

# 53<sup>rd</sup>

*Annual Report*  
2015-2016



**GUJARAT MINERAL DEVELOPMENT  
CORPORATION LIMITED**



**BOARD OF DIRECTORS**

**CHAIRMAN**

Shri Arvind Agarwal, IAS (upto 20.08.2016)

**MANAGING DIRECTOR**

Shri Arunkumar Solanki, IAS

**COMPANY SECRETARY**

Shri Joel Evans

**STATUTORY AUDITORS**

M/s S C Ajmera & Co., Chartered Accountants

**REGISTERED OFFICE**

Khanij Bhavan  
132 Feet Ring Road  
Near University Ground,  
Vastrapur,  
Ahmedabad – 380 052  
Phone : 2791 3200 / 3501 / 1662 / 1680 / 0665 /  
0096 / 0465 / 2416 / 2457 / 2443 / 1340  
FAX : (079) 2791 3038 / 1151 / 1454 / 1822 / 0969  
E-Mail : Contact@gmdcltd.com  
Website : www.gmdcltd.com

**DIRECTORS**

Smt. Sonal Mishra, IAS Director  
Shri Bhadrash Mehta, Independent Director  
Shri S B Dangayach Independent Director  
Shri Nitin Shukla, Independent Director  
Prof. Shailesh Gandhi, Addl. Independent Director

**BANKERS**

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

**PROJECTS:**

**Lignite Projects**

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

**Fluorspar Project**

Kadipani (Dist. Baroda)

**Bauxite Projects**

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

**Multi-Metal Project**

Ambaji (Dist. Banaskantha)

**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)

**Manganese Project**

Shivrajpur (Dist. Panchmahal)

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

M/s. MCS STA Limited  
201, Shatdal Complex, 2<sup>nd</sup> floor  
Opp : Bata Show Room , Ashram Road  
Ahmedabad-380 009  
Tel. 079 26580461-63  
Fax : (079) 26581296

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**AGM DATE, DAY, TIME & VENUE**

**Date of AGM : 29.09.2016**  
**Day : Thursday**  
**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 HIGHLIGHTS**

Sr. Particulars	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
<b>(A) Statement of Profit &amp; Loss</b>										
1. Total Turnover	1,22,601.81	1,47,314.44	1,34,407.28	1,74,762.51	1,69,599.76	1,42,122.34	1,06,608.05	98,121.21	98,105.54	58,895.65
2. Profit before tax	33,662.60	63,586.75	62,959.01	90,368.72	71,769.78	58,461.06	40,608.25	36,990.48	40,839.48	16,775.22
3. Interest	0.00	0.00	0.00	0.00	784.89	1,528.32	2,611.22	5,390.84	7,024.77	7,370.52
4. Depreciation	13,140.34	13,726.91	12,456.50	11,738.40	10,833.29	9,295.55	8,615.31	7,777.77	9,553.69	12,932.05
5. Provision for tax	9,665.89	13,553.89	19,045.59	30,284.51	23,086.50	20,984.72	12,621.37	13,359.87	14,446.38	5,907.38
6. Profit after tax	23,996.71	50,032.86	43,913.42	60,084.21	48,683.28	37,476.34	27,986.88	23,630.61	26,393.10	10,867.85
7. Short/Excess provision of tax of earlier years	0.00	0.00	0.00	0.00	0.00	30.70	1.17	488.85	0.00	1,420.48
8. Net Profit after short/excess tax provision of earlier years	23,996.71	50,032.86	43,913.42	60,084.21	48,683.28	37,507.04	27,988.05	23,141.76	26,393.10	9,447.37
9. Balance of profit of last year	45,867.73	32,317.00	24,564.90	15,642.01	13,046.36	11,626.94	12,939.98	4,739.10	2,066.44	1,339.52
10. Profit available for appropriation	69,864.44	82,349.86	68,478.31	75,726.22	61,729.64	49,133.98	40,928.03	27,880.86	28,459.54	10,786.89
11. Dividend in %	150.00	150.00	150.00	150.00	150.00	150.00	125.00	100.00	100.00	100.00
12. Dividend in Rupees	9,540.00	9,540.00	9,540.00	9,540.00	9,540.00	9,540.00	7,950.00	6,360.00	3,180.00	3,180.00
<b>(B) Balance Sheet</b>										
1. Share Capital	6,360.00	6,360.00	6,360.00	6,360.00	6,360.00	6,360.00	6,360.00	6,360.00	3,180.00	3,180.00
2. Reserves & Surplus	3,30,311.28	3,17,796.69	2,79,887.62	2,47,135.53	1,98,212.64	1,60,616.98	1,34,197.57	1,15,510.61	1,02,989.73	80,693.28
3. Gross Fixed Assets	2,94,093.23	2,81,843.87	2,80,574.16	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
4. Net Fixed Assets	1,75,162.04	1,75,622.14	1,86,237.72	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
5. Net worth	3,36,671.28	3,24,156.69	2,86,247.62	2,53,495.53	2,04,572.64	1,65,852.01	1,38,755.83	1,20,769.80	1,05,847.65	80,319.15
<b>(C) Financial Ratios</b>										
1. % of Net Profit										
On Sales	19.57	33.96	32.67	34.38	28.70	26.37	26.25	24.08	26.90	18.45
On Gross Fixed Assets	8.16	17.75	15.65	22.62	19.04	16.76	14.16	12.53	14.29	6.07
On net worth	7.13	15.43	15.34	23.70	23.80	22.60	20.17	19.57	24.93	13.53
On Share Capital	377.31	786.68	690.46	944.72	765.46	589.25	440.05	371.55	829.97	341.76
2. Debt/Equity Ratio	Nil	Nil	Nil	Nil	Nil	0.08	0.15	0.39	0.63	1.14

## NOTICE

Notice is hereby given that the 53<sup>rd</sup> Annual General Meeting of the Shareholders of 'Gujarat Mineral Development Corporation Limited' will be held on Thursday, the 29th September, 2016 at 11.00 AM 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 businesses :

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Financial Statements of the Corporation (standalone and Consolidated) for the year ended on March 31, 2016, including the Balance Sheet, Profit and Loss Statement and Cash Flow Statement as at that date together with the Report of the Board of Directors, and Auditors and C & AG thereon.
2. To declare dividend on Equity Shares for the year ended 31<sup>st</sup> March, 2016.
3. To fix up the remuneration of Statutory Auditors for the year 2016-17 to be appointed by the Comptroller & Auditor General of India.

**SPECIAL BUSINESS:**

4. To consider and if thought fit, to pass with or without modifications, if any, the following resolution as an Ordinary Resolution for appointment of Prof. Shailesh Gandhi (DIN: 02685385) as an Independent Director :  
"RESOLVED THAT pursuant to the provisions of sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Prof. Shailesh Gandhi (DIN: 02685385), be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years, starting from 3<sup>rd</sup> December, 2015 up to 2<sup>nd</sup> December, 2020, not liable to retire by rotation."
5. To ratify the remuneration of Cost Auditors for financial year 2016-17 and if thought fit, to pass the following resolution as an Ordinary Resolution:  
"RESOLVED THAT pursuant to Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under, the remuneration of ₹ 1,50,000 (Including Service Tax), reimbursement of out of pocket expenses incurred in connection with the Cost Audit for financial year 2016-17 payable to M/s Manish B. Analkat, Cost Auditors, as approved by the Board of Directors of the Company at its Meeting held on 26<sup>th</sup> May, 2016 be and is hereby ratified."

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

Date : 24.06.2016  
Place : Ahmedabad

**Registered Office :**

Gujarat Mineral Development Corporation Limited  
CIN NO:- L14100GJ1963SGC001206  
'Khanij Bhavan', 132 Ft. Ring Road,  
Near University Ground, Vastrapur,  
Ahmedabad-380 052.

**EXPLANATORY STATEMENT****PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013.****Item No. 4**

Prof. Shailesh Gandhi (DIN: 02685385) is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 3<sup>rd</sup> December, 2015.

Prof. Shailesh Gandhi (DIN: 02685385) is aged 60 years and is a professor in Indian Institute of Management, Ahmedabad (IIMA). He has a very wide experience in education sector. He is a Director in following Company:

1. Ahmedabad Capital Markets Limited – PR Director

In the opinion of the Board, Prof. Shailesh Gandhi fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Additional Independent Director of the Company and is independent of the management and has given a declaration to the Board that he meets the criteria of independence as provided under section 149(6) of the Act. Copy of the draft letter for appointment of Prof. Shailesh Gandhi as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Prof. Shailesh Gandhi as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Prof. Shailesh Gandhi as an Independent Director, for the approval by the shareholders of the Company, for a period of 5 years (Upto 2<sup>nd</sup> December, 2020)

Except Prof. Shailesh Gandhi, being an appointee, none of the Directors and Key Managerial Personnel of the company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at item no. 4. This Explanatory Statement may also be regarded as a disclosure under Listing Regulations with the Stock Exchange.

**Item No.5**

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors, M/s Manish B. Analkat, to conduct the audit of the cost records of the Company for the financial year ending



## GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

March 31, 2017 with a remuneration of ₹ 1,50,000 (Including Service Tax).

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2017.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice. The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the shareholders.

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

Date : 24.06.2016  
Place : Ahmedabad.

### Registered Office :

Gujarat Mineral Development Corporation Limited  
CIN NO:- L14100GJ1963SGC001206  
'Khanij Bhavan', 132 Ft. Ring Road,  
Nr. University Ground, Vastrapur,  
Ahmedabad-380 052

### NOTES:

1. Pursuant to provisions of SEBI (LODR) Regulations, 2015, the particulars of Directors seeking appointment/re-appointment for item no. 4, under Code of Corporate Governance and the relevant explanatory statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the special business for item no. 4 to be transacted at the meeting, are annexed hereto.
2. 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. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. The 'Members Register' and the 'Share Transfer Book' of the Company shall remain closed from Friday, 23rd September, 2016 to Thursday, 29th September, 2016 (both dates inclusive).

3. The dividend declared at the Annual General Meeting will be paid on equity shares of the Company on or after 12th October, 2016 to those Members holding shares in physical form and whose names appear on the Register of Members of the Company on 29th September, 2016. In respect of shares held in electronic form, the dividend will be payable to those who are the beneficial owners of shares after close of business hours on 22nd September, 2016, as per details to be furnished by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Limited (CDSL).
4. Corporate members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company a certified copy of the Board Resolution authorizing their representative together with specimen signatures of their authorized representatives to attend and vote on their behalf at the Meeting.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Non-Resident Indian Shareholders are requested to inform the Company immediately:
  - (i) The change in the Residential Status on return to India for permanent settlement;
  - (ii) The particulars of NRE Bank Account maintained in India with complete name and address of the Bank, if not furnished earlier.
7. **The Company will not entertain any direct request from Members for deletion/change in the bank account details furnished by Depository Participants to the Company.**
8. Relevancy of questions and the order of speaker at the meeting will be decided by the Chairman.
9. Members are requested to give full particulars of their Bank Account details for safe payment of dividend.
10. 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 STA Limited, 201, 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.
11. 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 STA Limited, 201, Shatdal Complex, Opp. Bata Show Room, Ahmedabad in respect of their physical share folios, if any.

## ANNUAL REPORT 2015-2016

12. 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.
13. The Annual Report 2015-16 is being sent through electronic mode to the members whose email addresses are registered with the Company / Depository Participant(s), unless any member has requested for a physical copy of the report. For members who have not registered their email address, physical copies of the Annual Report 2015-16 are being sent by the permitted mode. The notice of the 53rd AGM and instructions for e-voting, along with the Attendance Slip and Proxy form, is being sent by electronic mode to all members whose email addresses are registered with the Company / Depository Participant(s), unless member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the documents are being sent by the permitted mode.
14. With a view to using natural resources responsibly, we request shareholders to update their email address, with their Depository Participants to enable the Company to send communication.
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to Depository Participant(s). Members holding shares in physical form are required to submit their PAN details to the company.
16. Members who hold shares in the physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest to avail of the nomination facility. Blank forms will be supplied by Company's Registrar & Transfer Agent on request. Members holding shares in dematerialized form may contact their Depository Participant for recording nomination in respect of their shares.
17. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to MCS Share Transfer Agent Limited, for consolidation into a single folio.
18. Members who are holding shares in identical order of names in more than one folio are requested to send to the Company the details of such folios together with the share certificates for consolidating their holdings in one folio. The share certificates will be returned to the members after making requisite changes thereon.
19. As per the provisions of Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, Members holding shares in physical form may file nomination in the prescribed form SH-13 with the Company's Registrar and Share Transfer Agent. In respect of shares held in demat form, the nomination form may be filed with the respective Depository Participant.
20. 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.
21. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956 (Section 124 of the Company Act, 2013) dividends for the financial year ended 31st March, 2009 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, 2009 or any subsequent financial years are requested to make their claim to M/s. MCS STA 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 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	2008-2009	29.09.2009	29.09.2016
2	2009-1010	28.09.2010	28.09.2017
3	2010-2011	30.09.2011	30.09.2018
4	2011-2012	28.09.2012	28.09.2019
5	2012-2013	27.09.2013	27.09.2020
6	2013-2014	25.09.2014	25.09.2021
7	2014-2015	29.09.2015	29.09.2022

22. **Voting through electronic means (Remote e-voting)**  
**The instructions for members for voting electronically are as under:-**

As per Sections 107 and 108 of the Companies Act, 2013, read with Companies (Management and Administration) Rules, 2014, including amendment made thereof, facility is provided to the Shareholders for e-Voting through CDSL to enable them to cast their votes electronically on the resolutions mentioned in the Notice of the 53<sup>rd</sup> AGM dated 24th June, 2016. The detailed process, instructions and manner for availing e-Voting facility is shown hereunder :

The Company has fixed 23<sup>rd</sup> September, 2016 as a cut-off date to record the entitlement of the Shareholders to cast their votes electronically at the 53<sup>rd</sup> AGM.



# GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

## (A) SECTION A : E-VOTING PROCESS – SHARE-HOLDERS HOLDING SHARES IN DEMAT FORM

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on “Shareholders” tab.
- (iii) Now, select the “GUJARAT MINERAL DEVELOPMENT CORPORATION LIMITED” from the drop down menu and click on “SUBMIT”
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).
	<ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. The Sequence Number is printed on Address Sticker.</li> <li>• In case the Sequence Number is less than 8 digits enter the applicable number of 'O's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB/ Dividend Bank Details#	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p> <p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <p># Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter <b>the number of shares held by you as on the cut off date (23.09.2016) in the Dividend Bank details field.</b></p>

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the 160901060 (EVSN) for the relevant GUJARAT MINERAL DEVELOPMENT CORPORATION LIMITED on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL’s mobile App m-Voting available for android based mobiles. The m-Voting App can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile App while voting on your mobile.



(xix) **For Institutional shareholders :**

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

### SECTION-B : E-VOTING PROCESS - SHAREHOLDERS HOLDING SHARES IN PHYSICAL FORM

Please follow all steps from sl. no. (i) to sl. no. (xvi) above to cast vote.

### SECTION C : COMMENCEMENT OF E-VOTING PERIOD AND OTHER E-VOTING INSTRUCTIONS

1. The voting period begins on Sunday, 25th September, 2016 at 9.00 AM and ends on Wednesday, 28th September, 2016 at 5.00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 23rd September, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
2. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on 23rd September, 2016. (Cut off date)
3. M/s. Sandip Sheth & Associates, Practicing Company Secretaries, has been appointed as the Scrutinizer to scrutinize the e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
4. The facility for voting through ballot will also be made available at the AGM, and members attending the AGM who have not already cast their vote by remote-e-voting will be able to exercise their right at the AGM. Shareholders who have not cast their vote electronically, by remote-e-voting may only cast their vote at the AGM through ballot paper.

