

50th
Annual Report
2012-2013



FUELING THE GROWTH

**GUJARAT MINERAL DEVELOPMENT
CORPORATION LIMITED**

ANNUAL REPORT 2012-2013

BOARD OF DIRECTORS

CHAIRMAN

Shri M. Sahu, IAS

MANAGING DIRECTOR

Shri V.S. Gadhavi, IAS (up to 31.1.13)
Shri B.B. Swain, IAS (up to 30.4.13)
Shri Pankaj Kumar, IAS (From 1.5.13)

COMPANY SECRETARY

Shri Joel Evans

AUDITORS

M/s P. Singhvi & Associates,
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 : cosec@gmdcltd.com
Website : www.gmdcltd.com

DIRECTORS

Ms. S. Aparna, IAS
Shri Vinay Vyasa, IAS (up to 30.6.13)
Shri T. Natarajan, IAS (w.e.f. 1.7.13)
Shri Bhadrash Mehta

BANKERS

Bank of Baroda
Dena Bank
Vijaya Bank
Axis Bank Ltd.
HDFC Bank Ltd.
State Bank of India
Union Bank of India
IDBI 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 Projects

Maliya (Dist. Rajkot)
Jodia (Dist. Jamnagar)
Gorsar (Dist. Porbandar)
Bada (Dist. Kutch)
Varvala (Dist. Jamnagar)
Bhanvad (Dist. Jamnagar)

Solar Project

Panandhro (Dist. Kutch)

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. (079) 2658 2878
Fax: (079) 2658 1296

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AGM DATE, DAY, TIME & VENUE

Date of AGM :	27.09.2013
Day :	Friday
Time :	11.00 a.m.
Venue :	Registered Office of the Company Khanij Bhavan, 132 Ft. Ring Road, Near University Ground, Vastrapur, Ahmedabad - 380 052.

FINANCIAL RESULTS

Sr.	Particulars	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04
(A)	Profit & Loss Account										
1.	Total Turnover	1,74,762.51	1,69,599.76	1,42,752.68	1,06,608.05	98,121.21	98,105.54	58,895.65	43,374.08	36,925.50	27,295.60
2.	Profit before tax	90,368.72	71,769.78	58,461.07	40,608.25	36,990.48	40,839.48	16,775.22	6,669.12	16,799.15	12,046.25
3.	Interest	-	744.87	1,528.32	2,611.22	5,390.84	7,024.77	7,370.52	5,054.94	20.34	88.56
4.	Depreciation	11,738.40	10,833.29	9,295.55	8,615.31	7,777.77	9,553.69	12,932.05	13,034.02	804.22	1,133.37
5.	Provision for tax	30,284.51	23,086.50	20,984.72	12,621.37	13,359.87	14,446.38	5,907.38	2,494.48	6,478.03	3,950.57
6.	Profit after tax	60,084.21	48,683.28	37,476.35	27,986.88	23,630.61	26,393.10	10,867.85	4,174.64	10,321.13	8,095.59
7.	Short/Excess provision of tax of earlier years	-	-	30.70	1.17	488.85	-	1,420.48	649.31	20.33	0.08
8.	Net Profit after short/excess tax prov of earlier years	60,084.21	48,683.28	37,507.05	27,988.05	23,141.76	26,393.10	9,447.37	3,525.33	10,341.46	8,095.51
9.	Balance of profit of last year	15,642.01	13,046.36	11,626.94	12,939.98	4,739.10	2,066.44	1,339.52	2,989.78	1,461.33	1,980.17
10.	Profit available for appropriation	75,726.22	61,729.64	49,133.99	40,928.03	27,880.86	28,459.54	10,786.89	6,515.11	11,802.79	10,075.68
11.	Dividend in %	150.00	150.00	150.00	125.00	100.00	100.00	100.00	60.00	50.00	45.00
12.	Dividend in Rupees	9,540.00	9,540.00	9,540.00	7,950.00	6,360.00	3,180.00	3,180.00	1,908.00	1,590.00	1,431.00
(B)	Balance Sheet										
1.	Share Capital	6,360.00	6,360.00	6,360.00	6,360.00	6,360.00	3,180.00	3,180.00	3,180.00	3,180.00	3,180.00
2.	Reserves & Surplus	2,47,135.53	1,98,212.64	1,60,616.99	1,34,197.57	1,15,510.61	1,02,989.73	80,693.28	74,966.36	73,616.63	65,088.77
3.	Gross Fixed Assets	2,65,632.13	2,55,743.34	2,23,619.18	1,97,608.33	1,88,640.64	1,84,653.41	1,79,178.43	1,71,358.45	92,749.45	37,249.35
4.	Net Fixed Assets	1,78,023.78	1,75,778.06	1,51,739.13	1,34,143.07	1,30,820.45	1,34,283.09	1,37,135.55	1,36,496.96	70,877.57	7,055.98
5.	Net worth	2,53,495.53	2,04,572.64	1,65,852.01	1,38,755.83	120,769.80	105,847.65	80,319.15	74,446.76	73,713.62	66,141.06
(C)	Financial Ratios										
1.	% of Net Profit										
	On Sales	34.38	28.70	26.25	26.25	24.08	26.90	18.45	9.57	27.95	29.66
	On Gross Fixed Assets	22.62	19.04	16.76	14.16	12.53	14.29	6.07	2.44	11.13	21.73
	On net worth	23.70	23.80	22.60	20.17	19.57	24.93	13.53	5.61	14.00	12.24
	On Share Capital	9,44.72	765.46	589.25	440.05	371.55	829.97	341.76	131.28	324.56	254.58
2.	Debt/Equity Ratio	Nil	Nil	0.08	0.15	0.39	0.63	1.14	1.39	1.45	1.16

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NOTICE

Notice is hereby given that the 50th Annual General Meeting of the Shareholders of 'Gujarat Mineral Development Corporation Limited' will be held on 27.09.2013 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 :

1. To receive, consider and adopt the Statement of Profit & Loss of the Corporation for the year ended 31st March, 2013 and the 'Balance Sheet' as on that date and the Report of the Board-of-Directors and Auditors thereon.
2. To declare dividend on Equity Shares for the year ended 31st March, 2013.
3. To fix up the remuneration of Statutory Auditors for the year 2013-14 to be appointed by the Comptroller & Auditor General of India.

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

Date : 28.05.2013
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 18.09.2013 to 27.09.2013 (both dates inclusive).
3. Dividend declared by the Company will be paid within 30 days from the date of the meeting to those Shareholders holding shares in physical form and whose names appear on the Register of the members of the Company on 27.09.2013. In respect of shares held in electronic form, dividend will be payable to those who are beneficial owners of shares after close of business hours on 17.09.2013 as per the details to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). 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. Facility of payment of dividend through ECS / NECS is available. Those shareholders who are holding shares in electronic mode should register their ECS mandate with their respective depository participants directly. For those shareholders who are holding equity shares in physical mode, they are requested to deposit ECS mandate form with the office of the Companies Share Transfer and Registrar Agent M/s MCS Limited, 101, Shatdal Complex, Opp. Bata Show

Room, Ahmedabad-9. ECS mandate form for physical holding is attached to this notice which may be filled up by the shareholders and sent to the Registrar and Share Transfer Agent.

7. 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.
8. 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.
9. Pursuant to provisions of Section 212 of the Companies Act, 1956, the members are hereby informed that the annual accounts of M/s Gujarat State Mining & Resources Corporation Limited (GSMRCL) and the related detailed information shall be made available to the shareholders. The annual accounts of M/s GSMRCL will also be available for inspection by any shareholders during office hours on all working days. Hard copy of details of accounts of GSMRCL shall be furnished to the shareholder/s on demand.
10. 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.
11. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956 dividends for the financial year ended 31st March, 2006 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 financial year ended 31st March, 2006 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	2005-2006	22.12.2006	22.12.2013
2	2006-2007	29.09.2007	29.09.2014
3	2007-2008	11.09.2008	11.09.2015
4	2008-2009	29.09.2009	29.09.2016
5	2009-2010	28.09.2010	28.09.2017
6	2010-2011	30.09.2011	30.09.2018
7	2011-2012	28.09.2012	28.09.2019

By Order of the Board-of-Directors

Joel Evans
Company Secretary

Date : 28.05.2013
Place : Ahmedabad

Registered Office :

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



GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

DIRECTOR'S REPORT 2012-2013

To
The Shareholders,
Gujarat Mineral Development Corporation Limited

Your Directors have pleasure in presenting the 50th Annual Report along with the audited accounts of your Company for the financial year 2012-2013. Our profit after tax for the year is ₹ 60,084 lakhs as against the ₹ 48,683 lakhs of last year.

Financial Results	2012-13 (₹ in lakhs)	2011-12 (₹ in lakhs)
Operating profit	1,04,145	83,348
Less: Interest	-	745
Profit after interest, but before depreciation	1,04,145	82,603
Less: Depreciation	11,738	10,833
Profit before tax & exceptional items	92,407	71,770
Less: Exceptional items	2,038	-
Profit before tax	90,369	71,770
Less: Provision for tax for the year including deferred tax	30,285	23,087
Net profit after tax	60,084	48,683
Add: Balance of Profit brought forward	15,642	13,047
Less: Excess/Short provision of deferred tax liability (net)	-	-
Profit available for appropriation	75,726	61,730
Less: Appropriations		
(i) Proposed dividend	9,540	9,540
(ii) Corporate tax on dividend	1,621	1,548
(iii) General Reserve	40,000	35,000
Balance carried to Balance Sheet	24,565	15,642

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, 2013, 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 judgments 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, 2013 on a Going Concern basis.

DIVIDEND

Your Directors have pleasure to recommend a dividend of 150% i.e. ₹ 3/- per share on equity shares. An amount of ₹ 9,540 lakhs on equity share capital of ₹ 6,360 lacs shall be paid as dividend.

CONTRIBUTION TO STATE EXCHEQUER:

The Company has contributed to the State Exchequer an amount of ₹ 41,511.03 lakhs including Royalty of ₹ 8,633.38 lakhs and Sales Tax of ₹ 32,877.65 lakhs.

SHARE CAPITAL

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

FINANCE AND TAXATION

Income Tax assessment of the Company has been completed up to the Financial Year 2009-10 and the Sales Tax assessment has been completed up to the Financial Year 2008-09.

INTERNAL AUDIT

M/s. Pipara & Co. and M/s. R. S. Patel & Co., Chartered Accountants, were appointed as Internal Auditor of the Company for the year 2012-13.

STATUTORY AUDIT

M/s. P. Singhvi & Associates, Chartered Accountants, were appointed Statutory Auditors of the Company by the Comptroller & Auditor General of India for the year 2012-13.

COST AUDIT

M/s N.D. Birla & Co., were appointed as Cost Auditors in respect of Akrimota Thermal Power Station for the year 2012-13.

REVIEW OF OPERATIONS

The State Government incorporated GMDC with a clear mandate to develop the mineral resources of the state to add to the overall growth chain of the economy. From its humble beginnings with a small silica sand plant to the present day status of mining mammoth, GMDC's success trajectory has grown in tandem with the State's progress.

Lignite is the predominant mineral product of GMDC. A staggering 80% of our revenue comes from the mining operations of lignite mines which are spread across the state. Our lignite mines have proved to be invaluable in fuelling the growth of the state economy. As the sole merchant seller of lignite in India, we have a special policy for small and medium enterprises to supply lignite, thereby boosting the growth of this very important segment of the overall economy. Crucially, the mines have proved to be hubs for both direct and indirect employment, bringing some of Gujarat's remotest regions into the mainstream of development.

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The following chart gives a glimpse of the lignite production of GMDC:

(Production in Million MT)

Mines\Year	2012-13	2011-12	2010-11	2009-10	2008-09
Panandhro	2.85	2.60	2.70	2.84	3.62
Mata no Madh	3.30	3.58	3.70	2.89	2.21
Rajpardi	0.92	0.85	1.08	0.96	0.97
Tadkeshwar	1.91	2.21	1.89	1.05	0.93
Bhavnagar	1.92	2.10	0.86	0.65	0.38
Total	10.90	11.34	10.23	8.38	8.11

GMDC sustained its lignite production of 10.90 Million MT during the year 2012-13 as against 11.34 Million MT during the year 2011-12.

GMDC also runs a 2 x 125 MW power plant at Akrimota village in Kutch District, which is fed lignite mined from our mines in Panandhro. This power plant employs the **Circulating Fluidized Bed Combustion (CFBC)** technology, which was pioneered by GMDC in the State. The power generated from this plant is supplied into the state grid. In addition to this, the Panandhro Lignite mines also supply Lignite at subsidised rates to the State Power Utility GSECL's power plant (Kutch Lignite Thermal Power Station), thus doing its bit to meet the State's power needs.

Bauxite is another major mineral resource that GMDC deals with. Our Bauxite operations are currently concentrated at the Gadhsisa Group of Mines in Kutch District. Bauxite is the raw material for Alumina, a vital raw material for the manufacture of Aluminium.

This group of mines supplies Bauxite to various manufacturers, including one of India's biggest alumina refineries on the eastern coast of the country. This critical supply of Bauxite has triggered interest in various private sector players for setting up Bauxite based value addition projects in collaboration with GMDC.

Fluorspar, the mother project of GMDC is now set to be revamped in a joint venture under public private partnership mode. The project is undergoing a total spin off under this business model.

A recent venture, **Wind Power**, is a non-conventional segment, both to GMDC and to Power Generation in the country. We are all set to achieve the 150 MW target of wind power installation. With this, GMDC has set a new benchmark for any mining player across the nation.

Recycling the mined out land areas, GMDC has set up a very innovative and unique **5 MW solar power project** at Panandhro Lignite Mines. The power plant is set up on mined out reclaimed areas, thus doubling up the benefits of the same land resource.

Acknowledging our stringent commitment to the Environment, the Standing Committee on National Board for Wildlife has cleared the Umarsar lignite mine in Kutch, having **1 million TPA capacity**, as well as Mewasa Bauxite Mine in Jamnagar. This year we also achieved **1 lakh meter drilling exploration** of Lignite, Bauxite, Limestone & Manganese minerals.

GMDC's commitment to its goal of technological advancement in 2013-14 began with the signing of MOU for setting up of an **International Centre of Excellence in Mining, Safety and Automation**. This was signed at the Vibrant Gujarat Global Investors Summit (VGGIS) earlier in 2013.

GMDC is the only State PSU which has given a **nonstop profit performance** since its inception. If the figures of last five years are looked at, the profit performance of GMDC has set newer benchmarks year on year. The Company booked a **record profit** after tax of ₹ 600.84 crores for the year 2012-13, **the highest ever** in its corporate history. With this exemplary performance, GMDC

has also been a precursor in wealth creation for both the State and investors.

GMDC has been feted year on year for its path breaking work and commitment to excellence. This year, Enterprise Resource Planning (ERP) system has been successfully implemented. Your company has been conferred with various awards:

- Gold CIO award from Cyber Media
- National award for E-Governance 2012-13 from Department of Public Reforms and Grievances, Govt. of India
- President Award on "National Mines Safety" conferred on Mata-No-Madh Lignite mine consecutively for two years i.e. 2009 and 2010 (award received on 21.11.2012).

ENVIRONMENT PROGRAMME

GMDC is committed to contributing, in accordance with its capacity, to the global endeavour of environmental protection, including protection of air and water quality, conservation of resources and protection of biodiversity, waste management and control of activities which have an adverse environmental impact.

Towards this commitment, our activities include regular water sprinkling for dust suppression; installation and operation of electrostatic precipitators for stack emission control; sewage and effluent treatment plants for the control of water pollution; and regular noise/vibration measurement for controlling noise pollution from machines. Our commitment to the environment is furthered through our effective Environment Management System and all our projects are certified under ISO 9001, ISO 14001 & OHSAS 18001.

Wildlife Clearance has been received for Umarsar Lignite Project, Taluka Lakhpat, Dist. Kutch, Gujarat, for 1 MTPA Production Capacity as well as the Mevasa I Bauxite Project, Taluka Kalyanpur, Dist. Jamnagar, Gujarat, for 1.25 lac tonnes per Annum Production Capacity, from the Standing Committee of National Board for Wildlife (NBWL) - GOI, New Delhi, under the Wild Life Protection Act, 1972.

We have also received the Environmental Clearance for installation of Pyrite Removal Plant in Surkha (N) Lignite Mine from the Ministry of Environment & Forests (MoEF), Govt. of India, New Delhi. For approvals for the production capacity expansion of Surkha (N) Lignite Project, Bhavnagar, from 3 MTPA to 5 MTPA, a Quality Council of India - National Accreditation Board for Education and Training (QCI-NABET) approved consultant has been engaged for the study as well as preparation of an Environment Impact Assessment/Environment Management Plan (EIA/EMP) Report as per EIA notification (2006) and MoEF guidelines.

GMDC has its own Environmental Department with well qualified staff headed by Chief General Manager (IFS) at Corporate Office, Ahmedabad and by GM (Projects) at projects. For environmental activities at Corporate Office & GMDC projects, Managers, Assistant Managers & Trainee Engineer (Environment) has been appointed to look after environmental management as per regulatory requirements and compliances.

For third party monitoring of environmental control measures and standards, Gujarat Pollution Control Board approved Schedule II auditor has been engaged for monthly environmental monitoring of all GMDC Projects. Additionally, under the directives of Hon'ble High Court of Gujarat, Annual Environmental Auditing work of all GMDC operational projects has been awarded to a Gujarat Pollution Control Board approved Schedule I Auditor.

For in-house environmental monitoring and analysis, an Environmental Laboratory has been installed at Tadkeshwar and



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Bhavnagar Lignite Projects. All statutory returns and reports have been submitted to the regulatory agencies within the time frame as per the statutory provision. Other regular activities include video-conferencing with all Projects on environmental issues, increasing environmental awareness through celebrations such as World Environment Day and Van Mahotsav, and training to GMDC executives and workers.

GMDC has planted a total 2.61 lac seedlings through the Forest department and departmentally on 117.80 ha area in the year 2012-13, which contributes for environmental protection, conservation and restoration of mined out areas. Stabilization of non active and permanent dumps through laying of Geo Coir Mat and plantation of grass as well as plants on experimental basis has been completed in around 20,000 sq mt of area divided in Tadkeshwar, Rajpardi, Bhavnagar, Panandhro & Mata No Madh Lignite Projects. Captive plantation of Eucalyptus saplings in 7.16 ha. of waste area at the Tadkeshwar Lignite Project was achieved through J.K. Paper Ltd. For environmental protection and conservation in seven surrounding villages of Kadipani Project, a contract has been awarded to Gujarat Medicinal Plants Board, Gandhinagar for restoration of medicinal plants.

INDUSTRIAL RELATIONS, HEALTH AND SAFETY

The relations between your Company and its employees continued to be cordial throughout the year. GMDC's commitment to the health and safety of project staff and inhabitants within the surrounding areas of mines by continues through our efforts at 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 Kutch.
3. Uniforms as well as ISI & DGMS approved safety shoes, helmets and devices as per the provisions of the Mines Act.

SOCIALLY RESPONSIBLE AND INCLUSIVE DEVELOPMENT

GMDC has always practised a culture of responsible development. We have constantly strived to reach out to the community in and around our areas of operations, many of which are situated in some of the remotest regions of the State. The community outreach programmes of your Company targets relevant areas of rural development such as health, sanitation, education, agriculture, micro irrigation, water harvesting and rural infrastructure through a participative approach. GMDC provides facilities of mobile dispensaries at various projects thus making health services accessible in these rural areas. The Micro Irrigation Scheme introduced by us in collaboration with Government implementing agencies has also been well received by the farmers' community. During the year under review, GMDC started a three year financial assistance scheme for girl students studying in standard eight to 12, of core zone villages. As you are aware, the operations of your Company are predominantly in the areas of Kutch where water is scarce. Focussing on this requirement, we have carried out water harvesting works. Year on year, GMDC has always attempted to shoulder its Corporate Social Responsibility holistically and strategically.

PARTICULARS OF EMPLOYEES

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

BOARD-OF-DIRECTORS

During the year under review, the Government of Gujarat had

given additional charge of Managing Director, GMDC to Shri B.B. Swain, IAS, vice Shri V.S. Gadhavi, IAS, retired. Further, after the end of Financial Year, the Government of Gujarat has given the additional charge of Managing Director, GMDC, to Shri Pankaj Kumar, IAS, vice Shri B.B. Swain, 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 Company 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 various bodies of State Government of Gujarat 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 Company for their valued co-operation.

