed Equity investment is GMDC - 25%, Binani-65% and RSMMD-10%.

ENVIRONMENT PROGRAMME

Environmental Clearance is prerequisite for starting any new project or expansion of an existing project. This involves obtaining terms of reference conducting public hearing and then environmental clearance is obtained from Ministry of Environment and Forests New Delhi. Company has obtained environmental clearance for Umarsar lignite mines in 2186-76 ha. area. Being close to Narayan Sarovar Wildlife Sanctuary, the proposal is now submitted for the approval of Steering Committee of Wildlife.

Company has conducted public hearing for Mevasa -1 bauxite mine, capacity expansion of Amod, Tadkeshwar and Mata No Madh lignite mines and the proposal has been submitted to the Ministry of Environment & Forest, GOI, and New Delhi for environmental clearance. Proposal of Forestry clearance for drilling is submitted to the Ministry of Environment & Forest, GOI, New Delhi. Your company has taken up plantation through Forest department and departmentally on 201.0 ha area in the year 2009-10.



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Your company is well concerned with the environmental protection and takes appropriate preventive and curative measures to maintain environment. For control of pollution and environmental protection, your Company is following an effective environment management system at all its projects with regular water sprinkling for dust suppression, electrostatic precipitator for stack dust emission, sewage and Effluent Treatment Plants for the control of water pollution and regular vibration measurement for controlling noise pollution from machines.

In addition to above, your company has intensified environmental protection measures by way of reclamation of mined out area by backfilling and Afforestation, plantation on overburden dump, virgin area and roadside through inhouse sources as well as through Forest department. Company has its own environmental department at Corporate Office headed by Chief General Manager. Your company is regularly monitoring polluting parameters internally as well as through external agencies and maintaining the environmental control measures and standards very effectively.

Environment audit is conducted by an external agency recognized by the Gujarat Pollution Control Board regularly and the Environmental Audit Report is submitted to Gujarat Pollution Control Board.

INDUSTRIAL RELATIONS, HEALTH AND SAFETY

The relations between Corporation and its employees continued to be cordial throughout the year. Corporation continued to take care of the health and safety of project staff and inhabitants within the surrounding areas of mines by providing :

1. Well equipped and staffed dispensaries at Panandhro, Rajpardi, Kadipani and at Akrimota Power Projects. There is a facility of telemedicine at select hospitals which provide state of the art techno-medical intervention.
2. Ambulance Vans to Taluka Panchayats of Kutchh.
3. Mobile van visiting all villages of Lakhpat Taluka twice every week.
4. Uniform, ISI & DGMS approved safety shoes helmets and all safety devices as per the provisions of the Mines Act.

SOCIALLY RESPONSIBLE AND INCLUSIVE DEVELOPMENT

Your Corporation has wedded to a sensitive C.S.R. policy. It has been sensitive towards various stake holders attached to it at various platform whether they are people residing in surrounding places at its different project areas situated in remotest part of the State, be they investors, consumers or industry at large. Your Corporation has tried to meet the expectation of various sections of the society by reaching out to them, be it in the form of providing rural infrastructure in the field of water, sanitation, education, employment and livelihood, micro irrigation or be it continuous fuel supply to small and medium scale enterprises or be it generous dividend payout policy.

During the year under review, your corporation made special efforts to further strengthen its reach to weaker sections of the society in and around its project areas. It is imperative to note that CSR has acquired immense importance while getting sanction of environmental clearances. In view of this, your Corporation has charted out a focussed and holistic strategy to usher in developmental impacts in mineral bearing villages. This would also result in harmonious relationship with the society at large. These initiatives would also result in an all-round inclusive growth.

PARTICULARS OF EMPLOYEES

No employee was in receipt of emoluments in excess of Rs.2,00,000 per month or Rs.24,00,000 per annum during the year under review.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Additional information on conservation of energy, technology absorption, foreign exchange earnings and outgo as required by the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 is annexed at Annexure-I and forms part of this report.

BOARD-OF-DIRECTORS

Shri M Sahu, IAS was appointed as Director and Chairman of your Company vice Smt. Gauri Kumar IAS. Shri V S Gadhavi, IAS was appointed as Managing Director vice Smt. V L Joshi, IAS, Managing Director. Shri Atanu Chakraborty has been appointed as Director in place of Shri Tapan Ray, IAS.

CORPORATE GOVERNANCE

As per Clause 49 of the Listing Agreement with the various Stock Exchanges, the detailed report on the Corporate Governance is given in Annexure-II.

ACKNOWLEDGEMENT

Your Directors are pleased to place on record their deep appreciation for the sincere services and co-operation extended by the officers, employees and workmen of the Corporation at all levels. They also wish to place on record their gratitude for the confidence placed in them by financial institutions and investors. Further, your Directors wish to thank various departments of the Central Government viz. the Ministry of Environment and Forest, Ministry of Coal, Ministry of Mines and State Government viz. Industries & Mines Department, the Finance Department, Commissionerate of Geology and Mining and Gujarat State Pollution Control Board. The Directors also extend their heartiest thanks to the esteemed customers and shareholders of the Corporation for their valued co-operation.

For and on behalf of the Board-of-Directors

Place : Gandhinagar
Date : 28th July, 2010

M. Sahu
Chairman

FORM – A

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, POWER AND FUEL CONSUMPTION.

A. Conservation of Energy**(a) Energy Conservation Measures taken**

- (i) Installation of lighting energy saver panel
- (ii) Usage of energy saver VPIT ballast in HPSV fittings instead of cu ballast
- (iii) Execution of Thermal imaging for switch yard, GT, UAT, Battery banks, boiler insulation.
- (iv) Multi effect desalination plant charged through Turbine extraction steam normally when main boiler is available.

(b) Additional Investments and Proposal for Reduction of Consumption of Energy

Proposal to implement solar water heating system at ATPS hostel premises

(c) Impact of the above measures

- (i) Saving observed is 23 to 27%.
- (ii) Over all reduction in energy consumption.
- (iii) Saving of thermal energy and reduction in carbon emission

B. Technology absorption

The disclosure is made in the prescribed Form B.

C. Foreign Exchange Earnings and outgo

Total foreign exchange used : Euro 50497, USD 51081
Total foreign exchange earned : NIL

FORM-B**DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION RESEARCH AND DEVELOPMENT****Research and Development**

Particular fields in which Research and Development carried out by the Corporation are as follows :

Research & Development (R&D)**1. Specific Areas in which R & D carried out by Company - NIL****2. Benefits derived as a result of above R & D - NIL****3. Future Plan of Action**

- (a) Value addition of low grade manganese mineral
- (b) Development of deep seated lignite and coal deposit through Underground Coal Gasification method
- (c) Laterite and low alumina content bauxite value addition study to make suitable for use in proposed alumina projects has been entrusted to Jawaharlal Nehru Aluminium Research Institute, Nagpur
- (d) Value addition to Rajpardi silica sand.
- (e) Exploration of Lignite, Bauxite, Limestone and Manganese.

Technology absorption, adaptation and innovation**1. Efforts in brief made towards technology absorption, adaptation and innovation :**

Installation of wind power farms with a capacity of 19.5 MW.

2. Benefits derived as a result of the above efforts :

Generation of clean and sustainable energy.



CORPORATE GOVERNANCE REPORT

MANDATORY REQUIREMENTS

Company's philosophy on Code of Governance

It has been the endeavor of the Company to achieve highest level of transparency and full disclosure within the frame work of legal provision. It is committed to enhance the shareholders' value and to be accountable to its shareholders, State & Central Government, financial institutions, bankers and lenders.

BOARD-OF-DIRECTORS

Composition

The composition of the Board-of-Directors as on 31.3.2010 is detailed below :

Sr. No.	Name of the Directors	Designation	Category	No. of outside Directorship held	No. of Chairmanship in the Committees of Board*	No. of membership in the Committees of Board*
1.	Shri M Sahu, IAS (From 18.3.2009)	Chairman	Non-Executive	6	0	0
2.	Shri V S Gadhavi, IAS	MD	Executive	7	1	0
3.	Shri Atanu Chakraborty, IAS	Director	Non-Executive	14	0	0
4.	Shri Vinay Vyasa, IAS	Director	Non-Executive	0	0	0
5.	Shri Bhadresh Mehta	Director	Non-Executive Independent	0	0	0

* Outside GMDC.

Notes :

1. None of the Directors is related to any other Director.
2. None of the Directors has any business relationship with the Company.
3. None of the Directors received any loans and advances from the Company during the year.

All the Directors play an active and important role by participating in deliberations at the Board/Committee Meetings.

Eight meetings of the Board-of-Directors were held during the year i.e. on 21.5.2009, 28.5.2009, 28.7.2009, 24.9.2009, 26.10.2009, 14.12.2009, 27.1.2010 & 28.3.2010.

The attendance of each Director at the Board Meetings held during the year and at the last Annual General Meeting held on 29th September, 2009. is as under :

Sr. No.	Name of the Directors	Meeting held during the tenure of Directors	No. of meetings attended	Attendance at the last AGM
1	Shri M S Sahu, IAS Chairman (From 18.3.2009)	8	8	No
2.	Smt. V.L. Joshi , IAS	8	5	Yes
3.	Shri V S Gadhavi, IAS, Managing Director	8	3	NA
3.	Shri Tapan Ray, IAS	8	5	No
4.	Shri Vinay Vyasa, IAS	8	6	Yes
5.	Shri Bhadresh Mehta	8	7	Yes

Board's Procedure

Apart from the matters which are to be decided by the Board as per relevant statutes and rules, all major decisions involving large capital expenditure, award of major contracts, mobilization of resources, pricing policies, loans and investments, policy relating to all borrowings and personnel matters including Employees' compensation etc., are decided by the Board.

COMMITTEES OF THE BOARD

In addition to the Audit Committee and Shareholders / Investors Grievance Committee as required to be constituted under the Listing Agreement, the Board has constituted the following Committees :

1. Tender Committee
2. Personnel Committee
3. Share Transfer Committee

Audit Committee

The Company has constituted an Audit Committee of the Directors consisting of three Directors, who have adequate financial and accounting knowledge. The Audit Committee is headed by an independent director. The Audit Committee met four times during the Financial Year 2009-10 to discuss inter alia the Auditors' Report, adequacy of internal control / internal audit system and functions, to review the unaudited quarterly financial results etc on 28.5..2009, 28.7.2009, 26.10.2009 and 27.1.2010. The number of meetings of Audit Committee and attendance of members at these meetings during the year are stated as under:

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Sr. No.	Name of the Directors	Meeting held during tenure	Attended
1.	Shri Tapan Ray, IAS	4	3
2.	Shri Bhadresh Mehta	4	4
3.	Shri Vinay Vyasa, IAS	4	4

The Company Secretary acts as Secretary to the Audit Committee.

Terms of Reference of the Audit Committee

The terms of reference of Audit Committee is governed by the provisions of Clause 49 of the listing agreement. The terms of reference, inter alia, include oversight of the Company's financial reporting process, review of annual financial statements, quarterly financial statements, internal control systems, internal audit reports, etc.

Remuneration Committee

Since the Company is a Government Company in terms of Section 617 of the Companies Act, 1956, the remuneration of Directors is fixed by the Govt. of Gujarat and the remuneration of Executives, Supervisors and Workmen is fixed by the Board-of-Directors in-line-with the Government guidelines. Hence no Remuneration Committee has been constituted.

Shareholders' / Investors' Grievance Committee

The Company has constituted a "Shareholders'/ Investors' Grievance Committee" This Committee looks into the redressal of shareholders'/investors' grievances, if any, regarding transfer / transmission / demat of shares, loss of Share Certificates, Non-receipt of Annual Report, Dividend Warrants, Re-payment of principal and/or interest on fixed deposits etc., During the year, complaints received from the shareholders have been resolved to date. The Company has no transfer pending at the close of the Financial Year.

The composition of the Committee during the year under review was as under:

Shri Bhadresh Mehta - Chairman

Shri V S Gadhvi, IAS - Member

The details of the complaints received, solved, pending etc., are as under :

Period	Complaints Received	Complaints Redressed
01-04-2009 to 30-06-2009	30	30
01-07-2009 to 30-09-2009	21	21
01-10-2009 to 31-12-2009	34	34
01-01-2010 to 31-03-2010	09	09
Total	94	94

Almost all the complaints are pertaining to non receipt of dividends and audited accounts.

The Company Secretary acts as Secretary of the "Shareholders' / Investors' Grievance Committee"

Share Transfer Committee

In-order-to provide efficient and fast share transfer service to the investors, the Board has constituted a Share Transfer Committee. The composition of the Committee during the year under review is as under:

Shri Bhadresh Mehta - Chairman

Shri V S Gadhvi, IAS - Member

The Company has entered into a comprehensive agreement with M/s. MCS Limited, Ahmedabad to act as the Share Transfer Agent and the Depository Registrar (STA & DR) to attend to transfers/ transmission requests and co-ordinate with the Depositories and Depository Participants.

As per the Listing Agreement, the Company Secretary is appointed as the Compliance Officer and the activities of the Share Transfer Agent are under the supervision of the Compliance Officer.

Dematerialisation of Shares

Consequent upon the compulsory demat of the equity shares of the Company as notified by SEBI, as on 31.3.2010 about 98.52% of the equity capital offered to the public is in Demat Form.