5. The Scrutinizer shall, after scrutinizing the votes cast at the AGM (poll) and through remote e-voting not later than three days of conclusion of the AGM, make and submit a consolidated Scrutinizer's report and submit to the Chairman.
6. The result of voting will be announced by the Chairman of the Meeting on or after the 53<sup>rd</sup> Annual General Meeting to be held on Thursday, the 29th September, 2016. The result of the voting will be communicated to the Stock Exchanges and will be placed on the website of the Company [www.gmdcltd.com](http://www.gmdcltd.com).
7. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
8. Institutional shareholders (i.e. members other than individuals, HUF, NRIs, etc.) are required to send scanned copy (PDF / JPG format) of the relevant Board Resolution / Authority letter, etc., together with the attested specimen signature(s) of the duly authorized signatory(ies) who is / are authorized to vote, to the scrutinizer via email at: [sheth.sandip@gmail.com](mailto:sheth.sandip@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

### Contact Details

<b>Company</b>	Gujarat Mineral Development Corporation Limited (A Government of Gujarat Enterprise) CIN : L14100GJ1963SGC001206 "Khanij Bhavan", 132 Ft. Ring Road, Near University Ground, Vastrapur, Ahmedabad-52 Phone : 2791 0665 / 2791 1662 / 2791 3200 / 2791 3201 TeleFax : 079 – 2791 1151 e-mail : <a href="mailto:cosec@gmdcltd.com">cosec@gmdcltd.com</a> website : <a href="http://www.gmdcltd.com">www.gmdcltd.com</a>
<b>Registrar &amp; Share Transfer Agent</b>	M/s MCS Share Transfer Agent Limited 201, Shatdal Complex, 2 <sup>nd</sup> Floor, Opp. Bata Show Room, Ashram Road, Navrangpura, Ahmedabad-380 009 E-mail : <a href="mailto:mcsahmd@gmail.com">mcsahmd@gmail.com</a>
<b>e-Voting Agency</b>	Central Depository Services (India) Limited E-mail : <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a>
<b>Scrutinizer</b>	M/s Sandip Sheth & Associates Practicing Company Secretary E-mail : <a href="mailto:sheth.sandip@gmail.com">sheth.sandip@gmail.com</a>



**BOARD'S REPORT 2015-16**

To  
The Shareholders,  
Gujarat Mineral Development Corporation Limited  
Your Directors have pleasure in presenting 53<sup>rd</sup> Board's Report along with the audited accounts of your Corporation for the financial year 2015-16.

**1. FINANCIAL RESULTS**

Our profit after tax for the year is ₹ 23,997 lakh as against ₹ 50,032 lakh last year.

Financial Results	2015-16 (₹ In lakh)	2014-15 (₹ In lakh)
<b>Operating profit</b>	46,803	77,313
Less: Interest	-	-
Profit after interest, but Before depreciation	46,803	77,313
Less: Depreciation	13,140	13,727
Profit before tax & exceptional items	33,663	63,586
Less: Exceptional items	-	-
<b>Profit before tax</b>	33,663	63,586
Less: Provision for tax for the year including deferred tax	9,666	13,554
<b>Net profit after tax</b>	23,997	50,032
Add: Balance of Profit brought forward	45,867	32,317
Less: Excess/Short provision of Deferred tax liability (net)	-	-
Profit available for appropriation	69,864	82,349
<b>Less: Appropriations</b>		
(i) Proposed Dividend	9,540	9,540
(ii) Corporate tax on dividend	1,942	1,942
(iii) General Reserve	-	25,000
<b>Balance carried to Balance Sheet</b>	<b>58,382</b>	<b>45,867</b>

**2. REVIEW OF THE BUSINESS OPERATIONS**

**2.1 LIGNITE PROJECTS:**

During the year, the Company operated six lignite mines, namely, Panandhro, Mata-No-Madh, Rajpardi, Tadkeshwar, Bhavnagar and Umarsar Lignite Mines. During the year under review, 69.68 lac tones of lignite were produced from these mines. The mine-wise production figures are as follows:

Sr. No.	Name of mine	Lignite production in lakh MT
1	Panandhro	29.88
2	Mata-No-Madh	13.70
3	Tadkeshwar	7.87
4	Rajpardi	1.03
5	Bhavnagar	8.77
6	Umarsar	8.43
<b>Total</b>		<b>69.68</b>

**2.2 POWER PROJECT – NANI CHHER**

During the year under review, 2 x 125 MW Akrimota Thermal Power Station is running successfully. This year the Power Plant has turned around and performed very well by producing 1427.42 MUs having 65% PLF booking a net profit of ₹ 5.75 crore.

**2.3 WIND AND SOLAR POWER**

Wind Farm Projects of 150.9 MW are situated at different locations in Gujarat and 5 MWp Solar Power Project is situated at Panandhro Lignite Project, which are running satisfactorily. The Wind Projects have achieved 23.48% PLF (Plant Load Factor), whereas Solar Project is running at 18.38% CUF (Capacity Utilization Factor). During the year under review, the Company also commenced setting up of another 50 MW of wind power among which 4 MW has already been commissioned. With this, the total installed capacity of wind power would become 200.9 MW.

**2.4 BAUXITE**

During the year 2015-16, the Gadhsisa Group of bauxite mine has produced NIL M.T. of (+) 52% A<sub>1</sub>O<sub>3</sub> bauxite and 17,355 MT of (-) 52% A<sub>1</sub>O<sub>3</sub> bauxite.

During the year 2015-16, the Gadhsisa group of mines sold 219 MT of (+) 52% A<sub>1</sub>O<sub>3</sub> bauxite and 2,59,548 MT of (-) 52% A<sub>1</sub>O<sub>3</sub> bauxite along with 108 MT of mine dust.

**2.5 MEWASA BAUXITE PROJECT, MEWASA**

Your corporation has started bauxite mining operations at its Mewasa Bauxite Mines in Devbhoomi Dwarka district of Gujarat from 28.04.2016. The annual production capacity of this mine is 1.25 lakh MT.

**2.6 FLUORSPAR PROJECT, KADIPANI (DIST. VADODARA)**

GMDC along with M/s. Gujarat Fluoro Chemicals Limited and M/s Navin Fluorine Chemicals Limited is setting up the fluorspar beneficiation project, a single largest project of 40,000 MTPA capacity at Kadipani. Selection of suitable technology is completed and further necessary action will be taken. The recent valuation of asset and land lying at Kadipani is in the final stage.

**2.7 MANGANESE**

During the period 2015-16, Corporation has disposed of 7,998 MT of manganese Ore Waste dump lying at Pani Area of Panchmahal district.

During the period 2015-16, Corporation has disposed of 29,090 MT of manganese Ore Waste dump lying at Shivrampur Area of Baroda district.

**3. DIVIDEND**

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

**4. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND**

In terms of Section 205 C of the Companies Act, 1956 and applicable provisions of the Companies Act, 2013, any unclaimed dividend or unpaid Dividend relating to the financial year 2008-09 will be transferred to the Investor Education and Protection Fund established by the Central Government on due date.

**5. CONTRIBUTION TO STATE & CENTRAL EXCHEQUER:**

The Company has contributed to the State Exchequer an amount of ₹ 23,531.01 lakh including Royalty of ₹ 5,011.67 lakh and Sales Tax of ₹ 18,519.34 lakh.

The Company has contributed to the Central Exchequer an amount of ₹ 14,550 lakh as Income Tax, ₹ 3,661.80 lakh as Central Excise & ₹ 15,206.94 lakh as Clean Energy Cess.

**6. SHARE CAPITAL**

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

**7. FINANCE AND TAXATION**

Income Tax assessment of the Corporation has been completed up to the Financial Year 2012-13 and the Sales Tax assessment has been completed up to the Financial Year 2011-12.

**8. INTERNAL AUDIT**

M/s G S V & Co. Chartered Accountants and M/s. Ashok Chhajed & Associates were appointed as Internal Auditors of the Corporation for the Financial Year 2015-16. After the end of the financial year, the Company has decided to appoint M/s R S Patel & Co., Chartered Accountants as internal auditor in place of M/s Ashok Chhajed & Associates.

**9. STATUTORY AUDIT**

M/s. S C Ajmera & Co., Chartered Accountants were appointed Statutory Auditors of the Company by the Comptroller & Auditor General of India for the Financial Year 2015-16.

**10. AUDIT BY COMPTROLLER AND AUDITOR GENERAL OF INDIA (C & AG)**

Being a Government Company, the C & AG has carried out supplementary audit of your Company pursuant to Provisions of Section 143 (6) of the Companies Act, 2013. The C & AG has not offered any adverse comment upon or supplement to statutory audit report which has been shown separately under the title - Report of the Comptroller and Auditor General of India.

**11. COST AUDIT**

Shri Manish B. Analkat was appointed as Cost Auditors of the Corporation for the year 2015-16. The Cost Audit Report has been filed on 15.09.2015 for the Financial Year 2014-15.

**12. SECRETARIAL AUDIT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Company has appointed M/s. Arvind Gaudana & Company, Company Secretary in Practice to undertake the Secretarial Audit of the Company for the year 2015-16. The Report of the Secretarial Audit Report is annexed herewith as Annexure I.

**13. STATUS OF VARIOUS JOINT VENTURES**

**13.1 Gujarat Jaypee Cement & Infrastructure Limited**

This project is no more viable due to escalation in project cost. As such, the JV Partner has approached GMDC with a request to wind up the project. The Company has already decided to close this joint venture and the same will be closed in due course of time.

**13.2 Gujarat Gokul Power Limited**

To implement the project for setting up 125 MW Power plant in Joint Venture between GMDC and M/s. Gokul Refoils & Solvents Limited, a JVC under the name of M/s. Gujarat Gokul Power Limited was incorporated. The required land for the project was purchased and related project activities will be started.

**13.3 Gujarat State Mining & Resources Company Limited**

This Company's name has been struck off and stands dissolved.

**13.4 Naini Coal Company Limited**

Naini coal Block was allocated jointly to the Company and Pondicherry Industrial Promotion Development & Investment Corporation Limited (PIPDIPL) and to develop the Coal Block, Naini Coal Company Limited was incorporated as the JVC. Due to slow progress on the project because of non-receipt of PL approval from Govt. of Odisha, Ministry of Coal, Govt. of India, de-allocated the block, invoking 50% of the Bank Guarantee. The company had filed petition in the High Court of Gujarat. The Hon'ble Supreme Court of India has cancelled all the allocated coal blocks which include Naini Coal Block also. Hence this joint venture will be closed in due course.

**13.5 RBG Mineral Industries Limited**

For transfer of Ambaji assets to the JV, valuation of Ambaji assets was necessary, which was assigned to Indian Bureau of Mines (IBM), Nagpur. The report received from IBM was forwarded to JV Partner. The future course in this joint venture is under review by the company.

**13.6 Gujarat Credo Mineral Industries Limited**

The first phase of the project i.e. Dry beneficiation of low grade bauxite has been commissioned. The second phase of the project i.e. Zeolite manufacturing, is under trial run.

**13.7 Alumina and Aluminium Smelter Plant**

Land required for the project has been allocated by



## GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

Government and part possession has been taken. Process for obtaining possession of remaining portion of land also is under progress. The draft Project Report for 0.5 MTPA Alumina plant is under consideration by NALCO.

### 13.8 Speciality Alumina Chemicals

Project Construction activities shall start as soon as land is allocated by the Government to the JV Partner.

### 13.9 Fluorspar Beneficiation plant

Pilot study of ore was conducted through BGRIMM China and the ore has been found suitable for producing Acid Fluorspar. EPC contract will be finalized soon. Currently, the valuation of assets of GMDC is being carried out.

### 13.10 Aikya Chemicals Private Limited

It is expected that the Project will commence production in near future.

### 13.11 Bhavnagar Energy Company Limited

The Company is one of the promoters of Bhavnagar Energy Company Limited. The share of equity of GMDC in BECL is 23.36%. The company has invested ₹ 197.65 crore as equity upto financial year 2015-16. BECL is setting up a 500 MW power plant at village Padva, Ta. Ghogha, Dist. Bhavnagar.

## 14. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENT RELATE AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the Company occurred between the ends of the financial year to which these financial statements relate on the date of this report.

## 15. ENVIRONMENT PROGRAMME

Environmental Management refers to the management of an organization's environmental programs in a comprehensive, systematic, planned and documented manner. It includes the organizational structure, planning and resources for developing, implementing and maintaining policy for environmental protection.

GMDC has established a separate environment department having qualified and experienced staff. Environment Policy of GMDC itself shows its commitment towards environment protection and compliance of statutory requirements even go beyond compliance by integrating best practices in every operational activity with assigned line-functions.

During the year 2015-16, GMDC has planted total 2,30,996 plant saplings covering 101.12 Hectares of mine lease and residential colony areas through State Forest Department, local villagers, societies and departmental labour etc. Grassland has developed in 18 hectares of

reclaimed area as well 1.5 hectares on non-active permanent overburden dumps using geo coir mat. For water conservation, micro drip irrigation system has been installed in 99.34 hectares area of mine lease and residential colony.

Under statutory compliances: Timely renewal of statutory permission of Tadkeshwar Lignite Project and Rajpardi Project Colony from GPCB. Monthly environmental monitoring for air, water and noise pollution is being done in-house as well as through Ministry of Environment & Forests/Gujarat Pollution Control Board approved laboratory. As per the guidelines of Central Pollution Control Board (CPCB), Online Effluent Analyzers have been installed in ETP Outlet along with its data transfer to CPCB as well as GPCB. Annual Environmental Audit in applicable to GMDC projects is being done by GPCB approved Schedule I Auditor. Oil Skimmers have been installed at Mata no Madh lignite project and Tadkeshwar Lignite Project for the treatment and reuse of workshop effluent. For the first time Sustainability Report of GMDC as per GRI guidelines has been published for the year 2014-15, which shows Economic, Environmental and Social performance of GMDC as per GRI guidelines and application level check of the same also has been certified by Global Report Initiative (GRI) Organization.

To create environmental awareness among all employees and surrounding communities including schools, various environmental awareness programs have been conducted through celebration of World Environment Day and Van Mahotsav in various GMDC projects.

For the year 2016-17, we have initiated work towards Forest Clearance at Kadipani Fluorspar Project and Wildlife Clearance of Ambaji Multimetal Mine as well as Shivrajpur Manganese Project etc.

## 16. INDUSTRIAL RELATIONS, HEALTH AND SAFETY

The relations between the company and its employees continued to be cordial throughout the year. The company is also committed to the health and safety of not only its staff but also of the people engaged through its contractors and community living in and around its project areas. Dispensaries with qualified doctors and para-medical staff are in operation at Panandhro, Akrimota Thermal Power Plant, Rajpardi and Kadipani Projects. Mobile medical vans facilities are also operational at various projects. At every project, GMDC provides ISI & DGMS safety shoes and other safety devices and adopts best safety practices.

The Company is an **OHSAS 18000** certified company. Regular health checkup of employees engaged in Mining and Power segment including employees engaged through contractors, transporters etc. are conducted.

## 17. PARTICULARS OF EMPLOYEES

The Company did not have any employee who was employed throughout the financial year and in receipt of

remuneration of ₹ 60 lakh or more, or employed for part of the year and in receipt of ₹ 5 lakh or more a month, under Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The table containing other particulars of employees in accordance with the provisions of Section 197 (1) of the Companies Act, 2013, read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended at Annexure II to the Board's Report.

**18. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

Additional information on conservation of energy, technology absorption, foreign exchange earnings and outgo as required by the Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 is annexed as Annexure III and forms part of this report.

**19. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY**

Looking to the profile of GMDC, i.e., Mining and Power Operations, GMDC has inbuilt risk management practices to address various operational risks. The Company has standard operating processes for various mining operations in order to mitigate procedures and prevent risk arising out of various operations. GMDC has no external borrowings. Hence, there is no financial risk that can impact GMDC's Financial Position. GMDC primarily deals with natural resources. Hence, Policy of Government may impact GMDC's operational strategy.

GMDC's risk management process revolves around following parameters:

1. Risk Identification and Impact Assessment
2. Risk Evaluation
3. Risk Reporting and Disclosure
4. Risk Mitigation

Company has also set up a Risk Management Committee.