For and on behalf of the Board-of-Directors

Sd/-
M. Sahu
Chairman

Date : 28.05.2013
Place : Gandhinagar

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ANNEXURE : I

FORM - A

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

A. Conservation of Energy

(a) Energy Conservation Measures taken

- (a) 2 x 10 KWp Roof top Solar Plant was installed at Shivrajpur, Tadkeshwar, Rajpardi, Mata-no-madh.

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

NIL

(c) Impact of the above measures

- (i) Alternative non conventional energy source will result in saving of traditional energy.

B. Technology absorption

The disclosure is made in the prescribed Form B.

C. Foreign Exchange Earnings and outgo

Total foreign exchange used : AUD 690, EURO 70815.3,
GBP 35164.54, USD 10482

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 Company 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

1. Value addition of low grade manganese mineral.
2. Development of Deep seated lignite and coal deposit thorough Underground Coal Gasification method.
3. Laterite and low alumina content bauxite value addition for use in proposed Alumina projects.
4. Value addition of Silica Sand of Rajpardi mine
5. Exploration of lignite, bauxite, limestone and manganese.
6. Wind Farm project.

Technology absorption, adaptation and innovation

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

1. Installation of wind power farms with a capacity of 121.5 MW.
2. Latest Fluorspar beneficiation technology.
3. Dry beneficiation of Lignite to reduce moisture and sulphur content.

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

1. Generation of clean and sustainable energy.
2. Recovery of ore will improve and process cost will be reduced.
3. Dry beneficiation will improve Calorific value of Lignite from 3000 to 4000 Kcal and dry beneficiated Lignite will be eco friendly fuel.



REPORT ON CORPORATE GOVERNANCE (Pursuant to clause 49 of the Listing Agreement)

Company's philosophy on Code of Governance

GMDC is committed to good governance practices across all the fields where it operates. Being a Government Public Sector Undertaking, GMDC envisages the attainment of the high standards of corporate governance by timely disclosures, transparent accounting policies, responsibility and fairness. The Company is consciously adopting the practices that are transparent and effective. It is its corporate philosophy that good corporate governance practices ultimately results in the enhancement of value for all the stakeholders, be they shareholders, Government, society or business community at large. Its endeavour is to maximize the long term value of the shareholders of the Company.

BOARD-OF-DIRECTORS

Composition

The present strength of the Board is five Directors, The Board of Directors of the Company comprises of mix of both Executive and Non-executive Directors with independent Directors. The Board members consist of persons with professional expertise and experience in various fields of Finance, Accounts, Management, Law, Labour Welfare etc. Further, being a State Government Public Sector Undertaking, majority Directors are IAS Officers who have possessed professional expertise and are appointed by the Government of Gujarat except Shri Bhadresh Mehta.

Category and Designation of Directors:

Sr. No.	Name of Director	Category	Designation	No. of Directorship in other Companies (Excluding Pvt. Limited Companies)	No. of specified Committees (Other than (GMDC) in which chairman/ Member	
						Chairman/Member
1	Maheshwar Sahu, IAS	NED/PD	Chairman/ Director	07	-	-
2	Vasantbhai Shaktidan Gadhi IAS(Please Refer Note No. 5 as mentioned below)	ED/PD	Managing Director	11	-	-
3	Bidyut Behari Swain (Please Refer Note No. 5 as mentioned below)	ED/PD	Managing Director	14	-	-
4	Vinaykumar Yogeshchandra Vyasa, IAS	NED/PD	Director	Nil	-	-
5	Bhadresh Vinaychandra Mehta	NED/ID	Director	Nil	-	-
6	*Ms. S Aparna, IAS	NED/PD	Director	12	-	-
7	Pankaj Kumar, IAS#	ED/PD	Managing Director	-	-	-

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.
4. Outside directorship do not include alternate directorship,

directorship of Private Ltd. Companies, Section 25 Company and of Companies incorporated outside India. The Number of outside Committee position held includes Audit Committee and Investor Grievance Committee only.

5. *Shri B B Swain has been appointed by GOG on 1st February 2013 and Shri V S Gadhi has retired from the Directorship on 31st January 2013 due to his retirement.
6. * PD-Promoter Director, NED-Non Executive Director, ED-Executive Director
7. # Since been appointed as Managing Director w.e.f. 1st May 2013 and on the Board on the date of signing this report.

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 25.5.2012, 26.6.12, 31.7.12, 17.9.2012, 15.10.12, 29.12.12, 29.1.2013 & 8.3.13.

The attendance of each Director at the Board Meetings held during the year and at the last Annual General Meeting held on 28th September, 2012 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	8	7	No
2.	Shri V S Gadhi, IAS, Managing Director *upto 31 st Jan.13	7	7	YES
3.	Shri B B Swain, IAS *From:1 st Feb.,13	1	1	NO
4.	Ms. S Aparna., IAS	8	3	NO
5.	Shri Vinay Vyasa, IAS	8	8	Yes
6.	Shri Bhadresh Mehta	8	8	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 Audit Committee of the Company comprises of following three

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non-executive directors out of which one is Independent Director as on 31.03.2013.

1. Bhadresh Mehta Non-Executive Director/Independent Director
2. Ms. S. Aparna Non-Executive Director/Promoter Director
3. Vinay Vyasa Non-Executive Director/Promoter Director

The Audit Committee is headed by an independent director. The Audit Committee met four times during the Financial Year 2012-13 to discuss *inter alia* the Auditor's Report, adequacy of internal control / internal audit system and functions, to review the unaudited quarterly financial results etc on **25.5.2012, 30.7.2012, 15.10.2012 and 29.1.2013**. The number of meetings of Audit Committee and attendance of members at these meetings during the year are stated as under:

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

The Company Secretary acts as Secretary to the Audit Committee.

The Chairman of the Audit Committee was present at 49th Annual General Meeting of the Company held on 28th September 2012 .

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. None of the Non-Executive Director of the company has any pecuniary relationship or transactions with the Company. Hence no Remuneration Committee has been constituted.

However, the Details of Sitting Fees paid to the Directors for the year 2012-13 are mentioned hereunder along with their shareholding in the Company.

Sr. No.	Name of the Directors	Remuneration paid (Rs.)	Sitting fees (Rs.)	No. of Shares held
1.	Shri Maheshwar Sahu, IAS Chairman	—	35000/-*	Nil
2.	Shri V S Gadhi, IAS Managing Director * upto 31 st Jan.13	4,32,800/-	—	Nil
3.	Shri B B Swain, IAS Managing Director * From:1 st Feb.,13	—	—	Nil
4.	Ms. S Aparna, IAS	—	35000/-*	Nil
5.	Shri Vinay Vyasa, IAS	—	65000/-*	Nil
6.	Shri Bhadresh Mehta	—	65000/-	Nil

*Paid into Government Treasury

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 Gadhi, IAS	Member	upto 31.1.2013
Shri B B Swain, IAS	Member	From 1.2.2013

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

Period	Complaints Received	Complaints Redressed
01-04-2012 to 30-06-2012	09	09
01-07-2012 to 30-09-2012	02	02
01-10-2012 to 31-12-2012	12	12
01-01-2013 to 31-03-2013	01	01
Total	24	24

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 Gadhi, IAS	Member	upto 31.1.2013
Shri B B Swain, IAS	Member	From 1.2.2013

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.

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
2009-10	28.09.2010	11.00 AM	Registered Office of the Company, at Khanij Bhavan, 132' Ring Road, Near University Ground, Vastrapur, Ahmedabad – 380 052
2010-11	30.09.2011	11.00 AM	Registered Office of the Company, at Khanij Bhavan, 132' Ring Road, Near University Ground, Vastrapur, Ahmedabad – 380 052
2011-12	28.09.2012	11.00 AM	Registered Office of the Company, at Khanij Bhavan, 132' Ring Road, Near University Ground, Vastrapur, Ahmedabad – 380 052



GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

No Extra Ordinary General Meeting was held during any of the last three financial years.

- (b) Whether any special resolutions passed in the previous 3 AGMs ? No

Sr. No.	Year	Subject
1	2011-12	NIL
2	2010-11	NIL
3	2009-10	NIL

- (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. 2.32 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, of 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 2012-13. A declaration by the Managing Director to this effect is provided at Annexure A which forms part of the company's Annual Report 2012-13.

Means of Communication:

The Company communicates with the shareholders at large through its Annual Report, publication of quarterly financial results in newspapers and also through periodic press releases and electronics media. Further, the financial results of the Company as published in the Financial Daily newspapers are also displayed in the Company's website www.gmdcltd.com for the information of shareholders and investors.

General Shareholder : AGM Date, day, Information Time and venue
Date of AGM : 27.09.2013
Day : Friday
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 Schedule
1 st quarter results ending 30 th June	Within 45 days of end of the quarter
2 nd quarter results ending 30 th September	Within 45 days of end of the quarter
3 rd quarter results ending 31 st December	Within 45 days of end of the quarter
4 th quarter results ending 31 st March	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 18.09.2013 to 27.09.2013 (both days inclusive) for the purpose of ascertaining the list of shareholders entitled for the dividend, if any, declared at the ensuing Annual General Meeting and approved by the shareholders.

Dividend payment date

The dividend if declared at the Annual General Meeting and approved by the shareholders would be paid to the Shareholders within 30 days from the date of declaration.

Listing of shares

The equity shares of the company are listed on the Bombay Stock Exchange Ltd., National Stock Exchange of India Ltd. and Vadodara Stock Exchange Limited. The Listing Fee has been paid to NSE, BSE and VSE upto the year 2012-2013.

NAME OF THE STOCK EXCHANGE	STOCK CODE
National Stock Exchange of India Ltd.,	GMDCLTD
The Stock Exchange, Mumbai	532181
Vadodara Stock Exchange	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, 2012	196.40	174.05	185.50	5248.15
May, 2012	188.45	158.05	178.20	4924.25
June, 2012	190.75	165.00	186.20	5278.90
July, 2012	198.80	183.05	186.30	5229.00
August, 2012	203.75	183.00	190.20	5258.50
September, 2012	203.00	183.45	197.60	5703.30
October, 2012	218.50	192.00	211.15	5619.70
November, 2012	222.00	202.20	209.95	5879.85
December, 2012	221.70	196.10	216.35	5905.10
January, 2013	215.45	188.00	192.65	6034.75
February, 2013	197.00	180.65	185.00	5693.05
March, 2013	187.95	160.00	167.00	5682.55

*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

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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.

A qualified Practicing Company Secretary carried out a Reconciliation of Share Capital Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with NSDL and CDSL). Pursuant to Clause 47(c) of the Listing Agreement with the Stock Exchanges, certificates, on half-yearly basis have been issued by a Company Secretary-in-Practice for due compliance of share transfer formalities by the Company.

Shareholding Pattern

The pattern of equity share holding of the Company as on 31st March, 2013 was as under:

Category	No. of Shares	% to total
Govt. of Gujarat	235320000	74.00
Mutual Funds	25006824	7.86
Financial Institutions/Banks	188020	0.06
Insurance Companies, Foreign Institutional Investors, Bodies Corporate	36459967	11.47
Individuals, HUFs, NRIs	21025189	6.61
Total.....	318000000	100.00

Distribution of Shareholding as on 31.3.2013

Shareholding of nominal value of `	Number of Share-holders	Shareholders	No. of Shares % to total
(1)	(2)	(4)	(3)
Upto - 500	45187	5252668	1.65
501 - 1000	2387	2024800	0.64
1001 - 2000	1119	1804094	0.57
2001 - 3000	367	960448	0.30
3001 - 4000	184	678284	0.21
4001 - 5000	157	750288	0.24
5001 - 10000	240	1798432	0.57
10001 - 50000	154	3067327	0.96
50001 - 100000	35	2548405	0.80
100001 and above	77	299115254	94.06
Total...	49899	318000000	100.00

Dematerialization of Shares

Consequent upon the compulsory demat of the equity shares of the Company as notified by SEBI, as on 31.3.2013 about 99.74 % of the equity capital offered to the public is in Demat Form.

Particulars	No. of Equity Shares	% to Share Capital
NSDL	73616520	23.15%
CDSL	243545871	76.59%
Physical (Public)	837609	00.26%
TOTAL	31,80,00,000	100.00%

Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity:

- The Company has not issued any of these instruments.

PLANT 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)
Calcination Bauxite Project	Gadhsisa	(Dist. Kutch)
Manganese Project	Shivrajpur	(Dist. Panchmahal)
Power Project	Nani Chher	(Dist. Kutch)
Wind Power	Maliya	(Dist. Rajkot)
	Godsar	(Dist. Porbandar)
	Jodiya	(Dist. Jamnagar)
	Bada	(Dist. Kutch)
	Varvala	(Dist. Jamnagar)
	Bhanvad	(Dist. Jamnagar)
Solar Project	Panandhro	(Dist. Kutch)

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

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 Practising Company Secretary is annexed to the Directors' Report and forms part of the Annual Report.

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 2012-13.

For Gujarat Mineral Development Corporation Ltd.
Pankaj Kumar
Managing Director

Date: 6-7-2013
Place: Ahmedabad



GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

CIN NO: -

L14100GJ1963SGC001206

Nominal Capital: -1,500,000,000/-

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,

The Members,

Gujarat Mineral Development Corporation Ltd.

Khanij Bhavan, 132' Ring Road, Near University Ground, Vastrapur, Ahmedabad - 380 052

I have examined all relevant records of **Gujarat Mineral Development Corporation Ltd.**, for the purpose of certifying compliance of conditions of Corporate Governance under clause 49 of the listing agreement with Bombay Stock Exchange for the accounting year ended on 31st March 2013. I have obtained all the information and explanations, which to the best of my knowledge and belief were necessary for the purpose of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the management. My examination was limited to the procedure and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. This certificate is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

On the basis of my examination of the records produced, explanation and information furnished, I certify that the Company has complied with all the mandatory conditions of the said clause 49 of the listing agreement except;

- i) Non-compliance of clause 49I(A)(ii) regarding number of independent directors in the composition of Board since only one independent director is appointed.
- ii) Non-compliance of clause 49II(A)(i) regarding number of independent directors in the composition of Audit Committee since only one independent director is appointed and clause 49II(B) as regards meeting of Audit committee with minimum of two independent members present in such committee meeting.

Signature with Seal

Name of Company Secretary : Sandip Sheth

Signing Authority : Practising Company Secretary

Date : 28th May 2013

FCS No. : 5467

COP No. : 4354

Place : Ahmedabad

CERTIFICATE BY CEO AND CFO FOR ANNUAL ACCOUNTS 2012-13

- a) We have reviewed the Balance Sheet and the Profit and Loss Account and Significant Accounting Policies and notes forming part of 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.

Pawan Bhootra

General Manager (Accounts)

L. Kulshrestha

General Manager (Finance)

Pankaj Kumar, IAS

Managing Director

Management Discussion and Analysis

Industry Structure and Developments

Mining and minerals industry is one of the major contributors to economic growth in India. Mining sector plays a significant role in providing raw material security for the country. The country is endowed with huge resources of many metallic and non-metallic minerals. India produces as many as 87 minerals, which include 4 fuels, 10 metallic minerals, 47 non-metallic minerals, 3 atomic minerals and 23 minor minerals. These minerals have a wide application in various industries. Increased thrust to globalization and opening up of the economy to private participation has led to increased strategic importance of the sector. Currently, the Indian Mining Industry is dominated by large state owned mining companies. The share of state owned companies by value of output is 72 per cent. However, this share differs significantly across sectors, for example, it is 92 per cent in coal, whereas only 31 per cent in iron ore. As the sector is expected to grow significantly in the coming years, private sector is increasingly attracted to the sector.

As per the Approach Paper towards 12th Five Year plan, the planned target growth rate for the mining sector is set at 8-8.5 per cent, up from 4%, 6% and 4.7%, achieved during the 9th, 10th and 11th Five Year Plans respectively. However, the performance of the sector in the recent past has not been very encouraging due to impact of global economic recession on the demand for sectoral output, and a resulting decline in prices. Table 1 below presents the total value of mineral output in the country for 2011-12 and 2010-11.

Table1: Value of mineral output (2010-11 & 2011-12)

Total value of output (` Billion)	April, 2010- March, 2011	April, 2011 - March 2012
All Minerals	2,078	2,069
Fuel Minerals	1,548	1,545
Metallic Minerals	476	469
Nonmetallic minerals	54	55

As is evident from the table, value of total output has gone marginally down from ` 2,078 billion in 2010-11 to ` 2,069 billion in 2011-12. The Value of Output of fuel and metallic mineral groups has also experienced a downfall. The Value of output of non-metallic minerals has increased over the period. Fuel minerals group contributes almost 3/4th of the total mineral output in the country. Share of metallic minerals is around 22 per cent.

One of the major constituents of the Fuel Mineral group is Lignite. Gujarat is the second largest producer of Lignite in India after Tamilnadu, and contributes around 35 per cent of total lignite output in the country.

Table 2: Lignite output in India and Gujarat

	Output (‘000 tons)		Value of output (` . crore)	
	2010-11	2011-12	2010-11	2011-12
India	37,733	42,897	4,330.2	4,827.60
Gujarat	13,064	14,761	1,348.1	1,523.1

Table 2 above presents the total output of lignite in India and Gujarat in 2010-11 and 2011-12. The Total output has grown from

377 lakh tons in 2010-11 to 428 lakh tons in 2011-12. Lignite output in Gujarat has gone up from 130 lakh tons to 147 lakh tons, registering 13 per cent growth.

Gujarat is the fourth largest producer of Bauxite in India, after Orissa, Maharashtra and Chhattisgarh.

Table 3: Bauxite Output and value of output in India and Gujarat

	Output (‘000 tons)		Value of output (` . crore)	
	2010-11	2011-12	2010-11	2011-12
India	128.7	127.2	552.1	512.2
Gujarat	8.4	9.3	43.1	57.1

Table 3 above exhibits the total output of Bauxite in India and Gujarat during 2010-11 and 2011-12. Gujarat contributes around 6% of total output. Output in Gujarat has decreased from 9.3 tons in 2010-11 to 8.4 tons in 2011-12, registering a negative growth of 9.5%. Total output in India has increased to 128.7 tons during the period, registering a growth of 1.3%.

Apart from these, Gujarat is the largest producer of Silica and Fluorite, second in fire clay and clay, third in quartz and ball-clay, and fourth in china-clay and lime-stone in India.

Gujarat Mineral Development Corporation Ltd. the leading state owned mining company in Gujarat, contributes significantly to Lignite production in the state. GMDC has exclusive ownership of around 90 per cent of the total lignite production capacity in the state. For Bauxite, the ownership is around 75-80 per cent. Other minerals produced by the Corporation include Fluorspar and Manganese ore etc. Over the years, GMDC has strengthened its position in mineral production and also ventured into power generation. Currently, the Corporation has established capacity to produce 121.5MW of wind power, with a plan to extend it further. Solar power generation capacity is 5 MW presently. By adding green power generation into its portfolio of environmentally responsible activities, the Corporation has strengthened its commitment towards the cause of sustainable development.

Opportunities and Threats

Opportunities

- With the global economy heading towards a revival, and Indian economy showing signs of stability, demand for mineral output is expected to grow steadily. Mineral resources are key ingredients for industrial production. Demand for industrial output is expected to go up, which will lead to increased derived demand of mineral sector output.
- GMDC's foray in power production has provided a new avenue for the Corporation to expand. With almost 66 per cent of Indian population without sufficient access to electricity, the demand for power is inevitable to increase.
- GMDC has ventured into value added services through joint ventures and projects with plans to produce cement, zeolite, chemicals and beneficiation of minerals like Fluorspar etc. These projects will be completed in near future and commence production, which will add to the Corporation's output and profitability.
- Venturing into exploration and mining of high-end minerals in regions outside India is a great opportunity for GMDC. With strong financial performance over the years, the Corporation has the



GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

required resources and capability to explore the outside market.