General Body Meetings

(a) The last three Annual General Meetings of the Company were held at Ahmedabad at the time, dates and venue mentioned below :

Year	Date	Time	Venue
2006-07	29.09.2007	11.00 AM	Registered Office of the Company, at Khanij Bhavan, 132' Ring Road, Near University Ground, Vastrapur, Ahmedabad - 380 052
2007-08	11.09.2008 24.9.2008 (adjourned AGM)	11.00 AM 4.00 PM	Registered Office of the Company, at Khanij Bhavan, 132' Ring Road, Near University Ground, Vastrapur, Ahmedabad - 380 052
2008-09	29.09.2009	11.00 AM	Registered Office of the Company, at Khanij Bhavan, 132' Ring Road, Near University Ground, Vastrapur, Ahmedabad - 380 052



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(b) Whether any special resolutions passed in the previous 3 AGMs ? Yes

Sr No.	Year	Subject
1	2008-2009	NIL
2	2007-08	Alteration in Capital Clause of Memorandum of Association
3	-do-	To amend Article 115 of Articles of Association of the Company
4	2006-2007	To amend the Capital Clause of Memorandum of Association of the Company

(c) Whether special resolutions were put through postal ballot last year ? No

(d) Are special resolutions proposed to be put through postal ballot this year ? No

Disclosures :

(a) The Company has no materially significant related party transaction i.e. transactions that may have potential conflicts with the interest of the Company of that may have potential conflicts with the interests of the Company at large with its promoters, the Directors or the management, their subsidiaries or relatives etc.

For details, about related parties transactions, see Note No. 19 of Note-on-Accounts.

(b) There were no instances of non-compliance by the Company or penalties imposed on the Company by the Stock Exchange/(s) or SEBI or any statutory authority, on any nature related to Capital Markets during the last three years.

(c) In the preparation of financial statements, there is no treatment different from that prescribed in accounting standards.

(d) The company has integrated approach to manage the risk inherent in the various aspects of business.

Code of Conduct

The Board of Directors of the Company has approved and adopted a Code of Conduct for the Directors as well as Senior Management of the company. It has also been placed on company's website at www.gmdcltd.com.

All the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct during 2009-10. A declaration by the Managing Director to this effect is provided at Annexure A which forms part of the company's Annual Report 2009-10.

Means of Communication :

The Company communicates with the shareholders at large through its Annual Report, publication of quarterly

financial results in leading national English and Vernacular language newspapers and also through periodic press releases and electronics media. Further, the financial results of the Company as published in the newspapers are also displayed in the Company's website www.gmdcltd.com for the information of shareholders and investors.

CEO / CFO Certificate

Chief Executive Officer and Chief Financial Officer have issued necessary certificate pursuant to the provisions of Clause 49 of the Listing Agreement and the same is annexed and forms part of this Annual Report.

Compliance

A certificate from the Statutory Auditors of the Company as stipulated in Clause 49 of the Listing Agreement of the stock exchanges is annexed to the Directors' Report and forms part of the Annual Report.

General Shareholders' : AGM Date, day, Information time and venue

Date of AGM : 28th September, 2010

Day : Tuesday

Time : 11.00 a.m.

Venue : Registered Office of the Company
Khanij Bhavan
Off: 132 Ft. Ring Road
Near University Ground
Vastrapur, Ahmedabad-380 052

Financial Calendar (tentative)

Period	Tentative Dates
1 st quarter results ending 30th June	Within 45 days of end of the quarter
2 nd quarter results ending 30th September	Within 45 days of end of the quarter
3 rd quarter results ending 31st December	Within 45 days of end of the quarter
4 th quarter results ending 31st March	Within 45 days of end of the quarter in case of Unaudited Results
	Within 60 days of the end of the year in case of Audited Results.

Date of 'Book Closure'

The Register-of-Members and the Share Transfer Register of the Company would remain closed from 21.09.10 to 28.09.10 for the purpose of ascertaining the list of shareholders entitled for the dividend, if any, declared at the ensuing Annual General Meeting.

Dividend payment date

The dividend if declared at the Annual General Meeting would be paid to the Shareholders within 30 days from the date of AGM.

Listing of shares

The equity shares of the company are listed on the Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. The Listing Fee has been paid to NSE & BSE up to the year 2010-2011.

NAME OF THE STOCK EXCHANGE	STOCK CODE
National Stock Exchange of India Ltd.,	GMDCLTD
The Stock Exchange, Mumbai	532181

Stock Market Data

The high, low market price during each month in last financial year as quoted in the National Stock Exchange was as under :

Month	National Stock Exchange			CNX NIFTY
	High	Low	Closing*	Closing*
April, 2009	64.05	39.05	52.70	3473.95
May, 2009	97.70	53.10	89.85	4448.95
June, 2009	104.00	74.25	83.45	4291.10
July, 2009	98.40	68.10	90.25	4636.45
August, 2009	118.40	81.70	116.60	4662.10
September, 2009	122.85	104.05	115.75	5083.95
October, 2009	117.65	103.00	103.90	4711.70
November, 2009	143.80	95.75	138.55	5032.70
December, 2009	154.70	135.60	150.75	5201.05
January, 2010	187.30	135.10	145.60	4882.05
February, 2010	159.80	135.80	137.90	4922.30
March, 2010	153.95	138.25	141.90	5249.10

*at the end of the month

Registrar and Transfer Agent (For physical & Demat)

M/s. MCS Limited
 101, Shatdal Complex, 1st floor
 Opp: Bata Show Room
 Ashram Road
 Ahmedabad – 380 009
 Tel. 26582878 – Fax – 079 26581296

Share Transfer System

In compliance with Clause 49 of the Listing Agreement, the Company has also delegated the powers of share transfer to the company's R & T A. All the transfers received are processed by the Company's Share Transfer Agent and a fortnightly report is submitted to the company which is periodically placed before the Board of Directors of the Company.

Shareholding Pattern

The pattern of equity share holding of the Company as on 31st March, 2010 was as under:

Category	No. of Shares	% to total
Govt. of Gujarat	235320000	74.00
Mutual Funds	38574257	12.13
Financial Institutions/Banks	211350	0.07
Insurance Companies	2982000	0.94
Foreign Institutions/Investors	6383869	2.01
Bodies Corporate	7103655	2.23
Individuals	24566597	7.72
Others	2858272	0.90
Total.....	318000000	100.00

Distribution of Shareholding as on 31.3.2010

Shareholding of nominal value of		Shareholders	No. of Shares	
Rs.	Rs.	Number of Share-holders	% to total	
(1)	(2)	(3)	(4)	
Upto -	500	74557	9240464	89.5827
501 -	1000	4664	3884417	5.6040
1001 -	2000	1998	3161797	2.4007
2001 -	3000	629	1643285	.7558
3001 -	4000	313	1134270	.3761
4001 -	5000	282	1343184	.3388
5001 -	10000	422	3177670	.5070
10001 -	50000	237	4616240	.2848
50001 -	100000	46	3226666	.0553
100001 and above		79	286572007	.0948
Total...		83227	318000000	100.0000

PROJECT LOCATIONS :

Lignite Projects	Panandhro	(Dist. Kutch)
	Rajpardi	(Dist. Bharoch)
	Mata-no-Madh	(Dist. Kutch)
	Tadkeshwar	(Dist. Surat)
	Surkha	(Dist. Bhavnagar)
Fluorspar Project	Kadipani	(Dist. Baroda)
Multi Metal Project	Ambaji	(Dist. Banaskantha)
Bauxite Projects	Bhatia	(Dist. Jamnagar)
	Ratadia	(Dist. Kutch)



GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

Calcination Bauxite Project	Gadhsisa	(Dist. Kutch)
Manganese Project	Shivrajpur	(Dist. Panchmahal)
Power Project	Nani Chher	(Dist. Kutch)
Wind Farm Project	Maliya	(Dist. Rajkot)

Address for correspondence :

Shareholders correspondence may be addressed to the Company Secretary and sent to the Registered Office of the Company at the following address :

Gujarat Mineral Development Corporation Limited
 'Khanij Bhavan'
 132 Ft. Ring Road
 Near University Ground
 Vastrapur
 Ahmedabad - 380 052

Telephone : 2791 1662 / 1680 / 0665 / 2443 / 1340 / 3501 / 0096 / 0465 / 3200

Fax : (079) 2791 0969 / 1454 / 3038/1151

E-mail : cosec@gmdcltd.com

Website : www.gmdcltd.com

NON-MANDATORY REQUIREMENTS

The details of remuneration and Sitting Fees paid to the Directors during the year are as under :

Sr. No.	Name of the Directors	Remuneration paid (Rs.)	Out of Pocket expenses (Rs.)
1.	Shri Maheswar Sahu, IAS Chairman	0	30,000
2.	Shri V S Gadhavi, IAS Managing Director (From 9.11.2009)	3,98,045	—
3.	Smt V L Joshi, IAS (Upto 9.11.2009)	7,46,454	—
4.	Shri Tapan Ray, IAS (Upto 3.1.2010)	—	30,000
5.	Shri Atanu Chakraborty, IAS (From 3.1.2010)	—	10,000
6.	Shri Vinay Vyasa, IAS	—	50,000
7.	Shri Bhadrash Mehta	—	45,000

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Over view

Gujarat Mineral Development Corporation has been established with a mandate to develop mineral resources within and outside state of Gujarat. The company is the sole merchant selling agent for Lignite in India. The corporation has carved its niche in mineral industry as a

leading mineral development and power generation company. It was also diversified in to Wind Power Generation.

Product-wise performance :

Name of the products	2007-2008		2008-2009		2009-10	
	Production (MT in lacs)	Sales (MT in lacs)	Production (MT in lacs)	Sales (MT in lacs)	Production (MT in lacs)	Sales (MT in lacs)
Lignite	99.67	99.67	81.07	81.06	83.79	83.78
Bauxite	7.98	4.96	4.14	0.35	4.65	3.11
Calcined Bauxite	0.09	0.04	0.42	0.42	0.17	0.18
Fluorspar	0.04	0.02	0.07	0.08	0.09	0.09
Manganese ore	—	—	0.06	—	—	—
Power (Units I & II)	1009 MU	866 MU	1105 MU	956 MU	1394 MU	1194 MU
Wind Power	—	—	—	—	9.91 MU	9.91 MU

Financial performance :

Particulars	Year 2007-2008 (Rs. in lacs)	Year 2008-2009 (Rs. in lacs)	Year 2009-2010 (Rs. in lacs)
Profit before depreciation and tax (but after prior period and pre-operative exp.)	50,393.17	44,768.25	49,223.56
Depreciation	9,553.69	7,777.77	8,615.31
Profit Before Tax	40,839.48	36,990.48	40,608.25
Provision for Taxation	14,446.38	13,359.87	12,621.37
Profit After Tax	26,393.10	23,630.61	27,986.06
Dividend (%)	100%	100%	125%

Future Prospects and Outlook :

Your corporation has charted out an aggressive developmental road map. As is pointed out in Directors' Report, the new mineral policy announced by State Government has enhanced the role of the Corporation, in mineral development in Gujarat State. With this tumulus, injected by State Government, corporation foresees a very bright future. As indicated in the Directors' Report, number of joint venture and value edition projects within outside State have been envisaged which in turn will propel the growth to a new heights. The corporation is also considering possibilities of spreading its wings outside India.

Risks and Concerns

If mining of Lignite is permitted for industrial use (other than captive consumption) through the enactment of the Bill pending with the Parliament to amend the Coal Mines (Nationalisation) Act, the Corporation may find competition from the private operators.

Internal Control System

The Company has an in-house Internal Audit department and internal check procedures in respect of the purchase of various Stores, Chemicals, Plant & Machinery and also in respect of sales of goods. The Company has appointed Internal Auditors for various Projects and Head Office and they submit periodical reports to the Top Management. The company also avails the services of professional and Chartered Accountants for physical verification of assets.

Risk Management

GMDC manages risk mainly through insurance, internal controls and periodical audit by external agencies.

Moreover, statutory mining requirements for responding to any hazards are also being observed as required by various mining regulations framed under the Mines Act, 1952 and rules made thereunder.

Statutory Compliance

The Company Secretary who is also the Compliance Officer, ensures compliance of all applicable provisions of the Companies Act, Securities Contract Regulation Act and SEBI Act. Moreover, a regular report in this regard is also submitted to the Board of Directors.

Industrial Relations

During the year under report, the Company has employed 2489 (including Daily Rated Workers & Monthly Rated Workers) employees.

The Company has cordial industrial relations and long term agreements for wage settlement are in force between the Management and Unions and measures are being taken on a regular basis to improve the productivity and reduce wastage.

ANNEXURE-A

Declaration regarding compliance of code of conduct by Directors and Senior Management Personnel of the Company.

The company has adopted Code of Conduct for Directors and Senior Management Personnel as per the provisions of Clause 49 of the Listing Agreement relating to Corporate Governance.

The Directors and Senior management have affirmed compliance with the said Code during the financial year 2009-10.

For Gujarat Mineral Development Corporation Ltd.

Date : 1st June, 2010
Place : Ahmedabad

V. S. Gadhavi
Managing Director



GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

Certificate on Compliance of Conditions of Corporate Governance (under Clause 49 of the Listing Agreement)

To,
The Shareholders of Gujarat Mineral Development Corporation Limited

We have examined the compliance of conditions of Corporate Governance by Gujarat Mineral Development Corporation Limited for the year ended 31st March 2010 as stipulated in Clause 49 of the Listing Agreement of the said company with stock exchanges.

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 nor an expression of opinion on the financial statements of the company. In our opinion and the best of our information and according to the explanation given to us, Subject to :

- (i) Non-Compliance of clause 49 I (A) (ii) regarding number of independent directors in the composition of Board since only one independent director is appointed.
- (ii) Non-Compliance of clause 49 II (A) (i) regarding number of independent directors in Audit committee since only one independent director is appointed.

We certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing agreement.