**20. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

There were no loans and guarantees given by the company under Section 186 of the Companies Act, 2013. During the year under review, the Company made an investment of ₹ 25 crore in the equity of Bhavnagar Energy Company Limited.

**21. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES**

The particulars of contracts or arrangements with the

Related Parties during the year under review are provided at Annexure IV in Form AOC-2.

**22. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS**

There were no qualifications, reservations or adverse remarks or disclaimers made by the statutory auditors or C & AG in their report on the standalone and consolidated accounts for the year 2015-16. The C & AG has also not offered any adverse comment upon or supplement to Statutory Auditor Report. The qualifications, reservations or adverse remarks or disclaimers made by the practicing Company Secretary and explanations thereto, are given at Annexure I forming part of this report.

**23. COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES**

The Company being a Government Company, the Government of Gujarat appoints its Directors, except the Independent Directors. The company does not pay any remuneration to its Directors except, the sitting fees and out of pocket expenses. The Independent Directors are appointed by the Shareholders in their General Meeting. Except the Managing Director, all the Directors of the Company are non-executive directors.

**24. EXTRACTS OF ANNUAL RETURN**

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is appended in Annexure V to this report.

**25. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW**

The Company had conducted 6 Board Meetings under the financial year under review.

**26. DIRECTORS' RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 134(5) of the Companies Act, 2013, the Board hereby submits its Responsibility Statement:-

- a. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. The Directors has selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of financial year and of the profit and loss of the company for that period;
- c. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for



safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- d. The Directors had prepared the annual accounts on a going concern basis; and
- e. The Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 27. DEPOSITS

The Company has neither accepted nor renewed any deposits during the year under review.

## 28. DECLARATION OF INDEPENDENT DIRECTORS

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

## 29. DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM

During the year under review, the Audit Committee consisted of the following members:

- i. Shri Bhadresh Mehta
- ii. Shri T. Natarajan, IAS
- iii. Shri S.B. Dangayach

The above composition of the Audit Committee consisted of two independent Directors viz., Shri Bhadresh Mehta and Shri S.B. Dangayach who form the majority. The Chairman of the Audit Committee is an Independent Director.

The Company has established a Whistle Blower / Vigil Mechanism Policy. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the chairman of the Audit Committee on reporting issues concerning the interests of employees and the Company.

## 30. SHARES

### 30.1 BUY BACK OF SECURITIES

The Company has not bought back any of its securities during the year under review.

### 30.2 SWEAT EQUITY

The Company has not issued any Sweat Equity Shares during the year under review.

### 30.3 BONUS SHARES

No Bonus Shares were issued during the year under review.

## 30.4 EMPLOYEES STOCK OPTION PLAN

The Company has not provided any Stock Option Scheme to the employees.

## 31. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the year 2015-16:

No. of complaints received: 1

No. of complaints disposed of: 1

## 32. CONSOLIDATED FINANCIAL STATEMENT

The Consolidated Financial Statements of the Company have been prepared in accordance with relevant Accounting Standards (AS) viz. AS 21, AS 23 and AS 27 issued by the Institute of Chartered Accountants of India form part of this Annual Report. Further, a statement containing salient features of the Financial Statement of Subsidiaries / Associate Companies / Joint Ventures in the prescribed format AOC – 1 is given at Annexure VI.

## 33. BOARD-OF-DIRECTORS

During the year, Shri Atanu Chakraborty, IAS was appointed as Chairman vice Shri D.J. Pandian, IAS. Subsequently Shri Arvind Agarwal, IAS was appointed as Chairman vice Shri Atanu Chakraborty, IAS.

Shri B.B. Swain, IAS was appointed as Managing Director vice Shri D.J. Pandian, IAS. Shri Manoj Aggarwal, IAS was appointed as Managing Director vice Shri B.B. Swain, IAS.

Shri P.K. Gera, IAS was appointed as Managing Director vice Shri Manoj Aggarwal, IAS. Shri Arvind Agarwal, IAS, Chairman was given the additional charge of the Managing Director vice Shri P K Gera, IAS transferred.

Smt. Sonal Mishra, IAS was appointed as Director and Prof Shailesh Gandhi was appointed as Additional Independent Director during the year under review. Shri Arunkumar Solanki, IAS was appointed as Managing Director after the end of the Financial year.

## 34. CORPORATE GOVERNANCE

As per requirement of SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015, and as per the new listing agreement entered into with the various Stock Exchanges, the detailed report on the Corporate Governance is given in Annexure VII.

**35. MANAGEMENT DISCUSSION AND ANALYSIS**

As per requirement of SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015, and as per the new listing agreement entered into with the various Stock Exchanges, Management Discussion and Analysis is given at Annexure VIII and form part of this report.

**36. CORPORATE SOCIAL RESPONSIBILITY (CSR) AND CSR POLICY**

The Company believes in being a social responsible corporate citizen. Being a Public Sector Undertaking, the Company's business philosophy has had socio economic mandate. It has been sensitive towards various stake holders attached to it at various platforms whether they are people residing in surrounding places at its different project areas situated in remotest part of the State, be they are investors, consumers or industry at large. Your Corporation has tried to meet the expectation of various sections of the society by reaching out to them, be it in the form of providing rural infrastructure in the field of water, sanitation, education, employment and livelihood, micro irrigation or be it continuous fuel supply to small and medium scale enterprises or be it generous dividend payout policy. During the year under review, your company made special efforts to further strengthen its reach to various sections of the society in and around its project areas. Your Company has charted out a focussed and holistic strategy to usher in developmental impacts in mineral bearing villages. This would also result in harmonious relationship with the society at large. These initiatives would also result in an all-round inclusive growth.

The CSR Policy of the Company is also uploaded on the website of GMDC. The CSR Policy framework of the company is available elsewhere in this annual report. A CSR Report for Fiscal 2015-16 as prescribed under Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility) Rules, 2014, forms part of this Report, and is annexed at Annexure IX.

**37. BEYOND MINING : INITIATIVES OF GMDC THROUGH VARIOUS CENTRES OF EXCELLENCE**

**37.1 International Centre of Excellence in Mining Safety & Automation (iCEM):**

The company has taken an initiative to establish International Centre of Excellence in Mining Safety & Automation (iCEM) at Dev Dholera village in the district of Ahmedabad, Gujarat (India) with an objective to be recognized as the distinguished global collaborator to the Mining Industry in the fields of Skill Development and Corporate Training, Demonstration of Technology and Best Practices, Education and Training, Research and Development, Incubation and Entrepreneurship through continued innovation and excellence in mining, mineral development and facilitating industrial development in joint ventures with Industry and Academic Partners. The

construction of Phase-I building of iCEM is completed with a total built up area of 4,017 sq mts at village Dev Dholera, Ta. Bavla, Dist. Ahmedabad. iCEM is registered as Society under Societies Registration Act, 1860. iCEM has appointed its Director.

**37.2 International Stone Research Centre (ISRC):**

International Stone Research Centre (ISRC) is an initiative of Govt. of Gujarat to develop skilled human resource as Stone Artisans and development of technology for Stone Industry. The Centre initially will focus on Skill development and Demonstration of Technology and Best Practises in the Stone Industry.

**37.3 International Centre for Entrepreneurship & Technology (iCreate):**

Gujarat Foundation for Entrepreneurial Excellence (GFEE) has established iCreate with global vision and scope to facilitate entrepreneurial pursuits of youth that focus on technology applications for wealth generation, employment creation and global competition to create, nurture, foster and promote ecosystems for breeding entrepreneurship that leverages various technologies, innovations and creativity. GFEE in turn has set up a Centre of Excellence with a vision to create a complete ecosystem for the pursuit of Technology led Entrepreneurship, an entity with the trademark - 'International Centre for Entrepreneurship and Technology – iCreate'. The Centre is undertaking various programs such as Grooming, Mentoring, Awareness Campaign, Seminars & Workshops. GMDC has nominated three representatives representing GMDC on the Board of GFEE.

**38. 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 Corporation for their valued co-operation.

For and on behalf of the Board-of-Directors  
**Arunkumar Solanki, IAS**      **Bhadresh Mehta**  
 Managing Director                      Independent Director

Date : 24<sup>th</sup> June, 2016  
 Place : Ahmedabad



**ANNEXURE : I**

**FORM No. MR-3  
SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED ON 31/03/2016**

*[Pursuant to Section 204(1) of the Companies Act, 2013 and*

*Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

**SECRETARIAL AUDIT REPORT (FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2016)**

To,  
The Members,  
Gujarat Mineral Development Corporation Limited,  
(CIN: L14100GJ1963SGC001206)  
Khanij Bhavan, Near Gujarat University Ground,  
132 Ft. Ring Road,  
Vastrapur, Ahmedabad-380052.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Gujarat Mineral Development Corporation Limited** (hereinafter referred as the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2016 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent to foreign direct investment, overseas direct investment and external commercial borrowings;
- (v) The following Regulations and Guidelines prescribed under Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrar to an Issue and Share transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulation, 2009;
  - (h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998;
- (vi) Following are some other laws specifically to the Company:
  - (a) The Mines Act, 1952;
  - (b) The Mines and Minerals (Development and Regulation ) Act, 1957;
  - (c) The Air (Prevention and Control of Pollution) Act, 1981;
  - (d) The Environmental (Protection) Act, 1986;
  - (e) The Environmental (Protection) Rules, 1986, amended up to 2008;
  - (f) The Hazardous Waste (Management & handling) Rules, 1989;
  - (g) The Noise pollution (Regulation & Control) Rules, 2000;
  - (h) The Electricity Act, 2003.
  - (i) The Employees Provident Fund and Miscellaneous Provisions Act, 1952



- (j) The Payment of Gratuity Act, 1972
- (k) The Contract Labor (Regulation and Abolition) Act, 1970
- (l) Minimum Wages Act, 1948

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Stock Exchanges.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

**We further report that** no other specific law applicable to Company as per information provided by the Company.

**We further report that** the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The Company appointed Independent Director at the Board Meeting. The change in the composition of the Board of Directors took place during the period under review were carried out in compliance with provisions of the Act. Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting. All the decisions were carried out unanimously and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operation of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**For Arvind Gaudana & Company**  
(Company Secretaries)

**CS Arvind Gaudana**

FCS No: 2838, C.P. No: 2183

Place : Ahmedabad

Date : 16/08/2016

**Note:** This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and Forms an integral part of this report.

### ANNEXURE : A

To,  
The Members,  
Gujarat Mineral Development Corporation Limited,  
(CIN: L14100GJ1963SGC001206)  
Khanij Bhavan, Near Gujarat University Ground,  
132 Ft. Ring Road,  
Vastrapur, Ahmedabad 380052

**Sub: Secretarial Audit Report for the F.Y 2015-16.**

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Gujarat Mineral Development Corporation Limited (hereinafter referred as the Company). Our responsibility is to express an opinion on these Secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our Opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the GMDC.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of corporate and other applicable laws, rules, regulation, standards is the responsibility of management. Our examination was limited to the verification of records and procedure on test basis.
6. The Secretarial audit report is neither an assurance to the future viability of GMDC nor of the efficacy or effectiveness with which the management has conducted the affairs of the GMDC.

**For Arvind Gaudana & Company**  
(Company Secretaries)

**CS Arvind Gaudana**

FCS No: 2838, C.P. No: 2183

Place : Ahmedabad

Date : 16/08/2016



**ANNEXURE : II**

**PARTICULARS OF EMPLOYEES**

**Information as per Rule 5 (1) of Chapter XIII,**

**Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

GMDC is a Government Public Sector Undertaking and a Government Company within the meaning assigned to it under the Companies Act, 2013. Being a Government Company, the Company is bound to follow various orders, instructions and guidelines of Government of Gujarat. Thus, the pay structure of GMDC is adopted from the pay structure of the Government of Gujarat. The Company does not offer any ESOP or any other special recognition payment to its Directors and Key Managerial Personnel. The directors are paid only sitting fees as decided by the Government and out of pocket expenses.

**Remuneration paid to Whole Time Director.**

Name of the Whole Time Director	<b>Shri P K Gera, IAS</b>
Designation	Managing Director
Remuneration in FY 2015-16	₹ 16,32,850
% increase in remuneration in 2016 as compared to 2015	NA
Ratio of Remuneration to Median Remuneration of Employees	4.76
Ratio of Remuneration to Revenues (FY 2014-15)	0.00
Ratio of Remuneration to Revenues (FY 2015-16)	0.00

**Remuneration paid to Independent Directors**

Company's Independent Directors do not receive any remuneration other than the sitting fees and out of pocket expenses, which are and ₹ 7,500 respectively, per meeting of the Board and its Committees. The sittings fees and out of pocket expenses paid to the independent director during the year are as under:

Sr No	Particulars	Shri Bhadresh Mehta	Shri Nitin Shukla	Shri S B Dangayach	Prof. Shailesh Gandhi
1	Sitting Fees in FY 2015-16	₹ 65,000	₹ 15,000	₹ 35,000	₹ 7,500
2	% increase in remuneration in 2016 as compared to 2015	NA	NA	NA	NA
3	Ratio of Remuneration to Median Remuneration of Employees	NA	NA	NA	NA
4	Ratio of Remuneration to Revenues (FY 2014-15)	NA	NA	NA	NA
5	Ratio of Remuneration to Revenues (FY 2015-16)	NA	NA	NA	NA

**Remuneration of the Key Managerial Personnel (KMP)**

Name of the Key Managerial Personnel	Shri L Kulshrestha	Shri Joel Evans
Designation	General Manager (Fin) & Chief Financial Officer	Company Secretary
Remuneration in FY 2014-15	₹ 19,55,970/-	₹ 10,50,379/-
Remuneration in FY 2015-16	₹ 21,83,421/-	₹ 11,37,325/-
% increase in remuneration in 2016 as compared to 2015	11.63	8.28
Ratio of Remuneration to Median Remuneration of Employees	6.35	3.31
Ratio of Remuneration to Revenues (FY 2014-15)	0.000129	0.0001
Ratio of Remuneration to Revenues (FY 2015-16)	0.000167	0.0001

The Median Remuneration of Employees (MRE) excluding Whole-Time Director (WTD) was ₹ 3,43,620 for financial year 2015-16.

The number of employees on the rolls of the Company as on March 31, 2016 was 1594. (Figure is inclusive of MRW, DRW, employees on contracts and Trainees).

The revenue during FY 2015-16 was reduced by 15% and net profit was reduced by 52%. The aggregate remuneration to employees excluding WTD increased by 5% over the previous financial year. The Managing Director received a salary of ₹ 16,32,850.00. The aggregate increase in salary of other KMPs was 10.48% in FY 2015-16 over FY 2014-15. The increase

occurred due to the in-built salary component of Dearness Allowance and Annual Increment as per the Government of Gujarat norms.

GMDC's market capitalization decreased by 41.69% to ₹ 2,079.72 crore as of March 31, 2016 from ₹ 3,566.97 crore as of March 31, 2015. The Price Earnings Ratio was 8.66 as of March 31, 2016 which is an increase of 18.65% as compared to March 31, 2015. The closing price of GMDC's equity shares on the NSE and BSE as of March 31, 2016 was ₹ 65.40 and ₹ 65.35 respectively.

GMDC, being a Government Company, does not have any variable compensation policy. Moreover, it does not have any compensation through ESOP either to the Directors or to its employees.

GMDC's directors (except the Managing Director) are not paid any other remuneration such as bonus, commission etc during any financial year, except the sitting fees and out of pocket expenses. Hence, the remuneration of all the employees of GMDC will be higher than the remuneration received by the Directors. The Managing Director receives salary as per the Government of Gujarat norms.