Threats

- Difficulties in expanding operations and increased costs due to stricter environmental regulations are major threats for mining operations. A comprehensive environmental pollution index (CEPI) is introduced which prohibits mining in high pollution areas, even if the pollution is due to other industrial activities in the region.
- Issuance of captive mining licenses in coal mining is a new trend, which promotes private sector participation in the sector. Growing presence of private companies in the sector will lead to stiffer competition for the state owned companies.
- Slow progress in finalization of resettlement and rehabilitation issues, and other problems related to land acquisition lead to significant transaction costs and time delays.
- GMDC has entered into Joint ventures and turn-key contracts for value added services. Correctly estimating the man-power requirements and adjusting the current man-power strength is a challenge for the Corporation.

Product-wise performance

Table 4: Product-wise performance

Name of Product	2010-11		2011-12		2012-13	
	Production	Sales	Production	Sales	Production	Sales
Lignite (MT in lakh)	102.32	102.33	113.42	113.42	109.05	109.05
Bauxite (MT in lakh)	5.48	6.98	8.70	8.70	8.34	7.94
Power (MU)	1171	987	870.91	712.81	921.59	754.17
Wind Power (MU)	51	51	146.22	146.12	232.56	232.56
Solar Power (MU)	-	-	0.028	0.028	7.93	7.93

Financial Discussion and Analysis

The total revenue from operations of GMDC has increased gradually from ` 1,63,069 lakh in 2011-12 to ` 1,67,468 in 2012-13. The profit before tax has grown at a rate of 25.91% to reach ` 90,369 lakh in 2012-13, as compared to ` 71,770 lakh in 2011-12. The Corporation has announced dividend of 150% in 2012-13.

Table 5: Financial Performance (` in Lakhs)

Particulars	2010-11	2011-12	2012-13
Revenue from Operations	1,42,109	1,63,069	1,67,468
PBT	58,461	71,770	90,369
PAT	37,507	48,683	60,084
Dividend (%)	150	150	150

Outlook

GMDC's strategic thrust is outlined by expansion of activities on three fronts, namely, venturing into value added services; increasing the geographical reach, and diversifying operations in other sectors such as power generation.

Value added services planned by the Corporation include developing a Coke Oven plant in Gujarat in a Joint venture; and setting up of (a) 2.4 MTPA cement plant; (b) a Single 40,000 MTPA of Fluorspar beneficiation plant in a joint venture; (c) Specialty Alumina Chemicals Plant in Kutch; (d) Zeolite Plant in Kutch; and (e) Alumina Refinery

and Smelter Plants in Gujarat.

In order to expand the geographical reach, the Corporation is setting up a 2,000 TPD beneficiation project (Lead, Zinc and Copper) in Rajasthan State in joint venture with two companies. GMDC has also been allocated two coal blocks namely Morga - II in Chhattisgarh State and Naini in Orissa State. The Corporation is also exploring acquisition of coal blocks in Africa.

GMDC 's successful foray into power generation will be further fostered by setting up a power plant of capacity 2,750 MW based on Morga - II coal block and 1750 MW from Naini. Further, setting up of 125 MW Lignite based coal power plant will add to the power generation capacity of the Corporation. GMDC has developed wind farms with capacity of 121.5 MW.

Risks and Concerns

GMDC has to sustain its leadership position in the State by growing at an appropriate rate and at the same time improve its operational efficiency to continue to generate with low over burden volumes in mines and high plant load factors in power plants. Though GMDC's growth strategies are built upon the inherent strengths of the Corporation, various activities undertaken to achieve the goals make the Corporation susceptible to various risks. It has to be recognized and realized that risks are not merely the hazards to be avoided but in many cases offer opportunities which create value ultimately leading to enhancement of shareholders' wealth, and ensuring sustainability of operations.

Operations of mining companies have a high impact on the environment. Mining companies are therefore required to ensure the rectification and restoration of mined areas, and that some of the revenue/costs of the mining go towards strengthening of environmental resources and ecosystem resilience in adjoining areas. GMDC is actively undertaking activities to ensure sustainable development. However, increasing environmental concerns will lead to higher costs and may result in delay of operations.

Internal Control

GMDC has put in place all the necessary internal controls adequately. The company has an in-house Internal Audit Department and internal check procedures on the purchase of items such as stores, chemicals, machinery. Similar checks and procedures are also devised for sales of goods. The company has appointed Internal Auditors for various Projects and Head Office, who are required to submit periodical reports to the top management. The company also avails services of professional and Chartered Accountants for physical verification of assets.

Cautionary Statement

Statements in the Management Discussion and Analysis Report, describing the Corporation's objectives, projections and estimates, contain words or phrases such as will, aim, believe, expect, intend, estimate, plan, objective, contemplate, project and similar expressions or variations of such expressions, are forward-looking and progressive within the meaning of applicable laws and regulations. Actual results may vary materially from those expressed or implied by the forward looking statements due to risks or uncertainties associated therewith depending upon economic conditions, Government policies and other incidental factors. Readers are cautioned not to place undue reliance on these forward looking statements.

Financial Statements & Notes



GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

INDEPENDENT AUDITOR'S REPORT

The Members

Gujarat Mineral Development Corporation Ltd.
Ahmedabad

Report on the Financial Statements

We have audited the accompanying financial statements of **Gujarat Mineral Development Corporation Ltd., Ahmedabad** which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and Cash Flow Statement of the Corporation for the year then ended and summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;

(b) in the case of the Statement of Profit and Loss, of the profit for

the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Companies Act, 1956, 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 account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss and Cash flow statement dealt with by this Report are in agreement with the books of account and with the returns received from branches not visited by us;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act;
 - e. as per Circular No. 8/2002 dated 22.03.2002 issued by Ministry of Law, Justice and Company Affairs, Government Companies have been exempted from the applicability of the clause (g) of sub section (1) of Section 274 of the Companies Act, 1956, regarding the disqualification of Directors under the said section.

For P. Singhvi & Associates
Chartered Accountants
F.R. No. 113602 W

Praveen Singhvi
Partner
M.No. 71608

Place : Ahmedabad
Dated : 28th May, 2013

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ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date on the account of **Gujarat Mineral Development Corporation Ltd, Ahmedabad** for the period ended on 31st March, 2013)

1. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. We are informed that during the period fixed assets were physically verified by the management and no material discrepancies were noticed between the book records and physical existence of assets.
- c. No substantial part of fixed assets has been disposed off during the period as would affect going concern status of the company.
2. 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 was not material and the same have been properly dealt with in the books of accounts.
3. (a&b) The Company has neither granted nor taken any loans from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 or to a Company under the same management. Therefore requirement of sub clause (b), (c), (d) and (f) of clause (iii) of the order are not applicable to the company.
4. In our opinion the Company has an adequate Internal Control System commensurate with the size of the Company and nature of its business with regard to purchases of inventory & fixed assets and for sale of goods & services. During the course of audit, we have not observed any major weaknesses in the internal controls.
5. There are no transactions that need to be entered into register in pursuance of section 301 of the Companies Act, 1956. Therefore requirement of sub-clause (b) of clause (v) of the order is not applicable to the company.
6. In our opinion and according to information and explanation given to us, the company has not accepted deposits from the public during the year within the meaning of section 58A, 58AA and other relevant provisions of the act.
7. Internal Audit of the company is entrusted to the firm of Chartered Accountants. The system is commensurate with the size and nature of the activities of the company.
8. We have broadly reviewed the books of accounts and records maintained by the corporation 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, 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. (a) According to the information and explanations given to us, there are no undisputed dues payable in respect of Provident Fund, Investor Education & Protection Fund, Employees State Insurance, Income Tax, Sales tax, Wealth Tax, Service tax, Excise Duty, Cess and any other statutory dues which are outstanding as at 31.03.2013 for a period of more than six months from the date they became payable.
- (b) The details of excise duty, income tax and sales tax not deposited on account of dispute is as under:

Nature of the Dues	Period to which the amount relates	Amount (Rs. in lacs)	Forum where dispute is pending
Sales Tax/VAT	1995-96	98.92	Appellate Tribunal
	1997-98	2.45	Appellate Tribunal
CST	1997-98	4.26	Appellate Tribunal
Excise duty		450.58	Commissioner of Central Excise

10. The company has been registered for a period for more than five years and it has no accumulated losses. The company has not incurred cash losses during the year under audit and in the immediately preceding financial year. Therefore, the requirement of clause (x) of paragraph 4 of the Order is not applicable to the Company.
11. According to the records of the company examined by us and on the basis of information and explanations given to us the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders.
12. As per the information and according to the explanations given to us the company has not granted any loans & advances on the basis of security by way of pledge of other securities, and therefore requirement of clause (xii) of paragraph 4 of the order is not applicable to the company.
13. The company is not a Chit Fund, Nidhi or Mutual benefit society. Hence, the requirement of clause (xiii) of paragraph 4 of the order is not applicable to the Company.
14. According to the information and explanation given to us, the company is not dealing in shares, securities, debentures and other investments and therefore requirement of clause (xiv) of paragraph 4 of the order is not applicable to the company.
15. The company has not given any guarantee for loans taken by the others from banks or financial institutions.

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16. The Company has not obtained any term loan during the year under audit. Hence the requirement of clause (xvi) of paragraph 4 of the order is not applicable to the Company.
17. 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 there are no funds raised on short term basis that have been used for long-term investment.
18. During the period under audit, the company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
19. During the period under audit, Company has not issued any debenture and therefore requirement of clause (xix) of the order is not applicable to the company.

20. During the period under audit, company has not raised any money by way of public issue and therefore the requirement of clause (xx) of paragraph 4 of the order is not applicable to the company.
21. According to the information and explanation given to us, no material fraud on or by the company has been noticed or reported during the period under audit.

For P. Singhvi & Associates
Chartered Accountants
F.R. No. 113602 W

Praveen Singhvi
Partner
M.No. 71608

Place : Ahmedabad
Dated : 28th May, 2013

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 the Gujarat Mineral Development Corporation Limited, Ahmedabad for the year ended 31st March, 2013.

The preparation of financial statements of Gujarat Mineral Development Corporation Limited for the year ended on 31 March 2013 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are 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 28 May 2013.

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 of Gujarat Mineral Development Corporation Limited for the year ended on 31 March 2013. 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 & Auditor General of India**

(H. K. Dharmadarshi)
Accountant General
(E & RSA), Gujarat

Place : Ahmedabad
Date : 11.09.2013

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BALANCE SHEET AS AT 31ST MARCH, 2013

(` in Lakhs)

Particulars	Note No.	As at 31st March, 2013		As at 31st March, 2012	
EQUITY AND LIABILITIES					
SHAREHOLDERS' FUNDS					
Share Capital	2.01	6,360.00		6,360.00	
Reserves and Surplus	2.02	<u>2,47,135.53</u>	2,53,495.53	<u>1,98,212.64</u>	2,04,572.64
NON-CURRENT LIABILITIES					
Deferred tax liabilities (Net)	2.03	31,188.58		29,304.07	
Other long-term liabilities	2.04	17,591.53		16,823.63	
Long-term provisions	2.05	<u>22,957.71</u>	71,737.82	<u>22,561.38</u>	68,689.08
CURRENT LIABILITIES					
Trade payables	2.06	8,165.15		6,703.77	
Other current liabilities	2.07	27,977.24		29,519.10	
Short-term provisions	2.08	<u>11,686.67</u>	47,829.06	<u>12,027.71</u>	48,250.58
Total			<u>3,73,062.41</u>		<u>3,21,512.30</u>
ASSETS					
NON-CURRENT ASSETS					
Fixed assets					
Tangible assets	2.09	1,77,754.74		1,75,331.94	
Intangible assets	2.09	269.04		446.12	
Capital work-in-progress (Net of Provision)		<u>2,410.11</u>		<u>630.19</u>	
		1,80,433.89		1,76,408.25	
Non-current investments	2.10	18,278.00		13,265.88	
Long-term loans and advances	2.11	52,348.00		31,236.22	
Other non-current assets	2.12	<u>824.00</u>	2,51,883.89	<u>727.22</u>	2,21,637.57
CURRENT ASSETS					
Inventories	2.13	3,927.46		6,540.01	
Trade receivables	2.14	3,983.30		4,439.86	
Cash and cash equivalents	2.15	5,684.46		5,644.15	
Short-term loans and advances	2.16	1,06,759.30		83,250.71	
Other current assets	2.17	<u>824.00</u>	1,21,178.52	<u>-</u>	99,874.73
Total			<u>3,73,062.41</u>		<u>3,21,512.30</u>

Significant Accounting Policies and Notes on Financial Statements.

1 & 2

Pawan Bhootra
General Manager (Accounts)

L. Kulshrestha
General Manager (Finance)

M. Sahu, IAS
Chairman

Joel Evans
Company Secretary
Place : Ahmedabad
Date : 28th May, 2013

Bhadresh Mehta
Director

Pankaj Kumar, IAS
Managing Director

As per our report of even date attached

For P Singhvi & Associates
Chartered Accountants
FRN - 113602 W

CA. Praveen Singhvi
Partner
Membership No. 71608
Place : Ahmedabad
Date : 28th May, 2013



GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

			(` in Lakhs)
Particulars	Note No.	2012 - 2013	2011 - 2012
Revenue from Operations	2.18	1,67,468.49	1,63,069.85
Other Income	2.19	15,548.12	7,323.82
Total Revenue		1,83,016.61	1,70,393.67
Expenses:			
Changes in inventories of Finished goods, Work-in-progress & Stock-in-Trade	2.20	63.43	362.54
Employee benefits Expense	2.21	10,440.15	10,813.46
Finance Costs	2.22	-	744.87
Depreciation/ Depletion	2.09	11,738.40	10,833.29
Other Expenses	2.23	68,367.79	75,869.73
Total Expenses		90,609.77	98,623.89
Profit before exceptional and extraordinary items and tax		92,406.84	71,769.78
Less : Exceptional items		2,038.12	-
Profit before extraordinary items and tax		90,368.72	71,769.78
Less : Extraordinary Items		-	-
Profit Before Tax		90,368.72	71,769.78
Tax Expense			
Current Tax		28,400.00	19,150.00
Deferred Tax		1,884.51	3,936.50
Profit/(Loss) For the period		60,084.21	48,683.28
Earning per equity Share			
Basic		18.89	15.31
Diluted		18.89	15.31

Significant Accounting Policies and Notes on Financial Statements.

1 & 2

Pawan Bhootra
General Manager (Accounts)

L. Kulshrestha
General Manager (Finance)

M. Sahu, IAS
Chairman

Joel Evans
Company Secretary
Place : Ahmedabad
Date : 28th May, 2013

Bhadresh Mehta
Director

Pankaj Kumar, IAS
Managing Director

As per our report of even date attached

For P Singhvi & Associates
Chartered Accountants
FRN - 113602 W

CA. Praveen Singhvi
Partner
Membership No. 71608

Place : Ahmedabad
Date : 28th May, 2013

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CASH FLOW STATEMENT FOR THE YEAR 2012-13

		(` in Lakhs)	
Sr. No.	Particulars	2012-13	2011-12
A	Cash-Flow from Operating Activities:		
	Net Profit before tax & extra ordinary items	90,368.72	71,769.78
	Adjustments for:		
	Depreciation and Depletion	11,750.47	10,612.27
	Provision for Doubtful Debts, Investments and Loans & Advances	2,042.62	-
	Provision for Obsolete Spares / Stock / CWIP	-	121.32
	Assets written off	10.59	18.62
	Excess/Short provision adjusted	(4,026.53)	(145.77)
	Amortization of project development expenses	-	1,124.98
	Surplus / Deficit on sale of assets	(1,639.04)	(67.25)
	Interest & Finance Charges	-	744.87
	Dividend Income	(403.35)	(314.10)
	Profit on Sales of Investment	-	(34.50)
	Wealth Tax	2.06	2.15
	Interest from Banks & Corporates	(7,468.24)	(4,282.45)
	Operating profit before working capital changes:	90,637.30	79,549.92
	Adjustments for:		
	Trade & Other Receivable	(42,754.05)	(28,499.21)
	Inventories	2,612.55	264.67
	Trade & Other Payable	4,696.73	29,634.50
		(35,444.77)	1,399.96
	Cash generated from operations	55,192.53	80,949.88
	Direct Taxes Paid (Net)	(33,195.34)	(24,769.85)
	Net Cash-Flow from Operating Activities	21,997.19	56,180.03
B	Cash-Flow from Investing Activities:		
	Purchase of fixed assets	(16,496.05)	(33,464.09)
	Sale of fixed assets	2,348.39	113.09
	Redemption / Purchase of Investments	(5,014.62)	29.50
	Interest from Bank and Companies	7,890.89	4,312.07
	Dividend income	403.35	314.10
	Net cash used in Investing Activities	(10,868.04)	(28,695.33)
C	Cash-Flow from Financing Activities:		
	Total proceeds from borrowing (net)	-	(13,302.14)
	Interest & financial charges	-	(968.02)
	Dividend paid	(11,088.84)	(11,075.38)
	Net cash used in Financing Activities	(11,088.84)	(25,345.54)
	Net increase in Cash & Cash Equivalents	40.31	2,139.16
	Cash & Cash Equivalent at the beginning of year	5,644.15	3,504.99
	Cash & Cash Equivalent at the end of year	5,684.46	5,644.15

Notes:

- 1 Cash and Cash Equivalents include Cash and Bank Balances.
- 2 Previous year's figures have been rearranged/ restated/ regrouped, wherever necessary.
- 3 The Cash Flow Statement has been prepared under the 'Indirect Method' as per AS - 3 issued by ICAI.

Pawan Bhootra
General Manager (Accounts)

Joel Evans
Company Secretary
Place : Ahmedabad
Date : 28th May, 2013

As per our report of even date attached

For P Singhvi & Associates
Chartered Accountants
FRN - 113602 W

CA. Praveen Singhvi
Partner
Membership No. 71608
Place : Ahmedabad
Date : 28th May, 2013

L. Kulshrestha
General Manager (Finance)

Bhadresh Mehta
Director

M. Sahu, IAS
Chairman

Pankaj Kumar, IAS
Managing Director



SIGNIFICANT ACCOUNTING POLICIES

Note 1 :

SIGNIFICANT ACCOUNTING POLICIES

1. Accounting Policies unless specifically stated to be otherwise are in accordance with generally accepted Accounting Principles.

2. BASIS OF ACCOUNTING:

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

Generally prior period expenses/Income and prepaid expenses for an amount up to ₹. 50,000 in each case are debited/credited as current year's expenses/income.

3. USE OF ESTIMATES:

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

4. 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.
- e) Fixed assets received by the Corporation free of cost are stated at nominal cost.
- f) Full provision has been made on plant and machinery which has not been put to use and lying in capital work in progress for more than ten years.

5. INTANGIBLE ASSETS :

Intangible assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization, if any.

6. MACHINERY SPARES:

Machinery spares for Generating Units, Power Station and Switchyard, etc. either procured along with 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.

7. 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.

8. DEPRECIATION:

- a) Depreciation has been provided for the fixed assets as under:
 - i) Depreciation is charged on written down value method at the rates prescribed in Schedule-XIV to the Companies Act, 1956 except Plant & Machinery of Thermal Power Plant, Wind Energy Farm and Solar Project from time to time.
 - ii) Depreciation in respect of Plant and Machinery of Wind Energy Farm and Solar Project is charged on straight line 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 Thermal Power Plant.
- 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) Depreciation on assets acquired is charged proportionately from the date of putting them to use on pro rata basis.

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- d) Low value items which are in the nature of assets (excluding immovable assets) and valuing upto ₹. 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 the cost over the primary period of lease as per lease agreement.
- f) Leasehold land is written off over the period of lease.
- g) In case of intangible assets, software is amortized at 40% on written down value method.

9. DEPLETION:

On the basis of the principle of wasting assets, depletion has been provided 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.

10. 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.

11. INVENTORIES:

- a) Stores, chemicals, spares and loose tools are valued at cost. Cost is ascertained on weighted average method.
- 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.

12. 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 Statement of Profit and Loss.

13. EMPLOYEE BENEFITS:

- a) Post employment benefits i.e. gratuity and leave encashment are recognized as an expense in the Statement of Profit and Loss for the year in which the employee has rendered services. The expense is recognized 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 Statement of Profit and Loss of the year in which the related services are rendered.
- c) Reimbursement of losses and other related expenses to Provident Fund Trust are charged to the Statement of Profit and Loss as and when crystallized.
- d) Actuarial gains and losses in respect of post employment and other long term benefits are charged to the Statement of Profit and Loss.
- e) Compensation paid to the legal heirs of deceased employee while in service is charged to Statement of Profit and Loss 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 to employees who have opted for retirement under the voluntary retirement scheme of the corporation is charged to Statement of Profit and Loss in the year of separation.