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

Place : Ahmedabad
Date : 14th July, 2010

For Jain Seth & Co.
Chartered Accountants
CA. Vasudev Upadhyay
Partner
Membership No.048175

REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

Comments of the Comptroller and Auditor General of India under section 619(4) of the Companies Act, 1956 on the accounts of Gujarat Mineral Development Corporation Limited for the year ended 31 March 2010.

The preparation of financial statements of Gujarat Mineral Development Corporation Limited for the year ended 31 March 2010 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The Statutory auditor appointed by the Comptroller and Auditor General of India under section 619(2) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 26 May 2010.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 619(3) (b) of the Companies Act, 1956 of the financial statements Gujarat Mineral Development Corporation Limited for the year ended 31 March 2010. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report under section 619(4) of the Companies Act, 1956.

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

Dr. Prasenjit Mukherjee
Principal Accountant General
Place : Ahmedabad
Date : 9th July, 2010

AUDITORS' REPORT

To,
The Shareholders

Gujarat Mineral Development Corporation Limited

1. We have audited the attached Balance Sheet of **Gujarat Mineral Development Corporation Limited** as at 31st March, 2010, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. 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.
2. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub Section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of accounts as required by law, have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with books of account;
 - (d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply

with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;

- (e) Since the Company is a Government Company, as per Notification No.: G.S.R. 829 (E) dated October 21, 2003 of Ministry of Finance (Department of Company Affairs) provisions of clause (g) of Sub Section (1) of Section 274 of the Companies Act, 1956 are not applicable to the Company;
- (f) Without qualifying our report attention is invited to following Notes of Schedule 17 to the Financial Statements.
 - f.1 Note no. 1(a) and 1(b) regarding non provision of compensation for land acquired.
 - f.2 Note no. 4 regarding non provision for lease rent and royalty in respect of application made for renewal of lease for extracting bauxite, lignite and fluorspar.
 - f.3 Note no. 10(c) regarding recognition of revenue in respect of sale of electricity to Gujarat Urja Vikas Nigam Ltd. (GUVNL) on the basis of amount paid by GUVNL, pending execution of Supplementary Power Purchase Agreement.
- (g) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon and the statement on significant accounting policies give the information required by the Companies Act 1956 in the manner so required and give a true and fair view in conformity with the accounting principle generally accepted in India:
 - (i) in the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2010
 - (ii) in the case of Profit and Loss account, of the profit for the year ended on that date; and
 - (iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Place : Ahmedabad
Date : May 26, 2010

For Jain Seth & Co.
Chartered Accountants
CA. Vasudev Upadhyay
Partner
Membership No.048175



ANNEXURE TO AUDITORS' REPORT

(Referred to in Paragraph 3 of our report of even date)

1. In respect of its fixed assets:

- a. The Company has maintained records showing full particulars including quantitative details and situation of fixed assets project wise except depreciation. Records relating to quantitative details and situation of fixed assets maintained at Head Office pertaining to Power Project, Nani Chher & Wind Energy Farm, Maliya amounting to Rs.1514.07 Crores & Rs.118.35 Crores respectively aggregating Rs.1632.42 are reconciled with the record maintained at the said Projects. In respect of the other Projects, the same is in progress.
- b. The fixed assets were physically verified during the year by the firm of Chartered Accountants.
- c. In our opinion, the Company has not disposed of substantial part of fixed assets during the year.

2. In respect of its inventories:

- a. During the year, the management and the firm of Chartered Accountants have physically verified the inventories. In our opinion frequency of verification is reasonable.
- b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. The Company has maintained proper records of inventories. The discrepancies noticed on verification between the physical stock and book stock were not material and the same have been properly dealt with in the books of accounts.

3. In respect of loans granted and taken to / from parties covered in the register maintained u/s 301 of the Companies Act, 1956.

According to the information and the explanations given to us, the Company has not granted nor taken any loans, secured or unsecured, to / from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Consequently requirements of clauses (iii) (a) to (iii) (g) of paragraph 4 of the Order are not applicable to the Company.

4. In respect of internal control

In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the

Company and the nature of its business with regard to purchases of inventory, fixed assets and also for sale of goods. During the course of our audit, we have not observed, any continuing failure to correct major weaknesses in internal controls.

5. In respect of contracts or arrangements need to be entered into a register maintained u/s 301 of the Companies Act, 1956.

According to the information and explanation given to us, there were no contracts/ arrangements that need to be entered into a register in pursuance of Section 301 of the Companies Act, 1956.

6. In respect of deposits from public

In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public during the year within the meaning of sections 58A, 58AA or any other relevant provisions of The Companies Act, 1956 and the Companies (Acceptance of deposits) Rules, 1975. We are informed that, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

7. In respect of internal audit system

The internal audit during the year was carried out by the internal audit department of the Company and the firm of Chartered Accountants. In our opinion the scope of internal audit needs to be enlarged and strengthened so as to make it commensurate with the size of the Company and nature of its business and make timely appointment.

8. In respect of maintenance of cost records

We have broadly reviewed the books of account and records maintained by the Company pursuant to the Order made by the Central Government for the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 in respect of Power Projects and are of the opinion that prima facie, the prescribed records have been maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.

9. In respect of statutory dues:

- a. According to the records of the Company, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and

protection fund, income tax, value added tax, wealth tax, custom duty, excise duty, service tax, cess and other material statutory dues applicable to it. As informed to us, provisions of Employees' State Insurance Act are not applicable to the company.

- b. According to the information and explanations given to us, no undisputed amounts payable in respect of Value added tax, income tax, wealth tax, customs duty, excise duty, sales tax, service tax and cess, were outstanding as at March 31, 2010 for a period of more than six months from the date they became payable.
- c. According to the records of the company, there are no dues of custom duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute. **In respect of income tax and sales tax, details of disputed dues which have not been deposited are given hereunder:**

Nature of dues	Amount (Rs. in lakhs)	Forum where dispute is pending
Sales tax	106.59	Gujarat Sales Tax Tribunal
Income tax	251.08	CIT (Appeals), ITAT
Total	357.67	

10. In respect of accumulated losses and cash losses

The company does not have accumulated losses at the end of the financial year. The company has not incurred cash losses during the financial year covered by audit and in the immediately preceding financial year.

11. In respect of dues to financial institution / banks / debentures

Based on our audit procedures and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to a financial institution.

12. In respect of loans and advances granted on the basis of security.

According to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.

13. In respect of provisions applicable to Chit fund

The Company is not a chit fund or a nidhi /mutual benefit fund/ society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.

14. In respect of dealing or trading in shares, securities, debentures and other investments

As the company is not dealing or trading in shares, securities, debentures and other investments, the provision of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.

15. In respect of guarantee given for loans taken by others

According to the information and explanation given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.

16. In respect of application of term loans

According to the information and explanations given to us, term loans have been applied for the purpose for which they were raised.

17. In respect of funds used

According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that funds raised on short term basis have, prima facie, not been used for long-term investments.

18. In respect of preferential allotment of shares

During the year, the Company has not made any preferential allotment of shares to parties covered in the Register maintained under Section 301 of the Companies Act, 1956.

19. In respect of securities created for debentures

According to the records of the Company, the Company has not issued any debentures during the year.

20. In respect of end use of money raised by public issues

The Company has not raised any money by way of public issue during the year and therefore paragraph 4(xx) of the Companies (Auditor's Report) Order, 2003 is not applicable.

21. In respect of fraud

According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

Place : Ahmedabad
Date : May 26, 2010

For Jain Seth & Co.
Chartered Accountants
CA. Vasudev Upadhyay
Partner
Membership No.048175



GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

BALANCE SHEET AS AT 31ST MARCH, 2010

	Schedules	Rs.	As at 31-03-2010 Rs.	As at 31-03-2009 Rs.
Sources of Funds :				
Shareholders' Funds :				
Share Capital	1	63,60,00,000		63,60,00,000
Reserves & Surplus	2	<u>13,41,97,56,820</u>		<u>11,55,10,61,102</u>
			14,05,57,56,820	12,18,70,61,102
Loan Funds :				
Unsecured Loans	3		2,16,07,14,286	4,78,57,14,286
Net Deferred Tax Liability	4		2,39,85,17,806	<u>2,29,65,31,697</u>
Total			<u>18,61,49,88,912</u>	<u>19,26,93,07,085</u>
Application of Funds:				
Fixed Assets :				
Gross Block	5	19,76,08,33,289		18,86,40,64,478
Less : Depreciation		<u>6,34,65,25,919</u>		<u>5,78,20,19,018</u>
Net Block		13,41,43,07,370		13,08,20,45,460
Capital Work in progress		<u>9,72,49,830</u>		<u>1,95,02,240</u>
			13,51,15,57,200	13,10,15,47,700
Investments	6		1,32,55,83,200	58,55,86,400
Current Assets, Loans & Advances :				
Inventories	7	72,51,00,903		59,18,69,729
Sundry Debtors		48,99,71,451		92,62,35,712
Cash and Bank Balances		95,77,50,218		94,62,62,047
Other Current Assets		3,91,31,725		3,45,44,988
Loans and Advances		<u>12,59,70,66,367</u>		<u>12,51,19,00,266</u>
		14,80,90,20,664		<u>15,01,08,12,742</u>
Less:				
Current Liabilities & Provisions :				
Liabilities	8	2,01,36,54,878		1,79,55,31,163
Provisions		<u>9,19,76,91,343</u>		<u>7,74,31,89,573</u>
		11,21,13,46,221		<u>9,53,87,20,736</u>
Net Current Assets			3,59,76,74,443	5,47,20,92,006
Misc. Expenditure :				
(to the extent not written off or adjusted)	9		18,01,74,069	11,00,80,979
Total			<u>18,61,49,88,912</u>	<u>19,26,93,07,085</u>
Information as required by Schedule-VI of the Companies Act, 1956				
Significant Accounting Policies	15			
Notes on Accounts	16			
	17			

S.R. Bhatt
General Manager (Accounts)

L. Kulshrestha
General Manager (Finance)

M.Sahu, IAS
Chairman

V.S.Gadhavi, IAS
Managing Director

Joel Evans
Company Secretary

Vinay Vyasa, IAS
Director

Bhadresh Mehta
Director

Place : Ahmedabad
Date : 26th May, 2010

As per our report of even date attached
For Jain Seth & Co.
Chartered Accountants
CA. Vasudev Upadhyay
Partner
M. No.048175

Place : Ahmedabad
Date : 26th May, 2010

ANNUAL REPORT 2009-2010

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	Schedules	Rs.	2009-10 Rs.	2008-09 Rs.
Income :				
Sales			10,66,08,05,150	9,81,21,21,106
Less: Excise duty			85,89,631	3,53,79,904
			10,65,22,15,519	9,77,67,41,202
Other Income	10		34,69,08,843	45,70,23,403
Increase in stock	11		9,96,57,684	2,89,69,492
Excess provision of earlier Years			1,64,78,287	42,39,531
	Total		11,11,52,60,333	10,26,69,73,628
Expenditure:				
Manufacturing and Other Expenses	12		6,00,09,80,793	5,17,13,05,280
Interest	13		26,11,22,550	53,90,83,896
Depreciation			86,15,31,137	77,77,76,648
Mining & Project Development deferred Expenses written off			2,45,71,616	2,34,94,215
Prior period adjustments	14		(9,37,71,107)	5,62,65,607
	Total		7,05,44,34,989	6,56,79,25,646
Profit before Tax			4,06,08,25,344	3,69,90,47,982
Provision for Income-tax [including Wealth-tax amounting to Rs.151000 (PY Rs130000)]		1,16,01,51,000		1,26,07,61,840
Less: MAT Credit entitlement		-		1,31,840
Provision for deferred tax		10,19,86,109		7,04,01,992
Provision for Fringe Benefit Tax		-		49,55,000
			1,26,21,37,109	1,33,59,86,992
Profit after Tax			2,79,86,88,235	2,36,30,60,990
Less: Short provision of Deferred Tax liability(Net)			-	5,17,78,850
Add: Excess provision of FBT for earlier years			1,17,733	28,93,718
			2,79,88,05,968	2,31,41,75,858
Add : Balance of profit of last year			1,29,39,97,894	47,39,10,236
Profit available for appropriation			4,09,28,03,862	2,78,80,86,094
Less : Appropriations :				
General Reserve			2,00,00,00,000	75,00,00,000
Proposed Dividend			79,50,00,000	63,60,00,000
Tax on Dividend			13,51,10,250	10,80,88,200
Balance carried to Balance-sheet			1,16,26,93,612	1,29,39,97,894
Basic and diluted earning per share (Refer note No.18 of Schedule17)			8.80	7.28
Information as required by Schedule-VI of the Companies Act, 1956	15			
Significant Accounting Policies	16			
Notes on Accounts	17			

S.R. Bhatt
General Manager (Accounts)

L. Kulshrestha
General Manager (Finance)

M.Sahu, IAS
Chairman

V.S.Gadhavi, IAS
Managing Director

Joel Evans
Company Secretary

Vinay Vyasa, IAS
Director

Bhadresh Mehta
Director

Place : Ahmedabad
Date : 26th May, 2010

As per our report of even date attached
For Jain Seth & Co.
Chartered Accountants
CA. Vasudev Upadhyay
Partner
M. No.048175

Place : Ahmedabad
Date : 26th May, 2010



GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

Cash-flow statement for the year ended on 31st March, 2010 Pursuant to the listing agreement with stock exchange.