### ANNEXURE : III

#### Conservation of Energy, Technology Absorption and Foreign Exchange and Outgo [Section 134 (3) (m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014]

##### A. Conservation of Energy

1. The Steps taken or impact on conservation of energy:  
GMDC has taken a policy decision to buy BEE rated equipment for conservation of energy.
2. The steps taken by the company for utilizing the alternate source of the energy:
  - i. GMDC has successfully installed Wind Power Farm with the capacity of 150.9 MW and Solar Power Project of 5 MWp capacity.
  - ii. Further 50 MW Wind Farm is under process of installation.
  - iii. By taking green initiative of wind and solar power generation, GMDC reduced 12.75 lacs tons of CO<sub>2</sub> due to generation of green energy
3. The capital investment of energy conservation equipments: NIL

##### B. Technology Absorption

- i. The efforts made towards technology absorption - NIL
- ii. The benefits derived like product improvement, cost reduction, product development or important substitution - NIL
- iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) - NIL
- iv. The expenditure incurred on Research and Development - NIL

##### C. Foreign Exchange earnings and Outgo

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign outgo during the year in terms of actual outflow: - NIL



## GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

### ANNEXURE : IV

#### PARTICULARS OF CONTRACTS / ARRANGEMENTS MADE WITH RELATED PARTIES

[Pursuant to Clause (h) of Sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014 – AOC-2]

This Form pertains to the disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in Sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

#### Details of contracts or arrangements or transactions not at arm's length basis :

There were no contracts or arrangements or transactions entered in to during the year ended March 31, 2016, which were not at arm's length basis.

#### Details of material contracts or arrangement or transactions at arm's length basis :

Name of the related party	Nature of relationship	Nature of related party transaction	Duration of Contract	Salient terms	Amount (₹ in Lakhs)
Shri P K Gera, IAS, MD	Key Managerial Personnel	Remuneration Paid	Not Applicable	Not Applicable	16.32
Bhavnagar Energy Co. Ltd.	Joint Venture	Investment	Not Applicable	Not Applicable	2500.00
Gujarat Credo Mineral Industries Ltd.	Joint Venture	Sale Of Material	Not Applicable	Not Applicable	2440.57
GFEE	Joint Venture	Expenses recovered	Not Applicable	Not Applicable	87.95
GMDC Science and Research Centre	Related party	Expenses recovered	Not applicable	Not applicable	44.41
International Center of Excellence in Mining Safety & Automaton	Related Party	Expenses recoverable	Not applicable	Not applicable	50.52

For and on behalf of the Board-of-Directors

**Arunkumar Solanki, IAS**

Managing Director

**Bhadresh Mehta**

Independent Director

**ANNEXURE : V****EXTRACT OF ANNUAL RETURN****(As on financial year ended on 31.03.2016)**[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company  
(Management & Administration) Rules, 2014 - MGT-9]**I. REGISTRATION & OTHER DETAILS :**

CIN	L14100GJ1963SGC001206
Registration Date	15.05.1963
Name of the Company	Gujarat Mineral Development Corporation Limited
Category/Sub-category of the Company	Government Company
Address of the Registered office & contact details	Khanij Bhavan, 132' Ring Road, Near University Ground, Vastrapur, Ahmedabad – 380 052 Telephone : (079) 2791 1662 / 1680 / 0665 / 2443 / 1340 /3501 / 0096 / 0465 / 3200 Fax : (079) 2791 0969 / 1454 / 3038/1151 E-mail : <a href="mailto:cosec@gmdcltd.com">cosec@gmdcltd.com</a> Website : <a href="http://www.gmdcltd.com">www.gmdcltd.com</a>
Whether listed company	Yes
Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s. MCS Share Transfer Agent Limited 201, Shatdal Complex, 2 <sup>nd</sup> floor, Opp. Bata Show Room, Ashram Road, Ahmedabad – 380 009 Tel : (079) 26582878 Fax : (079) 26581296 E-mail : <a href="mailto:mcsahmd@gmail.com">mcsahmd@gmail.com</a>

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :**

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Lignite	270220-00	67.25
2	Electricity	-	31.50

**III. PARTICULARS OF HOLDING, SUBSIDIARY I AND ASSOCIATE COMPANIES :**

Sr. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
1	Gujarat Foundation for Entrepreneurial Excellence (GFEE) 1 <sup>st</sup> Floor, Khanij Bhavan, 132 Ft. Ring Road, Near University Ground Vastrapur, Ahmedabad-380 052	U80903GJ2011NPL066999	Associate	50	2(6)
2	Gujarat Jaypee Cement & Infrastructure Limited C/O Jayprakash Associates Ltd. J.A. House, 63 Basant Lok, Vasant Vihar, New Delhi-110 057	U26943GJ2007PLC051360	Associate	26	2(6)
3	Bhavanagar Energy Company Limited Block NO.8, 3rd Floor, Udyog Bhavan Gandhinagar	U40102GJ2007SGC051396	Associate	23.36	2(6)



## GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

4	Gujarat Credo Mineral Industries Limited TF-1, 3rd Floor "DEV" Opp. Parimal Garden, C G Road Ahmedabad-380 006	U26900GJ2012PLC069426	Associate	26	2(6)
5	Swarnim Gujarat Fluorspar Private Limited Khanij Bhavan, 132 Ft. Ring Road, Near University Ground, Vastrapur, Ahmedabad-380 052	U24119GJ2012PTC070801	Associate	50	2(6)
6	Naini Coal Company Limited Khanij Bhavan, 132 Ft. Ring Road, Near University Ground, Vastrapur, Ahmedabad-380 052	U10200GJ2009SGC058295	Associate	50	2(6)
7	Aikya Chemicals Private Limited 1, Chandramaninagar Vidya Vihar School Lane Off. High Tension Road, Subhanpura, Vadodara-390 023	U24100GJ2011PTC068018	Associate	26	2(6)

#### IV. SHARE HOLDING PATTERN : (Equity Share Capital Breakup as percentage of Total Equity)

##### i. Category-wise Share Holding :

Category of Shareholders	No. of Shares held at the beginning of the year (As on 31st March, 2015)				No. of Shares held at the end of the year (As on 31st March, 2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	235320000	-	235320000	74	235320000	-	235320000	74	NIL
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A)</b>	235320000	-	235320000	74	235320000	-	235320000	74	NIL
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	20058291	-	20058291	6.3076	33431295	-	33431295	10.5130	4.2054
b) Banks / FI	383936	-	383936	0.1207	642845	-	642845	0.20	0.0793
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	16067991	-	16067991	5.0528	8542465	-	8542465	2.6863	-2.3665
g) FIIs	19398294	1000	19399294	6.1004	7484994	1000	7485994	2.35	-3.7504
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	55908512	1000	55909512	17.5815	50101599	1000	50100599	15.7556	-1.8259
<b>2. Non-Institutions</b>									
a) Bodies Corp.	4167652	43600	4211252	1.3243	4932154	43600	4975774	1.5647	0.2404
b) Individuals									

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Category of Shareholders	No. of Shares held at the beginning of the year (As on 31st March, 2015)				No. of Shares held at the end of the year (As on 31st March, 2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	16964409	581954	17546363	5.5177	19655127	564454	20219581	6.18	0.6623
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1956000	-	1956000	0.6151	3021753	-	3021753	0.95	0.3349
c) Others (specify)									
Non Resident Indians	2128201	106500	2234701	0.7027	3096627	101500	3198127	1.01	0.3073
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Hindu Undivided Families	818492	-	818492	0.2574	1158686	-	1158686	0.3644	0.107
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	3680	-	3680	0.0012	3480	-	3480	.0011	-0.0001
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	<b>26038434</b>	<b>732054</b>	<b>26770488</b>	<b>8.4184</b>	<b>31304249</b>	<b>709554</b>	<b>32013807</b>	<b>10.07</b>	<b>1.6516</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>81946946</b>	<b>733054</b>	<b>82680000</b>	<b>26</b>	<b>81405848</b>	<b>710554</b>	<b>82680000</b>	<b>26.00</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>317266946</b>	<b>733054</b>	<b>318000000</b>	<b>100</b>	<b>317289446</b>	<b>710554</b>	<b>318000000</b>	<b>100</b>	<b>-</b>

### ii. Shareholding of Promoters-

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	H.E. The Government of Gujarat	235320000	74	NIL	235320000	74	NIL	NIL



## GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

### iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	There is no change.			
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):				
	At the end of the year				

### iv. Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>ICICI PRUDENTIAL DYNAMIC PLAN</b> Opening Balance (as on 1.4.2015) Transactions (Purchase / sale) from April 1, 2015 upto March 31, 2016 Closing Balance (as on 1.4.2016)	2442035 3711191 6153226	1.935	6153226	1.935
2	<b>ICICI PRUDENTIAL LONG TERM EQUITY FUND (TAX SAVING)</b> Opening Balance (as on 1.4.2015) Transactions (Purchase / sale) from April 1, 2015 upto March 31, 2016 Closing Balance (as on 1.4.2016)	0 5494461 5494461	1.727	5494461	1.73
3	<b>LIFE INSURANCE CORPORATION OF INDIA</b> Opening Balance (as on 1.4.2015) Transactions (Purchase / sale) from April 1, 2015 upto March 31, 2016 Closing Balance (as on 1.4.2016)	1490148 3683991 5174139	1.627	5174139	1.627
4	<b>FRANKLIN TEMPLETON MUTUAL FUND PRIMA PLUS</b> Opening Balance (as on 1.4.2015) Transactions (Purchase / sale) from April 1, 2015 upto March 31, 2016 Closing Balance (as on 1.4.2016)	2187038 7038 2180000	0.685	2180000	0.685
5	<b>FRANKLIN TEMPLETON MUTUAL FUND PRIMA FUND</b> Opening Balance (as on 1.4.2015) Transactions (Purchase / sale) from April 1, 2015 upto March 31, 2016 Closing Balance (as on 1.4.2016)	2037453  2037453	0.641	2037453	0.641
6	<b>ICICI PRUDENTIAL INFRASTRUCTURE FUND</b> Opening Balance (as on 1.4.2015) Transactions (Purchase / sale) from April 1, 2015 upto March 31, 2016 Closing Balance (as on 1.4.2016)	0 1775000 1775000	0.558	1775000	0.558
7	<b>NATIONAL INSURANCE COMPANY LIMITED</b> Opening Balance (as on 1.4.2015) Transactions (Purchase / sale) from April 1, 2015 upto March 31, 2016 Closing Balance (as on 1.4.2016)	1740000 0 1740000	0.547	1740000	0.547
8	<b>DR. SANJEEV ARORA</b> Opening Balance (as on 1.4.2015) Transactions (Purchase / sale) from April 1, 2015 upto March 31, 2016 Closing Balance (as on 1.4.2016)	933672 768000 1701672	0.535	1701672	0.535



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Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
9	<b>UTI INFRASTRUCTURE FUND</b>				
	Opening Balance (as on 1.4.2015)	1600000			
	Transactions (Purchase / sale) from April 1, 2015 upto March 31, 2016	30644	0.513	1630644	0.513
	Closing Balance (as on 1.4.2016)	1630644			
10	<b>UTI MIDCAP FUND</b>				
	Opening Balance (as on 1.4.2015)	1139444			
	Transactions (Purchase / sale) from April 1, 2015 upto March 31, 2016	425000	0.492	1564444	0.492
	Closing Balance (as on 1.4.2016)	1564444			

### v. Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NIL	NIL	NIL	NIL
	At the end of the year				

### V. INDEBTEDNESS -

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount				
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>				
<b>Change in Indebtedness during the financial year</b>				
* Addition	NIL	NIL	NIL	NIL
* Reduction				
<b>Net Change</b>				
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount				
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	NIL	NIL	NIL	NIL



## GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

#### A. Remuneration to Managing Director, Whole-time Directors and/or Manager : (Amount in ₹)

Sr. No.	Particulars of Remuneration	Shri P K Gera, IAS	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	16,32,850	16,32,850
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL	NIL
2	Stock Option	NIL	NIL
3	Sweat Equity	NIL	NIL
4	Commission - as % of profit - others, specify...	NIL	NIL
5	Others, please specify	NIL	NIL
	Total (A)	16,32,850	16,32,850
	Ceiling as per the Act	60,00,000	60,00,000

#### B. Remuneration to other directors : (Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Shri Bhadresh Mehta	Shri S.B. Dangayach	Shri Nitin Shukla	Prof. Shailesh Gandhi	
1	Independent Directors					
	Fee for attending board committee meetings	65,000	15,000	35,000	7,500	1,22,500
	Commission	NIL	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL	NIL
	Total (1)	65,000	15,000	35,000	7,500	1,22,500
2	Other Non-Executive Directors					
	Fee for attending board committee meetings	NIL	NIL	NIL	NIL	NIL
	Commission	NIL	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL	NIL
	Total (2)	NIL	NIL	NIL	NIL	NIL
	Total (B)=(1+2)	65,000	15,000	35,000	7,500	1,22,500
	Total Managerial Remuneration	65,000	15,000	35,000	7,500	1,22,500
	Overall Ceiling as per the Act	-	-	-	-	-

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### C. Remuneration to Key Managerial Personnel Other than MD / Manager / WTD :

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO/MD	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	16,32,850	11,37,325	21,83,421	49,53,596
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NA	NA	NA	NA
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NA	NA	NA	NA
2	Stock Option	NA	NIL	NIL	NIL
3	Sweat Equity	NA	NIL	NIL	NIL
4	Commission - as % of profit	NA	NIL	NIL	NIL
	others, specify...	NA	NA	NA	NA
5	Others, please specify	NA	NA	NA	NA
	Total	16,32,850	11,37,325	21,83,421	49,53,596

### VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	NA	NA	NA	NA	NA
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty	NA	NA	NA	NA	NA
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NA	NA	NA	NA	NA
Punishment					
Compounding					



# GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

## ANNEXURE : VI

### CONSOLIDATED FINANCIAL STATEMENT (AOC-I) Form AOC - 1

(Pursuant to First Proviso to sub-section (3) of Section 129 read with Rule 5 of the  
Companies (Accounts) Rules, 2014)

Statement containing salient features of the Financial Statement of  
Subsidiaries / Associate Companies / Joint Ventures

### PART "A" : SUBSIDIARIES

(Information in respect of each subsidiary to be presented with amounts in ₹)

1	Sr. No.	
2	Name of the Subsidiary	Not Applicable
3	Reporting period for which the subsidiary concerned, if different from the holding company's reporting period	Not Applicable
4	Reporting currency and Exchange Rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	Not Applicable
5	Share Capital	-
6	Reserve & Surplus	-
7	Total Assets	-
8	Total Liabilities (Excluding Shareholders Fund)	-
9	Investments	-
10	Turnover	-
11	Profit before taxation	-
12	Provision for taxation	-
13	Profit after taxation	-
14	Proposed Dividend	-
15	% of Shareholding	-

## PART "B" : ASSOCIATES AND JOINT VENTURES

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to  
Associate Companies and Joint Ventures

Name of Associates / Joint Ventures	Swarnim Gujarat Fluorspar Pvt. Ltd. (Audited)	Gujarat Foundation for Entrepreneurial Excellence	Gujarat Jaypee Cement Infrastructure Ltd.	Gujarat Credo Mineral Industries Ltd.	Bhavnagar Energy Co. Ltd.	Aikya Chemicals Pvt. Ltd.	Naini Coal Company Ltd.
1. Latest Audited/un-audited Balance Sheet Date	31.03.2016	31.03.2016	31.03.2016	31.03.2016	31.03.2016	31.03.2016	31.03.2016
2. Shares of Associate / Joint Ventures held by the Company on the year end							
No	25,000	50,000	1,90,840	4,94,000	19,76,50,000	12,98,700	2,500
Amount of Investment in Associate / Joint Ventures (in ₹)	2,50,000	5,00,000	19,08,400	4,94,00,000	1,97,65,00,000	1,29,87,000	2,49,700
Extent of Holding %	1.14%	50%	26%	26%	23.36%	13%	50%
3. Description of how there is significant Influence	The Corporation has control of the composition of the Board of Directors in Swarnim Gujarat Fluorspar Pvt. Ltd.						
4. Reason why the Associates / Joint Venture is not consolidated	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
5. Networth attributed to shareholding as per latest audited /unaudited Balance Sheet (Amount in ₹)	1,91,704	(16,57,576)	11,34,457	7,66,18,014	1,95,53,72,516	1,28,76,277	9,47,309
6. Profit / Loss for the Year attributed to shareholding (Amount in ₹)	(10,048)	NIL	8695	1,77,40,331	(47,82,875)	19,629	1,14,275
I. Considered in Consolidation	Yes	Yes	Yes	Yes	Yes	Yes	Yes
II. Not Considered in Consolidation	-	-	-	-	-	-	-



**ANNEXURE: VII**

**REPORT ON CORPORATE GOVERNANCE**

*(Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [hereinafter referred to as "Listing Regulations" or "LODR"])*

**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 composition of the Board with reference to the number of Executive, Non-Executive directors and Woman Directors, meets the requirement of Code of Corporate Governance. The Company has an optimum combination of Non-Executive Directors with independent Directors.