14. LIABILITIES FOR PURCHASES:

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

15. REVENUE RECOGNITION:

- a) Sales are recognized at the time of dispatch of finished goods. Sales include amounts in respect of excise duty, royalty, transportation, packing charges, clean energy cess and mine closure charges wherever applicable but exclude VAT.
- b) The liquidated damage/penalty, if any, on the works completed are generally determined on completion/closure of contracts and charged as revenue.
- c) Income of lease management fees is spread over the primary period of lease.



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16. 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.

17. 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 Statement of Profit and Loss 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.

18. 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.

19. 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.

20. IMPAIRMENT OF ASSETS:

An asset is treated as impaired when carrying cost of asset exceeds its recoverable value. An impairment loss is charged to Statement of Profit and Loss 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. In case of intangible assets, the same will be tested on periodical basis for impairment.

21. REHABILITATION AND RESETTLEMENT EXPENSES:

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

22. AFFORESTATION EXPENSES:

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

23. MINE CLOSURE EXPENSES FOR LIGNITE MINES:

- a) Progressive mine closure expenses are accounted for as and when incurred.
- b) The annual cost of final mine closure is calculated and accounted for considering the useful life of the mines on the basis of approved final mine closure plans otherwise annual cost is calculated on the basis of draft mine closure plans submitted to the Ministry of Coal, GOI or on the basis of technical estimations for mines for which draft mine closure plans have not been submitted.

24. EVENTS OCCURING 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.

25. PROPOSED DIVIDEND:

Provision is made in accounts for proposed dividend, subject to approval of shareholders in annual general meeting.

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NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2013

2.01 SHARE CAPITAL

(` in Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
Authorised Share Capital		
74,50,00,000 Equity Shares (Previous year 74,50,00,000) of ` 2/- each	14,900.00	14,900.00
1,00,000 Preference Shares (Previous year 1,00,000) of Rs.100/- each	100.00	100.00
	<u>15,000.00</u>	<u>15,000.00</u>
Issued, Subscribed & Paid-up Capital		
31,80,00,000 Equity Shares (Previous year 31,80,00,000) of ` 2/- each fully paid up	6,360.00	6,360.00
Total	<u>6,360.00</u>	<u>6,360.00</u>

2.01.01 The reconciliation of the number of shares outstanding is set out below:

Particulars	As at 31.03.2013	As at 31.03.2012
Number of shares outstanding at the beginning	31,80,00,000	31,80,00,000
Add: Shares issued during the year	-	-
Less : Share bought back	-	-
Number of shares outstanding at the end	<u>31,80,00,000</u>	<u>31,80,00,000</u>

2.01.02 The details of shareholder holding more than 5% shares is set out below :

Name of the shareholder	No. of shares as at 31.03.2013	% held as at 31.03.2013	No. of shares as at 31.03.2012	% held as at 31.03.2012
Governor of Gujarat	23,53,20,000	74%	23,53,20,000	74%

2.01.03 The details of Aggregate no. of shares allotted as fully paid up by way of Bonus Shares for the period of immediately preceeding five years from the date of balance sheet

Particulars	Year of allotment	Aggregate no. of Shares allotted
Equity Shares allotted as Bonus Shares	2008-09	15,90,00,000

2.03 RESERVES AND SURPLUS

(` in Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
- General Reserve		
Opening Balance	1,82,570.63	1,47,570.63
Add : Transfer from Profit & Loss account	40,000.00	35,000.00
Closing Balance	<u>2,22,570.63</u>	<u>1,82,570.63</u>
- Surplus		
Opening Balance	15,642.01	13,046.36
Add : Net profit/(Net Loss) for the current year	<u>60,084.21</u>	<u>48,683.28</u>
Amount available for appropriation	75,726.22	61,729.64
Less : Appropriation :		
Final Dividend	9,540.00	9,540.00
Dividend Distribution Tax	1,621.32	1,547.63
Amount Transferred to General Reserve	<u>40,000.00</u>	<u>35,000.00</u>
Closing Balance	<u>24,564.90</u>	<u>15,642.01</u>
Total	<u>2,47,135.53</u>	<u>1,98,212.64</u>



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2.04	DEFERRED TAX LIABILITY (NET)	(` in Lakhs)	
	Particulars	As at 31.03.2013	As at 31.03.2012
	Deferred Tax Liability :		
	Due to Depreciation	39,868.95	37,919.43
	Deferred Tax Assets :		
	Due to Disallowance u/s 43B of Income Tax	(8,325.29)	(8,328.85)
	Due to Other timing Differences	(355.08)	(286.51)
	Total	31,188.58	29,304.07
2.05	OTHER LONG-TERM LIABILITIES	(` in Lakhs)	
	Particulars	As at 31.03.2013	As at 31.03.2012
	Rates, Taxes & Duties payable	-	40.62
	Security & Other Deposit liability	17,385.28	16,610.76
	Environment Expense Reserve Fund	181.33	147.33
	Other Liabilities	24.92	24.92
	Total	17,591.53	16,823.63
2.06	LONG-TERM PROVISIONS	(` in Lakhs)	
	Particulars	As at 31.03.2013	As at 31.03.2012
	Provision for Employee Benefits		
	- Gratuity	-	735.46
	- Leave Encashment	2,296.78	1,763.49
	Provision for Mine Closure	20,660.93	20,062.43
	Total	22,957.71	22,561.38
2.05.01	As per the guidelines for preparation of Mines Closure Plan issued by the Ministry of Coal, Government of India, the Corporation has made a provision for mines closure expenses to the tune of ` . 20,660.93 lakhs (P.Y. ` . 20,062.43 lakhs) so far. As per the guidelines the amount so provided is required to be deposited in ESCROW Account with a bank. The company is having sufficient funds in the form of inter-corporate deposits (ICDs) to meet such obligation. The matter is under correspondence with the Ministry of Coal and the amount will be so deposited as directed by the Ministry of Coal out of available ICDs.		
2.06	TRADE PAYABLES	(` in Lakhs)	
	Particulars	As at 31.03.2013	As at 31.03.2012
	Creditors for Supplies & services	8,165.15	6,703.77
	Total	8,165.15	6,703.77
2.06.01	There are no amounts due to 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 company for this purpose.		
2.07	OTHER CURRENT LIABILITIES	(` in Lakhs)	
	Particulars	As at 31.03.2013	As at 31.03.2012
	Creditors for Capital Assets	5,874.58	4,155.93
	Advance received from Customers	7,875.63	11,693.35
	Rates, Taxes & Duties payable	4,674.02	5,685.12
	Security & Other Deposit liability	3,514.85	3,025.80
	Unpaid Dividend	83.00	84.22
	Other Liabilities	5,955.16	4,874.68
	Total	27,977.24	29,519.10
2.07.01	The Government of Gujarat (GOG) has provided funds amounting to ` . 2,876.95 lakhs (P.Y. ` . 2,226.95 lakhs) which is in the nature of deposit for construction of Stone Parks on behalf of Commissioner of Geology & Mining (CGM), GOG. Out of the said deposits, Corporation has incurred ` . 2,221.60 lakhs (P.Y. ` . 1,788.11 lakhs) till 31st March, 2013. Amount received from GOG for construction of stone parks and expenditure incurred against the same are shown under the heads "Other Liabilities" and "Other Loans & Advances" respectively.		
2.07.02	The GOG has provided funds amounting to ` . 850.40 (P.Y. ` . 739.40 lakhs) which is in the nature of deposit for construction of laboratory building on behalf of CGM. Out of the said deposits, Corporation has incurred ` . 395.11 lakhs (P.Y. ` . 6.07 lakhs) till 31st March, 2013. Amount received from GOG for construction of laboratory building and expenditure against the same are shown under the heads "Other Liabilities" and "Loans & Advances" respectively.		

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- 2.07.03** Vide Government Resolution dated 19.11.2009, GMDC has been given permission to lift Manganese Ore from dumps of Shivrajpur areas and dispose the same for which GMDC will be entitled to retain 20% of the sale price. GMDC has to keep remaining 80% of the sale price of Manganese Ore dump in a separate account of Gujarat Mineral Research & Development Society (GMRDS) for mineral survey and exploration. Accordingly, ₹ 149.48 lakhs (P.Y. ₹ 198.16 lakhs) (i.e. 80% of the basic sale price) has been transferred to GMRDS.

2.08 SHORT-TERM PROVISIONS (₹ in Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
Provision for Employee Benefits		
- Gratuity	196.64	488.60
- Leave Encashment	323.27	294.82
- Provident Fund	5.44	156.66
Proposed Dividend	9,540.00	9,540.00
Provision for Tax on Dividend	1,621.32	1,547.63
Total	11,686.67	12,027.71

- 2.08.01** During the year ended 31st March, 2013, the amount of dividend per share recognised as distribution to equity shareholders was ₹ 3 per share (P.Y. ₹ 3 per share), subject to approval of shareholders in ensuing Annual General Meeting

2.08.02 Employee Benefits

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

Defined Contribution Plan : (₹ in Lakhs)

Particulars	2012-13	2011-12
Contribution to PF & other funds	714.99	709.50

Defined Benefit Plan :

- 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 : (₹ in Lakhs)

Particulars	31.03.2013	31.03.2012
Present Value of Obligation as at the beginning of the year	8,163.64	7,248.32
Current Service Cost	329.49	205.82
Interest Cost	693.91	597.99
Actuarial (gain) / Loss on obligations	82.67	853.03
Benefits paid	(601.30)	(741.52)
Past Service cost	-	-
Present Value of Obligation as at the end of the year	8,668.41	8,163.64

(ii) Changes in the Fair Value of Plan Assets : (₹ in Lakhs)

Particulars	31.03.2013	31.03.2012
Fair Value of Plan Assets at the beginning of the year	6,939.59	7,047.47
Expected Return on Plan Assets	596.80	563.80
Actuarial Gain / (loss) on Plan Assets	36.68	69.83
Contributions	1,500.01	0.01
Benefits Paid	(601.30)	(741.52)
Fair Value of Plan Assets at the end of the year	8,471.78	6,939.59

(iii) The amount recognized in Balance Sheet : (₹ in Lakhs)

Particulars	31.03.2013	31.03.2012
Fair Value of Plan Assets as at the end of the year	8,471.78	6,939.59
Present Value of Obligations as at the end of the year	(8,668.41)	(8,163.64)
Net Asset / (Liability) recognized in Balance Sheet	(196.63)	(1,224.05)

(iv) Amount recognized in the Statement of Profit & Loss : (₹ in Lakhs)

Particulars	31.03.2013	31.03.2012
Current Service Cost	329.49	205.82
Interest Cost	693.91	597.99
Expected Return on Plan Assets	(596.80)	(563.80)
Net actuarial (gain) / loss recognized in the year	46.00	783.20
Past Service Cost	-	-
Expenses/(Income) Recognized in the Statement of Profit & Loss	472.60	1,023.21



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(v) Investment Details :

Particulars	31.03.2013	31.03.2012
Funds with L.I.C. (% Invested)	100	100

(vi) Assumptions :

Particulars	31.03.2013	31.03.2012
Mortality Table (LIC)	2006-08 (Ultimate)	1994-96 (Ultimate)
Discount Rate (Current)	8.00%	8.25%
Rate of increase in Compensation Levels	6.00%	5.50%
Rate of Return on Plan Assets	8.70%	8.00%

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.

- 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.

2.09 FIXED ASSETS

(` in Lakhs)

Description	GROSS BLOCK				DEPRECIATION / DEPLETION				NET BLOCK	
	As on 01.04.2012	Additions during the year	Sales/ Adjustments during the year	As on 31.03.2013	As on 01.04.2012	Depreciation/ Depletion for the year	Sales/ Adjustment during the year	As on 31.03.2013	As at 31.03.2013	As at 31.03.2012
Tangible Assets :										
Land										
- Free hold Land	9,418.69	1,271.36	404.70	10,285.35	1,044.84	700.12	-	1,744.96	8,540.39	8,373.85
- Lease hold Land	870.74	337.08	-	1,207.82	51.50	52.82	-	104.31	1,103.51	819.24
Building	23,887.42	192.18	0.22	24,079.38	9,728.55	1,040.54	0.14	10,768.95	13,310.43	14,158.87
Plant & Equipment	2,17,350.87	12,809.58	4,304.63	2,25,855.82	66,290.63	9,574.07	4,005.34	71,859.36	1,53,996.46	1,51,060.24
Furniture & Fixtures	1,355.33	23.72	10.05	1,369.00	1,041.77	64.48	9.03	1,097.22	271.78	313.56
Vehicles	1,270.09	46.46	89.77	1,226.78	900.24	103.56	85.83	917.97	308.81	369.85
Office Equipments	859.96	22.72	8.65	874.03	623.63	34.08	7.04	650.67	223.36	236.33
Total (A)	2,55,013.10	14,703.10	4,818.02	2,64,898.18	79,681.16	11,569.67	4,107.38	87,143.44	1,77,754.74	1,75,331.94
Intangible Assets :										
Enterprise Resource Planning	730.24	3.71	-	733.95	284.11	180.80	-	464.91	269.04	446.12
Total (B)	730.24	3.71	-	733.95	284.11	180.80	-	464.91	269.04	446.12
Total (A) + (B)	2,55,743.34	14,706.81	4,818.02	2,65,632.13	79,965.27	11,750.47	4,107.38	87,608.35	1,78,023.78	1,75,778.06
Previous Year	2,23,619.18	34,697.04	2,572.88	2,55,743.34	71,880.04	10,833.29	2,748.06	79,965.27	1,75,778.06	1,51,739.14

- a) Depreciation on free hold land represents depletion on wasting assets.
b) Depreciation includes ` 12.06 Lakhs (P.Y. ` NIL) relating to previous years.
c) Depreciation adjustment during the year includes ` NIL (P.Y. ` 221.02 lakhs) relating to previous year.

2.09.01 GSECL 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 ` 59.40 lakhs (P.Y. ` 59.40 lakhs) are accounted in the books of the Company and included in the respective heads of the assets.

2.09.02 During the year, the company has changed method of depreciation on plant and machinery of solar project from written down value method to straight line method as prescribed in Schedule XIV to the Companies Act, 1956. Had the company continued to provide depreciation for plant and machinery of solar project on written down value method, depreciation charged during the current year would have been higher by ` 535.05 lakhs as well as profit and net fixed assets would have been lower to that extent.

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2.09.03 Statement showing written off assets awaiting disposal included in fixed assets stated above.

(` In Lakhs)

Description	Gross Block	Depreciation	Net Block
Plant & Equipment	998.40	986.82	11.58
Furniture & Fixtures	29.38	28.85	0.53
Office Appliances	11.83	11.50	0.33
Vehicles	105.28	102.13	3.15
Total	1,144.89	1,129.30	15.59
Previous Year	400.78	390.53	10.25

2.10 NON-CURRENT INVESTMENTS

(` in Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
Quoted Investments		
- Investments in Equity Instruments		
40,80,433 (P.Y. 32,68,480) Equity Shares of ` .10/- each, fully paid, of Gujarat Alkalies & Chemicals Ltd.	4,826.24	3,414.24
50,00,000 (P.Y.10,00,000) Equity shares of ` . 2/- (P.Y. ` .10/-) each, fully paid, of Gujarat State Fertilisers & Chemicals Ltd.	1,001.25	1,001.25
9,35,600 (P.Y. 9,35,600) Equity shares of ` .10/- each, fully paid, of Gujarat State Financial Corporation Ltd.	187.12	187.12
7,77,900 (P.Y. 7,77,900) Equity shares of ` .10/- each, fully paid, of Vijaya Bank	77.79	77.79
	<u>6,092.40</u>	<u>4,680.40</u>
Less : Provision for diminution in value of investments	<u>187.12</u>	<u>187.12</u>
	5,905.28	4,493.28
Unquoted Investments		
- Investments in Equity Instruments		
10,00,000 (P.Y.10,00,000) Equity share of ` .10/- each, fully paid, of Gujarat Informatics Ltd.	100.00	100.00
3,900 (P.Y. 1,000) Equity shares of ` .100/- each, fully paid, of Gujarat Industrial Technical Consultancy Organization Ltd.	7.12	1.00
74,25,000 (P.Y. 74,25,000) Equity Shares of ` .10/- each, fully paid, of Gujarat Guardian Ltd.	742.50	742.50
2,61,72,800 (P.Y.2,61,72,800) Equity Shares of ` .1/- each, fully paid, of Gujarat State Petroleum Corporation Ltd.	5,099.97	5,099.97
5,90,00,000 (P.Y. 2,80,00,000) Equity Shares of ` .10/- each, fully paid, of Bhavnagar Energy Company Ltd.	5,900.00	2,800.00
1,90,840 (P.Y. 1,90,840) Equity Shares of ` .10/- each, fully paid, of Gujarat Jaypee Cement and Infra Ltd.	19.08	19.08
2,497 (P.Y. 2,500) Equity Shares of ` .100/- each, fully paid, of Naini Coal Co.Ltd.	2.50	2.50
25,497 (P.Y. 25,497) Equity Shares of ` . 10/- each, fully paid, of Gujarat State Mining Resources Pvt. Ltd.	2.55	2.55
50,000 (P.Y. 50,000) Equity Shares of ` .10/- each, fully paid, of Gujarat Foundation for Entrepreneurial Excellence	5.00	5.00
49,40,000 (P.Y. NIL) Equity Shares of ` . 10/- Each, fully paid, of Gujarat Credo Mineral Industries Ltd.	494.00	-
25,000 (P.Y. NIL) Equity Shares of ` . 10/- Each, fully paid, of Swarnim Gujarat Fluorspar Pvt Ltd.	2.50	-
	<u>12,375.22</u>	<u>8,772.60</u>
Less : Provision for diminution in value of investments	<u>2.50</u>	<u>-</u>
	12,372.72	8,772.60
Total Non-current Investment	18,278.00	13,265.88
Aggregate amount of quoted investments	6,092.40	4,680.40
Aggregate Market value of quoted investments	10,321.02	8,658.75
Aggregate amount of unquoted investments	12,375.22	8,772.60
Aggregate provision for diminution in value of investments	189.62	187.12



GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

2.10.01 Details of Investment in Subsidiary

(` in Lakhs)

Particulars	Country of Incorporation	Investment as at 31.03.2013	Proportion of Shareholding as at 31.03.2013	Investment as at 31.03.2012	Proportion of Shareholding as at 31.03.2012
Gujarat State Mining & Resources Corp. Ltd.	India	2.55	51%	2.55	51%

2.10.02 Details of Investment in Associates

(` in Lakhs)

Particulars	Investment as at 31.03.2013	Investment as at 31.03.2012
Gujarat Foundation for Entrepreneurial Excellence	5.00	5.00

2.10.03 Details of Investment in Joint Ventures

(` in Lakhs)

Particulars	Country of Incorporation	Investment as at 31.03.2013	Proportion of Ownership as at 31.03.2013	Investment as at 31.03.2012	Proportion of Ownership as at 31.03.2012
Bhavnagar Energy Co.Limited.	India	5,900.00	26%	2,800.00	16%
Gujarat Jaypee Cement & Infrastructure Limited.	India	19.08	26%	19.08	26%
Naini Coal Co. Limited.	India	2.50	50%	2.50	50%
Gujarat Credo Mineral Industries Limited.	India	494.00	26%	-	26%
Swarnim Gujarat Fluorspar Pvt. Ltd.	India	2.50	50%	-	-
Gujarat Gokul Power Limited.	India	Agreement is executed but payment is not made.	26%	-	26%

2.10.04 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.

2.10.05 Naini Coal Company Ltd. is a 50:50 joint venture of GMDC and Pondicherry Industrial Promotion Development Investment Corp Ltd. (PIPDIC). Naini Coal Company Ltd had given bank guarantee of ` . 65 Crores to Coal Ministry, Govt of India for allocation of Naini Coal block in the State of Orissa. The said bank guarantee was secured by Corporate Guarantee of GMDC for an amount of ` . 3250 Lakhs and another ` . 3250 Lakhs was secured by bank guarantee of UCO Bank, arranged by PIPDIC. Ministry of Coal, Govt of India has invoked 50% of Bank Guarantee i.e. ` . 3250 Lakhs given by the Naini Coal Company Ltd. vide their letter dated 27.12.2012 due to non-compliance of some terms and conditions of Naini Coal block allocation. GMDC has discharged its liability towards invoked bank guarantee and has accounted for the same as advance to Naini Coal Company Ltd. Total advance given to Naini Coal Company Ltd. as on 31st March, 2013 amounts to ` . 2035.62 Lakhs. The Company has made provision of ` . 2038.12 Lakhs towards advances of ` . 2035.62 Lakhs and investments of ` . 2.50 lakhs respectively, which has been shown as "Exceptional Items" in Statement of Profit & Loss. Meanwhile, company has filed petition in high court against the order of Government of India.