Particulars	For the year ended on March 31, 2010 Rs.	For the year ended on March 31, 2009 Rs.
A Cash-Flow from Operating Activities:		
Net Profit before tax & extra ordinary items	4,06,08,25,344	3,69,90,47,982
Adjustments for:		
Depreciation	86,15,31,137	77,77,76,648
Provision for Doubtful Debts, Loans & Advances	2,99,502	22,00,00,000
Assets written off	10,62,649	-
Voluntary Retirement Scheme deferred revenue exps.	1,61,04,116	1,61,04,084
Electricity and transmission line amortised	1,56,72,000	1,56,72,000
River diversion exps	88,20,655	78,22,216
Road, Repairs & Maintenance	5,13,60,207	-
Depreciation written back	(70,365)	(1,54,719)
Surplus / Deficit on sale of assets	(6,00,67,271)	(36,83,500)
Interest & Finance Charges	26,11,22,550	53,90,83,896
Dividend & Income From Units	(2,46,45,326)	(1,94,95,480)
Interest from Bank & Corporates	(17,44,12,521)	(23,27,49,667)
Interest on Tax Free Bonds	-	(6,04,330)
Operating profit before working capital changes:	<u>5,01,76,02,677</u>	<u>5,01,88,19,130</u>
Adjustments for:		
Trade & Other Receivable	1,54,84,32,336	(72,41,10,427)
Inventories	(13,32,31,174)	(10,93,60,617)
Trade Payable	32,92,42,415	(13,56,78,404)
Miscellaneous Expenditure	(2,00,90,438)	(11,74,71,078)
	<u>1,72,43,53,139</u>	<u>(1,08,66,20,526)</u>
Cash generated from operations	<u>6,74,19,55,816</u>	<u>3,93,21,98,604</u>
Direct Taxes Paid (Net)	<u>(1,20,63,82,684)</u>	<u>(1,45,97,06,253)</u>
Cash-flow before extra ordinary items:	<u>5,53,55,73,132</u>	<u>2,47,24,92,351</u>
Extra ordinary items:	-	-
Net Cash-Flow from Operating Activities	<u>5,53,55,73,132</u>	<u>2,47,24,92,351</u>
B Cash-Flow from Investing Activities:		
Purchase of fixed assets	(1,42,46,18,000)	(32,19,92,703)
Sale of fixed assets	7,01,92,720	87,36,410
Redemption / Purchase of Investments	(73,99,96,800)	2,17,89,600
Interest Received	-	6,04,330
Interest from Bank and Companies	17,44,12,521	23,27,49,667
Dividend & Income from units	2,46,45,326	1,94,95,480
Net cash used in Investing Activities	<u>(1,89,53,64,233)</u>	<u>(3,86,17,216)</u>
C Cash-Flow from Financing Activities:		
Total proceeds from Share Capital	-	-
Total proceeds from borrowing (net)	(2,62,50,00,000)	(1,85,71,42,857)
Interest & financial charges	(26,11,22,550)	(53,90,83,896)
Dividend paid	(74,25,98,178)	(37,20,44,100)
Net cash used in Financing Activities	<u>(3,62,87,20,728)</u>	<u>(2,76,82,70,853)</u>
Net increase in Cash & Cash Equivalents	1,14,88,171	(33,43,95,718)
Cash & Cash Equivalent at the beginning of year	94,62,62,047	1,28,06,57,765
Cash & Cash Equivalent at the end of year	95,77,50,218	94,62,62,047

Notes: 1. Cash and Cash Equivalents include Cash and Bank Balances
2. The Cash Flow Statement has been prepared under the 'Indirect Method'.

S.R. Bhatt
General Manager (Accounts)

L. Kulshrestha
General Manager (Finance)

M.Sahu, IAS
Chairman

V.S.Gadhavi, IAS
Managing Director

Joel Evans
Company Secretary

Vinay Vyasa, IAS
Director

Bhadresh Mehta
Director

Place : Ahmedabad
Date : 26th May, 2010

As per our report of even date attached
For Jain Seth & Co.

Chartered Accountants
CA. Vasudev Upadhyay
Partner

M. No.048175
Place : Ahmedabad
Date : 26th May, 2010

ANNEXURES TO THE BALANCE SHEET

Particulars	As at 31-03-2010 Rs.	As at 31-03-09 Rs.
SCHEDULE - 1 SHARE CAPITAL		
Authorised :		
74,50,00,000 Equity shares of Rs. 2/- each (Previous year 74,50,00,000 Equity shares of Rs. 2/- each)	1,49,00,00,000	1,49,00,00,000
1,00,000 Preference shares of Rs.100 each (Previous year 1,00,000 Preference shares of Rs. 100 each)	1,00,00,000	1,00,00,000
	<u>1,50,00,00,000</u>	<u>1,50,00,00,000</u>
Issued,Subscribed and Paid-up :		
31,80,00,000 Equity shares of Rs.2/- Each (Previous year 31,80,00,000 Equity shares of Rs.2/- Each)	63,60,00,000	63,60,00,000
Total 31,80,00,000 Equity shares of Rs.2/- Each (out of the above 30,21,00,000 Shares were issued as fully paid bonus shares by Capitalisation of the General Reserve)		
Total	<u>63,60,00,000</u>	<u>63,60,00,000</u>
SCHEDULE - 2 RESERVES AND SURPLUS		
General Reserve :		
Balance as per last Balance-sheet	10,25,70,63,208	9,82,50,63,208
Add : Transferred from Profit & Loss Account	2,00,00,00,000	75,00,00,000
Less : Issue of bonus equity shares	—	31,80,00,000
	<u>12,25,70,63,208</u>	<u>10,25,70,63,208</u>
Balance of Profit & Loss Account	<u>1,16,26,93,612</u>	<u>1,29,39,97,894</u>
Total	<u>13,41,97,56,820</u>	<u>11,55,10,61,102</u>
SCHEDULE - 3 UNSECURED LOANS		
Loan From Gujarat State Financial Services	2,16,07,14,286	4,78,57,14,286
Total	<u>2,16,07,14,286</u>	<u>4,78,57,14,286</u>
Repayable within one year	1,50,00,00,000	1,50,00,00,000
SCHEDULE - 4 NET DEFERRED TAX LIABILITY		
(a) Deferred Tax Assets on account of : Disallowance under Income Tax	<u>18,65,59,059</u>	<u>7,91,79,887</u>
	<u>18,65,59,059</u>	<u>7,91,79,887</u>
(b) Deferred Tax Liabilites on account of : Depreciation, Gratuity and others	<u>2,58,50,76,865</u>	<u>2,37,57,11,584</u>
Net Deferred Tax Liability	<u>2,39,85,17,806</u>	<u>2,29,65,31,697</u>



GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

SCHEDULE - 5, FIXED ASSETS :

Sr. No.	Particulars	GROSS BLOCK (AT COST)			DEPRECIATION				NET BLOCK		
		As on 1-4-2009 Rs.	Additions/ Adjustments Rs.	Deductions Rs.	As on 31-3-2010 Rs.	Up to 31-3-2009 Rs.	For the year 2009-10 Rs.	Deductions/ Adjustments Rs.	As on 31-3-2010 Rs.	As on 31-3-2010 Rs.	As on 31-3-2009 Rs.
1	Free hold Land	62,50,52,371	7,93,96,046	-	70,44,48,417	2,82,82,680	1,73,77,754	-	4,56,60,434	65,87,87,983	59,67,69,691
2	Buildings	2,40,86,22,369	1,35,30,394	87,79,926	2,41,33,72,837	66,70,46,143	16,61,42,008	34,36,721	82,97,51,430	1,58,36,21,407	1,74,15,76,226
3	Plant & Machinery	15,04,27,94,339	1,23,19,51,205	18,55,26,879	16,08,92,18,665	4,54,98,05,175	65,14,37,007	18,12,39,210	5,02,00,02,972	11,06,92,15,693	10,49,29,89,164
4	Furniture, Fixtures & Appliances	21,24,29,448	81,39,314	37,21,736	21,68,47,026	14,09,16,148	1,42,25,870	35,74,634	15,15,67,384	6,52,79,642	7,15,13,300
5	Vehicles	10,84,07,689	1,28,43,038	93,21,656	11,19,29,071	8,31,41,032	76,56,258	89,92,312	8,18,04,978	3,01,24,093	2,52,66,657
6	Asset not owned by Corpn.*	24,17,40,989	-	24,17,40,989	-	9,97,81,359	-	9,97,81,359	-	-	14,19,59,630
7	Leased Assets :										
	Vehicles	22,50,17,273	-	-	22,50,17,273	21,30,46,481	46,92,240	-	21,77,38,721	72,78,552	1,19,70,792
	Total Rs.	18,86,40,64,478	1,34,58,59,997	44,90,91,186	19,76,08,33,289	5,78,20,19,018	86,15,31,137	29,70,24,236	6,34,65,25,919	13,41,43,07,370	13,08,20,45,460
	Total as on 31-3-2009 Rs.	18,46,53,40,879	43,65,66,349	3,78,42,750	18,86,40,64,478	5,03,70,32,210	77,77,76,648	3,27,89,840	5,78,20,19,018	13,08,20,45,460	13,08,20,45,460
	Capital works in progress (including un-installed machinery, etc.)									9,72,49,830	1,95,02,240
	TOTAL									13,51,15,57,200	13,10,15,47,700

STATEMENT SHOWING WRITTEN OFF ASSETS AWAITING DISPOSAL INCLUDED IN FIXED ASSETS STATED ABOVE

Sr. No.	Particulars	GROSS BLOCK (AT COST)			DEPRECIATION				NET BLOCK		
		As on 1-4-2009 Rs.	Additions/ Adjustments Rs.	Deductions Rs.	As on 31-3-2010 Rs.	Up to 31-3-2009 Rs.	For the year 2009-10 Rs.	Deductions/ Adjustments Rs.	As on 31-3-2010 Rs.	As on 31-3-2010 Rs.	As on 31-3-2009 Rs.
1	Plant & Machinery	5,42,77,784	45,43,159	1,60,68,680	4,27,52,263	5,29,41,387	44,63,230	1,58,33,771	4,15,70,846	11,81,417	13,36,397
2	Furniture, Fixtures & Appliances	8,56,262	19,98,722	13,833	28,41,151	8,14,024	19,46,791	13,142	27,47,673	93,478	42,238
3	Vehicles	70,70,333	10,40,157	24,38,551	56,71,939	67,99,435	10,23,589	23,40,587	54,82,437	1,89,502	2,70,898
	Total Rs.	6,22,04,379	75,82,038	1,85,21,064	5,12,65,353	6,05,54,846	74,33,610	1,81,87,500	4,98,00,956	14,64,397	16,49,533
	Total as on 31-3-2009 Rs.	6,37,69,954	2,15,91,880	2,31,57,455	6,22,04,379	6,21,88,175	2,11,23,466	2,27,56,795	6,05,54,846	16,49,533	-

NOTE : a) Inter-assets depreciation fund is subject to reconciliation.

b) Fixed Assets which were shown as assets not owned by the Corporation in FY 2008-09 has been transferred to deferred revenue expenditure during the FY 2009-10 as per the final comment of C&AG on the accounts of the Corporation for the FY 2008-09

Schedule - 6 INVESTMENTS (At cost)(fully paid)

Long Term

(1) Quoted:

Shares :

(i) 32,68,480 (P.Y. 32,68,480) Equity Shares of Rs.10 each of Gujarat Alkalies & Chemicals Ltd. (Refer note no. 15 of Schedule 17)	34,14,24,000	34,14,24,000
(ii) 10,00,000 (P.Y.10,00,000) Equity shares Rs.10 each of Gujarat State Fertilisers & Chemicals Limited	10,01,25,000	10,01,25,000
(iii) 9,35,600 (P.Y. 9,35,600) Equity shares of Rs.10 each of Gujarat State Financial Corporation Less : Provision made for diminution in value	1,87,12,000	1,87,12,000
	1,87,12,000	1,87,12,000
(iv) 7,77,900 (P.Y. 7,77,900) Equity shares of Rs.10 each of Vijaya Bank	77,79,000	77,79,000
	44,93,28,000	44,93,28,000

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Annexures to the Balance Sheet	Rs.	As at 31-03-2010 Rs.	As at 31-03-2009 Rs.
(2) Unquoted:			
Shares :			
(i) 10,00,000 (P.Y.10,00,000) Equity shares of Rs.10 each of Gujarat Informatics Limited	1,00,00,000		1,00,00,000
(ii) 1,000 (P.Y. 1,000) Equity shares of Rs.100 each of Gujarat Industrial Technical Consultancy Organization Limited	1,00,000		1,00,000
(iii) 74,25,000 (P.Y. 74,25,000) Equity Shares of Rs.10 each of Gujarat Guardian Limited	7,42,50,000		7,42,50,000
(iv) 2,61,72,800 (P.Y.20,00,000) Equity Shares of Rs.1 (P.Y. Rs.10) each of Gujarat State Petroleum Corporation Limited	50,99,96,800		1,00,00,000
(v) 2,80,00,000 (P.Y. 40,00,000) Shares of Rs. 10/- each of Bhavnagar Energy Company Ltd.	28,00,00,000		4,00,00,000
(vi) 1,90,840 (P.Y. 1,90,840) Shares of Rs. 10 each of Gujarat Jaypee Cement and infrastructure Ltd	19,08,400		19,08,400
		87,62,55,200	13,62,58,400
		1,32,55,83,200	58,55,86,400
Aggregate cost of quoted investments [Market value of Rs.66,92,22,715 (P.Y.Rs.29,92,17,709)]		46,80,40,000	46,80,40,000
Aggregate cost of unquoted investments		87,62,55,200	13,62,58,400
Total		1,34,42,95,200	60,42,98,400

SCHEDULE — 7 CURRENT ASSETS, LOANS & ADVANCES :