The strength of the Board comprised of seven Directors as on 31<sup>st</sup> March, 2016. 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.

**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	Atanu Chakraborty, IAS (up to 12.05.15)	NED/PD	Chairman	NIL	-	-
2	Arvind Agarwal, IAS (from 13.05.15)	NED/PD	Chairman	9	-	-
3	Bidyut Behari Swain, IAS (up to 23.04.15)	ED/PD	Managing Director	-	-	-
4	Manoj Aggarwal, IAS (up to 15.06.15)	ED/PD	Managing Director	-	-	-
5	P. K. Gera, IAS (15.06.15 – 18.02.2016)	ED/PD	Managing Director	-	-	-
6	T. Natarajan, IAS	NED/PD	Director	8	-	-
7	Miss S. Aparna, IAS (upto 24.04.2015)	NED/PD	Director	-	-	-
8	Smt. Sonal Mishra, IAS (from 18.06.15)	NED/PD	Director	3	-	-
9	Bhadresh Vinaychandra Mehta	NED/ID	Director	2	-	-
10	S B Dangayach	NED/ID	Director	8	-	-
11	Nitin Shukla	NED/ID	Director	5	-	-
12	Prof. Shailesh Gandhi (from 03.12.2015)	NED/ID	Director	1	-	-

**Notes:**

- None of the Directors is related to any other Director.

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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, IAS was appointed as Managing Director up to 23<sup>rd</sup> April, 2015, while Shri Manoj Agarwal, IAS was appointed as Managing Director up to 15<sup>th</sup> June, 2015. From 15<sup>th</sup> June, 2015, Shri P. K. Gera, IAS was appointed as Managing Director and held office as Managing Director till 18<sup>th</sup> February, 2016. Since 18<sup>th</sup> February, 2016, Shri Arvind Agarwal, IAS was given additional charge as Managing Director of GMDC.
6. PD-Promoter Director, NED-Non Executive Director, ED-Executive Director.

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

The Board met 6 (Six) times during the year i.e. on 28<sup>th</sup> May, 2015, 24<sup>th</sup> July, 2015, 10<sup>th</sup> August, 2015, 7<sup>th</sup> November, 2015, 19<sup>th</sup> December, 2015 and 9<sup>th</sup> February, 2016. The attendance of each Director at the Board Meetings held during the year and at the last Annual General Meeting held on 29<sup>th</sup> September, 2015 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	Atanu Chakraborty, IAS (up to 12.05.15)	NA	NA	NA
2	Arvind Agarwal, IAS (from 13.05.15)	6	6	Yes
3	Bidyut Behari Swain, IAS(up to 23.04.15)	NA	NA	NA
4	Manoj Aggarwal, IAS (up to 15.06.15)	1	1	NA
5	P. K. Gera, IAS (15.06.15 – 18.02.2016)	5	5	Yes
6	T. Natarajan, IAS	6	3	No
7	Miss S. Aparna, IAS (upto 24.04.2015)	NA	NA	NA
8	Smt. Sonal Mishra, IAS (from 18.06.15)	5	5	No
9	Bhadresh Vinaychandra Mehta	6	6	Yes
10	S B Dangayach	6	5	Yes
11	Nitin Shukla	6	2	Yes
12	Prof. Shailesh Gandhi (from 03.12.2015)	2	1	NA

### 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.

### Shareholding of Non-Executive Director

As on 31<sup>st</sup> March, 2016, no shares of the Company were held by any Non-Executive Directors.

### Performance Evaluation of Independent Directors

The Company has appointed the requisite number of independent directors for a period of five years. Hence, during the period under review, the need for evaluation of performance of independent directors has not yet arisen.

### Separate Meetings of the Independent Directors

The Independent Directors held a Meeting on 30<sup>th</sup> March, 2016 without the attendance of Non-Independent Directors and Members of Management. All the Independent Directors were present at such meeting and at the Meeting they have:

- i. reviewed the performance of non-independent directors and the Board as a whole;
- ii. reviewed the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
- iii. assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.



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The Independent Directors holds a unanimous opinion that the Non-Independent Directors including the Managing Director bring to the Board constructive knowledge in their respective field. All the Directors effectively participate and interact in the Meeting. The Chairman has good experience, knowledge and understanding of the Board's functioning. The information flow between the Company's Management and the Board is satisfactory.

### Familiarization Programme for Independent Directors

The familiarization programme was organized for Independent Directors on 30<sup>th</sup> March, 2016.

### COMMITTEES OF THE BOARD

The Board has constituted the Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee, CSR Committee and Risk Management Committee as required to be constituted under the provisions of Companies Act, 2013 and Listing Regulations. Apart from abovementioned committees the Board of Directors has also constituted a Tender Committee.

#### Audit Committee

The Audit Committee of the Company comprises of following three non-executive directors out of which two are Independent Directors as on 31<sup>st</sup> March, 2016:

1. Shri Bhadresh Mehta Non-Executive Director/Independent Director
2. Shri T. Natarajan, IAS Non-Executive Director/Promoter Director
3. Shri S B Dandayach Non-Executive Director/Independent Director

The Audit Committee is chaired by an independent director. The Audit Committee met five times during the Financial Year 2015-16 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 28<sup>th</sup> May, 2015, 10<sup>th</sup> August, 2015, 7<sup>th</sup> November, 2015, 19<sup>th</sup> December, 2015 and 9<sup>th</sup> February, 2016. 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	Position held in committee
1.	Shri Bhadresh Mehta	5	5	Chairman
2.	Shri T Natarajan, IAS	4	2	Member
3.	Shri S B Dangayach	5	4	Member

Mr. Joel Evans, Company Secretary, acts as the Secretary to the Audit Committee.

The Chairman of the Audit Committee was present at 52<sup>nd</sup> Annual General Meeting of the Company held on 29<sup>th</sup> September 2015, to answer shareholders queries.

#### Terms of Reference of the Audit Committee

The terms of reference of Audit Committee is governed by the provisions of Section 177 of the Companies Act, 2013 and rules framed thereunder and as per the Listing Regulations. 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.

#### Nomination and Remuneration Committee

As per the provision of Section 178 (1) of The Companies Act, 2013 read with Provisions of Listing Regulations, the company has constituted Nomination and Remuneration Committee comprising of following three Non-Executive Directors, out of which two are Independent Directors and the Chairman of the Committee is Independent Director. The committee has the role of prescribed to them as provided under the Companies Act, 2013 and Listing Regulations. The Company is a State Government company. Its directors do not draw any remuneration from the company except payment of sitting fees and out of pocket expenses. Moreover, as per the policy of the Company, the salary and wages of Senior Management and Key Managerial Personnel as well as that of Executive Supervisors and Workmen are fixed in line with the pay structure of Government of Gujarat, duly approved by the Government of Gujarat.

The Nomination and Remuneration Committee of the Company comprises of following three non-executive directors out of which two are Independent Directors as on 31<sup>st</sup> March, 2016:

1. Shri Bhadresh Mehta (Chairman) Non-Executive Director/Independent Director
2. Shri T Natarajan, IAS (Member) Non-Executive Director Promoter/ Director
3. Shri Nitin Shukla (Member) Non-Executive Director/Independent Director

Mr. Joel Evans, Company Secretary of the Company acts as the Secretary to the Nomination and Remuneration Committee.



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The Details of Sitting Fees paid to the Directors for the year 2015-16 are mentioned hereunder along with their shareholding in the Company:

Sr. No.	Name of the Directors	Remuneration paid (₹)	Sitting fees (₹)	No. of Shares held
1	Atanu Chakraborty, IAS (up to 12.05.15)	-	0	NIL
2	Arvind Agarwal, IAS (from 13.05.15)	-	42500/-*	NIL
3	Bidyut Behari Swain, IAS (up to 23.04.15)	-	0	NIL
4	Manoj Aggarwal, IAS (up to 15.06.15)	-	0	NIL
5	P. K. Gera, IAS (15.06.15 – 18.02.2016)	-	0	NIL
6	T. Natarajan, IAS	-	45000/-*	NIL
7	Miss S. Aparna, IAS (upto 24.04.2015)	-	0	NIL
8	Smt. Sonal Mishra, IAS (from 18.06.15)	-	37500/-*	NIL
9	Bhadresh Vinaychandra Mehta	-	65000/-	NIL
10	S B Dangayach	-	35000/-	NIL
11	Nitin Shukla	-	15000/-	NIL
12	Prof. Shailesh Gandhi (from 03.12.2015)	-	7500/-	NIL

\*Paid into Government Treasury

During the period under review, no meeting of the Nomination and Remuneration Committee was held.

### Risk Management Committee

As provided under Listing Regulations, the company has constituted Risk Management Committee consisting of the following Directors as the members:

Sr. No.	Name of the Director	Category
1	Shri Arvind Agarwal, IAS	Chairman
2	Shri Nitin Shukla	Member
3	Shri S.B. Dangayach	Member

The role of Risk Management Committee is as provided under the said Listing Regulations.

### Stakeholders Relationship Committee

The Company has constituted a "Stakeholders Relationship 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 terms of reference of the Nomination and Remuneration Committee have been formulated in line with the requirement of Section 178 of the Companies Act, 2013 and rules framed thereunder and as per Listing Regulations.

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

- |    |   |          |
|----|---|----------|
| 1. | Shri Bhadresh Mehta                         | Chairman |
| 2. | Shri B. B. Swain, IAS (up to 23.04.2015)    | Member   |
| 3. | Shri Manoj Aggarwal, IAS (up to 15.06.2015) | Member   |
| 4. | Shri P. K. Gera, IAS (up to 18.02.2016)     | Member   |
| 5. | Shri Arvind Agarwal, IAS (from 18.02.2016)  | Member   |
| 6. | Shri T Natarajan, IAS                       | Member   |



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

Period	Complaints Received	Complaints Redressed
01-04-2015 to 30-06-2015	00	00
01-07-2015 to 30-09-2015	00	00
01-10-2015 to 31-12-2015	00	00
01-01-2016 to 31-03-2016	00	00
<b>Total</b>	<b>00</b>	<b>00</b>

The Company Secretary acts as Secretary of the “Stakeholders Relationship Committee”

### Compliance Officer:

Mr. Joel Evans, Company Secretary, who is the Compliance Officer, can be contacted at:-

Gujarat Mineral Development Corporation Limited

Reg. Office:Khanij Bhavan, 132 ft Ring Road, Nr. University Ground, Vastrapur, Ahmedabad 380 052.

Tel: +91 27913200

Fax: +91 27911151

Email: cosec@gmdcltd.com

The Company has entered into a comprehensive agreement with M/s. MCS STA 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.

### Corporate Social Responsibility Committee (CSR Committee)

The Corporate Social Responsibility Committee (**CSR Committee**) of the Company comprises of following three executive/non-executive directors out of which one Director is Independent Director, as on 31<sup>st</sup> March, 2016:

1. Shri Arvind Agarwal, IAS Non-Executive Director/Chairman
2. Shri T Natarajan, IAS Non-Executive Director/Promoter Director
3. Shri Bhadresh Mehta Non-Executive Director/Independent Director

The Committee is preliminary responsible for formulating and recommending to the Board of Directors a Corporate Social Responsibility (CSR) Policy and monitoring the same from time to time, amount of expenditure to be incurred on the activities pertaining to CSR and monitoring CSR activities.

The Company has formulated CSR Policy and the same is available at the website of the Company at [http://www.gmdcltd.com/downloads/csr\\_policy.pdf](http://www.gmdcltd.com/downloads/csr_policy.pdf)

### 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
2012-13	27.09.2013	11.00 AM	Registered Office of the Company, at Khanij Bhavan, 132' Ring Road, Near University Ground, Vastrapur, Ahmedabad - 380 052
2013-14	25.09.2014	11.00 AM	
2014-15	29.09.2015	11.00 AM	

No Extra Ordinary General Meeting was held during any of the last three financial years. No special resolution was passed in the previous 3 (Three) Annual General Meetings.

- (b) No special resolution was put through postal ballot in the previous financial year.

- (c) No special resolution proposed to be put through postal ballot this year.

### 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 at large with its promoters, the Directors or the management, their subsidiaries or relatives etc.

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For details, about other related parties transactions see Note No.2.30 of Note-on-Accounts.

Related Party Transaction Policy has been formulated in order to regulate the transactions between Company and Related Parties. The Related Party Transaction Policy is available at the website of the Company at <http://www.gmdcltd.com/downloads/GMDC-POLICY-RELATED-PARTY-TRANSACTIONS-31032015.pdf>.

- (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.
- (e) Pursuant to the provisions of Regulation 17 (8) of the Listing Regulations, the Managing Director and the Chief Financial Officer have issued a certificate to the Board of Directors for the financial year ended on 31<sup>st</sup> March, 2016.
- (f) The Company in preparation of financial statements followed the treatment laid down in the Accounting standards prescribed by the Institute of Chartered Accountants of India. There are no audit qualifications in the Company's financial statements for the period under review.

### 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](http://www.gmdcltd.com).

All the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct during 2015-16. A declaration by the Managing Director to this effect is provided at Annexure A which forms part of the company's Annual Report 2015-16.

### Means of Communication:

The Company communicates with the shareholders at large through its Annual Report, publication of quarterly financial results in newspapers and through its website. 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](http://www.gmdcltd.com) for the information of shareholders and investors.

Type of Result	Date on which published	Daily News Paper (English)	Daily News Paper (Gujarati)
Quarterly of 30 <sup>th</sup> June, 2015	12.8.2015	Financial Express	Financial Express
Quarterly of 30 <sup>th</sup> September, 2015	9.11.2015	The HT Mint	The Economic Times
Quarterly of 31 <sup>st</sup> December, 2015	10.02.2016	The Hindu Business Line	The Financial Express
Annual as on 31 <sup>st</sup> March, 2016	27.05.2016	The Financial Express	The Financial Express

The Annual Report, Quarterly Results, Quarterly Corporate Governance Report and Shareholding Pattern of the Company are filed with the Stock Exchanges within the prescribed time.

**General Shareholder Information** : **AGM Date, day, time and venue**  
 Date of AGM : 29th September, 2016  
 Day : Thursday  
 Time : 11.00 AM  
 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 <sup>st</sup> quarter results ending 30 <sup>th</sup> June	Within 45 days of end of the quarter
2 <sup>nd</sup> quarter results ending 30 <sup>th</sup> September	Within 45 days of end of the quarter
3 <sup>rd</sup> quarter results ending 31 <sup>st</sup> December	Within 45 days of end of the quarter
4 <sup>th</sup> quarter results ending 31 <sup>st</sup> March	Within 60 days of the end of the year in case of Audited Results.



## GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

### Date of 'Book Closure'

The Register-of-Members and the Share Transfer Register of the Company would remain closed from 23rd September, 2016 to 29th September, 2016 (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. and National Stock Exchange of India Ltd. The Listing Fee has been paid to NSE, BSE and VSE up to the year 2015-16.

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

### Listing Agreement

Pursuant to the requirement of SEBI (LODR) Regulations, 2015, the Company has entered into a Uniform Listing Agreement with BSE Ltd and NSE Ltd.