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2.11

LONG-TERM LOANS AND ADVANCES

(` in Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
Unsecured, considered good		
Capital Advances	8,469.79	715.96
Deposits with Various Courts	1,275.35	1,275.35
Deposits with Corporate Bodies	4,450.00	-
Interest accrued but not due on above deposits	14.25	-
Security Deposits	298.61	312.32
Advances to Suppliers/ Contractors	5,772.76	2,149.55
Advance Tax & Tax Deducted at Source (Net of Provision)	29,852.86	25,059.58
Balance with Govt.Parties		
- with Sales Tax / VAT Department	898.65	344.41
Loans & Advances to Employees	1,312.73	1,376.06
Other Loans & Advances	3.00	3.00
	52,348.00	31,236.22
Doubtful		
Loans & Advances to Related Parties	2,035.62	-
Deposits with Corporate Bodies	2,657.21	2,657.21
Interest Accrued and Due on Deposits	1,583.13	1,583.13
	6,275.96	4,240.34
Less : Allowance for Bad & Doubtful	6,275.96	4,240.34
	-	-
Total	52,348.00	31,236.22

2.12

OTHER NON-CURRENT ASSETS

(` in Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
Unsecured, considered good		
Long Term Trade Receivables	-	727.22
Receivable towards sale of fixed assets	824.00	-
Unamortized preliminary expenses	-	-
Total	824.00	727.22

2.13

INVENTORIES

(` in Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
Mined Ore	2,093.96	2,157.39
Finished Goods	0.45	0.45
Stores, Spares & Fuel	2,341.35	4,885.25
Stores & Spares in transit	-	1.34
	2,341.35	4,886.60
Less : Provision for Obsolete Stock	519.69	519.69
	1,821.66	4,366.91
Loose Tools	11.39	15.26
Total	3,927.46	6,540.01

2.14

TRADE RECEIVABLES

(` in Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
Debt outstanding for a period exceeding six months		
Unsecured, considered good	302.93	28.72
Doubtful	80.48	75.99
	383.41	104.71
Less : Allowance for Bad & Doubtful	80.48	75.99
	302.93	28.72
Other debts		
Unsecured, considered good	3,680.37	4,411.14
Total	3,983.30	4,439.86



GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

2.15 CASH AND CASH EQUIVALENTS

(` in Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
Cash & Stamp on Hand	1.19	2.27
Balance with Banks		
- Current Account	5,037.60	4,267.58
- Fixed Deposits	481.60	1,230.68
Other Bank Balance		
- Balance with Banks in Unpaid Dividend accounts	95.82	67.52
- Balance with Banks to the extent held as Margin Money	43.18	41.98
- Fixed Deposit with more than 3 months maturity but less than 12 months maturity	24.92	34.06
- Fixed Deposit with more than 12 months maturity	0.15	0.06
- Doubtful Fixed Deposits	374.00	374.00
	538.07	517.62
Less : Allowance made for Doubtful FDR	374.00	374.00
	164.07	143.62
Total	5,684.46	5,644.15

2.15.01 Cash and Cash Equivalents as of 31st March, 2013 and 31st March, 2012 include restricted cash and bank balances of `164.07 lakhs and ` 143.62 lakhs respectively. The restrictions are primarily on account of cash and bank balances held as margin money, fixed deposits with more than 3 months maturity and unclaimed dividends.

2.15.02 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 an amount of ` 24.92 lakhs (P.Y. ` 24.92 lakhs) is recoverable from the buyer on execution of sale deed. The said amount has been deposited by the party before the Danta Court and in turn the Court has directed to the Company to deposit the said amount with a nationalized bank in the form of FDR with a lien marked in favour of Danta Court. Accordingly the Company has placed the same with Union Bank of India, Vastrapur Branch, Ahmedabad.

2.16 SHORT-TERM LOANS AND ADVANCES

(` in Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
Unsecured, considered good		
Deposits with Corporate Bodies	95,982.21	71,513.84
Interest accrued but not due on Deposits	1,438.01	1,874.90
Advances to Suppliers	1,817.01	1,779.44
Balance with Govt. Parties		
- with Central Excise & CGM	2,487.91	2,672.70
- with Sales Tax / VAT Department	-	943.76
Prepaid expenses	160.12	142.94
Loans & Advances to Related Parties	187.98	639.00
Loans & Advance to Employees	699.44	469.21
Other Loans & Advances	3,986.62	3,214.93
	1,06,759.30	83,250.71
Doubtful		
Advances to Suppliers	0.11	32.47
	0.11	32.47
Less : Allowance for Bad & Doubtful	0.11	32.47
	-	-
Total	1,06,759.30	83,250.71

2.16.01 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 Guest house. 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.

2.17 OTHER CURRENT ASSETS

(` in Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
Unsecured, considered good		
Receivable towards sale of fixed assets	824.00	-
	-	-
Total	824.00	-

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2.18 REVENUE FROM OPERATIONS

(` in Lakhs)

Particulars	2012-2013	2011-2012
Sale of Products	1,74,762.51	1,69,599.76
Less : Excise Duty	7,294.02	6,529.91
Total	1,67,468.49	1,63,069.85

2.18.01 In respect of sale of electricity, GUVNL 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 and finalization, the revenue has been booked on the basis of amount paid by GUVNL against electricity bills and adjustment of U.I. charges. Necessary adjustment shall be made in accounts after final outcome of the matter.

2.19 OTHER INCOME

(` in Lakhs)

Particulars	2012-2013	2011-2012
Interest Income		
- Income Tax/ Sales Tax Refund	190.08	287.07
- FDRs with Banks & ICDs	7,468.24	4,282.45
- Others	250.78	108.43
Income from Investment		
- Dividend Income	403.35	314.10
- Net gain on Sale of Investment	-	34.50
Net gain on Sale of Fixed Assets	1,639.04	67.25
Sale of Scrap material	707.17	137.18
Excess Provision of Earlier Years Written Back	4,026.53	148.10
Other Misc. Income	862.93	1,944.74
Total	15,548.12	7,323.82

2.20 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS & STOCK-IN TRADE

(` in Lakhs)

Particulars	2012-2013	2011-2012
Inventories at the end of the year:		
Finished Goods	0.45	0.45
Mined Ore	2,093.96	2,157.39
	2,094.41	2,157.84
Less :Inventories at the beginning of the year:		
Finished Goods	0.45	0.45
Mined Ore	2,157.39	2,519.93
	2,157.84	2,520.38
Total	(63.43)	(362.54)

2.21 EMPLOYEE BENEFITS EXPENSE

(` in Lakhs)

Particulars	2012-2013	2011-2012
Salaries, Wages & Bonus	7,075.38	7,201.18
Contribution to Provident fund & other funds	1,187.58	1,732.72
Staff Welfare Expenses	793.68	605.09
Terminal Benefits	1,383.51	1,274.48
Total	10,440.15	10,813.46

2.22 FINANCE COST

(` in Lakhs)

Particulars	2012-2013	2011-2012
Interest & Financial Charges		
- Fixed Loans	-	744.87
- Others	-	-
Total	-	744.87



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2.23 OTHER EXPENSES

(` in Lakhs)

Particulars	2012-2013	2011-2012
Manufacturing Expenses		
Overburden Removal, Loading, Plant operation & Mining Expense	28,758.25	26,285.67
Operational & Other Expenses		
- Power & Fuel	1,020.58	1,435.18
- Consumption of Stores, Spares & Chemicals	8,077.98	10,393.70
Repairs & Maintenance		
- Buildings	450.13	510.49
- Machineries (Including spares)	2,346.30	2,254.75
- Other Assets	1,615.88	1,944.63
Rates & Taxes		
- Royalty	8,633.68	9,038.75
- Clean Energy Cess	5,464.60	5,683.70
- Other Rates & Taxes	441.14	451.59
Mine Closure Expenses	4,960.39	10,734.37
Forest / Environment Expenses	-	-
Rehabilitation Expenses	-	-
Other Manufacturing Expense		
- Machinery Hire Charges	31.92	73.19
- Rent	0.18	3.80
Administrative & Selling Expenses		
Insurance Premium	278.01	258.36
Vehicle Hire Charges	487.74	418.68
Advertisement & Publicity	210.74	162.25
Security Expenses	1,162.46	970.96
Legal & Professional Fees	448.03	426.41
Payment to Auditors		
- Audit Fees	5.31	4.83
- For Tax Audit	0.77	0.67
- For Consolidation	0.11	0.11
- Out of Pocket Expenses	0.01	0.10
Remuneration to Managing Director	4.33	14.69
Directors sitting Fees & Allowances	2.29	1.62
Cash Discount	503.90	406.92
Provision for Obsolete Stock/CWIP	-	121.32
Provision for doubtful debts	4.49	-
Net Loss on Foreign Exchange transactions	0.13	-
Mining & Project Development Expenses	664.46	1,124.98
Other Miscellaneous Charges	2,328.65	2,907.58
Prior Period Adjustments (Net)	465.32	240.44
Total	68,367.79	75,869.73

2.23.01 Royalty on account of sale of Bauxite has been accounted for `1,130.46 Lakhs (P.Y. ` 1,120.24 lakhs) on ad hoc basis as intimated by the Commissioner of Geology and Mining. Necessary adjustment shall be made in the accounts after final outcome of the matter.

2.23.02 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 lignite are pending since 1993-94. Necessary adjustment in respect of liability for any charges, taxes, duties etc. will be provided in accounts on finalization of renewal applications.

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2.23.03 Details of Prior Period Adjustments (Net)

(` in Lakhs)

Particulars	2012-2013	2011-2012
Income		
- Sales	39.00	11.98
- Other Income	1.71	23.53
	40.71	35.51
Expenditure		
- Consumption of Stores, Chemicals etc.	90.76	5.78
- Finance Charges	-	29.56
- Repair & Maintenance for Machineries	15.69	55.19
- Repair & Maintenance for Buildings	-	20.97
- Repair & Maintenance for Others	-	6.89
- Payment to Employees	-	0.24
- Overburden removal, Loading and Transportation charges	111.14	131.88
- Rates & Taxes	243.57	35.88
- Misc. Mining Expenses	6.11	177.22
- Depreciation	12.06	(221.02)
- Short Provisions for Earlier Years	-	2.33
- Legal and Professional Charges	-	15.97
- Miscellaneous Expenses (net)	26.70	15.06
	506.03	275.95
Net Prior Period Income/(Expenses)	(465.32)	(240.44)

2.24 Contingent Liabilities

Contingent liabilities not provided for Claims against the Corporation not acknowledged as debt ` 99,083.65 lakhs (P.Y. ` 1,01,119.33 lakhs).

2.24.01 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 ` 773.52 lakhs upto 31st March, 2013 (P.Y. ` 773.52 lakhs). Necessary adjustment shall be made in accounts after final decision/outcome of the case.

2.24.02 The company has acquired total 78.54 Lakhs Sq. Mtrs. at ` 2,088.38 Lakhs as awarded by the competent authority for the Bhavnagar Project, out of which land owners possessing land of 60.84 Lakhs Sq. mtrs. have filed suit for enhancement of compensation. The value of enhancement claimed is ` 60,836.27 lakhs up to 31st March, 2013 (P.Y. ` 60,836.27 lakhs), which is almost 37 times higher than amount of original award and the same is unrealistic. Necessary adjustment shall be made in accounts after final decision/outcome of the case.

2.24.03 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 ` 1,239.03 lakhs (P.Y. ` 1,239.03 lakhs) has been deposited and shown under the head 'Deposits with various Courts'. Necessary adjustment shall be made in accounts after final decision /outcome of the case.

2.24.04 Income Tax : ` 24,062.98 lakhs (P.Y. ` 24,166.30 lakhs)

2.24.05 Sales Tax/ VAT : ` 425.45 lakhs (P.Y. ` 453.94 lakhs)

2.24.06 Excise : ` 450.58 lakhs (P.Y. ` 450.58 lakhs)

2.24.07 Related to Contractors and Others : ` 5,548.22 lakhs (P.Y. ` 4,295.92 lakhs)

2.24.08 Bank Guarantee/letter of credits issued by banks on behalf of the Corporation/Corporate Guarantees given by GMDC on behalf of JV company : ` 121.88 lakhs (P.Y. ` 3,278.05 lakhs)

2.24.09 Royalty, Stamp duty and Conversion tax : ` 4,466.88 lakhs (P.Y. ` 4,466.88 lakhs)

2.24.10 Incentive to Employees : ` 1,158.84 lakhs (P.Y. ` 1,158.84)

In view of the various court cases/litigations and claims disputed by the Company, financial impact as to outflow of resources in respect of various expenses is not ascertainable at this stage.

2.25 Capital and other commitments :

2.25.01 Capital Commitments

Estimated amount of Capital Contracts remaining to be executed and not provided for Rs. 9,844.86 lakhs (P.Y. ` 1,717.73 lakhs)

2.25.02 Other Commitments

a) Corporation has entered into the Sponsor Support Agreement with Bhavnagar Energy Company Ltd (BECL), whereby corporation has given commitment to meet the Cost overrun to the extent of its share of 26% in BECL.

b) NALCO has made upfront payment of ` 15,100 lakhs for setting up Alumina Refinery & Smelter plant in Kutch region and same has been shown under the head "Other long term Liabilities". Further, GMDC has deposited the said amount with GSFS as inter corporate deposit. GMDC will supply Bauxite, Limestone and Lignite to NALCO on a long term basis, as per terms and conditions as may be mutually agreed between the parties and subject to approval of appropriate authorities; In case the said arrangement is not materialized as per proposed agreement, then GMDC shall refund the said amount and other compensation to NALCO as admissible as per law prevailing at that time.



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2.26 I Raw Material Consumed:

(` in Lakhs)

Particulars	2012-13		2011-12	
	Quantity (M.T.)	Value (`.)	Quantity (M.T.)	Value (`.)
(a) Fluorspar Project, Kadipani Mined Ore	Nil	Nil	Nil	Nil
(b) Calcination Project, Gadhsisa Mined Ore	Nil	Nil	Nil	Nil
Total	Nil	Nil	Nil	Nil

II a) Consumption of imported & indigenous raw materials

(` in Lakhs)

Particulars	2012-13		2011-12	
	`.	%	`.	%
Imported	Nil	Nil	Nil	Nil
Indigenous	Nil	Nil	Nil	Nil
Total	Nil	Nil	Nil	Nil

b) Consumption of imported & indigenous Stores & Spares

(` in Lakhs)

Particulars	2012-13		2011-12	
	`.	%	`.	%
Imported	78.36	1	295.27	3
Indigenous	7,999.61	99	10,098.43	97
Total	8,077.97	100	10,393.70	100

III C.I.F. Value of Imports:

(` in Lakhs)

Particulars	2012-13	2011-12
Components & Spares	88.39	392.99
Capital Goods	Nil	Nil
Total	88.39	392.99

IV Expenditure in foreign currency : `. NIL (P. Y. `. NIL)

V Remuneration to Managing Director :

(` in Lakhs)

Particulars	2012-13	2011-12
Remuneration	3.25	14.16
Perquisites	1.08	0.52
Total	4.33	14.68

VI During the year the Corporation has remitted the amount in foreign currency on account of the Share holders as under:

(` in Lakhs)

(a) Year to which dividend relates	2011-12	2010-11
(b) Number of non-resident shareholders	34	60
(c) Number of shares held by them	48682	72962
(d) Amount of dividend remitted in foreign currency	1.46	2.19

- 2.27** In the opinion of Management, any of the Assets other than Fixed Assets and Non-Current Investments have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated, unless otherwise stated.
- 2.28** Balances of trade payables, trade receivables, loans & advances, advances from customers, other long term/current liabilities, etc. are subject to reconciliation and adjustments, if any, in the accounts.
- 2.29** As at the Balance Sheet date Company has reviewed the carrying amounts of its assets and found that there is no indication that those assets have suffered any impairment loss. Hence, no such impairment loss has been provided.
- 2.30** **Earning Per Share**

Particulars	2012-13	2011-12
Profit after tax (` . In Lakhs)	60,084.21	48,683.28
Weighted average no. of equity shares outstanding	31,80,00,000	31,80,00,000
Basic and diluted earnings per share (`)	18.89	15.31

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2.31 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".

(` in Lakhs)

Items	Particulars	2012-13	2011-12
1	Segment Revenue		
	a) Mining Projects	1,51,337.61	1,48,809.44
	b) Power Projects	27,402.90	21,015.20
	Segment Revenue	1,78,740.51	1,69,824.64
	c) Un-allocable Corporate Revenue	1,754.06	294.49
	Total Revenue	1,80,494.57	1,70,119.13
2	Segment Results :		
	(Profit/Loss before interest and tax)		
	a) Mining Projects	82,204.58	74,092.13
	b) Power Projects	3,696.55	(2,657.31)
	Segment Results	85,901.13	71,434.82
	c) Un-allocable Corporate Revenue	(1,806.74)	(3,946.72)
	Total	84,094.39	67,488.10
	Less : Interest Paid	-	744.87
	Add : Interest Income	7,909.10	4,677.95
	Add : Dividend Income	403.35	314.10
	Add : Profit on sale of Investments	-	34.50
	Net Profit before tax and exceptional Items	92,406.84	71,769.78
	Less : Exceptional Items	2,038.12	-
		90,368.72	71,769.78
	Less : Provision for Current Tax	28,400.00	19,150.00
	Less : Provision for Deferred Tax	1,884.51	3,936.50
	Total Tax Provision	30,284.51	23,086.50
	Profit after tax (Enterprise net profit)	60,084.21	48,683.28
3	Segment Assets :		
	a) Mining Projects	49,131.70	49,008.93
	b) Power Projects	2,34,714.66	2,22,205.41
	Total Segment Assets	2,83,846.36	2,71,214.34
	c) Un-allocable Corporate Assets	1,55,138.65	1,10,614.27
		4,38,985.01	3,81,828.61
4	Segment Liabilities :		
	a) Mining Projects	53,156.78	52,983.92
	b) Power Projects	68,398.60	59,308.05
	Total Segment Liabilities	1,21,555.38	1,12,291.97
	c) Un-allocable Corporate Liabilities	3,17,429.63	2,69,536.64
		4,38,985.01	3,81,828.61
5	Capital Expenditure :		
	(i) Additions :		
	a) Mining Projects	1,809.30	2,027.18
	b) Power Projects	12,845.05	30,393.99
		14,654.35	32,421.17
	c) Un-allocable Capital Expenditure	52.46	2,275.87
	Total Additions	14,706.81	34,697.04
	(ii) Depreciation :		
	a) Mining Projects	1,515.72	1,286.85
	b) Power Projects	9,873.11	9,031.31
		11,388.83	10,318.16
	c) Un-allocable Depreciation	361.64	515.13
	Total Depreciation	11,750.47	10,833.29
6	Segment assets and liabilities are subject to reconciliation.		
7	Segment Revenue of Mining includes ` 5,092.75 Lakhs (P.Y. ` 4,494.94 Lakhs) being captive consumption of Lignite/Lime for Power Project.		
8	Inter-segment transfers of Lignite and Lime are accounted for at cost.		