SCHEDULE — 7.1 Inventories

Stores & Spare Parts (Gross)	43,43,35,173	41,54,97,000
Less: Provision for obsolete stores	1,83,22,551	1,83,22,551
	41,60,12,622	39,71,74,449
Loose Tools	14,90,039	12,35,240
Stores & Spares in transit	1,59,98,831	15,18,313
	43,35,01,492	39,99,28,002
Stock-in-trade :		
Mined Ore (Gross)	23,39,79,956	16,04,90,409
Less: Provision for obsolete stock	5,97,399	5,97,399
	23,33,82,557	15,98,93,010
Finished Goods	5,82,16,854	3,20,48,717
	29,15,99,411	19,19,41,727
Total	72,51,00,903	59,18,69,729

SCHEDULE — 7.2 SUNDRY DEBTORS: (Un-secured)

(a) Outstanding for a period exceeding six months :		
Considered Good (including lease debtors)	10,37,80,060	9,96,62,699
Considered Doubtful	75,98,501	75,98,501
	11,13,78,561	10,72,61,200
(b) Other Debts : (including lease debtors)		
Considered Good	38,61,91,391	82,65,73,013
	49,75,69,952	93,38,34,213
Less : Provision	75,98,501	75,98,501
Total	48,99,71,451	92,62,35,712



GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

Annexures to the Balance Sheet

	Rs.	As at 31-03-2010 Rs.	As at 31-03-2009 Rs.
SCHEDULE — 7.3 CASH AND BANK BALANCES			
1 Cash & Stamps in hand	<u>2,02,285</u>		<u>1,84,213</u>
		2,02,285	1,84,213
2 With Scheduled Banks :			
(i) In Current Accounts*	48,88,14,814		52,15,05,982
(ii) In Fixed Deposit Accounts	<u>46,87,33,119</u>		<u>42,41,38,297</u>
		95,75,47,933	94,56,44,279
3 With Non-Schedule Banks : Maximum Balance			
(a) In Fixed Deposit Account (Rs.)			
(i) Ahmedabad Mahila Nagrik Sahkari Bank Limited, Ahmedabad (in liquidation) (PY 24 00 000)	24,00,000 24,00,000		24,00,000
(ii) Ahmedabad Urban Co-operative Bank, Ahmedabad [in liquidation] (PY 3 50 00 000)	3 50 00 000 3,50,00,000		3,50,00,000
Less : Provision made for Doubtful FDR	<u>3,74,00,000</u>		<u>3,74,00,000</u>
	—		—
(b) In Current Account with : Baroda Central Co-operative Bank, Kawant (Maximum Balance NIL) (PY 24,67,737)		—	4,33,555
Total		95,77,50,218	94,62,62,047
*Includes balance in unclaimed dividend accounts		63,17,717	48,27,805
SCHEDULE — 7.4 Oher Current Assets			
Interest accrued but not due on deposits		<u>3,91,31,725</u>	<u>3,45,44,988</u>
Total		3,91,31,725	3,45,44,988
SCHEDULE — 7.5 Loans & Advances :			
(Unsecured, considered good unless otherwise stated)			
Advances recoverable in cash or in kind or for value to be received			
(a) Considered Good	1,27,30,19,771		90,73,83,153
Considered Doubtful	<u>1,14,18,759</u>		<u>1,11,19,256</u>
	1,28,44,38,530		91,85,02,409
Less : Provision	<u>1,14,18,759</u>		<u>1,11,19,256</u>
		1,27,30,19,771	90,73,83,153
(b) Deposits with Corporate Bodies (out of which Rs. 26,29,27,293 (PY Rs.26,29,27,293) is considered doubtful)	1,42,26,41,710		2,89,87,05,278
Less : Provision for doubtful ICD	<u>26,29,27,293</u>		<u>26,29,27,293</u>
		1,15,97,14,417	2,63,57,77,985
(c) Interest accrued and due on deposits [out of which Rs. 15,83,13,400 (PY Rs.15,83,13,400) is considered doubtful]	16,12,75,899		16,12,75,899
Less : Provision for doubtful interest on FDR	<u>15,83,13,400</u>		<u>15,83,13,400</u>
		29,62,499	29,62,499
(d) Other Deposits		11,72,75,150	11,19,42,272
(e) Sales tax Payments made		11,56,06,553	11,55,38,470
(f) Income tax Paid in Advance and Tax deducted at source		9,80,79,90,996	8,60,57,37,313
(g) Balance with central excise and CGM		<u>12,04,96,981</u>	<u>13,25,58,574</u>
Total		12,59,70,66,367	12,51,19,00,266

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Annexures to the Balance Sheet	Rs.	As at 31-03-2010 Rs.	As at 31-03-2009 Rs.
SCHEDULE — 8 CURRENT LIABILITIES & PROVISIONS :			
SCHEDULE —8.1 Current Liabilities			
Sundry Creditors	54,64,46,094		49,60,61,115
Advance Payments from customers	54,61,29,065		52,49,71,551
Credit Balances of Bank accounts	80,93,110		1,99,60,912
Other Liabilities	86,57,48,516		65,10,78,285
Unclaimed Dividend *	63,17,717		48,27,695
Interest accrued but not due on Unsecured loan	4,09,20,376		9,86,31,605
Total		2,01,36,54,878	1,79,55,31,163
SCHEDULE —8.2 Provisions			
Proposed Dividend	79,50,00,000		63,60,00,000
Tax on Dividend	13,51,10,250		10,80,88,200
Provision for Income Tax, FBTand Wealth Tax	7,74,90,73,532		6,59,32,02,533
Provision for Leave Encashment, PFand Gratuity	17,35,73,166		19,90,10,688
Provision for Excise duty on closing stock	36,97,395		39,59,880
Provision for 6th Pay Commission	—		20,29,28,272
Provision for Mine Closure	34,12,37,000		—
		9,19,76,91,343	7,74,31,89,573
Total		11,21,13,46,221	9,53,87,20,736
* There is no amount due and outstanding to be transferred to Investor Education and Protection fund as at 31-3-2010.			
SCHEDULE — 9 MISCELLANEOUS EXPENDITURE :			
(to the extent not written off or adjusted)			
(1) Voluntary Retirement Scheme Deferred Revenue Exp			1,61,04,116
(2) River diversion exp Deferred	2,74,60,405		3,12,88,863
(3) HT Line shifting charges Deferred	4,70,16,000		6,26,88,000
(4) Road Repairs and Maint exp Deferred	10,56,64,064		—
(5) Coal Mine Expenses, Chhattisgadh	33,600		—
Total		18,01,74,069	11,00,80,979



GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

ANNEXURES TO THE PROFIT & LOSS ACCOUNT

Annexures to the Profit & Loss Account	Rs.	2009-10 Rs.	2008-09 Rs.
SCHEDULE — 10 OTHER INCOME			
Income from Investments : (Gross)			
Dividend	2,46,45,326		1,94,95,480
Interest on Tax free Bonds	—		6,04,330
		2,46,45,326	2,00,99,810
Interest (Gross) from :			
Income-tax	1,62,08,481		7,27,89,068
Banks and Companies	17,44,12,521		23,27,49,667
Others	87,26,528		89,65,689
[Tax deducted at source Rs.3,32,86,532 (PY Rs.5,39,65,188)]			
		19,93,47,530	31,45,04,424
Miscellaneous Income		4,91,40,412	10,78,04,491
Profit on Sale of Fixed Assets		6,00,99,130	50,16,365
Lease Rent		43,39,200	43,39,200
Rent		93,37,245	52,59,113
Total		34,69,08,843	45,70,23,403
SCHEDULE — 11 INCREASE IN STOCK			
Closing Stock			
Mined Ore	23,39,79,956		16,04,90,409
Finished Goods	5,82,16,854		3,20,48,717
		29,21,96,810	19,25,39,126
Less: Opening Stock			
Mined Ore	16,04,90,409		11,41,23,027
Finished Goods	3,20,48,717		4,94,46,607
		19,25,39,126	16,35,69,634
Increase in Stock		9,96,57,684	2,89,69,492
SCHEDULE — 12 MANUFACTURING AND OTHER EXPENSES			
Payments to and Provisions for Employees :			
Salary, Wages and Bonus	81,56,06,958		65,55,83,462
Contribution to PF & Other Funds	6,09,38,631		8,14,59,119
Welfare Expenses	5,59,13,378		4,41,66,886
Terminal Benefits	14,86,16,464		2,77,91,186
		1,08,10,75,431	80,90,00,653
Operational and Other Expenses :			
Power and Fuel	1,06,56,60,887		1,21,78,26,194
Consumption of Stores, Spares & Chemicals	4,73,84,025		4,65,24,889
		1,11,30,44,912	1,26,43,51,083
Repairs & Maintenance :			
Buildings	7,92,84,820		2,36,96,559
Machineries (Including spares)	23,71,29,219		20,57,64,997
Other Assets	24,90,72,488		24,33,67,569
		56,54,86,527	47,28,29,125

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Annexures to the Profit & Loss Account	Rs.	Rs.	2009-10 Rs.	2008-09 Rs.
Other Expenditure :				
Rent :				
Machinery Hire Charges		74,32,506		1,27,84,074
Rent		1,26,000		1,91,200
			75,58,506	1,29,75,274
Rates and Taxes :				
Royalty and Dead Rent		62,33,73,636		56,04,64,467
Other Rates & Taxes		6,14,03,772		93,26,095
Excise Duty on Closing Stock		36,97,395		39,50,706
Purchase/Sales Tax paid		-		1,83,891
			68,84,74,803	57,39,25,159
Overburden Removal, Loading, Plant operation and Mining Exp		1,84,71,82,952		1,49,09,05,748
Mine Closure Exp		34,12,37,000		-
Insurance Premium		2,91,28,239		4,76,75,810
Vehicle Hire Charges		3,95,29,016		3,16,73,206
Advertisement and Publicity		1,77,38,506		2,28,06,026
Forest/ Environment Exp		2,84,68,948		2,99,19,995
Rehabilitation Expenses		34,21,542		84,40,645
Security Expenses		7,13,15,110		5,70,36,413
Legal and Professional Fees		98,82,989		1,17,62,646
Payment to auditors :				
Audit fees	4,74,290			4,13,625
For Tax Audit	66,180			55,150
For Report on Corporate Governance	44,120			33,090
Out of Pocket Expenses	5,515	5,90,105		5,01,865
Remuneration to Managing Director		11,44,499		5,84,078
Loss on Sale of Assets		31,859		13,32,865
Directors' Sitting fees & allowances		2,15,000		19,000
Donation		7,97,65,523		5,07,25,545
Provision for Doubtful debts, Loans & Advances		2,99,502		22,00,00,000
Miscellaneous Charges		7,53,89,824		6,48,40,144
			2,54,53,40,614	2,03,82,23,986
Total			6,00,09,80,793	5,17,13,05,280
SCHEDULE — 13 INTEREST				
Interest/ Financial charges :				
Fixed Loans			25,94,59,580	53,72,94,747
Others			16,62,970	17,89,149
Total			26,11,22,550	53,90,83,896
SCHEDULE -14 PRIOR PERIOD ADJUSTMENTS :				
Income :				
Sales				3,98,400
Other Income		(28,99,189)		16,47,881
Total		(28,99,189)		20,46,281



GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

Annexures to the Profit & Loss Account

	Rs.	2009-10 Rs.	2008-09 Rs.
Expenditure :			
Payment to the employees	5,04,233		
Operational & Other Expenses	(10,48,69,659)		2,03,92,760
Consumption of Stores, Chemicals etc.	3,51,828		9,89,086
Repair & Maintenance for Buildings	12,33,783		
Repair & Maintenance for Machineries	11,76,135		17,52,369
Repair & Maintenance for Others			1,22,292
Misc. Mining Expenses	(2,45,000)		(1,94,801)
Royalty & Dead Rent Charges	56,892		–
Rates & Taxes	1,60,309		–
Legal and Professional charges	33,51,984		22,46,000
Consultancy Charges	13,88,067		84,270
Miscellaneous Expenses (net)	665,996		12,64,112.50
Travelling Charges	1,49,085		113.00
Advertisement and Publicity charges	5,42,702		4,35,658
Plantation Charges	–		13,29,071
Short Provision of earlier Years	1,95,341		40,63,245
Common services with GEB	–		2,58,27,825
Total		(9,66,70,296)	5,83,11,888
Net		(9,37,71,107)	5,62,65,607

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SCHEDULE - 15 : Information pursuant to the provisions of Para 3, 4C and 4D of part-II of Schedule-VI to the Companies Act, 1956.