### 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 (in ₹)	Low (in ₹)	Closing* (in ₹)	Closing*
April, 2015	120.60	99.55	101.05	8181.50
May, 2015	104.50	95.80	99.40	8433.65
June, 2015	103.00	93.05	93.50	8368.50
July, 2015	99.30	89.10	91.10	8532.85
August, 2015	93.80	70.00	74.90	7971.30
September, 2015	77.80	69.90	71.60	7948.90
October, 2015	79.80	67.00	73.25	8065.80
November, 2015	91.80	70.00	87.05	7935.25
December, 2015	92.60	77.10	84.75	7946.35
January, 2016	88.00	59.85	62.00	7563.55
February, 2016	63.50	52.30	56.70	6987.05
March, 2016	70.00	56.10	65.40	7738.40

\*at the end of the month

### Registrar and Share Transfer Agent (For physical & Demat)

M/s. MCS STA Limited  
201, Shatdal Complex, 1<sup>st</sup> floor,  
Opp: Bata Show Room,  
Ashram Road,  
Ahmedabad – 380 009  
Tel. 26580461-62-63 Fax – 079 26581296  
Email: mcsahd@gmail.com

### Share Transfer System

In compliance with Listing Regulations, the Company has also delegated the powers of share transfer to the company's Registrar and Share Transfer Agent. 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.

## ANNUAL REPORT 2015-2016

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 (for half year ended on 30<sup>th</sup> September, 2015) and Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (for half year ended on 31<sup>st</sup> March, 2016), certificates, on half-yearly basis have been issued by a Company Secretary-in-Practice for due compliance of share transfer formalities by the Company.

### Report on Corporate Governance:

The Company regularly submits to the Stock Exchanges, within the prescribed period, quarterly reports on Corporate Governance.

### Shareholding Pattern

The pattern of equity share holding of the Company as on 31<sup>st</sup> March, 2016 was as under:

Category	No. of Shares	% to total
Govt. of Gujarat	235320000	74.00
Mutual Funds	33431295	10.51
Financial Institutions/Banks	642845	0.20
Insurance Companies, Foreign Institutional Investors, Bodies Corporate	16028459	5.05
Individuals, HUFs, NRIs	32577401	10.24
<b>Total.....</b>	<b>318000000</b>	<b>100.00</b>

### Distribution of Shareholding as on 31.3.2016

Shareholding of nominal value of ₹	Shareholders		No. of Shares
	₹	Number of Share-holders	Number of shares held
(1)	(2)	(4)	(3)
Upto - 500	48934	6482293	2.0385
501 - 1000	3815	3152741	0.9914
1001 - 2000	1812	2846622	0.8952
2001 - 3000	575	1494217	0.4699
3001 - 4000	297	1080099	0.3397
4001 - 5000	240	1137859	0.3578
5001 - 10000	422	3157599	0.9930
10001 - 50000	284	6063949	1.9069
50001 - 100000	40	2675913	0.8415
100001 and above	72	289908708	91.1663
<b>Total...</b>	<b>56491</b>	<b>318000000</b>	<b>100.00</b>

### Dematerialization of Shares

Consequent upon the compulsory demat of the equity shares of the Company as notified by SEBI, as on 31.3.2016 about 99.78 % of the equity capital offered to the public is in Demat Form. The equity shares of the promoters are also in Demat Form.

Particulars	No. of Equity Shares	% to Share Capital
NSDL	74035221	23.28%
CDSL	243254225	76.50%
Physical (Public)	710554	0.22%
<b>TOTAL</b>	<b>31,80,00,000</b>	<b>100.00%</b>

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

- The Company has not issued any of these instruments.



## GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

### PLANT LOCATIONS:

Lignite Projects	Panandhro	(Dist. Kutch)
	Umarsar	(Dist. Kutch)
	Rajpari	(Dist. Bharuch)
	Mata-no-Madh	(Dist. Kutch)
	Tadkeshwar	(Dist. Surat)
	Surkha	(Dist. Bhavnagar)
Fluorspar Project	Kadipani	(Dist. Vadodara)
Multi Metal Project	Ambaji	(Dist. Banaskantha)
Bauxite Projects	Bhatia	(Dist. Jamnagar)
	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

### 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 : (079) 2791 1662 / 1680 / 0665 / 2443 / 1340 / 3501 / 0096 / 0465 / 3200  
Fax : (079) 2791 0969 / 1454 / 3038/1151  
E-mail : [cosec@gmdcltd.com](mailto:cosec@gmdcltd.com)  
Website : [www.gmdcltd.com](http://www.gmdcltd.com)

### CEO / CFO Certificate

Chief Executive Officer and Chief Financial Officer have issued necessary certificate pursuant to the provisions of Listing Regulations and the same is annexed at Annexure B and forms part of this Annual Report.

### Compliance Certificate

A certificate from the Practicing Company Secretary is annexed at Annexure C to the Corporate Governance Report and forms part of the Annual Report.

### Vigil Mechanism / Whistle Blower Policy

The Company has a Vigil Mechanism/Whistle Blower Policy to deal with instances of fraud and mismanagement if any. The Company being the Government Company is already covered under the government vigil mechanism. The company ensures that strict confidentiality is maintained while dealing with the concerned. It also ensures that no discrimination is meted out to any person for genially raised concern. The Vigil Mechanism is administered through the HR Department of the company. The policy also has a provision of protection against victimization against Whistle Blower and the policy also provide for direct access to the Chairman of the Audit Committee. The policy is available on the website of the Company, [www.gmdcltd.com](http://www.gmdcltd.com).

### Subsidiary Companies

The Company does not have any material subsidiary whose net worth exceeds 20% of the consolidated net worth in Holding Company immediately preceding accounting year or has generated 20% of the consolidated income of the company during the

previous financial year. Accordingly a policy on material subsidiary has not been formulated. The Company had one Subsidiary Company viz. Gujarat State Mining Resource Corporation Limited (GSMRCL), however pursuant to permission of the state government the Company has made an application with the Ministry of Corporate Affairs through its office of Registrar of Companies, Gujarat, for closure of the Subsidiary Company under Fast Track Exit mode (FTE) and hence no consolidations were made for the financial year ended on 31<sup>st</sup> March, 2016.

### 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 SEBI (LODR) Regulations, 2015 relating to Corporate Governance.

The Directors and Senior Management have affirmed compliance with the said Code during the financial year 2015-16.

For Gujarat Mineral Development Corporation Ltd.  
**Arunkumar Solanki, IAS**  
Managing Director

### ANNEXURE B

#### **CERTIFICATE BY CEO AND CFO FOR ANNUAL ACCOUNTS 2015-16**

- 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.

**P.K.BHOOTRA**  
GENERAL MANAGER (ACCOUNTS)

**L.KULSHRESTHA**  
GENERAL MANAGER (FINANCE)  
& CHIEF FINANCIAL OFFICER

**ARVIND AGARWAL, IAS**  
CHAIRMAN AND MANAGING DIRECTOR



**ANNEXURE C**

CIN: - L14100GJ1963SGC001206

Nominal Capital: - 1,500,000,000/-  
Paid-up Capital: - 636,000,000/-

**CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE**

To,  
The Members,  
**Gujarat Mineral Development Corporation Limited**  
Khanij Bhavan, 132 Ft. Ring Road,  
Near University Ground, Vastrapur,  
Ahmedabad – 380 052

We have examined all relevant records of **Gujarat Mineral Development Corporation Limited** for the purpose of certifying compliance of conditions of Corporate Governance, under clause 49 of the erstwhile listing agreement with Stock Exchanges applicable to the Company till 30<sup>th</sup> November, 2015 and para C of Schedule V read with Regulation 34(3) of Chapter IV of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, applicable from 1<sup>st</sup> December, 2015 till the financial year ended on 31<sup>st</sup> March, 2016. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our 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 our examination of the records produced, explanation and information furnished, We certify that the Company has complied with all the mandatory conditions of the said clause 49 of the listing agreement till 30<sup>th</sup> November, 2015 and para C of Schedule V read with Regulation 34(3) of Chapter IV of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, applicable from 1st December 2015 till the financial year ended on 31<sup>st</sup> March, 2016 except;

- a. clause 49II(A) of erstwhile listing agreement with Stock Exchanges and/or Regulation 17(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding number of independent Directors in the composition of Board, for the part of the period under review;

Sandip Sheth & Associates  
Practicing Company Secretaries  
**Sandip Sheth**  
*Partner*  
FCS: 5467  
CP No.: 4354

Place: Ahmedabad  
Date: 24th June, 2016



## ANNEXURE: VIII

## MANAGEMENT DISCUSSION AND ANALYSIS

## Global Mining Scenario

The year 2015 was a tough year for global mining industry. Most commodity price indices rebounded in February-March 2016 from their January 2016 lows on improved market sentiment and a weakening dollar. Still, average prices for the first quarter 2016 fell compared to the last quarter of year 2015, with energy prices down 21 percent and non-energy prices lower by 2 percent. Metal prices declined on weakening growth prospects in China and increasing supplies. Metal prices are projected to decline 8 percent following last year's 21 percent drop, due to weak demand prospects and new capacity coming on line. Downside price risks include a further slowdown in China, larger than-expected production, and depreciation of currencies of key suppliers. Looking to year 2017, a modest price recovery is projected for most commodities as demand strengthens<sup>1</sup>.

1. Source : World Bank Quarterly Report (Commodity Market outlook, January, 2016 and April, 2016).

## Indian Economy &amp; Mining Sector Perspective

In the FY 2015-16, Indian economy registered a robust growth of 7.6 per cent against 7.2 per cent in FY 2014-15 largely on the strength of domestic consumption. The country has made significant progress in its contribution to the Gross Domestic Product (GDP) (Purchasing Power Parity (PPP) terms) increasing its share from an average of 4.8 per cent during 2001-07 to 6.1 per cent during 2008-13 and further to 7.0 per cent during 2014 to 2015 in current PPP terms. Manufacturing sector, buoyed by a significant fall in input costs following the collapse of global commodity prices, registered a sharp pickup in the third quarter and fourth quarter of FY 2015-16. The Index of Industrial Production (IIP) showed that manufacturing production grew by 3.1 per cent during April-December 2015-16, vis-à-vis a growth of 1.8 per cent in the corresponding period of the previous year. Additionally, India's macroeconomic parameters like inflation, fiscal deficit and current account balance have exhibited distinct signs of improvement.

India's GDP growth is likely to stand at 7.6 per cent in fiscal 2015-16 from 7.2 per cent previous year. The pickup in growth numbers would be driven by several factors including higher discretionary demand on Pay Commission wage hike, low inflation, high corporate profitability, ongoing implementation of public capex and an accommodative monetary policy stance.

Economic Indicators (%)	FY 15-16	FY 14-15	FY 13-14
GDP growth	7.6	7.2	6.6
Inflation	4.9	5.9	9.5
Current account balance (share of GDP)	-1.4	-1.3	-1.7

**Table 1:** Economic growth forecast for India<sup>2</sup>

2. Source : Economic Survey 2015-16.

World Bank has also predicted a GDP growth rate of 7.8 percent for India for FY 2016-17 and indicated a potential rise up to 7.9 percent by 2017-18. This positive sentiment towards Indian GDP is mainly due to reduction in external vulnerabilities, strengthening domestic business cycle and supportive policy environment.

For mining sector, at macro level, according to new series of the Gross Domestic Product, the Gross Value Added (GVA) by the mining and quarrying sector at constant prices is rising over a period of time. The details are provided in the table presented below:-

Mineral	2013-14 {2nd RE (NS)}	2014-15 (1st RE)	2015-16 (AE)
GVA of Mining & Quarrying Sector (at constant Prices) (₹ in crores)	2,67,378	2,96,382	3,16,811

**Gross Value Added (GVA) at constant prices (at 2011-12 prices)<sup>3</sup>**

**Table 2 :** GVA at constant prices (at 2011-12 prices)<sup>3</sup>

NS: New Series Estimates; AE: Advance Estimates, RE: Revised Estimates;

3. Source : Indian Bureau of Mines.

## Indian Mining Industry

Mining sector, being one of the core sector of economy, provides basic raw materials to many important industries like power generation (thermal), iron and steel, cement, petroleum and natural gas, petro-chemicals, fertilisers, precious & semi-precious metals /stones, electrical & electronics equipment, glass and ceramics etc. Apart from making available raw



## GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

materials for industrial sector, mining sector in India contributes significant amount of taxes and royalties to state & central governments.

As per the revised estimates of Gross Value Added (GVA), at constant prices [New Series (Base 2011-12)] released by RBI the contribution of mining & quarrying is 2.9% upto December 2015. The same was 3% in the FY 2014-15.

First two quarters of FY 2015-16 saw the earnings dive south on account of excess production and subdued demand that led to prices of some commodities like iron ore hitting the ten year old levels. Moreover, the spectre of demand slowdown in China, the world's biggest metal consumer, led to the markets across the world including India getting flooded with cheap imports of steel, aluminium and other finished products, a development that has adversely impacted the domestic mining industry. However spurts of revival were seen later as the global demand of commodities continued to rise and the revenues picked up.

Government is taking significant steps for revival & growth of Indian economy and has identified role of mining industry to play in achieving the same. While the year 2013-14 saw major legislative and policy changes in Indian Mining Industry, the year 2015-16 was marked with implementation of those reforms.

### Recent Reforms

India is witnessing exceptional changes in the mining sector with reforms and growth on agenda. With the enactment of Mines and Minerals (Development & Regulation) Act, 2015 for auction of minerals and with the new Government's latest budget, mining sector's contribution to GDP is expected to increase considerably. This year's budget estimated a growth in the GVA at basic prices from mining sector to be 6.9%.<sup>4</sup>

4. Source : "Press note on provisions estimates of Annual National Income, 2015-16 and Quarterly Estimates of GDP for the third quarter, 2015-16". Press Information Bureau, Dt. 8th Feb., 2016.

The government also notified National Mineral Exploration Trust (NMET) to encourage mineral exploration and followed up with formulation of various rules and guidelines that can help in improving the ease of doing business for miners. Govt. mandated the setting up of District Mineral Foundations (DMFs) and launched programs meant to provide for the welfare of areas and people affected by mining related operations, thus bringing reforms in the sector and thrust on fast-tracking projects.

### Industry Structure and Developments

The country is endowed with huge resources of many metallic and non-metallic minerals. Mining sector is an important segment of the Indian economy. Since independence, there has been a pronounced growth in the mineral production both in terms of quantity and value. India produces as many as 88 minerals, which includes 4 fuel, 10 metallic, 50 non-metallic and 24 minor minerals (including building and other materials).

The total value of mineral production (excluding atomic minerals) during 2015-16 was at ₹ 2,68,955 crore, which shows a decrease of 5.05% over that of the previous year. During 2015-16, value of production for fuel minerals account for ₹ 1,82,920 crore or 68.01%, metallic minerals, ₹ 31,066 crore or 11.55% of the total value and non-metallic minerals including minor minerals ₹ 54,969 crore or 20.44% of the total value.<sup>5</sup>

5. Annual Report : 2015-16, Ministry of Mines.

The index of mineral production (base 2004-05=100) has increased from 126.50 in 2014-15 to 129.90 in 2015-16.

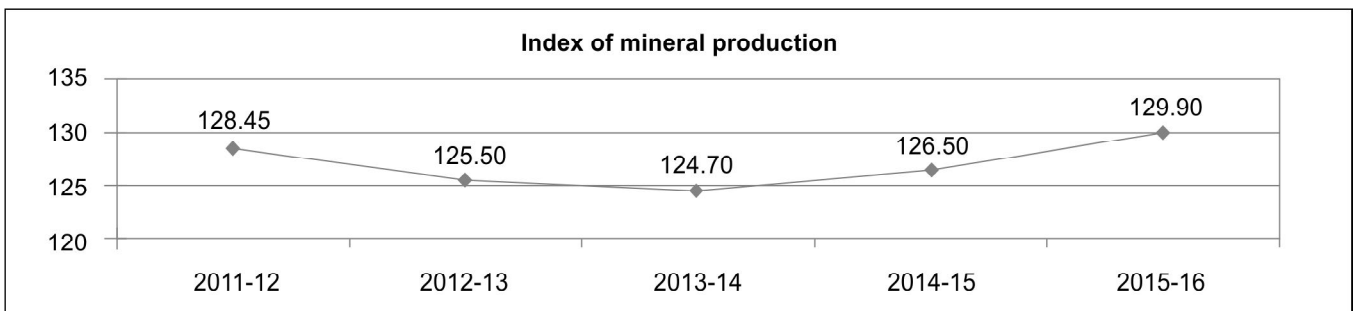


Figure 3: Index of Mineral production, India

### Growth Drivers for Mining Sector

- Government's initiatives like Make in India are likely to boost the demand of minerals in India.
- With the Indian economy expected to grow by over 7% in the years to come, sectors such as infrastructure and automobiles will receive a renewed thrust, which would further generate demand for power and steel in the country. This is expected to provide a major thrust to the demand of minerals like coal and bauxite.