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2.32 Related party disclosures on 31.03.2013 :

(i) List of Related parties & Relationships :

Name of Related Party	Relationship
Shri M. Sahu, IAS – Chairman	Key Management Personnel
Shri V. S. Gadhvi, IAS – Managing Director (up to 31.01.2013)	
Shri B. B. Swain, IAS - Managing Director (w.e.f. 01.02.2013)	
Gujarat Foundation for Entrepreneurial Excellence	Associates
Gujarat Jaypee Cement Infrastructure Ltd.	Joint Ventures
Gujarat Credo Mineral Industries Ltd.	
Bhavnagar Energy Co. Ltd.	
Swarnim Gujarat Fluorspar Pvt. Ltd.	
Naini Coal Company Ltd.	
Gujarat Mining & Resources Corporation Ltd.	Subsidiary company
GMDC Gram Vikas Trust	Enterprises over which key management personnel are able to exercise significant influence
Lakhpat Welfare Society	
GMDC Science & Research Centre	

(ii) Transactions during the year with related parties :

(` in Lakhs)

Nature of transactions	Subsidiary		Associates		Joint Ventures		Key Management Personnel		Others		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Remuneration Paid	Nil	Nil	Nil	Nil	Nil	Nil	4.33	14.69	Nil	Nil	4.33	14.69
Purchase of Investments*	Nil	Nil	Nil	5.00	3,596.50	Nil	Nil	Nil	Nil	Nil	3,596.50	5.00
Paid/ Receivable	Nil	1.00	43.09	41.41	2,056.65	Nil	Nil	Nil	360.25	212.51	2,459.99	254.92
Received/(Payable)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	333.48	370.04	333.48	370.04
Donations given	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	700.00	Nil	700.00

* Includes ` . 494 lakhs adjusted against receivables towards sale of bauxite.

(iii) Balances as at 31st March, 2013 :

(` in Lakhs)

Nature of transactions	Subsidiary		Associates		Joint Ventures		Key Management Personnel		Others		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Investments	2.55	2.55	5.00	5.00	6,418.08	2,821.58	Nil	Nil	Nil	Nil	6,425.63	2,829.13
Receivable	1.00	1.00	84.50	41.41	2,043.58	480.94	Nil	Nil	94.97	115.65	2,224.05	639.00
Payable	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	47.44	Nil	47.44

2.33 Corresponding figures of the previous year have been re-grouped / re-arranged and re-classified, wherever necessary, to make them comparable with the figures of the current year.

2.34 The Ministry of Corporate Affairs, Government of India, vide General Circular No. 2 and 3 dated 8th February, 2011 and 21st February, 2011 respectively has granted a general exemption from compliance with Section 212 of the Companies Act, 1956 subject to fulfillment of conditions stipulated in the circular. The company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption. Necessary information relating to the subsidiaries has been included in the consolidated financial statements.

Pawan Bhootra
General Manager (Accounts)

Joel Evans
Company Secretary

Place : Ahmedabad
Date : 28th May, 2013

As per our report of even date attached

For P Singhvi & Associates

Chartered Accountants
FRN - 113602 W

CA. Praveen Singhvi
Partner

Membership No. 71608
Place : Ahmedabad
Date : 28th May, 2013

L. Kulshrestha
General Manager (Finance)

Bhadresh Mehta
Director

M. Sahu, IAS
Chairman

Pankaj Kumar, IAS
Managing Director

Consolidated Financial Statements & Notes



GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Gujarat Mineral Development Corporation Ltd.
Ahmedabad

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Gujarat Mineral Development Corporation Ltd., Ahmedabad ("the Company")** and its subsidiary (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2013, and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the consolidated financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the

report of the other auditor on the financial statements of the subsidiary as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matters

We have not audited the financial statements of subsidiary company whose financial statements reflect Total Assets of ₹. 7.63 Lakhs as on 31st March 2013, Total Revenue of Rs. Nil, Net Cash flows ₹. 0.44 lakhs and Net Loss ₹. 0.52 lakhs for the year ended on that date. These financial statements have been audited by other auditor whose report has been furnished to us, and our opinion, is based solely on the report of other auditor.

Our opinion is not qualified in respect of other matters.

For P. Singhvi & Associates
Chartered Accountants
F.R. No. 113602 W

Praveen Singhvi
Partner
M.No. 71608

Place : Ahmedabad
Dated : 28th May, 2013

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CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013

(` in Lakhs)

Particulars	Note No.	As at 31st March, 2013		As at 31st March, 2012	
EQUITY AND LIABILITIES					
SHAREHOLDERS' FUNDS					
Share Capital	2.02	6,360.00		6,360.00	
Reserves and Surplus	2.03	<u>2,47,134.92</u>	2,53,494.92	<u>1,98,208.97</u>	2,04,568.97
MINORITY INTEREST			1.87		(1.07)
NON-CURRENT LIABILITIES					
Deferred tax liabilities (Net)	2.04	31,188.58		29,304.06	
Other long-term liabilities	2.05	17,591.53		16,823.63	
Long-term provisions	2.06	<u>22,957.71</u>	71,737.82	<u>22,561.38</u>	68,689.07
CURRENT LIABILITIES					
Short-term borrowings	2.07	2.47		2.47	
Trade payables	2.08	8,165.49		6,704.04	
Other current liabilities	2.09	27,977.24		29,519.11	
Short-term provisions	2.10	<u>11,686.67</u>	47,831.87	<u>12,027.71</u>	48,253.33
Total			<u>3,73,066.48</u>		<u>3,21,510.30</u>
ASSETS					
NON-CURRENT ASSETS					
Fixed assets					
Tangible assets	2.11	1,77,754.74		1,75,331.94	
Intangible assets	2.11	269.04		446.12	
Capital work-in-progress (Net of Provision)		<u>2,410.11</u>		<u>630.19</u>	
		1,80,433.89		1,76,408.25	
Non-current investments	2.12	18,275.45		13,263.33	
Long-term loans and advances	2.13	52,348.00		31,236.22	
Other non-current assets	2.14	<u>830.52</u>	2,51,887.86	<u>727.22</u>	2,21,635.02
CURRENT ASSETS					
Inventories	2.15	3,927.46		6,540.01	
Trade receivables	2.16	3,983.30		4,439.86	
Cash and cash equivalents	2.17	5,685.56		5,645.70	
Short-term loans and advances	2.18	1,06,758.30		83,249.71	
Other current assets	2.19	<u>824.00</u>	1,21,178.62	-	99,875.28
Total			<u>3,73,066.48</u>		<u>3,21,510.30</u>
Significant Accounting Policies and Notes on Financial Statements.		1 & 2			
Pawan Bhootra General Manager (Accounts)		L. Kulshrestha General Manager (Finance)		M. Sahu, IAS Chairman	
Joel Evans Company Secretary Place : Ahmedabad Date : 28th May, 2013 As per our report of even date attached		Bhadresh Mehta Director		Pankaj Kumar, IAS Managing Director	
For P Singhvi & Associates Chartered Accountants FRN - 113602 W					
CA. Praveen Singhvi Partner Membership No. 71608 Place : Ahmedabad Date : 28th May, 2013					



GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

			(` in Lakhs)
Particulars	Note No.	2012 - 2013	2011 - 2012
Revenue from Operations	2.20	1,67,468.49	1,63,069.85
Other Income	2.21	15,548.12	7,323.82
Total Revenue		1,83,016.61	1,70,393.67
Expenses:			
Changes in inventories of Finished goods, Work-in-progress & Stock-in-Trade	2.22	63.43	362.54
Employee benefits Expense	2.23	10,440.15	10,813.46
Finance Costs	2.24	-	744.87
Depreciation/ Depletion	2.11	11,738.40	10,833.29
Other Expenses	2.25	68,368.30	75,876.92
Total Expenses		90,610.28	98,631.08
Profit before exceptional and extraordinary items and tax		92,406.33	71,762.59
Less : Exceptional items		2,038.12	-
Profit before extraordinary items and tax		90,368.21	71,762.59
Less : Extraordinary Items		-	-
Profit Before Tax		90,368.21	71,762.59
Tax Expense			
Current Tax		28,400.00	19,150.00
Deferred Tax		1,884.51	3,936.50
Profit/(Loss) For the period		60,083.70	48,676.09
Add: Share of Loss in subsidiary company transferred to minority interest		0.26	3.52
Profit/(Loss) For the period (After adjustment of minority interest)		60,083.96	48,679.61
Earning per equity Share			
Basic		18.89	15.31
Diluted		18.89	15.31

Significant Accounting Policies and Notes on Financial Statements.

1 & 2

Pawan Bhootra
General Manager (Accounts)

Joel Evans
Company Secretary
Place : Ahmedabad
Date : 28th May, 2013

As per our report of even date attached

For P Singhvi & Associates
Chartered Accountants
FRN - 113602 W

CA. Praveen Singhvi
Partner
Membership No. 71608

Place : Ahmedabad
Date : 28th May, 2013

L. Kulshrestha
General Manager (Finance)

Bhadresh Mehta
Director

M. Sahu, IAS
Chairman

Pankaj Kumar, IAS
Managing Director

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CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR 2012-13

		(` in Lakhs)	
Sr. No.	Particulars	2012-13	2011-12
A	Cash-Flow from Operating Activities:		
	Net Profit before tax & extra ordinary items	90,368.21	71,762.59
	Adjustments for:		
	Depreciation and Depletion	11,750.47	10,612.27
	Provision for Doubtful Debts, Investments and Loans & Advances	2,042.62	-
	Provision for Obsolete Spares / Stock / CWIP	-	121.32
	Assets written off	10.59	18.62
	Excess/Short provision adjusted	(4,026.53)	(145.77)
	Amortization of project development expenses	-	1,124.98
	Surplus / Deficit on sale of assets	(1,639.04)	(67.25)
	Interest & Finance Charges	-	744.87
	Dividend Income	(403.35)	(314.10)
	Profit on Sales of Investment	-	(34.50)
	Wealth Tax	2.06	2.15
	Interest from Banks & Corporates	(7,468.24)	(4,282.45)
	Operating profit before working capital changes:	90,636.79	79,542.73
	Adjustments for:		
	Trade & Other Receivable	(42,760.58)	(28,498.21)
	Inventories	2,612.55	264.67
	Trade & Other Payable	4,696.80	29,634.66
	Misc. Expenditure	6.52	6.58
		(35,444.71)	1,407.70
	Cash generated from operations	55,192.08	80,950.43
	Direct Taxes Paid (Net)	(33,195.34)	(24,769.85)
	Net Cash-Flow from Operating Activities	21,996.74	56,180.58
B	Cash-Flow from Investing Activities:		
	Purchase of fixed assets	(16,496.05)	(33,464.09)
	Sale of fixed assets	2,348.39	113.09
	Redemption / Purchase of Investments	(5,014.62)	29.50
	Interest from Bank and Companies	7,890.89	4,312.07
	Dividend income	403.35	314.10
	Net cash used in Investing Activities	(10,868.04)	(28,695.33)
C	Cash-Flow from Financing Activities:		
	Total proceeds from borrowing (net)	-	(13,301.14)
	Interest & financial charges	-	(968.02)
	Dividend paid	(11,088.84)	(11,075.38)
	Net cash used in Financing Activities	(11,088.84)	(25,344.54)
	Net increase in Cash & Cash Equivalents	39.86	2,140.71
	Cash & Cash Equivalent at the beginning of year	5,645.70	3,504.99
	Cash & Cash Equivalent at the end of year	5,685.56	5,645.70

Notes:

- Cash and Cash Equivalents include Cash and Bank Balances.
- Previous year's figures have been rearranged/ restated/ regrouped, wherever necessary.
- The Cash Flow Statement has been prepared under the 'Indirect Method' as per AS - 3 issued by ICAI.

Pawan Bhootra
General Manager (Accounts)

L. Kulshrestha
General Manager (Finance)

M. Sahu, IAS
Chairman

Joel Evans
Company Secretary
Place : Ahmedabad
Date : 28th May, 2013

Bhadresh Mehta
Director

Pankaj Kumar, IAS
Managing Director

As per our report of even date attached

For P Singhvi & Associates
Chartered Accountants
FRN - 113602 W

CA. Praveen Singhvi
Partner
Membership No. 71608

Place : Ahmedabad
Date : 28th May, 2013



SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF CONSOLIDATED ACCOUNTS

Note 1: SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

1. Accounting Policies unless specifically stated to be otherwise are in accordance with generally accepted Accounting Principles.

2. **BASIS OF ACCOUNTING:**

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

Generally prior period expenses/Income and prepaid expenses for an amount up to ₹. 50,000 in each case are debited/credited as current year's expenses/income.

3. **PRINCIPLES OF CONSOLIDATION:**

The Financial Statements of subsidiary company used in the consolidation are drawn up to the same reporting date as of the company.

The consolidated financial statements have been prepared on the following basis:

- a) The Financial statement of the company and its subsidiary company has been combined on line by line basis by adding together book value of like items of assets, liability, income and expenses after eliminating intra group balance, intra-group transactions, and minority interest have been separately disclosed.
- b) The consolidated financial statements are prepared using accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Corporation's separate financial statements except as otherwise stated in the accounting policies.
- c) Minority interest in the net assets of the subsidiary consists of amount of equity attributable to the minority share holders by company in the subsidiary company at the date on which investments are made and further movement in their shares in the equity, subsequent to the date of investment.

4. **USE OF ESTIMATES:**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

5. **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.
- e) Fixed assets received by the Corporation free of cost are stated at nominal cost.
- f) Full provision has been made on plant and machinery which has not been put to use and lying in capital work in progress for more than ten years.

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6. INTANGIBLE ASSETS :

Intangible assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization, if any.

7. MACHINERY SPARES:

Machinery spares for Generating Units, Power Station and Switchyard, etc. either procured along with 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.

8. 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.

9. DEPRECIATION:

a) Depreciation has been provided for the fixed assets as under:

- i) Depreciation is charged on written down value method at the rates prescribed in Schedule-XIV to the Companies Act, 1956 except Plant & Machinery of Thermal Power Plant, Wind Energy Farm and Solar Project from time to time.
- ii) Depreciation in respect of Plant and Machinery of Wind Energy Farm and Solar Project is charged on straight line 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 Thermal Power Plant.
- 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) Depreciation on assets acquired is charged proportionately from the date of putting them to use on pro rata basis.
- d) Low value items which are in the nature of assets (excluding immovable assets) and valuing upto ₹. 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 the cost over the primary period of lease as per lease agreement.
- f) Leasehold land is written off over the period of lease.
- g) In case of intangible assets, software is amortized at 40% on written down value method.

10. DEPLETION:

On the basis of the principle of wasting assets, depletion has been provided 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.

11. 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.

12. INVENTORIES:

- a) Stores, chemicals, spares and loose tools are valued at cost. Cost is ascertained on weighted average method.



GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

- 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.

13. 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 Statement of Profit and Loss.

14. EMPLOYEE BENEFITS:

- a) Post employment benefits i.e. gratuity and leave encashment are recognized as an expense in the Statement of Profit and Loss for the year in which the employee has rendered services. The expense is recognized 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 Statement of Profit and Loss of the year in which the related services are rendered.
- c) Reimbursement of losses and other related expenses to Provident Fund Trust are charged to the Statement of Profit and Loss as and when crystallized.
- d) Actuarial gains and losses in respect of post employment and other long term benefits are charged to the Statement of Profit and Loss.
- e) Compensation paid to the legal heirs of deceased employee while in service is charged to Statement of Profit and Loss 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 to employees who have opted for retirement under the voluntary retirement scheme of the corporation is charged to Statement of Profit and Loss in the year of separation.

15. LIABILITIES FOR PURCHASES:

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

16. REVENUE RECOGNITION:

- a) Sales are recognized at the time of dispatch of finished goods. Sales include amounts in respect of excise duty, royalty, transportation, packing charges, clean energy cess and mine closure charges wherever applicable but exclude VAT.
- b) The liquidated damage/penalty, if any, on the works completed are generally determined on completion/closure of contracts and charged as revenue.
- c) Income of lease management fees is spread over the primary period of lease.

17. 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.

18. 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 Statement of Profit and Loss 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.

19. 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.

20. 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.

21. IMPAIRMENT OF ASSETS:

An asset is treated as impaired when carrying cost of asset exceeds its recoverable value. An impairment loss is charged to Statement of Profit and Loss 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. In case of intangible assets, the same will be tested on periodical basis for impairment.

22. REHABILITATION AND RESETTLEMENT EXPENSES:

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

23. AFFORESTATION EXPENSES:

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

24. MINE CLOSURE EXPENSES FOR LIGNITE MINES:

- a) Progressive mine closure expenses are accounted for as and when incurred.
- b) The annual cost of final mine closure is calculated and accounted for considering the useful life of the mines on the basis of approved final mine closure plans otherwise annual cost is calculated on the basis of draft mine closure plans submitted to the Ministry of Coal, GOI or on the basis of technical estimations for mines for which draft mine closure plans have not been submitted.

25. 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



GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

commitment affecting the financial position are disclosed in the reports of the Board of Directors.

26. PROPOSED DIVIDEND:

Provision is made in accounts for proposed dividend, subject to approval of shareholders in annual general meeting.

27. PRELIMINARY EXPENSES:

Unamortized preliminary expenses of subsidiary company are shown as non-current assets and the same will be charged to statement of profit & loss in five equal installments from the year of commencement of its business.

2 NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2013

2.01 The consolidated financial statements relate to Gujarat Mineral Development Corporation Limited and its subsidiary. The subsidiary company considered in the financial statement is as follows:

Name of the company	Proportion of shareholding as on March 31, 2013	Proportion of shareholding as on March 31, 2012
Gujarat State Mining and Resources Corporation Ltd.	51 %	51 %

2.02 SHARE CAPITAL (` in Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
Authorised Share Capital		
74,50,00,000 Equity Shares (Previous year 74,50,00,000) of ` .2/- each	14,900.00	14,900.00
1,00,000 Preference Shares (Previous year 1,00,000) of ` .100/- each	100.00	100.00
	<u>15,000.00</u>	<u>15,000.00</u>
Issued, Subscribed & Paid-up Capital		
31,80,00,000 Equity Shares (Previous year 31,80,00,000) of ` .2/- each fully paid up	6,360.00	6,360.00
Total	<u>6,360.00</u>	<u>6,360.00</u>

2.02.01 The reconciliation of the number of shares outstanding is set out below:

Particulars	As at 31.03.2013	As at 31.03.2012
Number of shares outstanding at the beginning	31,80,00,000	31,80,00,000
Add: Shares issued during the year	-	-
Less : Share bought back	-	-
Number of shares outstanding at the end	<u>31,80,00,000</u>	<u>31,80,00,000</u>

2.02.02 The details of shareholder holding more than 5% shares is set out below :

Name of the shareholder	No. of shares as at 31.03.2013	% held as at 31.03.2013	No. of shares as at 31.03.2012	% held as at 31.03.2012
Governor of Gujarat	23,53,20,000	74%	23,53,20,000	74%

2.02.03 The details of Aggregate no. of shares allotted as fully paid up by way of Bonus Shares for the period of immediately preceeding five years from the date of balance sheet

Particulars	Year of allotment	Aggregate no. of Shares allotted
Equity Shares allotted as Bonus Shares	2008-09	15,90,00,000

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2.03 RESERVES AND SURPLUS

(` in Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
- General Reserve		
Opening Balance	1,82,570.63	1,47,570.63
Add : Transfer from Profit & Loss account	40,000.00	35,000.00
Closing Balance	2,22,570.63	1,82,570.63
- Surplus		
Opening Balance	15,638.34	13,046.35
Add : Net profit/(Net Loss) for the current year	60,083.94	48,679.62
Add: Transferred to Unamortized expenses	3.33	-
Amount available for appropriation	75,725.61	61,725.97
Less : Appropriation :		
Final Dividend	9,540.00	9,540.00
Dividend Distribution Tax	1,621.32	1,547.63
Amount Transferred to General Reserve	40,000.00	35,000.00
Closing Balance	24,564.29	15,638.34
Total	2,47,134.92	1,98,208.97

2.04 DEFERRED TAX LIABILITY (NET)

(` in Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
Deferred Tax Liability :		
Due to Depreciation	39,868.95	37,919.42
Deferred Tax Assets :		
Due to Disallowance u/s 43B of Income Tax	(8,325.29)	(8,328.85)
Due to Other timing Differences	(355.08)	(286.51)
Total	31,188.58	29,304.06

2.05 OTHER LONG-TERM LIABILITIES

(` in Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
Rates, Taxes & Duties payable	-	40.62
Security & Other Deposit liability	17,385.28	16,610.76
Environment Expense Reserve Fund	181.33	147.33
Other Liabilities	24.92	24.92
Total	17,591.53	16,823.63

2.06 LONG-TERM PROVISIONS

(` in Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
Provision for Employee Benefits		
- Gratuity	-	735.46
- Leave Encashment	2,296.78	1,763.49
Provision for Mine Closure	20,660.93	20,062.43
Total	22,957.71	22,561.38



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- 2.06.01** As per the guidelines for preparation of Mines Closure Plan issued by the Ministry of Coal, Government of India, the Corporation has made a provision for mines closure expenses to the tune of ₹. 20,660.93 lakhs (P.Y. ₹. 20,062.43 lakhs) so far. As per the guidelines the amount so provided is required to be deposited in ESCROW Account with a bank. The company is having sufficient funds in the form of inter-corporate deposits (ICDs) to meet such obligation. The matter is under correspondence with the Ministry of Coal and the amount will be so deposited as directed by the Ministry of Coal out of available ICDs.