I. Capacity, Production, Turnover and Stock:

Sr. No.	Particulars	Installed Capacity (M.T.)	Opening Stock		Production Quantity (M.T.)	Turnover		Closing Stock	
			Quantity (M.T.)	Value (Rs.)		Quantity (M.T.)	Value (Rs.)	Quantity (M.T.)	Value (Rs.)
1.	Fluorspar Project, Kadipani Mined Ore	Nil	36,701	1,10,10,334	1,00,237	0	0	(a)72,007	2,16,02,098
		(Nil)	(20,672)	(65,11,680)	(66,286)	(3)	(160,777)	(36,701)	(1,10,10,334)
	Powder and Filter-Cake	30,000	1,159	1,46,84,355	8,786	8,877	(b)13,33,40,177	1,068	1,66,54,000
		(30,000)	(2,555)	(3,18,94,562)	(6,901)	(8,295)	(11,25,64,310)	(1,159)	(1,46,84,355)
	Briquettes	14,400	5	92,986	Nil	Nil	Nil	2©	44,864
		(14,400)	(5)	(92,986)	(Nil)	(Nil)	(Nil)	(5)	(91,168)
2.	Bauxite Project , Bhatia Mined Ore	Nil	39,140	83,61,095	NIL	NIL	NIL	39,140	83,61,095
		(Nil)	(60,404)	(1,01,28,342)	(Nil)	(Nil)	(Nil)	(39,140)	(83,61,095)
3.	Bauxite Calcination Project, Gadhsisa (Kutchh) Mined Ore	Nil	7,13,557(d)	13,48,12,182	4,65,058	3,11,064	26,63,49,625(e)	8,39,549 (f)	19,11,71,701
		(Nil)	(4,02,459)	(8,33,09,013)	(4,14,286)	(35,616)	(5,23,08,605)	(7,06,482)	(13,48,12,182)
	Calcined Bauxite	50,000	5,627	1,66,76,877	17,366	18,131	16,26,68,086	4,862	4,09,21,673
		(50,000)	(5,700)	(1,65,87,942)	(41,700)	(41,773)	(34,47,04,438)	(5,627)	(1,66,76,877)
4.	Multi-Metal Project, Ambaji Bulk-Concentrate	15,000	200	Nil	Nil	Nil	Nil	200	Nil
		(15,000)	(317)	(Nil)	(Nil)	(Nil)	(Nil)	(200)	(Nil)
5.	Lignite Projects : Panandhro-Mined Ore	NIL	837	2,61,981	28,38,376	28,37,831(g)	96,46,71,393(h)	1,381	6,75,309
		(NIL)	(NIL)	(NIL)	(36,18,164)	(36,17,327)	(2,07,38,02,678)	(837)	(2,61,981)
	Rajpardi - Mined Ore	NIL	NIL	NIL	9,54,777	9,54,777	1,37,98,87,705(i)	NIL	NIL
		(NIL)	(NIL)	(NIL)	(9,69,000)	(9,69,000)	(1,40,92,37,196)	(Nil)	(Nil)
	Mata no Madh - Mined Ore	NIL	NIL	NIL	28,87,335	28,87,335	2,82,02,94,314	NIL	NIL
		(NIL)	(NIL)	(NIL)	(22,10,687)	(22,10,687)	(2,24,40,34,067)	(Nil)	(Nil)
	Tadkeshwar - Mined Ore	NIL	NIL	NIL	10,48,016	10,48,016	1,40,42,56,263	NIL	NIL
		(NIL)	(NIL)	(NIL)	(9,25,764)	(9,25,764)	(1,22,66,06,090)	(Nil)	(Nil)
	Bhavnagar- Mined Ore	NIL	NIL	NIL	6,51,399	6,51,399	79,67,87,182(j)	NIL	NIL
		(NIL)	(NIL)	(NIL)	(3,84,156)	(3,84,156)	(47,62,39,921)	(NIL)	(NIL)
6.	Power Proj.Nani Chher	250 (MWH)	NIL	NIL	1394 MU	1194 MU(k)	2,69,03,31,230	NIL	NIL
		250 (MWH)	(Nil)	(Nil)	(1105 MU)	(956 MU)	(1,82,88,27,862)	(Nil)	(Nil)
7.	Wind Farm-Maliya	19.5MWH	NIL	NIL	9.91 MU	9.91 MU	3,37,40,572	NIL	NIL
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
8.	Manganese Project- Shivrajpur Mined Ore	Nil	1,273	1,85,767	NIL	NIL	NIL	1,286(l)	1,86,031
		(NIL)	(607)	(75,820)	(666)	(NIL)	(NIL)	(1,273)	(1,85,767)
	Mined ore waste	NIL	NIL	NIL	55,090	55,090	83,28,346(m)	NIL	NIL
		(NIL)	(NIL)	(NIL)	(87,621)	(87,621)	(4,35,82,600)	(NIL)	(NIL)

Notes:

- After considering captive consumption of ore of 64,931 MT (PY 50,254 MT) for production of Powder/Filter Cake.
- After excluding Rs. 1,50,253/- (PY Rs. 52,563) of tailing waste.
- After considering shortage of 3 MT (PY 2 MT).
- After considering excess of 7,075 MT (PY NIL).
- Including Rs. 35,90,060/- (PY Rs. 1,22,61,413) being sales value of fine dust.
- After issue of 28,003 MT (PY Rs. 74,534 MT) plant grade bauxite for production of Calcined Bauxite.
- Including Branch transfer 12,41,051 MT (PY 9,36,441 MT) of Lignite and 4,187 MT (PY 318 MT) of Lime Stone to Power Project-Nani Chher.
- Including Rs. 7,65,858/- (PY Rs. 31,157) being sales value of lime stone.
- Including Rs. 11,64,310/- (PY Rs. 2,73,399) being sales value of clay.
- Including Rs. 87,249/- (PY NIL) being value of Bentonite clay.
- Excluding auxiliary consumption of 200 MU (PY 149 MU).
- After considering excess of 13 (PY NIL) MT.
- After transferring 80% of sales proceeds to GMRDS.



GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

SCHEDULE - 15

Information pursuant to the provisions of Para 3,4C and 4D of part-II Schedule-VI to the Companies Act, 1956, (continued)

	2009-10		2008-09	
	Quantity M.T.	Value Rs.	Quantity M.T.	Value Rs.
II Raw Material Consumed :				
(a) Fluorspar Project, Kadipani Mined Ore	64,931	6,49,69,225	50,254	5,73,39,814
(b) Calcination Project, Gadhsisa Mined Ore	28,003	77,84,834	74,534	1,63,97,480
	92,934	7,27,54,059 *	1,24,788	7,37,37,294 *
*Notional value worked out for costing				
III Consumption of imported & indigenous raw materials, stores and spares :				
(a) Raw Materials	Value Rs.	%	Value Rs.	%
Imported	Nil	Nil	Nil	Nil
Indigenous	7,27,54,059	100	7,37,37,294	100
	7,27,54,059	100	7,37,37,294	100
(b) Components, Stores & Spares	Rs.	%	Rs.	%
Imported	28,33,532	1.2	1,64,214	0.01
Indigenous	23,39,03,651	98.8	19,84,60,091	99.99
	* 23,67,37,183	100	* 19,86,24,305	100
*(Includes Rs.18,93,53,158/- (PY Rs.15,20,99,415/-) charged to Repairs & Maintenance				
IV C.I.F. Value of Imports :		Rs.		Rs.
Components & Spares		78,52,933		37,58,522
Capital Goods		Nil		NIL
		78,52,933		37,58,522
V Expenditure in foreign currency :		Nil		NIL
VI Profit and loss account includes :				
Remuneration to Managing Director as under :				
Remuneration		11,25,643		5,66,325
Perquisites		18,856		17,753
		11,44,499		5,84,078
VII During the year the Corporation has remitted the amount in foreign currency on account of the shareholders as under :				
(a) Year to which dividend relates		2008-09		2007-08
(b) Number of non-resident shareholders		32		13
(c) Number of shares held by them		1,62,984		58,000
(d) Amount of dividend remitted in foreign currency		3,25,968		1,16,000

VIII SEGMENT REPORTING :

The Corporation has identified two reportable segments viz. Mining and Power. Segments have been identified and reported taking into account nature of products and services, the differing risks and returns and the internal business reporting systems. The accounting policies adopted for segment reporting are in line with accounting policy of the corporation with the following additional policies for segment reporting.

- Revenue and expenses have been identified to a segment on the basis of relationship to operating of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".
- Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

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Items	Particulars	2009-10 Rs.	2008-09 Rs.
1	Segment Revenue (net sales/revenue)		
	a) Mining Projects	8,59,76,35,158	8,44,23,80,656
	b) Power Projects	2,76,21,32,815	1,85,44,75,508
	Segment Revenue	11,35,97,67,973	10,29,68,56,164
	c) Un-allocable Corporate Revenue	24,22,53,000	34,24,04,672
	Total Revenue	<u>11,60,20,20,973</u>	<u>10,63,92,60,836</u>
2	Segment Results : (Profit/Loss before interest and tax)		
	a) Mining Projects	3,63,37,19,735	4,30,87,44,047
	b) Power Projects	69,51,78,920	4,74,17,208
	Segment Results	4,32,88,98,655	4,35,61,61,255
	c) Un-allocable Corporate Revenue	23,09,43,617	45,26,33,611
	Total	<u>4,09,79,55,038</u>	<u>3,90,35,27,644</u>
	Less : Interest Paid	26,11,22,550	53,90,83,896
	Add : Interest Income	22,39,92,856	33,46,04,234
	Net Profit before tax	4,06,08,25,344	3,69,90,47,982
	Less : Provision for Current Tax	1,16,01,51,000	1,26,07,61,840
	Add : MAT credit entitlement		1,31,840
	Less : Provision for Deferred Tax	10,19,86,109	7,04,01,992
	Less : Provision for Fringe Benefit tax		49,55,000
	Total Tax Provision	1,26,21,37,109	1,33,59,86,992
	Profit after tax (Enterprise net profit)	2,79,86,88,235	2,36,30,60,990
	Less : Provision for taxes of earliers years (net)	1,17,733	4,88,85,132
	Add : Balance of profit of last year	1,29,39,97,894	47,39,10,236
	Profit available for appropriation	<u>4,09,28,03,862</u>	<u>2,78,80,86,094</u>
3	Segment Assets :		
	a) Mining Projects	2,88,13,68,972	2,57,78,59,002
	b) Power Projects	12,82,39,25,420	12,55,87,90,711
	Total Segment Assets	15,70,52,94,392	15,13,66,49,713
	c) Un-allocable Corporate Assets	4,31,30,49,747	13,75,05,57,988
		<u>20,01,83,44,139</u>	<u>28,88,72,07,701</u>
4	Segment Liabilities :		
	a) Mining Projects	1,44,71,53,339	1,12,03,11,365
	b) Power Projects	2,32,19,97,773	4,94,36,10,118
	Total Segment Liabilities	3,76,91,51,112	6,06,39,21,483
	c) Un-allocable Corporate Liabilities	16,24,91,93,027	22,82,32,86,218
		<u>20,01,83,44,139</u>	<u>28,88,72,07,701</u>
5	Capital Expenditure :		
	(i) Additions :		
	a) Mining Projects	13,40,29,589	23,07,15,359
	b) Power Project	1,20,55,37,128	20,16,96,000
		1,33,95,66,717	43,24,11,359
	c) Un-allocable Capital Expenditure	62,93,280.00	41,54,886
	Total Additions	<u>1,34,58,59,997</u>	<u>43,65,66,245</u>
	(ii) Depreciation :		
	a) Mining Projects	12,63,84,026	12,08,67,636
	b) Power Project	71,87,88,468	63,97,44,548
		84,51,72,494	76,06,12,184
	c) Un-allocable Depreciation	1,63,58,643	1,71,64,464
	Total Depreciation	<u>86,15,31,137</u>	<u>77,77,76,648</u>
6	Segment assets and liabilities are subject to reconciliation.		
7	Segment Revenue of Mining includes Rs.47,81,71,008/- (P.Y.Rs.29,32,05,614/-)being captive consumption of Lignite/Lime for Power Project.		
8	Inter segment transfers of Lignite and Lime are done at cost.		



SCHEDULE 16 : SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING:

The Accounts of the Corporation are prepared under the historical cost convention method using the accrual method. The Corporation generally follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis except that -

Expenses/Income for an amount upto Rs.50,000 in each case is debited/credited as current year's expenses/income.

2. FIXED ASSETS:

- a) The fixed assets are stated at historical cost less depreciation. Cost includes expenditure incurred in their acquisition as well as construction/installation and other related expenditure but excludes cost of fencing.
- b) Capital Work in progress includes machineries not installed and assets in transit.
- c) Cost of civil works required for plant and machinery's support is considered as part of the Plant and Machinery.
- d) Un-serviceable/worn out plant and machineries, vehicles and other assets of the Corporation are written off from the books of account to the extent of 95% of their cost after getting approval of appropriate authorities. The same are stated at the lower of their net book value or net realizable value.

3. MACHINERY SPARES:

Machinery spares for Generating Units, Power Station and Switchyard, etc. either procured alongwith the equipment or subsequently and whose use is expected to be irregular are capitalized and depreciated over the residual useful life of the related plant and machinery. Other spares are treated as "stores and spares" forming part of the inventory and expensed when issued.

4. BORROWING COSTS :

Borrowing costs attributable during the acquisition or construction of qualifying assets are capitalized as part of the cost of the assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

5. DEPRECIATION:

- a) Depreciation has been provided for the fixed assets as under :
 - i) In respect of assets purchased upto 31st March, 1987 on straight line method by writing off 95% of the cost of the block of assets over the specified period of the block of assets under section 205(2)(b) of the Companies Act, 1956 pursuant to the Circular dated 21-5-1986 issued by the Department of Company Affairs at the rates applicable under Income Tax Rules, 1962 in force at the time of acquisition/purchase of assets.
 - ii) In respect of the assets purchased after 31st March, 1987 (except Plant & Machinery of Power Plant and Wind Energy Farm) on written down value method at the rates prescribed in Schedule-XIV to the Companies Act, 1956 from time to time.
 - iii) Depreciation is charged on straight line method as per the rates and in the manner as prescribed by CERC (Terms and Conditions of Tariff) Regulations, 2009 in respect of Plant and Machinery including mandatory/insurance spares of Power Project.
 - iv) Depreciation in respect of Plant and Machinery of Wind Energy Farm is charged on straight line method at the rates prescribed in Schedule XIV to the Companies Act, 1956 from time to time.