- Minerals like manganese, lead, copper, alumina are expected to witness double digit growth in the years ahead. There is significant scope for new mining capacities in iron ore, bauxite, and coal.
  - India has an advantage in the cost of production and in conversion costs of steel and alumina. Our strategic location allows convenient exports to developed and fast developing Asian markets.
  - Increased infrastructure development and automotive production are driving growth in the metals and mining sector. In the Union Budget 2015 – 16, Ministry of Mines has been allocated ₹ 629.12 crore<sup>6</sup>. With 100% FDI allowed in mining sector, and for exploration of metal and non-metal ores under the Automatic route, growth prospects for mining sector are bright. India has the 306.59 Billion Tonnes geological coal reserves as on April 2016. Production of coal stood at 447.48 Million Tonnes & 612.43 Million Tonnes in 2015-16 and 2014-15<sup>7</sup>, respectively.
6. Metals & mining report, August, 2015, Indian Brand Equity Foundation.
7. Annual Report : 2015-16, Ministry of Coal.

### Performance of GMDC (FY 15-16)

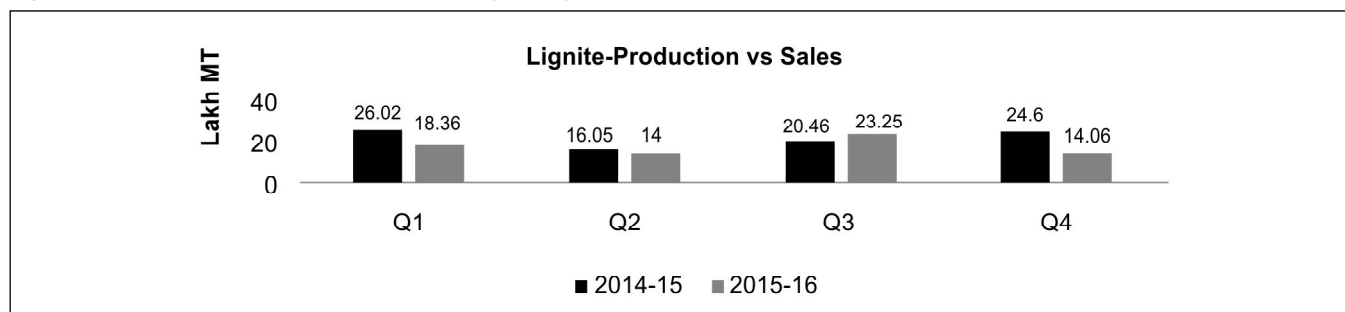
#### A. Product wise performance

##### a. Lignite:

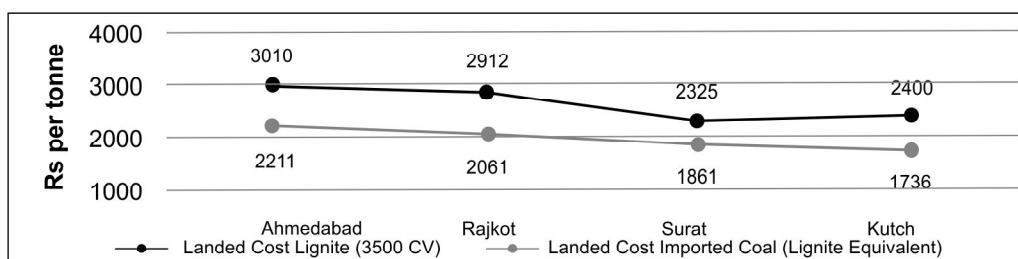
Lignite mining continues to be the main operation of the company. GMDC currently has 6 operational Lignite mines with annual production capacity of 88 Lac Tonne per Annum (LTPA). The mines are located in Kutch, South Gujarat and Bhavnagar region. Lignite operations accounted for 67% of the total revenue and 81% of the Profit before Tax of GMDC in FY 14-15.

GMDC's six active lignite mines together produced 69.67 lakh metric tonnes of lignite during the FY 2015-16 with Panandhro lignite mine contributing the maximum of 29.78 Lac tonnes of production.

Lignite sale of GMDC has been decreased by nearly 20% in FY2016 compared to FY2015.



Slowdown in Chinese economy and subdued demand of power in Europe resulted in decrease of import Coal prices in Atlantic and Pacific market which caused decrease in landed cost of lignite at all major locations of Gujarat in comparison to lignite supplied by GMDC.



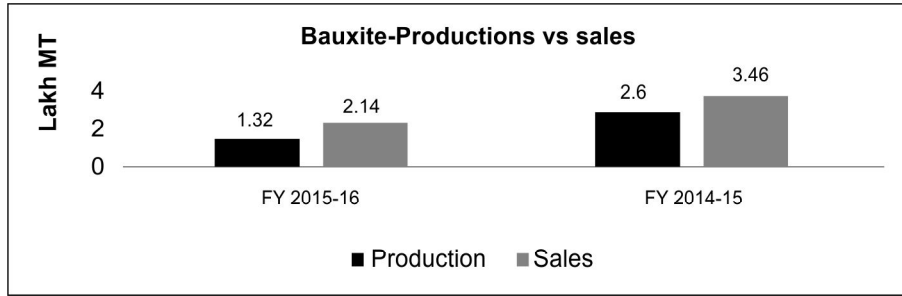
Lignite supplied by GMDC is nearly 25% costlier than imported coal and the cost of transportation adds on to the cost of lignite which makes the competition stiffer with imported Coal. This led GMDC to reduce its lignite price by 7%, on an average, across its mines that led to a spike in sales in the third quarter of FY 2015-16.

##### b. Bauxite

Other than Lignite, GMDC is also operating Bauxite mines in Gujarat. The operations are located in districts of Kutch as well as Devbhumi Dwarka. The Bauxite deposits of Gujarat are clustered deposits with numerous pocket deposits present in near-by vicinity. GMDC is currently mining nine Bauxite deposits, of which eight are in Kutch and one is in Devbhumi Dwarka. In FY 2015-16 GMDC has achieved a cumulative bauxite production of 1.32 lakh metric tonnes from its eight active mines with contribution of Mevasa mines being highest of 1.25 lakh metric tonnes.



# GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

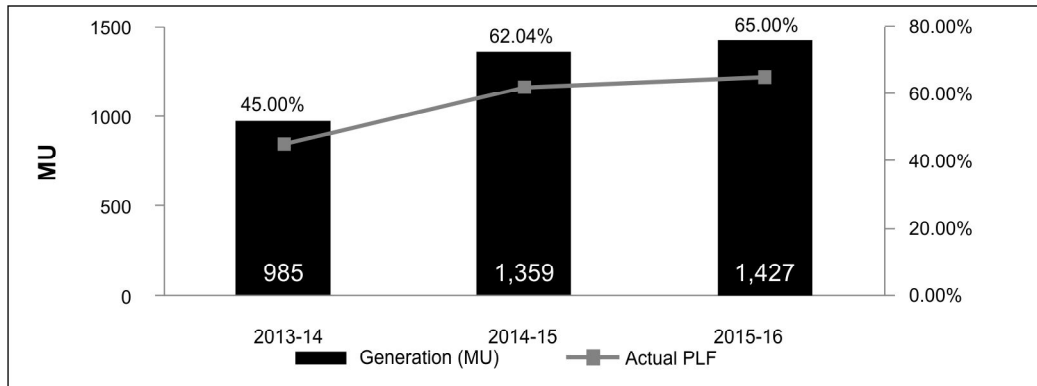


GMDCs production capacity of Bauxite is likely to be stable in coming years. GMDC envisages to cater the needs of major value addition plants of mineral in the state in long term. Current market share of GMDC in total sales of Bauxite in Gujarat is nearly 2.9%.

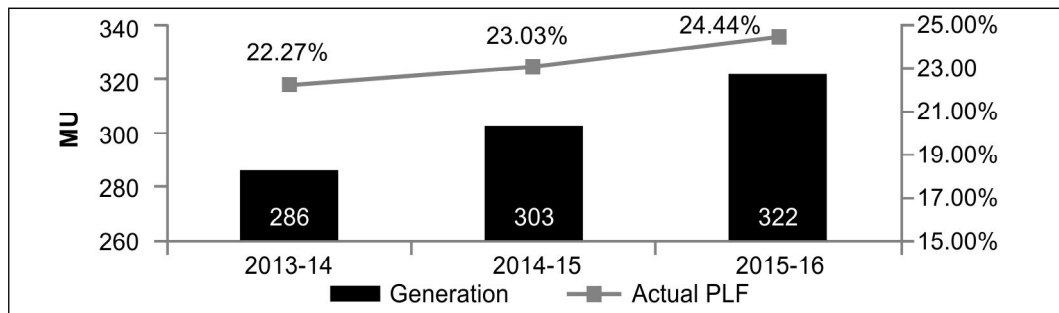
### c. Power

GMDC power division consists of ATPS Thermal Power Plant, Wind Power Plants and Solar Power Plants. A Total of 1745.88 Million Units of power was produced in the FY 2015-16, an increment of 5% than previous financial year.

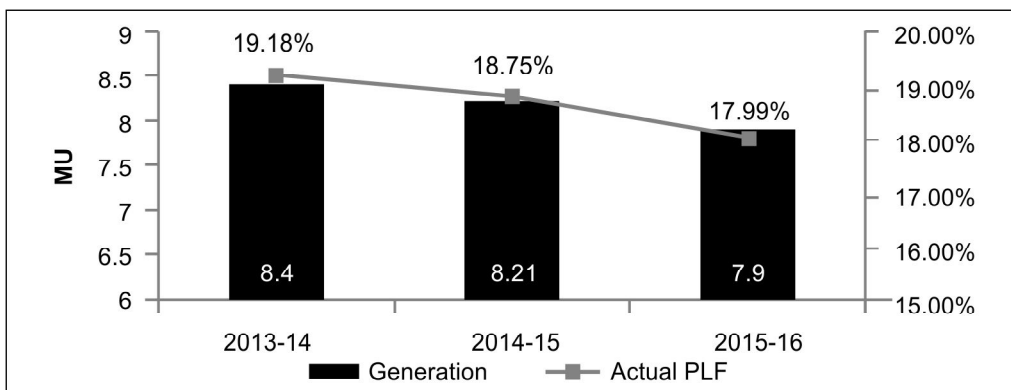
Akrimota Thermal Power Plant: The Generation as well as PLF of ATPS has increased over the past two years and first time crossed 1400 MU and achieved a PLF of 65%. This improvement in continuous generation is attributed mainly to the fast response time to any breakdowns by M/s KEPCO (Korea Electric Power Corporation) and addressing various technical shortfalls by timely procurement of spares.



Wind Power: The PLF of wind projects has increased from 22.27% to 24.44% in the FY 2015-16 in comparison to FY 2014-15. FY2016-17 will see a capacity addition of 50 MW by M/s Inox. 2 wind turbine generators of 4 MW capacity have already been commissioned by March 31<sup>st</sup>, 2016.



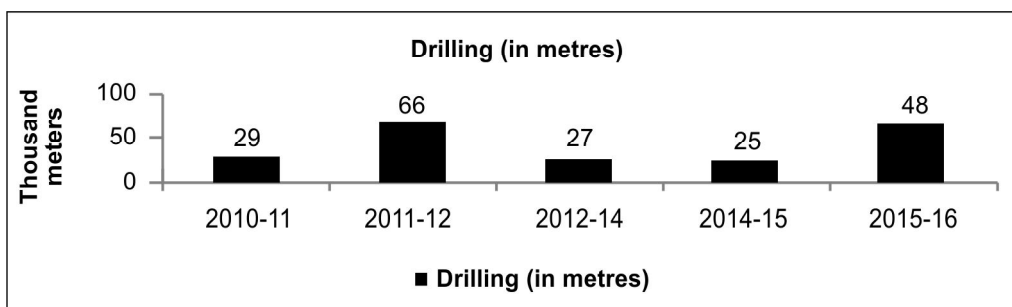
Solar Power: The generation of solar power has marginally come down in the FY 2015-16. Lowering down of Actual Capacity Utilisation Factor (CUF) is mainly attributed to deterioration of solar cells with time which lowers the efficiency and hence generation.



**d. Exploration Activities**

GMDC continuously undertakes exploration activities within Gujarat for establishment of mineral reserves. These activities are aimed at serving two purposes. First, exploration is undertaken in allotted/ operational mines of GMDC to firmly establish the nature and quantum of reserves in the area to be mined in near future. Second, exploration activities are undertaken on behalf of Commissioner of Geology and Mining, Government of Gujarat, to establish mineral reserves within the state of Gujarat. The company has established 18 million tonnes of Lignite reserve in Mata-no- Madh area of Gujarat.

GMDC undertakes exploration activities through tendering process. GMDC also has in-house team of experts which oversee the exploration activities as well as validates the findings of these activities.



GMDC adopts satellite imagery and GIS technology for geological mapping & geo-physical surveys. Mineral analysis & preparation of exploration report along with data evaluation through Data-Mine software is carried out by GMDC. GMDC prepares the Qualitative & Quantities assessment of deposit along with 3D modeling of the deposit.

**B. Financial Performance**

The company's profit has reduced from ₹ 500 Crores to ₹ 240 Crores over the past year. This can be mainly attributed to lower sales volume of Lignite as well as reduced selling price of Lignite due to sluggish market demand and cheap availability of alternate fuel (imported coal and PET coke). Total market capitalisation of the company stands out at ₹ 2,079 Crores as on 31st March 2016.

(₹ in Lacs)

Particulars	2013-2014	2014-2015	2015-2016
Turnover	1,34,407	1,47,314	1,22,601
PBT	62,959	63,587	33,662
PAT	43,913	50,032	23,997
Dividend (%)	150	150	150

**Opportunities & Threats**

*Opportunities*

- Indian economy is expected to grow by approximately 7% in the years to come, sectors such as infrastructure and automobiles will receive a renewed thrust, which would further generate demand for power and steel in the country. This is expected to provide a major thrust to the demand of minerals like coal, iron ore & bauxite.



## GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

- With the enactment of MMDR Amendment Act 2015, GMDC can identify the need for developing new Lignite mines in Western Kutch as well as South Gujarat under section 17(2A). This will also be necessary to meet increase in Lignite demand in long term due to fluctuation/increase in import coal prices.
- Solar power generation to utilise GMDC's mined-out land and fulfil restoration obligation from its exhausting mines and evaluate returns and tax benefits under current tariff regime.
- GMDC being the PSU enjoys the preferential right over the private miners. Provision for reservation of mining leases under Section 17 (2A) of MMDR Amendment Act 2015 and the rule for extension of mining lease by additional 50 years for PSUs opens up opportunities for GMDC to safeguard its long-term operations in mining as per the strategic needs of Gujarat.
- The newly allotted lignite leases are having huge deposits of limestone as overburden.

### *Threats*

- GMDC is facing competition from alternate fuel (imported & PET coal) with respect to its price. Reasons being the increased clean energy cess on coal by Government of India and a VAT of 25% by state government on sale of lignite and transportation cost of the lignite to the delivery points.
- Provision for allotment of mining leases through competitive bidding and allocation of Lignite mine for commercial purpose to private players may undermine the monopoly of GMDC in Lignite mining.
- Under the new regulatory regime, the company may have to participate in auction for securing new leases for Bauxite.