2.07 SHORT TERM BORROWINGS

(₹ in Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
Loans and advances received (Unsecured)	2.47	2.47
Total	2.47	2.47

2.08 TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
Creditors for Supplies & services	8,165.49	6,704.04
Total	8,165.49	6,704.04

- 2.08.01** There are no amounts due to 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 company for this purpose.

2.09 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
Creditors for Capital Assets	5,874.58	4,155.94
Advance received from Customers	7,875.63	11,693.35
Rates, Taxes & Duties payable	4,674.02	5,685.12
Security & Other Deposit liability	3,514.85	3,025.80
Unpaid Dividend	83.00	84.22
Other Liabilities	5,955.16	4,874.68
Total	27,977.24	29,519.11

- 2.09.01** The Government of Gujarat (GOG) has provided funds amounting to ₹. 2,876.95 lakhs (P.Y. ₹. 2,226.95 lakhs) which is in the nature of deposit for construction of Stone Parks on behalf of Commissioner of Geology & Mining (CGM), GOG. Out of the said deposits, Corporation has incurred ₹. 2,221.60 lakhs (P.Y. ₹. 1,788.11 lakhs) till 31st March, 2013. Amount received from GOG for construction of stone parks and expenditure incurred against the same are shown under the heads "Other Liabilities" and "Other Loans & Advances" respectively.

- 2.09.02** The GOG has provided funds amounting to ₹. 850.40 (P.Y. ₹. 739.40 lakhs) which is in the nature of deposit for construction of laboratory building on behalf of CGM. Out of the said deposits, Corporation has incurred ₹. 395.11 lakhs (P.Y. ₹. 6.07 lakhs) till 31st March, 2013. Amount received from GOG for construction of laboratory building and expenditure against the same are shown under the heads "Other Liabilities" and "Loans & Advances" respectively.

- 2.09.03** Vide Government Resolution dated 19.11.2009, GMDC has been given permission to lift Manganese Ore from dumps of Shivrajpur areas and dispose the same for which GMDC will be entitled to retain 20% of the sale price. GMDC has to keep remaining 80% of the sale price of Manganese Ore dump in a separate account of Gujarat Mineral Research & Development Society (GMRDS) for mineral survey and exploration. Accordingly, ₹. 149.48 lakhs (P.Y. ₹. 198.16 lakhs) (i.e. 80% of the basic sale price) has been transferred to GMRDS.

2.10 SHORT-TERM PROVISIONS

(₹ in Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
Provision for Employee Benefits		
- Gratuity	196.64	488.60
- Leave Encashment	323.27	294.82
- Provident Fund	5.44	156.66
Proposed Dividend	9,540.00	9,540.00
Provision for Tax on Dividend	1,621.32	1,547.63
Total	11,686.67	12,027.71

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2.10.01 During the year ended 31st March, 2013, the amount of dividend per share recognised as distribution to equity shareholders was ₹. 3 Per share (P.Y. ₹. 3 per share), subject to approval of share holders in ensuing Annual General Meeting

2.10.02 Employee Benefits

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

Defined Contribution Plan :

(₹ in Lakhs)

Particulars	2012-13	2011-12
Contribution to PF & other funds	714.99	709.50

Defined Benefit Plan :

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 :

(₹ in Lakhs)

Particulars	31.03.2013	31.03.2012
Present Value of Obligation as at the beginning of the year	8,163.64	7,248.32
Current Service Cost	329.49	205.82
Interest Cost	693.91	597.99
Actuarial (gain) / Loss on obligations	82.67	853.03
Benefits paid	(601.30)	(741.52)
Past Service cost	-	-
Present Value of Obligation as at the end of the year	8,668.41	8,163.64

(ii) Changes in the Fair Value of Plan Assets :

(₹ in Lakhs)

Particulars	31.03.2013	31.03.2012
Fair Value of Plan Assets at the beginning of the year	6,939.59	7,047.47
Expected Return on Plan Assets	596.80	563.80
Actuarial Gain / (loss) on Plan Assets	36.68	69.83
Contributions	1,500.01	0.01
Benefits Paid	(601.30)	(741.52)
Fair Value of Plan Assets at the end of the year	8,471.78	6,939.59

(iii) The amount recognized in Balance Sheet :

(₹ in Lakhs)

Particulars	31.03.2013	31.03.2012
Fair Value of Plan Assets as at the end of the year	8,471.78	6,939.59
Present Value of Obligations as at the end of the year	(8,668.41)	(8,163.64)
Net Asset / (Liability) recognized in Balance Sheet	(196.63)	(1,224.05)

(iv) Amount recognized in the Statement of Profit & Loss :

(₹ in Lakhs)

Particulars	31.03.2013	31.03.2012
Current Service Cost	329.49	205.82
Interest Cost	693.91	597.99
Expected Return on Plan Assets	(596.80)	(563.80)
Net actuarial (gain) / loss recognized in the year	46.00	783.20
Past Service Cost	-	-
Expenses/(Income) Recognized in the Statement of Profit & Loss	472.60	1,023.21

(v) Investment Details

Particulars	31.03.2013	31.03.2012
Funds with L.I.C. (% Invested)	100	100



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(vi) Assumptions :

Particulars	31.03.2013	31.03.2012
Mortality Table (LIC)	2006-08 (Ultimate)	1994-96 (Ultimate)
Discount Rate (Current)	8.00%	8.25%
Rate of increase in Compensation Levels	6.00%	5.50%
Rate of Return on Plan Assets	8.70%	8.00%

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.

- 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.

2.11 FIXED ASSETS

(` in Lakhs)

Description	GROSS BLOCK				DEPRECIATION / DEPLETION				NET BLOCK	
	As on 01.04.2012	Additions during the year	Sales/ Adjustments during the year	As on 31.03.2013	As on 01.04.2012	Depreciation/ Depletion for the year	Sales/ Adjustment during the year	As on 31.03.2013	As at 31.03.2013	As at 31.03.2012
Tangible Assets :										
Land										
- Free hold Land	9,418.69	1,271.36	404.70	10,285.35	1,044.84	700.12	-	1,744.96	8,540.39	8,373.85
- Lease hold Land	870.74	337.08	-	1,207.82	51.50	52.82	-	104.31	1,103.51	819.24
Building	23,887.42	192.18	0.22	24,079.38	9,728.55	1,040.54	0.14	10,768.95	13,310.43	14,158.87
Plant & Equipment	2,17,350.87	12,809.58	4,304.63	2,25,855.82	66,290.63	9,574.07	4,005.34	71,859.36	1,53,996.46	1,51,060.24
Furniture & Fixtures	1,355.33	23.72	10.05	1,369.00	1,041.77	64.48	9.03	1,097.22	271.78	313.56
Vehicles	1,270.09	46.46	89.77	1,226.78	900.24	103.56	85.83	917.97	308.81	369.85
Office Equipments	859.96	22.72	8.65	874.03	623.63	34.08	7.04	650.67	223.36	236.33
Total (A)	2,55,013.10	14,703.10	4,818.02	2,64,898.18	79,681.16	11,569.67	4,107.38	87,143.44	1,77,754.74	1,75,331.94
Intangible Assets :										
Enterprise Resource Planning	730.24	3.71	-	733.95	284.11	180.80	-	464.91	269.04	446.12
Total (B)	730.24	3.71	-	733.95	284.11	180.80	-	464.91	269.04	446.12
Total (A) + (B)	2,55,743.34	14,706.81	4,818.02	2,65,632.13	79,965.27	11,750.47	4,107.38	87,608.35	1,78,023.78	1,75,778.06
Previous Year	2,23,619.18	34,697.04	2,572.88	2,55,743.34	71,880.04	10,833.29	2,748.06	79,965.27	1,75,778.06	1,51,739.14

- a) Depreciation on free hold land represents depletion on wasting assets.
b) Depreciation includes ` 12.06 Lakhs (P.Y. ` NIL) relating to previous years.
c) Depreciation adjustment during the year includes ` NIL (P.Y. ` 221.02 lakhs) relating to previous year.

2.11.01 GSECL 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 ` 59.40 lakhs (P.Y. ` 59.40 lakhs) are accounted in the books of the Company and included in the respective heads of the assets.

2.11.02 During the year, the company has changed method of depreciation on plant and machinery of solar project from written down value method to straight line method as prescribed in Schedule XIV to the Companies Act, 1956. Had the company continued to provide depreciation for plant and machinery of solar project on written down value method, depreciation charged during the current year would have been higher by ` 535.05 lakhs as well as profit and net fixed assets would have been lower to that extent.

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2.11.03 Statement showing written off assets awaiting disposal included in fixed assets stated above.

(` In Lakhs)

Description	Gross Block	Depreciation	Net Block
Plant & Equipment	998.40	986.82	11.58
Furniture & Fixtures	29.38	28.85	0.53
Office Appliances	11.83	11.50	0.33
Vehicles	105.28	102.13	3.15
Total	1,144.89	1,129.30	15.59
Previous Year	400.78	390.53	10.25

2.12 NON-CURRENT INVESTMENTS

(` in Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
Quoted Investments		
- Investments in Equity Instruments		
40,80,433 (P.Y. 32,68,480) Equity Shares of ` .10/- each, fully paid, of Gujarat Alkalies & Chemicals Ltd.	4,826.24	3,414.24
50,00,000 (P.Y.10,00,000) Equity shares of ` . 2/- (P.Y. ` .10/-) each, fully paid, of Gujarat State Fertilisers & Chemicals Ltd.	1,001.25	1,001.25
9,35,600 (P.Y. 9,35,600) Equity shares of ` .10/- each, fully paid, of Gujarat State Financial Corporation Ltd.	187.12	187.12
7,77,900 (P.Y. 7,77,900) Equity shares of ` .10/- each, fully paid, of Vijaya Bank	77.79	77.79
	6,092.40	4,680.40
Less : Provision for diminution in value of investments	187.12	187.12
	5,905.28	4,493.28
Unquoted Investments		
- Investments in Equity Instruments		
10,00,000 (P.Y.10,00,000) Equity share of ` .10/- each, fully paid, of Gujarat Informatics Ltd.	100.00	100.00
3,900 (P.Y. 1,000) Equity shares of ` .100/- each, fully paid, of Gujarat Industrial Technical Consultancy Organization Ltd.	7.12	1.00
74,25,000 (P.Y. 74,25,000) Equity Shares of ` .10/- each, fully paid, of Gujarat Guardian Ltd.	742.50	742.50
2,61,72,800 (P.Y.2,61,72,800) Equity Shares of ` .1/- each, fully paid, of Gujarat State Petroleum Corporation Ltd.	5,099.97	5,099.97
5,90,00,000 (P.Y. 2,80,00,000) Equity Shares of ` .10/- each, fully paid, of Bhavnagar Energy Company Ltd.	5,900.00	2,800.00
1,90,840 (P.Y. 1,90,840) Equity Shares of ` .10/- each, fully paid, of Gujarat Jaypee Cement and Infra Ltd.	19.08	19.08
2,497 (P.Y. 2,500) Equity Shares of ` .100/- each, fully paid, of Naini Coal Co.Ltd.	2.50	2.50
50,000 (P.Y. 50,000) Equity Shares of ` .10/- each, fully paid, of Gujarat Foundation for Entrepreneurial Excellence	5.00	5.00
49,40,000 (P.Y. NIL) Equity Shares of ` . 10/- Each, fully paid, of Gujarat Credo Mineral Industries Ltd.	494.00	-
25,000 (P.Y. NIL) Equity Shares of ` . 10/- Each, fully paid, of Swarnim Gujarat Fluorspar Pvt Ltd.	2.50	-
	12,372.67	8,770.05
Less : Provision for diminution in value of investments	2.50	-
	12,370.17	8,770.05
Total Non-current Investment	18,275.45	13,263.33
Aggregate amount of quoted investments	6,092.40	4,680.40
Aggregate Market value of quoted investments	10,321.02	8,658.75
Aggregate amount of unquoted investments	12,372.67	8,770.05
Aggregate provision for diminution in value of investments	189.62	187.12



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2.12.01 Details of Investment in Associates

(` in Lakhs)

Particulars	Investment as at 31.03.2013	Investment as at 31.03.2012
Gujarat Foundation for Entrepreneurial Excellence	5.00	5.00

2.12.02 Details of Investment in Joint Ventures

(` in Lakhs)

Particulars	Country of Incorporation	Investment as at 31.03.2013	Proportion of Ownership as at 31.03.2013	Investment as at 31.03.2012	Proportion of Ownership as at 31.03.2012
Bhavnagar Energy Co.Limited.	India	5,900.00	26%	2,800.00	16%
Gujarat Jaypee Cement & Infrastructure Limited.	India	19.08	26%	19.08	26%
Naini Coal Co. Limited.	India	2.50	50%	2.50	50%
Gujarat Credo Mineral Industries Limited.	India	494.00	26%	-	26%
Swarnim Gujarat Fluorspar Pvt. Ltd.	India	2.50	50%	-	-
Gujarat Gokul Power Limited.	India	Agreement is executed but payment is not made.	26%	-	26%

2.12.03 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.

2.12.04 Naini Coal Company Ltd. is a 50:50 joint venture of GMDC and Pondicherry Industrial Promotion Development Investment Corp Ltd. (PIPDIC). Naini Coal Company Ltd had given bank guarantee of ` . 65 Crores to Coal Ministry, Govt of India for allocation of Naini Coal block in the State of Orissa. The said bank guarantee was secured by Corporate Guarantee of GMDC for an amount of ` . 3250 Lakhs and another ` . 3250 Lakhs was secured by bank guarantee of UCO Bank, arranged by PIPDIC. Ministry of Coal, Govt of India has invoked 50% of Bank Guarantee i.e. ` . 3250 Lakhs given by the Naini Coal Company Ltd. vide their letter dated 27.12.2012 due to non-compliance of some terms and conditions of Naini Coal block allocation. GMDC has discharged its liability towards invoked bank guarantee and has accounted for the same as advance to Naini Coal Company Ltd. Total advance given to Naini Coal Company Ltd. as on 31st March, 2013 amounts to ` . 2035.62 Lakhs. The Company has made provision of ` . 2038.12 Lakhs towards advances of ` . 2035.62 Lakhs and investments of ` . 2.50 lakhs respectively, which has been shown as "Exceptional Items" in Statement of Profit & Loss. Meanwhile, company has filed petition in high court against the order of Government of India.

2.13 LONG-TERM LOANS AND ADVANCES

(` in Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
Unsecured, considered good		
Capital Advances	8,469.79	715.96
Deposits with Various Courts	1,275.35	1,275.35
Deposits with Corporate Bodies	4,450.00	-
Interest accrued but not due on above deposits	14.25	-
Security Deposits	298.61	312.32
Advances to Suppliers/ Contractors	5,772.76	2,149.55
Advance Tax & Tax Deducted at Source (Net of Provision)	29,852.86	25,059.58
Balance with Govt.Parties		
- with Sales Tax / VAT Department	898.65	344.41
Loans & Advances to Employees	1,312.73	1,376.06
Other Loans & Advances	3.00	3.00
	<u>52,348.00</u>	<u>31,236.22</u>
Doubtful		
Loans & Advances to Related Parties	2,035.62	-
Deposits with Corporate Bodies	2,657.21	2,657.21
Interest Accrued and Due on Deposits	<u>1,583.13</u>	<u>1,583.13</u>
	6,275.96	4,240.34
Less : Allowance for Bad & Doubtful	<u>6,275.96</u>	<u>4,240.34</u>
	-	-
Total	52,348.00	31,236.22

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2.14 OTHER NON-CURRENT ASSETS

(` in Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
Unsecured, considered good		
Long Term Trade Receivables	-	727.22
Receivable towards sale of fixed assets	824.00	-
Unamortized preliminary expenses	6.52	-
Total	830.52	727.22

2.15 INVENTORIES

(` in Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
Mined Ore	2,093.96	2,157.39
Finished Goods	0.45	0.45
Stores, Spares & Fuel	2,341.35	4,885.25
Stores & Spares in transit	-	1.34
	<u>2,341.35</u>	<u>4,886.60</u>
Less : Provision for Obsolete Stock	<u>519.69</u>	<u>519.69</u>
	1,821.66	4,366.91
Loose Tools	11.39	15.26
Total	3,927.46	6,540.01

2.16 TRADE RECEIVABLES

(` in Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
Debt outstanding for a period exceeding six months		
Unsecured, considered good	302.93	28.72
Doubtful	<u>80.48</u>	<u>75.99</u>
	383.41	104.71
Less : Allowance for Bad & Doubtful	<u>80.48</u>	<u>75.99</u>
	302.93	28.72
Other debts		
Unsecured, considered good	3,680.37	4,411.14
Total	3,983.30	4,439.86

2.17 CASH AND CASH EQUIVALENTS

(` in Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
Cash & Stamp on Hand	1.19	2.27
Balance with Banks		
- Current Account	5,038.70	4,269.13
- Fixed Deposits	481.60	1,230.68
Other Bank Balance		
- Balance with Banks in Unpaid Dividend accounts	95.82	67.52
- Balance with Banks to the extent held as Margin Money	43.18	66.90
- Fixed Deposit with more than 3 months maturity but less than 12 months maturity	24.92	9.14
- Fixed Deposit with more than 12 months maturity	0.15	0.06
- Doubtful Fixed Deposits	374.00	374.00
	<u>538.07</u>	<u>517.62</u>
Less : Allowance made for Doubtful FDR	<u>374.00</u>	<u>374.00</u>
	164.07	143.62
Total	5,685.56	5,645.70



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2.17.01 Cash and Cash Equivalents as of 31st March, 2013 and 31st March, 2012 include restricted cash and bank balances of ₹. 164.07 lakhs and ₹. 143.62 lakhs respectively. The restrictions are primarily on account of cash and bank balances held as margin money, fixed deposits with more than 3 months maturity and unclaimed dividends.

2.17.02 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 an amount of ₹. 24.92 lakhs (P.Y. ₹. 24.92 lakhs) is recoverable from the buyer on execution of sale deed. The said amount has been deposited by the party before the Danta Court and in turn the Court has directed to the Company to deposit the said amount with a nationalized bank in the form of FDR with a lien marked in favour of Danta Court. Accordingly the Company has placed the same with Union Bank of India, Vastrapur Branch, Ahmedabad.

2.18 SHORT-TERM LOANS AND ADVANCES

(₹ in Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
Unsecured, considered good		
Deposits with Corporate Bodies	95,982.21	71,513.84
Interest accrued but not due on Deposits	1,438.01	1,874.90
Advances to Suppliers	1,817.01	1,779.44
Balance with Govt. Parties		
- with Central Excise & CGM	2,487.91	2,672.70
- with Sales Tax / VAT Department	-	943.76
Prepaid expenses	160.12	142.94
Loans & Advances to Related Parties	186.98	637.99
Loans & Advance to Employees	699.44	469.21
Other Loans & Advances	3,986.62	3,214.93
	106,758.30	83,249.71
Doubtful		
Advances to Suppliers	0.11	32.47
	0.11	32.47
Less : Allowance for Bad & Doubtful	0.11	32.47
	-	-
Total	106,758.30	83,249.71

2.18.01 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 Guest house. 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.

2.19 OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
Unsecured, considered good		
Receivable towards sale of fixed assets	824.00	-
		-
Total	824.00	-

2.20 REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	2012-2013	2011-2012
Sale of Products	174,762.51	169,599.76
Less : Excise Duty	7,294.02	6,529.91
Total	167,468.49	163,069.85

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- 2.20.01** In respect of sale of electricity, GUVNL 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 and finalization, the revenue has been booked on the basis of amount paid by GUVNL against electricity bills and adjustment of U.I. charges. Necessary adjustment shall be made in accounts after final outcome of the matter.