- b) On the assets disposed off/discarded during the year, depreciation is charged on pro rata basis upto the date of their disposal/discarding.
 - c) i) Depreciation on assets acquired in respect of Power Project and Wind Energy Farm is charged proportionately from the date of putting them to use on pro rata basis.
ii) Depreciation on the assets acquired during the accounting year in respect of Projects other than Power Project and Wind Energy Farm is charged proportionately for the period from the month of acquisition if it is acquired during the first fortnight of that month or from the subsequent month if acquired during the second fortnight of that month.
 - d) Low value items which are in the nature of assets (excluding immovable assets) and valuing upto Rs.5,000/- are not capitalized and charged off to revenue in the year of acquisition.
 - e) Depreciation on assets given on lease by the Corporation has been provided on Straight Line Method so as to write off 95 percent of the total cost over the primary period of lease.
 - f) i) Leasehold land is written off over the period of lease.
ii) On the basis of the principle of wasting assets, necessary provision has been made in the accounts, which is based on the data available with the Corporation as regards extraction of the minerals as compared to the technical estimation of mineral reserves.
 - g) Capital expenditure incurred on roads not owned by the Corporation is amortized over a period of 5 years.
 - h) Capital expenditure incurred for river diversion work not owned by the Corporation is amortized over a period of 5 years.
 - i) Capital expenditure incurred for shifting of electrical lines, transformer, etc. not owned by the Corporation is amortized over a period of 5 years.
6. INVESTMENTS:
- All the Investments are long term and carried at cost. However, provision is made for diminution in the value of investment other than of temporary nature.
7. INVENTORIES:
- a) Stores, chemicals, spares and loose tools are valued at cost. Cost is ascertained on First in First out basis.
 - b) Raw materials, mined ore, goods-in-process and finished products are valued at lower of cost or net realizable value item-wise. Cost is inclusive of excise duty wherever applicable. Cost is ascertained on First in First out basis.
8. FOREIGN CURRENCY TRANSACTIONS:
- a) Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction.
 - b) Monetary items in foreign currencies are translated at the year end rate. The difference between the rates prevailing on the date of transaction and on the date of settlement as also on the translation of monetary items at the end of the year is recognized as income or expenses as the case may be for the year.
 - c) In respect of the Suppliers' credit for purchase of fixed assets repayable in foreign currency, the exchange difference arising on repayment/realignment liabilities is recognized in Profit and Loss Account.
9. EMPLOYEE BENEFITS:
- a) Post employment benefits i.e. gratuity and leave encashment are recognized as an expense in the Profit and Loss Account for the year in which the employee has rendered services. The expense is recognized



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at the present value of the amount payable for the same. The present value is determined using the market yields of government bonds at the balance sheet date at the discounting rate.

- b) Short term employee benefits are recognized as an expense at the undiscounted amount in the Profit and Loss Account of the year in which the related services are rendered.
- c) Contribution to recognized Provident Fund Trust, loss, if any and other related expenses are charged to the Profit and Loss Account as and when crystallized.
- d) Actuarial gains and losses in respect of post employment and other long term benefits are charged to the Profit and Loss Account.
- e) Compensation paid to the legal heirs of deceased employee while in service is charged to Profit and Loss Account as and when the liability arises.
- f) The principal amount and interest thereon in respect of House Building Advance in case of deceased employee while in service is written off as and when intimation is received.
- g) Compensation paid under voluntary retirement scheme is treated as deferred revenue expenditure to be written off over a period of five years. Expenditure incurred in respect of VRS introduced on or after April 1, 2006 is spread over upto March 31, 2010 as per revised Accounting Standard (AS)-15 "Employee Benefit" issued by ICAI.

10. LIABILITIES FOR PURCHASES:

Provisions are made in respect of materials received upto the end of the accounting year for which bills are not received and are estimated where documentary evidence is not available.

11. REVENUE RECOGNITION:

- a) Sales are recognized at the time of despatch of finished goods. Sales include amounts in respect of excise duty, royalty, transportation and packing charges, wherever applicable but exclude VAT.
- b) Interest recoverable on delayed receipt of lease rentals after the expiry of lease period are accounted when there is certainty of receipt thereof.
- c) The liquidated damage/penalty, if any, on the works completed are determined on completion of contracts and charged as revenue.
- d) Income of lease management fees is spread over the primary period of lease.

12. EXCISE DUTY:

Excise duty is accounted on the basis of both the payments made in respect of goods cleared as also provision made for goods lying in stock.

13. TAXATION:

- a) Provision of income-tax for the current year is based on the estimated taxable income for the period in accordance with the provisions of the Income Tax Act, 1961.
- b) Deferred tax is calculated at current statutory income-tax rate and is recognized on timing difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.
- c) Deferred tax assets subject to consideration of prudence are recognized and carried forward only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

d) MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternate Tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Profit and Loss Account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

14. PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but disclosed in the Notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

15. PRE-OPERATIVE EXPENSES ON MINING PROJECTS:

Pre-operative Expenses of Mines/Mining Projects under implementation incurred upto the date of commencement of the production on commercial basis are written off in the year in which they are incurred.

16. IMPAIRMENT OF ASSETS:

An asset is treated as impaired when carrying cost of asset exceeds its recoverable value. An impairment loss is charged to Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed, if there has been a change in estimate of recoverable amount.

17. REHABILITATION AND RESETTLEMENT EXPENSES:

Rehabilitation and Resettlement Expenses are charged as revenue in the year in which they are incurred.

18. AFFORESTATION EXPENSES:

Afforestation Expenses are charged as revenue to the extent they are incurred by the respective departments.

19. MINES CLOSURE EXPENSES :

Mines closure expenses are charged as revenue as per Guidelines for preparation of Mines Closure Plan issued by the Govt. of India, Ministry of Coal and on the basis of actual reserves, annual production and useful life of the mines, etc. as per technical estimation.

20. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE:

Material adjusting events (that provide evidence of conditions that existed at the balance sheet date) occurring after the balance sheet date are recognized in the financial statements. Non adjusting events (that are indicative of conditions that arose subsequent to the balance sheet date) occurring after the balance sheet date that represent material change and commitment affecting the financial position are disclosed in the reports of the Board of Directors.



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SCHEDULE 17 : NOTES ON ACCOUNTS

1. Contingent liabilities not provided for : Claims against the Corporation not acknowledged as debt Rs.28262.31 (P.Y.Rs.25055.11) lakhs.
 - a) The ex-owners of land acquired for the Akrimota Project of the Corporation have filed suits for enhancement of compensation awarded by the order of the competent authority and the value of enhancement claimed is Rs.773.52 (P.Y.Rs.773.52) lakhs. Necessary adjustment shall be made in accounts after final decision/outcome of the case.
 - b) Claims for additional compensation against acquisition of land at Rajpardi and Panandhro for mining activities of the Corporation are under litigation before the Hon'ble Gujarat High Court. Pending the final disposal of the matters by the Hon'ble High Court, Rs.880.96 (P.Y.Rs.880.96) lakhs has been deposited and shown under the head 'Advance recoverable in cash or kind or for value to be received'. Necessary adjustment shall be made in accounts after final decision/outcome of the case.
 - c) Income-tax : **Rs.13,978.89** (P.Y.Rs.13,359.41) lakhs
 - d) Sales-tax : **Rs.418.73** (P.Y.Rs.418.73) lakhs
 - e) Related to Contractors and Others : **Rs.6,474.23** (P.Y.Rs.6,318.50) lakhs
 - f) Bank Guarantee issued by banks on behalf of the Corporation : **Rs.3,303.99** (P.Y.Rs.3,303.99) lakhs
 - g) Gratuity (The enhanced ceiling of gratuity from Rs.3.50 lakhs to Rs.10 lakhs shall come into force on such date as the Central Govt. may, by notification in the Official Gazette, appoint. The same is subject to receiving notification and approval of the Board of Directors) : **Rs.2,431.99** (P.Y.Rs.NIL) lakhs

In view of the various court cases/litigations and claims disputed by the Company, financial impact as to outflow of resources is not ascertainable at this stage.
2. Estimated amount of Capital Contracts remaining to be executed and not provided for Rs.50,482.15 (P.Y.Rs.9,451.03) lakhs.
3. Pending clearance of the title of the land, sale deed in respect of the land of the Cement Plant at Hadad sold earlier, is not executed and Rs.24.92 (P.Y.Rs.24.92) lakhs are recoverable from the buyer on execution of sale deed. The said amount has been deposited by the party before the Danta Court.
4. In view of the Supreme Court's decision in respect of mining activities, applications made by the Corporation for renewal of leases covering 2040 (P.Y.2040) hectares of land for extracting bauxite, lignite, fluorspar, etc. are pending since 1993-94. Necessary adjustment in respect of liability for lease rent and royalty will be provided in accounts on finalization of renewal applications.
5. Royalty on account of sale of Bauxite and Manganese Ore has been deposited on adhoc basis as intimated by the Commissioner of Geology and Mining. Necessary adjustment shall be made in the accounts after final outcome of the matter.
6. As per the letter of Industries & Mines Department, Govt. of Gujarat dated 19.11.2009, GMDC has to keep 80% of the sale price of Manganese Ore dump in a separate account of Gujarat Mineral Research & Development Society for mineral survey and exploration. Accordingly, Rs.226.56 lakhs (80% of the basic sale price) has been transferred to GMRDS Account.
7. Ministry of Coal, Govt. of India has circulated the Guidelines dated 27.8.2009 for preparation of Mines Closure Plan. The Corporation is required to deposit every year the annual cost of Mines Closure @ Rs.6 lakhs per hectare of the lease throughout the Mines life. Accordingly, the Corporation has made a provision for Mines Closure Plan amounting to Rs.3,412.36 lakhs for the current year on pro rata basis from the date of the issuance of the Guidelines.

8. As per CERC (Terms and Conditions of Tariff) Regulations 2009, GMDC is required to provide depreciation @ 5.28% p.a. on straight line method on balance depreciable value of Plant and Machinery including mandatory/ insurance spares of Power Plant as on 1.4.2009. Till last year, the depreciation was provided by the Corporation @ 3.60% p.a. on straight line method on the original cost of the aforesaid assets as per the then prevailing CERC Guidelines.

Had the Corporation continued to provide depreciation for Plant and Machinery including mandatory spares of Power Project @ 3.60% p.a. on straight line method on the original cost, the depreciation charged for the current year would have been lower by Rs.703.51 lakhs and profit would have been higher to that extent and net fixed assets would have been higher by Rs.703.51 lakhs.

9. The Corporation has changed the policy for charging depreciation on fencing as the fencing expense is of recurring nature hence, the same is charged as revenue which was hitherto capitalized.

Had the Corporation continued to charge depreciation on fencing to Profit and Loss Account, the expenses for the current year would have been lower by Rs.49.57 lakhs and profit would have been higher to that extent and assets would have been higher by Rs.49.57 lakhs.

10. a) GSECL (erstwhile GEB) and the Corporation had agreed to create common amenities (school, hospital, drinking water supply, communication, transport facilities, etc.) for the employees of both entities in Panandhro in terms of minutes dated 8.10.1991, 3.8.1992, 1.10.1993. These were to be managed by a Trust to be registered in this regard. Pending formation of the Trust, the capital and revenue expenditure incurred by the Corporation as well as GSECL are shared on 50:50 basis and accounted in the books of the respective entity. Share of 50% given by each against the expenditure incurred by respective entity is subject to confirmation and adjustments, if any. Pending transfer of such assets to the Trust, capital expenditure incurred in the creation of assets towards 50% share of GMDC to the tune of Rs.59.40 (P.Y.Rs.59.40) lakhs are accounted in the books of the Corporation and included in the respective heads of the assets.
- b) An amount of Rs.30.80 (P.Y.Rs.179.26) lakhs is payable by GSECL on account of 50% of the revenue expenditure incurred by GMDC towards common facilities at Panandhro, which is subject to reconciliation and adjustments, if any.
- c) In respect of sale of electricity, GUVNL (erstwhile GEB) has considered the Return on Equity, Normative Plant Load Factor and auxiliary consumption @ 13% per annum, 75% and 11% respectively as per letter dated 6.10.2006 issued by Energy and Petrochemicals Department, Government of Gujarat. However, as per Power Purchase Agreement, the rate of Return of Equity is 16%, Normative Plant Load Factor is 68.5% and auxiliary consumption @ 10%. GMDC and GUVNL are in the process of execution of Supplementary Power Purchase Agreement. Pending such execution, the revenue has been booked on the basis of amount paid by GUVNL against electricity bills. Necessary adjustment shall be made in accounts after final outcome of the matter.
11. Gujarat State Road Transport Corporation Limited (GSRTC) had agreed to pay overdue lease rent of Rs.1183 lakhs in installments towards providing 254 buses on lease in respect of Agreement between GMDC and GSRTC dated 21.10.1999, which was credited to Profit and Loss Account in the FY 2005-06 against which an amount of Rs.202 lakhs is received upto 31st March, 2010. Further, we have received a letter dated 29.4.2010 from GSRTC for waiving the lease rentals amounting Rs.981 lakhs in respect of the said lease. GMDC has not accepted their request as (a) there is no direction from Govt. of Gujarat in this regard and (b) in respect of another Agreement dated 10.10.2006 between GMDC and GSRTC for 15 Nos buses provided to GSRTC on monthly lease rent of Rs.3.62 lakhs, GMDC has received the due amount upto March 2010 in full. Hence, no provision has been made for the same.
12. There are no amounts due to the Suppliers covered under Micro, Small and Medium Enterprises Development Act, 2006; this information takes into account only those suppliers who have responded to the enquiries made by the Corporation for this purpose.
13. a) Balance confirmations have not been received from Indian Oil Corporation Limited and Hindustan Petroleum Corporation Limited for Rs.304.20 (P.Y.Rs.375.92) lakhs and Rs.84.55 (P.Y.Rs.106.40) lakhs respectively. The said balances are subject to reconciliation and adjustments in the accounts.



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- b) Balances of Creditors, Debtors, Loans & Advances and Advances from Customers are subject to reconciliation and adjustments, if any, in the accounts.
14. In the opinion of Board of Directors, Current Assets. Loans & Advances have value at which they are stated in the Balance Sheet, if realized in the ordinary course of business, unless otherwise stated and provision for all known liabilities are adequate and not in excess of the amount reasonably necessary.
15. As per the Memorandum of Understanding (MOU) dated 30th March, 1995 entered into with the Gujarat Industrial Investment Corporation Ltd (GIIC), the said company had to repurchase all the shares of Gujarat Alkalies & Chemicals Limited (GACL) purchased by GMDC from GIIC by 30th March, 1998 at an agreed price consisting of cost plus interest @ 14% per annum and service charge @ 0.25% per annum less dividend, bonus and rights, etc. received thereon. GIIC has proposed to enter into a Supplementary MOU by virtue of which GIIC will not be required to buy back the above shares and GMDC shall hold these shares as investment. The Board of Directors of GMDC and GIIC have agreed to enter into Supplementary MOU for which proposal has been sent to the Govt. of Gujarat for its approval.
16. The possession of the Corporation's Guest-house at Bhuj given to Tourism Corporation of Gujarat Limited (TCGL) on 6.8.2002 against proposed sale in terms of letter No GMC-102002-415-CHH.1 dated 10.6.2002 of Ministry of Industries and Mines, Government of Gujarat has been returned to the Corporation on 28.2.2006 in terms of letter No TDC-102001-929-S dated 26.10.2005. TCGL during the period of possession has let out some portion of the Guesthouse. The Corporation is taking necessary steps with TCGL and the Government of Gujarat for recovery of rent for the period of possession, maintenance expenditure, gram panchayat tax and rent recovery from the tenants, which is in process. The said recoveries will be considered in accounts on finalization of negotiations with TCGL and the State Government.
17. Employee Benefits

The disclosures required under Accounting Standard 15 "Employee Benefits" notified in the Companies (Accounting Standards) Rules 2006, are given below :

- a) The following table sets out the status of the gratuity plan as required under AS 15 (Revised 2005) and the reconciliation of opening balances of the present value of the defined benefit obligation.

i. Changes in Present Value of Obligations. (Amount in Rs.)

Particulars	March 31, 2010	March 31, 2009
Present Value of Obligation as at the beginning of the year	36,51,15,610	38,19,26,788
Current Service Cost	2,15,58,107	1,84,52,973
Interest Cost	2,82,96,460	3,05,54,143
Actuarial (gain) / Loss on obligations	9,24,72,654	(5,41,23,002)
Benefits paid	(2,08,88,322)	(1,16,95,292)
Present Value of Obligation as at the end of the year	48,65,54,509	36,51,15,610

ii. Changes in the Fair Value of Plan Assets. (Amount in Rs.)

Particulars	March 31, 2010	March 31, 2009
Fair Value of Plan Assets at the beginning of the year	51,99,32,232	36,10,06,885
Expected Return on Plan Assets	4,02,94,748	2,88,80,551
Actuarial Gain / (loss) on Plan Assets	78,12,115	68,21,357
Contributions	10,00,00,000	13,49,18,731
Benefits Paid	(2,08,88,322)	(1,16,95,292)
Fair Value of Plan Assets at the end of the year	64,71,50,773	51,99,32,232

iii. The amount recognized in Balance Sheet. (Amount in Rs.)

Particulars	March 31, 2010	March 31, 2009
Present Value of Obligations as at the end of the year	48,65,54,509	36,51,15,610
Fair Value of Plan Assets as at the end of the year	64,71,50,773	51,99,32,232
Net Asset / (Liability) recognized in Balance Sheet	16,05,96,264	15,48,16,622

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iv. Amount recognized in the Profit and Loss Account. (Amount in Rs.)

Particulars	March 31, 2010	March 31, 2009
Current Service Cost	2,15,58,107	1,84,52,973
Interest Cost	2,82,96,460	3,05,54,143
Expected Return on Plan Assets	(4,02,94,748)	(2,88,80,551)
Net actuarial (gain) / loss recognized in the year	8,46,60,539	(6,09,44,359)
Expenses/(Income) Recognized in the Statement of Profit & Loss	9,42,20,358	(4,08,17,794)

v. Investment Details

Particulars	% Invested as at	
	March 31, 2010	March 31, 2009
Funds with L.I.C.	100	100

vi. Assumptions

Particulars	March 31, 2010	March 31, 2009
Mortality Table (LIC)	1994-96 (Ultimate)	1994-96 (Ultimate)
Discount Rate	8.25%	7.75%
Rate of increase in Compensation Levels	5.50%	5.50%
Rate of Return on Plan Assets	8.25%	7.75%

The estimates of rate of escalation in salary considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

Expected rate of return on plan assets is determined on the basis of benchmark rate available on Government Securities for the tenure of 13 years.

- b) Consequent to the Guidance on implementing Accounting Standard 15 "Employees Benefits" (AS-15) which clarifies the applicability of the Accounting Standard, the Corporation has considered certain entitlements to earned leave which can be carried forward to future periods as a long term employee benefit.
- c) The Corporation's Provident Fund Trust is exempted under Section 17 of the Employees' Provident Fund Act, 1952. The interest payable by the Provident Fund Trust is notified by the Govt. of India and the Corporation has an obligation to make good the shortfall, if any. However, considering the uncertainties in working out interest deficiency on actuarial basis, the Corporation has considered the provident fund benefit provided to the employees as Defined Contribution Plan as per the opinion given by a CA Firm and accounting for the same is permitted straight forward as per Accounting Standard 15 "Employees Benefits" (AS-15). Hence, the provision of Rs.126.36 lakhs as on 31.3.2009 for the same has been reversed in the current year and accounted as income.

Had the Corporation charged the income of Rs.9.31 lakhs to Profit and Loss Account as per actuarial valuation and not reversed the provision of Rs.126.36 lakhs, the profit would have been lower by Rs.117.85 lakhs and liability would have been higher to that extent.

18. Earning per share :	2009-10	2008-09
Profit after tax (in rupees)	2,79,88,05,968	2,31,41,75,858
Weighted average no. of equity shares outstanding	31,80,00,000	31,80,00,000
Basic and diluted earnings per share (in rupees)	8.80	7.28

19. Related party disclosures on 31.3.2010 :

a) Key Management Personnel

Shri M. Sahu, IAS	Chairman
Shri V. S. Gadhavi, IAS	Mg. Director



GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

b) Particulars of remuneration paid to Mg. Director are given below :

Shri V. S. Gadhavi, IAS Rs.11,44,499/-

c) Associates :

Investments :

Sr No	Particulars	Bhavnagar Energy Co Ltd	Gujarat Guardian Ltd	Gujarat Jaypee Cement & Infra structure Ltd
1	Balance as at 1st April, 2009	Rs.4,00,00,000	Rs.7,42,50,000	Rs.19,08,400
2	Addition during the year	Payment of Rs.24,00,00,000 towards equity contribution	Nil	Nil
3	Balance as on 31.03.2010	Rs.28,00,00,000	Rs.7,42,50,000	Rs.19,08,400
4	Income from Investment during the year	Nil	74,25,000	Nil

20. In compliance with the clauses of Accounting Standard 27 (AS-27) issued by the Institute of Chartered Accountants of India (ICAI), relevant disclosures relating to Joint Ventures are as follows :

Sr No	Name of Joint Venture	Country of Incorporation	Proportion of Ownership
1	Naini Coal Co Ltd	India	50%
2	Gujarat Jaypee Cement & Infrastructure Ltd	India	26%
3	Gujarat Gokul Power Ltd	India	26%
4	Bhavnagar Energy Co Ltd	India	16%

21. Disclosures as regards leased assets :

	2009-10	2008-09
a) (Vehicles)		
1. Gross carrying amount	RS. 22,50,17,273	RS. 22,50,17,273
2. Accumulated depreciation	RS. 21,77,38,721	RS. 21,30,46,481
3. Depreciation charged to P&L A/c	RS. 46,92,240	RS. 46,92,240

b) Future minimum lease payments receivable under non-cancellation operating leases in the aggregate and for each of the following period :

	2009-10	2008-09
(i) Not later than one year	RS. 18,08,000	43,39,200
(ii) Later than one year and not later than five years	-	RS. 18,08,000
(iii) Later than five years	-	-

c) The Corporation has given vehicles on lease to a State Government Undertaking.

22. Figures of the Previous Year have been re-grouped / re-arranged, wherever necessary, to make them comparable with the figures of the current year.

**23 Information Pursuant to Part-IV of Schedule VI to the Companies act,1956
Balance-Sheet Abstract and Company's General Business Profile**

(A) Registration No. :	1206 of 1963-64
State code	04
Balance-Sheet Date	31-Mar-10
(B) Capital Raised during the year :	
Public Issue	NIL
Right Issue	NIL
Bonus Issue	NIL
Private Placement	NIL
(C) Position of mobilisation and deployment of funds: (in thousand Rupees)	
Total Liabilities	1,86,14,989
Total Assets	1,86,14,989
Sources of Funds :	
Paid up Share Capital	6,36,000
Reserves and Surplus	13,41,957
Secured Loans	
Unsecured Loans	21,60,714
Net Deferred tax Liability	23,98,518
Application of Funds :	
Net Fixed Assets	1,35,11,557
Investments	13,25,583
Net Current Assets,Loans and Advances	35,97,675
Miscellaneous Expenditure	1,80,174
Accumulated Losses	NIL
(D) Performance of the Company : (in thousand Rupees)	
Turnover (including other income)	1,11,15,260
Total Expenditure	70,54,435
Profit before tax	40,60,825
Profit after tax (after adjustment of short provision of tax)	27,98,806
Earning per share in Rupees	8.80
Dividend rate (%)	125
(E) Generic Names of the Principal Products/services of the company: (as per monetary terms)	
(i) Item code no	270220-00
Product description	Lignite
(ii) Item code no	-
Product description	Generation of Electricity
(iii) Item code no	260600-02
Product description	Calcined Bauxite
(iv) Item code no	260600-01
Product description	Bauxite
(v) Item code no	252921-00
Product description	Fluorspar

Signature to Schedule 1 to 17

S.R. Bhatt
General Manager (Accounts)

L. Kulshrestha
General Manager (Finance)

M.Sahu, IAS
Chairman

V.S.Gadhavi, IAS
Managing Director

Joel Evans
Company Secretary

Vinay Vyasa, IAS
Director

Bhadresh Mehta
Director

Place : Ahmedabad
Date : 26th May, 2010

As per our report of even date attached

For Jain Seth & Co.
Chartered Accountants
CA. Vasudev Upadhyay
Partner
M. No.048175

Place : Ahmedabad
Date : 26th May, 2010



GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

CERTIFICATE BY CEO AND CFO FOR ANNUAL ACCOUNTS 2009-10

- a) We have reviewed the Balance Sheet and the Profit and Loss Account and all the Schedules and Notes on Accounts as well as the Cash Flow Statement for the year and certify that to the best of our knowledge and belief :
- i) these statements do not contain any materially untrue statement or omit any material fact nor contain statements that might be misleading;
 - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing Accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative to 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 that we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of which such internal controls, if any, of which we are aware, and the steps we have taken or proposed to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee :
- i) significant changes in internal controls over financial reporting during the year;
 - ii) significant changes in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) instances of significant fraud of which we have become aware and the involvement therein if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

L. Kulshrestha
General Manager (Finance)

S.R. Bhatt
General Manager (Accounts)

V.S. Gadhavi, IAS
Managing Director

GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

Registered Office : Khanij Bhavan, Off: 132 Ft. Ring Road, Near University Ground, Vastrapur, Ahmedabad – 380 052

PROXY FORM

Regd. Folio No. _____ Class of Shares : _____
I/We _____ of _____
_____ being a Shareholder of
Gujarat Mineral Development Corporation Limited, holding _____ Shares denoting
Nos. _____
to _____ hereby appoint _____
of _____
_____ (or failing him _____
of _____) as my /
our Proxy to vote for me/us on my/our behalf at the 47th Annual General Meeting of the Company to be held at the Registered
Office of the Company at Khanij Bhavan, Off: 132 Ft. Ring Road, Near University Ground, Vastrapur, Ahmedabad 380 052 at
11.00 a.m. on Tuesday, the 28th September, 2010 and at any adjournment thereof.

Dated _____ day of _____ 2010

Revenue
Stamp
Rs.1.00

Note : This form, in order to be effective, should be duly stamped, completed and signed and must be deposited at the
Registered Office of the Company, not less than 48 hours before the meeting.

GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

Registered Office : Khanij Bhavan, Off: 132 Ft. Ring Road, Near University Ground, Vastrapur, Ahmedabad – 380 052

ATTENDANCE SLIP

Regd. Folio No. _____ No. of Shares held _____

Class of Shares : _____

I certify that I am registered Shareholder / proxy for the registered shareholder of the Company. I hereby record my presence
at the 47th Annual General Meeting of the Company at the Registered Office of the Company, at Khanij Bhavan, Off: 132 Ft.
Ring Road, Near University Ground, Vastrapur, Ahmedabad – 380 052 at 11.00 a.m. on Tuesday, the 28th September, 2010
and at any adjournment thereof.

(Shareholder's / Proxy
name in block letters)

Signature of
Shareholder / Proxy

Note : Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring
their copies of the Annual Report of the Company.

BOOK-POST

To,



**GUJARAT
MINERAL
DEVELOPMENT
CORPORATION
LIMITED**

(A GOVT. OF GUJARAT ENTERPRISE)

Registered Office :

"Khanji Bhavan", 132Ft. Ring Road,

Nr. University Ground, Vastrapur, Ahmedabad - 380 052.

Phone : 2791 3200 / 3501 / 1662 / 1680 / 0665 / 2416 / 2457 / 2443 / 1340

FAX : (079) 2791 3038 / 1151 / 1454 / 1822 / 0969

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