(` in Lakhs)				
Particulars	2012-2013		2011-2012	
Interest Income				
- Income Tax/ Sales Tax Refund	190.08		287.07	
- FDRs with Banks & ICDs	7,468.24		4,282.45	
- Others	250.78	7,909.10	108.43	4,677.95
Income from Investment				
- Dividend Income	403.35			314.10
- Net gain on Sale of Investment	-			34.50
Net gain on Sale of Fixed Assets	1,639.04			67.25
Sale of Scrap material	707.17			137.18
Excess Provision of Earlier Years Written Back	4,026.53			148.10
Other Misc. Income	862.93			1,944.74
Total	15,548.12		7,323.82	

2.22 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS & STOCK-IN TRADE (` in Lakhs)

Particulars	2012-2013		2011-2012	
Inventories at the end of the year:				
Finished Goods	0.45		0.45	
Mined Ore	2,093.96		2,157.39	
	2,094.41		2,157.84	
Less :Inventories at the beginning of the year:				
Finished Goods	0.45		0.45	
Mined Ore	2,157.39		2,519.93	
	2,157.84		2,520.38	
Total	(63.43)		(362.54)	

2.23 EMPLOYEE BENEFITS EXPENSE (` in Lakhs)

Particulars	2012-2013		2011-2012	
Salaries, Wages & Bonus	7,075.38		7,201.18	
Contribution to Provident fund & other funds	1,187.58		1,732.72	
Staff Welfare Expenses	793.68		605.09	
Terminal Benefits	1,383.51		1,274.48	
Total	10,440.15		10,813.46	

2.24 FINANCE COST (` in Lakhs)

Particulars	2012-2013		2011-2012	
Interest & Financial Charges				
- Fixed Loans	-		744.87	
- Others	-		-	
Total	-		744.87	



GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

2.25 OTHER EXPENSES

(` in Lakhs)

Particulars	2012-2013	2011-2012
Manufacturing Expenses		
Overburden Removal, Loading, Plant operation & Mining Expense	28,758.25	26,285.67
Operational & Other Expenses		
- Power & Fuel	1,020.58	1,435.18
- Consumption of Stores, Spares & Chemicals	8,077.98	10,393.70
Repairs & Maintenance		
- Buildings	450.13	510.49
- Machineries (Including spares)	2,346.30	2,254.75
- Other Assets	1,615.88	1,944.63
Rates & Taxes		
- Royalty	8,633.68	9,038.75
- Clean Energy Cess	5,464.60	5,683.70
- Other Rates & Taxes	441.14	451.59
Mine Closure Expenses	4,960.39	10,734.37
Forest / Environment Expenses	-	-
Rehabilitation Expenses	-	-
Other Manufacturing Expense		
- Machinery Hire Charges	31.92	73.19
- Rent	0.18	3.80
Administrative & Selling Expenses		
Insurance Premium	278.01	258.36
Vehicle Hire Charges	487.74	418.68
Advertisement & Publicity	210.74	162.25
Security Expenses	1,162.46	970.96
Legal & Professional Fees	448.41	426.85
Payment to Auditors		
- Audit Fees	5.46	4.94
- For Tax Audit	0.77	0.67
- For Consolidation	0.11	0.11
- Out of Pocket Expenses	0.01	0.10
Remuneration to Managing Director	4.33	14.69
Directors sitting Fees & Allowances	2.29	1.62
Cash Discount	503.90	406.92
Provision for Obsolete Stock/CWIP	-	121.32
Provision for doubtful debts	4.49	-
Net Loss on Foreign Exchange transactions	0.13	-
Mining & Project Development Expenses	664.46	1,124.98
Other Miscellaneous Charges	2,328.64	2,907.58
Prior Period Adjustments (Net)	465.32	247.07
Total	68,368.30	75,876.92

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2.25.01 Royalty on account of sale of Bauxite has been accounted for ₹.1,130.46 Lakhs (P.Y. ₹. 1,120.24 lakhs) on ad hoc basis as intimated by the Commissioner of Geology and Mining. Necessary adjustment shall be made in the accounts after final outcome of the matter.

2.25.02 In view of the Supreme Court's decision in respect of mining activities, applications made by the Corporation for renewal of leases covering 2,040 (P.Y. 2,040) hectares of land for extracting lignite are pending since 1993-94. Necessary adjustment in respect of liability for any charges, taxes, duties etc. will be provided in accounts on finalization of renewal applications.

2.25.03 Details of Prior Period Adjustments (Net)

(₹ in Lakhs)

Particulars	2012-2013		2011-2012	
Income				
- Sales	39.00		11.98	
- Other Income	1.71	40.71	23.53	35.51
Expenditure				
- Consumption of Stores, Chemicals etc.	90.76		5.78	
- Finance Charges	-		29.56	
- Repair & Maintenance for Machineries	15.69		55.19	
- Repair & Maintenance for Buildings	-		20.97	
- Repair & Maintenance for Others	-		6.89	
- Payment to Employees	-		0.24	
- Overburden removal, Loading and Transportation charges	111.14		131.88	
- Rates & Taxes	243.57		35.88	
- Misc. Mining Expenses	6.11		177.22	
- Depreciation	12.06		(221.02)	
- Short Provisions for Earlier Years	-		2.33	
- Legal and Professional Charges	-		22.55	
- Miscellaneous Expenses (net)	26.70	506.03	15.11	282.58
Net Prior Period Income/(Expenses)		(465.32)		(247.07)

2.26 Contingent Liabilities

Contingent liabilities not provided for Claims against the Corporation not acknowledged as debt ₹. 99,083.65 lakhs (P.Y. ₹. 1,01,119.33 lakhs).

2.26.01 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 ₹. 773.52 lakhs upto 31st March, 2013 (P.Y. ₹. 773.52 lakhs). Necessary adjustment shall be made in accounts after final decision/outcome of the case.

2.26.02 The company has acquired total 78.54 Lakhs Sq. Mtrs. at ₹. 2,088.38 Lakhs as awarded by the competent authority for the Bhavnagar Project, out of which land owners possessing land of 60.84 Lakhs Sq. mtrs. have filed suit for enhancement of compensation. The value of enhancement claimed is ₹. 60,836.27 lakhs up to 31st March, 2013 (P.Y. ₹. 60,836.27 lakhs), which is almost 37 times higher than amount of original award and the same is unrealistic. Necessary adjustment shall be made in accounts after final decision/outcome of the case.

2.26.03 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 ₹. 1,239.03 lakhs (P.Y. ₹. 1,239.03 lakhs) has been deposited and shown under the head 'Deposits with various Courts'. Necessary adjustment shall be made in accounts after final decision /outcome of the case.

2.26.04 Income Tax : ₹. 24,062.98 lakhs (P.Y. ₹. 24,166.30 lakhs)

2.26.05 Sales Tax/ VAT : ₹. 425.45 lakhs (P.Y. ₹. 453.94 lakhs)

2.26.06 Excise : ₹. 450.58 lakhs (P.Y. ₹. 450.58 lakhs)

2.26.07 Related to Contractors and Others : ₹. 5,548.22 lakhs (P.Y. ₹. 4,295.92 lakhs)

2.26.08 Bank Guarantee/letter of credits issued by banks on behalf of the Corporation/Corporate Guarantees given by GMDC on behalf of JV company : ₹. 121.88 lakhs (P.Y. ₹. 3,278.05 lakhs)



GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

- 2.26.09 Royalty, Stamp duty and Conversion tax : ₹. 4,466.88 lakhs (P.Y. ₹. 4,466.88 lakhs)
 2.26.10 Incentive to Employees : ₹. 1,158.84 lakhs (P.Y. ₹. 1,158.84)
 In view of the various court cases/litigations and claims disputed by the Company, financial impact as to outflow of resources in respect of various expenses is not ascertainable at this stage.

2.27 Capital and other commitments :

2.27.01 Capital Commitments

Estimated amount of Capital Contracts remaining to be executed and not provided for ₹. 9,844.86 lakhs (P.Y. ₹. 1,717.73 lakhs)

2.27.02 Other Commitments

- a) Corporation has entered into the Sponsor Support Agreement with Bhavnagar Energy Company Ltd (BECL), whereby corporation has given commitment to meet the Cost overrun to the extent of its share of 26% in BECL.
- b) NALCO has made upfront payment of ₹. 15,100 lakhs for setting up Alumina Refinery & Smelter plant in Kutch region and same has been shown under the head "Other long term Liabilities". Further, GMDC has deposited the said amount with GSFS as inter corporate deposit. GMDC will supply Bauxite, Limestone and Lignite to NALCO on a long term basis, as per terms and conditions as may be mutually agreed between the parties and subject to approval of appropriate authorities; In case the said arrangement is not materialized as per proposed agreement, then GMDC shall refund the said amount and other compensation to NALCO as admissible as per law prevailing at that time.

2.28

I Raw Material Consumed:

(₹ in Lakhs)

Particulars	2012-13		2011-12	
	Quantity (M.T.)	Value (₹)	Quantity (M.T.)	Value (₹)
(a) Fluorspar Project, Kadipani Mined Ore	Nil	Nil	Nil	Nil
(b) Calcination Project, Gadhsisa Mined Ore	Nil	Nil	Nil	Nil
Total	Nil	Nil	Nil	Nil

II a). Consumption of imported & indigenous raw materials

(₹ in Lakhs)

Particulars	2012-13		2011-12	
	₹	%	₹	%
Imported	Nil	Nil	Nil	Nil
Indigenous	Nil	Nil	Nil	Nil
Total	Nil	Nil	Nil	Nil

b). Consumption of imported & indigenous Stores & Spares

(₹ in Lakhs)

Particulars	2012-13		2011-12	
	₹	%	₹	%
Imported	78.36	1	295.27	3
Indigenous	7,999.61	99	10,098.43	97
Total	8,077.97	100	10,393.70	100

III C.I.F. Value of Imports:

(₹ in Lakhs)

Particulars	2012-13	2011-12
Components & Spares	88.39	392.99
Capital Goods	Nil	Nil
Total	88.39	392.99

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IV Expenditure in foreign currency : ₹. NIL (P. Y. Rs. NIL)

V Remuneration to Managing Director :

(₹ in Lakhs)

Particulars	2012-13	2011-12
Remuneration	3.25	14.16
Perquisites	1.08	0.52
Total	4.33	14.68

VI During the year the Corporation has remitted the amount in foreign currency on account of the Share holders as under: (₹ in Lakhs)

(a) Year to which dividend relates	2011-12	2010-11
(b) Number of non-resident shareholders	34	60
(c) Number of shares held by them	48682	72962
(d) Amount of dividend remitted in foreign currency	1.46	2.19

2.29 In the opinion of Management, any of the Assets other than Fixed Assets and Non-Current Investments have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated, unless otherwise stated.

2.30 Balances of trade payables, trade receivables, loans & advances, advances from customers, other long term/current liabilities, etc. are subject to reconciliation and adjustments, if any, in the accounts.

2.31 As at the Balance Sheet date Company has reviewed the carrying amounts of its assets and found that there is no indication that those assets have suffered any impairment loss. Hence, no such impairment loss has been provided.

2.32 Earning Per Share

Particulars	2012-13	2011-12
Profit after tax (₹. In Lakhs)	60,083.7	48,676.09
Weighted average no. of equity shares outstanding	31,80,00,000	31,80,00,000
Basic and diluted earnings per share (₹)	18.89	15.31

2.33 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".

GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

(` in Lakhs)

Items	Particulars	2012-13	2011-12
1	Segment Revenue		
	a) Mining Projects	1,51,337.61	1,48,809.44
	b) Power Projects	27,402.90	21,015.20
	Segment Revenue	1,78,740.51	1,69,824.64
	c) Un-allocable Corporate Revenue	1,754.06	294.49
	Total Revenue	1,80,494.57	1,70,119.13
2	Segment Results :		
	(Profit/Loss before interest and tax)		
	a) Mining Projects	82,204.58	74,092.13
	b) Power Projects	3,696.55	(2,657.31)
	Segment Results	85,901.13	71,434.82
	c) Un-allocable Corporate Revenue	(1,807.26)	(3,953.91)
	Total	84,093.87	67,480.91
	Less : Interest Paid	-	744.87
	Add : Interest Income	7,909.10	4,677.95
	Add : Dividend Income	403.35	314.10
	Add : Profit on sale of Investments	-	34.50
	Net Profit before tax and exceptional Items	92,406.32	71,762.59
	Less : Exceptional Items	2,038.12	-
		90,368.20	71,762.59
	Less : Provision for Current Tax	28,400.00	19,150.00
	Less : Provision for Deferred Tax	1,884.51	3,936.50
	Total Tax Provision	30,284.51	23,086.50
	Profit after tax (Enterprise net profit)	60,083.69	48,676.09
3	Segment Assets :		
	a) Mining Projects	49,131.70	49,008.93
	b) Power Projects	2,34,714.66	2,22,205.41
	Total Segment Assets	2,83,846.36	2,71,214.34
	c) Un-allocable Corporate Assets	1,55,142.73	1,10,612.27
		4,38,989.09	3,81,826.61
4	Segment Liabilities :		
	a) Mining Projects	53,156.78	52,983.92
	b) Power Projects	68,398.60	59,308.05
	Total Segment Liabilities	1,21,555.38	1,12,291.97
	c) Un-allocable Corporate Liabilities	3,17,433.71	2,69,534.64
		4,38,989.09	3,81,826.61
5	Capital Expenditure :		
	(i) Additions :		
	a) Mining Projects	1,809.30	2,027.18
	b) Power Projects	12,845.05	30,393.99
		14,654.35	32,421.17
	c) Un-allocable Capital Expenditure	52.46	2,275.87
	Total Additions	14,706.81	34,697.04
	(ii) Depreciation :		
	a) Mining Projects	1,515.72	1,286.85
	b) Power Projects	9,873.11	9,031.31
		11,388.83	10,318.16
	c) Un-allocable Depreciation	361.64	515.13
	Total Depreciation	11,750.47	10,833.29
6	Segment assets and liabilities are subject to reconciliation.		
7	Segment Revenue of Mining includes ` . 5,092.75 Lakhs (P.Y. ` . 4,494.94 Lakhs) being captive consumption of Lignite/Lime for Power Project.		
8	Inter-segment transfers of Lignite and Lime are accounted for at cost.		

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2.34 Related party disclosures on 31.3.2013 :

(i) List of Related parties & Relationships :

Name of Related Party	Relationship
Shri M. Sahu, IAS – Chairman	Key Management Personnel
Shri V. S. Gadhvi, IAS – Managing Director (up to 31.1.2013)	
Shri B. B. Swain, IAS - Managing Director (w.e.f. 1.2.2013)	
Gujarat Foundation for Entrepreneurial Excellence	Associates
Gujarat Jaypee Cement Infrastructure Ltd.	Joint Ventures
Gujarat Credo Mineral Industries Ltd.	
Bhavnagar Energy Co. Ltd.	
Swarnim Gujarat Fluorspar Pvt. Ltd.	
Naini Coal Company Ltd.	Enterprises over which key management personnel are able to exercise significant influence
GMDC Gram Vikas Trust	
GMDC Science & Research Centre	
Lakhpat Welfare Society	

(ii) Transactions during the year with related parties :

(` in Lakhs)

Nature of transactions	Subsidiary		Associates		Joint Ventures		Key Management Personnel		Others		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Remuneration Paid	Nil	Nil	Nil	Nil	Nil	Nil	4.33	14.69	Nil	Nil	4.33	14.69
Purchase of Investments*	Nil	Nil	Nil	5.00	3,596.50	Nil	Nil	Nil	Nil	Nil	3,596.50	5.00
Paid/ Receivable	Nil	1.00	43.09	41.41	2,056.65	Nil	Nil	Nil	360.25	212.51	2,459.99	254.92
Received/(Payable)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	333.48	370.04	333.48	370.04
Donations given	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	700.00	Nil	700.00

* Includes Rs. 494 lakhs adjusted against receivables towards sale of bauxite.

(iii) Balances as at 31st March, 2013 :

(` in Lakhs)

Nature of transactions	Subsidiary		Associates		Joint Ventures		Key Management Personnel		Others		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Investments	2.55	2.55	5.00	5.00	6,418.08	2,821.58	Nil	Nil	Nil	Nil	6,425.63	2,829.13
Receivable	1.00	1.00	84.50	41.41	2,043.58	480.94	Nil	Nil	94.97	115.65	2,224.05	639.00
Payable	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	47.44	Nil	47.44

2.35 Corresponding figures of the previous year have been re-grouped / re-arranged and re-classified, wherever necessary, to make them comparable with the figures of the current year.

2.36 Financial Information of Subsidiary Company:

(` in Lakhs)

Name of Subsidiary Company	Year	Capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend
Gujarat State Mining and Resources Corporation Ltd.	2012-13	5.00	-1.19	7.63	7.63	0.00	0.00	-0.52	0.00	-0.52	0.00
	2011-12	5.00	-7.18	1.55	1.55	0.00	0.00	-7.18	0.00	-7.18	0.00

Pawan Bhootra
General Manager (Accounts)

Joel Evans
Company Secretary

Place : Ahmedabad
Date : 28th May, 2013

As per our report of even date attached

For P Singhvi & Associates
Chartered Accountants
FRN - 113602 W

CA. Praveen Singhvi
Partner
Membership No. 71608
Place : Ahmedabad
Date : 28th May, 2013

L. Kulshrestha
General Manager (Finance)

Bhadresh Mehta
Director

M. Sahu, IAS
Chairman

Pankaj Kumar, IAS
Managing Director

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GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

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 50th Annual General Meeting of the Corporation 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 Friday, the 27th September, 2013 and at any adjournment thereof.

Dated _____ day of _____ 2013.

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 Corporation, 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 Share _____

I certify that I am registered Shareholder / proxy for the registered shareholder of the Corporation. I hereby
record my presence at the 50th Annual General Meeting of the Corporation 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 Friday, the 27th September, 2013 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 Corporation.

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GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.
KHANIJ BHAVAN, 132 FEET RING ROAD
NEAR UNIVERSITY GROUND
VASTRAPUR, AHMEDABAD - 380 052.

ECS / MANDATE FORM.

DP ID/CLINET ID/L.F.NO : _____

NAME OF SHAREHOLDER : _____

ADDRESS OF SHAREHOLDER : _____

NO.OF SHARES HELD : _____

NAME OF BANK : _____

ADDRESS OF BANK : _____

BANK A/C.NO. : _____

BANK MICR CODE : _____

(PLEASE ATTACH A PHOTO COPY OF CHEQUE)

SHAREHOLDER'S SIGNATURE : _____

DATE : _____

PLACE : _____

NOTE :

- (i) SHAREHOLDERS HOLDING PHYSICAL SHARES, SHOULD FILL UP THIS ECS / MANDATE FORM AND RETURN TO THE COMPANY OR REGISTRAR FOR REGISTRATION.
- (ii) SHAREHOLDERS HOLDING SHARES IN DEMAT ARE REQUESTED TO UPDATE THEIR BANK DETAILS WITH THEIR RESPECTIVE DPs.

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BOOK-POST

To,



**GUJARAT
MINERAL
DEVELOPMENT
CORPORATION
LIMITED**

(A GOVT. OF GUJARAT ENTERPRISE)

Registered Office :

'Khanij 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

E-Mail : cosec@gmdcltd.com • Website : www.gmdcltd.com



GUJARAT MINERAL DEVELOPMENT CORPORATION LIMITED

(A Government of Gujarat Enterprise)

Khanij Bhavan, Univ. Ground, 132 ft. Ring Road, Opp. Manav Mandir, Vastrapur, Ahmedabad
380 052 Tel no. 27913200, 27913501, 27911340, 27911680, 27910665 Fax no. (079) 27912746, 1454

FORM A

Pursuant to Clause 31 of the Equity Listing Agreement
(Ref : SEBI Circular No. CIR/CFD/DIL/7/2012 dated 13.8.2012)

1.	Name of the Company	Gujarat Mineral Development Corporation Ltd.
2.	Annual financial statements for the year ended	31 st March, 2013
3.	Type of Audit Observation	Un-qualified
4.	Frequency of observation	Not applicable
5.	Signed by	Signature
	Shri Pawan Bhootra General Manager (Accounts)	
	Shri Praveen Singhvi, Partner M/s P. Singhvi & ASSOCIATES Chartered Accountants	
	Shri Bhadresh Mehta Chairman, Audit Committee	
	Shri Pankaj Kumar, IAS Managing Director	