### **Outlook**

GMDC's measured drive is outlined by extension of activities on three facades, namely, venturing into exploration activities; increasing the geographical reach within Gujarat, and diversifying operations in sectors such as renewable power generation and other minerals. The future outlook of GMDC may include the following :

- To identify and reserve new lignite leases within Gujarat.
- To establish itself as a nodal agency for exploration in scientific manner within Gujarat as well as India.
- To venture into renewable power generation options in its mined out area as reclamation of exhausted projects need to be carried out.
- To promote training and development in the mining sector to cater the need of skilled manpower in the sector.

### **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 factor in power plant. 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.

Mining companies are 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. Increasing environmental concerns will lead to higher costs.

### **Internal Control and its adequacy**

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 sale 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.

### **Human Resource and Industrial Relations**

During the year under review there was no material development in human resource and industrial relations. The Company had harmonious relations between management and the employees. As on 31<sup>st</sup> March, 2016, the Company had 1594 employees.

### **Cautionary Statement**

Statements in the Management Discussion and Analysis, 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.

## ANNEXURE : IX

## ANNUAL REPORT ON CSR ACTIVITIES

## 1. Brief Outline:

The company's policy for Corporate Social Responsibility is to "Continually endeavor to improve quality of life significantly in project affected areas and surrounding area by focusing on areas like livelihood promotions, basic infrastructure development, education, sports, health & sanitation, safe drinking water, employment by skill development and training, women empowerment, girl child education, incubation of future entrepreneurs, rural development projects and also caring for socially and economically backward groups.

Also for environment, ensuring environment sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining quality of soil, air and water."

## 2. The Composition of the Corporate Social Responsibility Committee:

- i. Shri Arvind Agarwal, IAS, CMD - Chairman
- ii. Shri T. Natarajan, IAS, Director - Member
- iii. Shri Bhadrash Mehta, Independent Director - Member

## 3. Average Net Profit of the Company for last three Financial Year:

₹ 723.27 crore

## 4. CSR Expenditure: ₹ 14.47 crore

## 5. Details of CSR Spent during the Financial Year:

- i. Total amount to be spent for the Financial Year: ₹ 14.47 crore
- ii. Amount unspent, if any: NIL
- iii. Manner in which the amount spent during the financial year is detailed below: (₹ in lakhs)

Sr No.	CSR Project or Activity Identified	Sector in which the project cost is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs were undertaken	Amount outlay (Budget) project or programs wise	Amount spent on the projects or programs subheads :		Cumulative expenditure upto the reporting period	Amount spent Direct or through implementing Agency
					(1) Direct expenditure on projects or programs	(2) verheads		
1	Providing Water Cooler, Drinking Water facility through our tanker to near villages, Widening & Deepening of Check Dam, Borewell in villages & Micro Irrigation Programe in Core Zone villages	Water	ATPS, Panandhro, Bhavnagar, Bhatia, Gadshisa, Rajpardi, Umarsar, Mata No Madh	217.1300	272.9055	349.2255	Directly through GMDC & GGRC	
2	Tree Guard Distribution, VANMAHOTSAV, CSR Impact Assessment, Guajrat Ecology Society For Panandhro Project Mines	Environment	Mata no Madh & Tadkeshwar - GIDE, Gandhinagar, Bhavnagar	42.4411	57.7811	88.0911	Directly through GMDC	



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3	Administration and Maintenance of Shyamji Krishna Varma Memorial Trust , Contribution to Sardar Vallabhbhai Patel Rashtriya Ekta Trust	Art Culture & History	Shyamji Krishna Varma Memorial Society Mandvi	1100.0000	1099.1884	1169.7984	Through Implementing agency namely GMDC Gramya Vikas Trust
4	Construction of Compound Wall of Tadkeshwar-Anganwadi No : 2,3,6, Providing Note Books and Sport equipment, Financial Assistance to Girl Students and Smart Class Room, Notebook to Govt. village Schools, Educational Accessories to village, Sponsoring Education of Girl Students in Lakhpat	Promoting Education	Pandhro, ATPS, Umarsar, Tadkeshwar, Mata No Madh, Rajpardi Bhavnagar, Bhatia, Gadshhisa, Kadipani, Rajpardi and Other projects	434.6740	315.8414	734.9014	GMDC, Through Implementing agency namely GMDC Gramya Vikas Trust & Virayatan Vidhyapith Mandvi
5	Water supply pipe connection up to tank, Construction of Panchayat Community Hall, Anganwadi, Underground Sewage, Furniture of Gram Panchyat	Rural Infrastructure & Rural Development	ATPS, Panandhro, Umarsar, Bhavnagar, Mata No Madh	294.3587	128.4567	698.9567	GMDC, through Implementing agency namely GMDC Gramya Vikas Trust , R&B Dept.
6	Construction of integrated campus for Centers of Excellence, Namely, iCreate & iCem	Promoting Education Skill Development Vocational Training	Village Dev Dholera, Ahmedabad	7715.0000	4289.3027	7715.5727	GMDC
7	Medicine & Mobile Dispensary Service to villages , Financial Assistance to Gujarat Cancer Research Institute	Health and Sanitation	Panandhro, ATPS, Rajpardi, Gadshhisa	377.9800	368.5040	545.5640	Through Implementing agency namely GMDC Gramya Vikas Trust & GMDC



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8	Toilets -Individual	Health and Sanitation	Panandhro, Mata No Madh, Umarsar, ATPS, Gadshisa, Shivrajpur, Rajpardi, Kadipani, Bhatia, Bhavnagar, Tadkeshwar	900.1600	0.0000	0.0000	Directly through GMDC
9	Livelyhood Training Program for women, Training Program for unemployed boys / girls, Tailoring Classes	Employment Enhancement	Rajpardi	1.5000	0.7000	0.7000	Through Implementing agency namely GMDC Gramya Vikas Trust & GMDC
10	iNDEXTb	Promotion of Industry in particular MSMEs		70.0000	70.0000	70.0000	Through iNDEXTb
				11153.2438	6602.6798	11363.9378	

\*Details of implementing agency

6. In case of the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not sending the amount : NIL
7. 'A' responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

"The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR Objectives and Policy of the Company."

**Arunkumar Solanki, IAS**  
Chairman - CSR Committee



## CSR POLICY

The present CSR policy of GMDC is aligned to the Corporate Vision and Mission.

### Objectives:

*The basic objective of GMDC's CSR policy is:*

- To improve overall quality of life significantly.
- To create opportunities for livelihood.
- To provide all necessary assistance for:
  - Training, Skill Development and Employment
  - Sports
  - Girl Child Education
  - Women Empowerment and gender equality
- To assist for Rural Infrastructure development as may be permitted under law.
- To create and maintain health & sanitation related facilities.
- To promote and provide access to safe drinking water for population in surrounding areas to GMDC facilities.
- Uplifting standard of living for socially and economically backward groups.
- To ensure in every business activity about environmental sustainability, ecological balance, protection of flora and fauna and animal welfare.
- To encourage and assist in development of agro-forestry.
- To actively encourage and exercise conservation of natural resources.

### Areas of Focus

- Water conservation and environment
- Micro Irrigation and Agriculture
- Health and Sanitation
- Education
- Employment Enhancement
- Rural Infrastructure
- Any Other Rural Development Programmes

## **Financial Statements & Notes**



**INDEPENDENT AUDITOR'S REPORT**

To,  
**The Members of  
Gujarat Mineral Development Corporation Limited**

**Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **Gujarat Mineral Development Corporation Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, 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 financial control relevant to the Company's preparation of the 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 the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at 31<sup>st</sup> March, 2016, and its profit/loss and its 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, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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2. In terms of Section 143(5) of the Act, we give in Annexure '2(i) & 2(ii)' a statement on the directions issued under the aforesaid section by the Comptroller and Auditor General of India.
3. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on 31st March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016, from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note 2.22 to the financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For S.C. Ajmera & Co.  
Chartered Accountants  
FRN: 002908C  
**S.C. Ajmera**  
Partner  
M. No. 081398

Place : Ahmedabad  
Date : 26.05.2016



**ANNEXURE TO THE AUDITOR'S REPORT  
(Referred to Para (1) our Report of even date)**

The Annexure referred to in our report to the members of Gujarat Mineral Development Corporation Limited ("the Company") for the year ended 31 March, 2016.

We report that:

- i. In respect of Fixed Assets
  - a. The company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
  - b. The Company has a program of physical verification of its fixed assets by which fixed assets are verified at reasonable intervals. In accordance with this program, fixed assets were verified during the year and discrepancies which were noticed on such verification were properly dealt with in the books of accounts.
  - c. The title deeds of immovable properties are held in the name of the company.
- ii. In respect of Inventory
  - a. The physical verification of inventory has been conducted at reasonable intervals by the Management.
  - b. The procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of company and the nature of its business.
  - c. The company has maintained proper records of inventory. The discrepancies noticed on such verification between the physical stock and book stock was not material and the same have been properly dealt with in the books of accounts.
- iii. The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore requirement of clauses (iii) of the paragraph 3 of the order is not applicable to the company.
- iv. In respect of loans, investments, guarantees, and security, provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
- v. The company has not accepted any deposits during the year as per the directives issued by the Reserve Bank of India and within the meeting of the provisions of sections 73 to 76 and other relevant provisions of the Companies Act and the rules framed there under, where applicable. Thus, the clause (v) of paragraph 3 of the order is not applicable to the company.
- vi. In pursuant to the order made by the Central Government for the maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013, the company has made and maintained the prescribed accounts and records.
- vii. In respect of statutory dues
  - a. According to the information and explanations given to us, and on the basis of our examination, the company is generally regular in depositing undisputed statutory due including provident fund, Investor Education and Protection Fund, Employee's State Insurance, Income tax, sales tax, wealth tax, service tax, duty of excise, value added tax and cess and any other statutory dues with appropriate authorities.
  - b. The details of excise duty, income tax and sales tax not deposited on account of dispute are as under:

Name of Statute	Nature of the Dues	Period to which the amount relates	Amount (₹ In Lakh)	Forum where dispute is pending
Commercial tax	Sales tax/VAT	1993-94	21.78	Hon. High Court
		1995-96	98.92	Appellate Tribunal
		1997-98	2.45	Appellate Tribunal
Commercial tax	CST	1997-98	4.26	Appellate Tribunal
Central Excise Act, 1944	Excise duty	2015-16	504.39	Commissioner of Central Excise

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- viii. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year.
- ix. Based on our audit procedures and according to the information given by the management, the company has not raised any money by way of initial public offer or further public offer (including debt instruments) or taken any term loan during the year.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations give to us, the Company has not paid/provided for managerial remuneration during the year.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company.
- xiii. According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where ever applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xv. According to the information and explanations give to us and based on our examination of the records of the Company, the company has not entered into non-cash transactions with directors or persons connected with him during the year.
- xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For S.C. Ajmera & Co.  
Chartered Accountants  
FRN: 002908C  
**S.C. Ajmera**  
Partner  
M. No. 081398

Place : Ahmedabad  
Date : 26.05.2016



**ANNEXURE 'B' TO THE AUDITORS' REPORT**  
**Report on Internal Financial Controls over Financial Reporting**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Gujarat Development Mineral Corporation Limited** ("the Company") as of March 31, 2016, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : Ahmedabad  
Date : 26.05.2016

For S.C. Ajmera & Co.  
Chartered Accountants  
FRN: 002908C  
**S.C. Ajmera**  
Partner  
M. No. 081398



## GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

### ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT OF GUJARAT MINERAL DEVELOPMENT CORPORATION LTD

To  
The Members  
Gujarat Mineral Development Corporation Ltd.

In continuation of our Independent Audit Report on Standalone Financial Statement of Gujarat Mineral Development Corporation Ltd. ("The Company") dated 26.05.2016 we have reported on Directions and Sub-direction under section 143(5) of the Companies Act, 2013 applicable for the year 2015-16, as under:

#### ANNEXURE-2(i)

#### Directions under Section 143(5) of Companies Act, 2013 Applicable for the year 2015-16

Sr. No.	Directions/Questions u/s 143(5)	Action Taken	Impact on Accounts and Financials
1	Whether the Company has clear title/lease deeds for freehold and leasehold respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available?	Yes, the Company has clear title/lease deeds for freehold and leasehold respectively.	No impact
2	Whether there are any cases of waiver/ write off of debts/loans/interest etc. If yes, the reasons there for and the amount involved.	As informed to us, there was one case of write off amounting to ₹ 96,282/- being loan given to a deceased employee. As per the staff welfare policy of the company, the same is to be waived in case of death.	No impact
3	Whether proper records are maintained for inventories lying with third parties and assets received as gift/grant(s) from the Government or other authorities.	Yes, proper records are maintained by the company for inventory lying with third parties. And no asset is received as gift from Government or other authority, as informed to us.	No impact

For S.C. Ajmera & Co.  
Chartered Accountants  
FRN: 002908C  
**S.C. Ajmera**  
Partner  
M. No. 081398

Place : Ahmedabad  
Date : 26.05.2016

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## ANNEXURE-2(ii) Sector Specific Sub-directions under section 143(5) of Companies Act, 2013

Sr. No.	Sub Directions issued/Questions u/s 143(5)	Action Taken	Impact on financials
<b>Manufacturing Sector</b>			
<b>Mining</b>			
1	<b>Whether the company has taken adequate measures to reduce the adverse affect on environment as per established norms and taken up adequate measures for the relief and rehabilitation of displaced people.</b>	According to the information and explanation given to us, the Company is obtaining monthly environmental pollution monitoring report from outside agency for each project to reduce/monitor the adverse effect on environment.  No Displacement/Rehabilitation has been taken at any project of the corporation for the year 2015 -16. (Please note that we are not technical expert)	No impact
2	<b>Whether the Company had obtained the requisite statutory compliances that was required under mining and environmental rules and regulations?</b>	As per information and explanation given to us, the Company has obtained necessary consents from GPCB for mining projects.	No impact.
3	<b>Whether overburden removal from mines and backfilling of mines are commensurate with the mining activity?</b>	As informed to us, in respect of lignite projects overburden removal from mines and backfilling of mines are commensurate with the mining activity as per approved/submitted/prepared mine closure plan. (Please note that we are not technical expert)	No Impact
4	<b>Whether the Company has disbanded and discontinued mines, if so, the payment of corresponding dead rent there against may be verified.</b>	As informed to us, the Company has not disbanded nor discontinued any of its mines.	Not Applicable
5	<b>Whether the Company's financial statements had properly accounted for the effect of Rehabilitation Activity and Mine Closure Plan?</b>	The expenditure on Rehabilitation Activity' and for Mine Closure is properly accounted in the books of account of the Company, as per the policy adopted on this behalf.	No impact
<b>Power Sector</b>			
<b>Generation</b>			
1	<b>In the cases of Thermal Power Projects, compliance of the various Pollution Control Acts and the impact thereof including utilization and disposal of ash and the policy of the company in this regard, may be checked and commented upon.</b>	As per information and explanation provided to us, the Company has made compliance of various pollution control Act.  In respect of utilization and disposal of ash, generally the Company is using it in backfilling of mine in Panandhro project.	No impact
2	<b>Has the company entered into revenue sharing agreements with private parties for extraction of coal at pitheads and it adequately protects the financial interest of the Company?</b>	As informed to us, the Company has not entered into revenue sharing agreements with private parties for extraction of coal at pitheads.	Not Applicable



## GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

Sr. No.	Sub Directions issued/Questions u/s 143(5)	Action Taken	Impact on financials
3	<b>Does the company have a proper system for reconciliation of quantity/ quality of coal ordered and received and whether grade of coal/ moisture and demurrage etc., are properly recorded in the books of accounts?</b>	Company does not purchase coal from the outside parties. However, as informed to us, the Company is having a system in ERP for reconciliation of quantity ordered and received and Grade of coal/ moisture and demurrage etc., are recorded in the books of accounts on the basis of Test Certificate received from the laboratory. (Please note that we are not technical experts).	No impact
4	<b>How much share of free power was due to the State Government and whether the same was calculated as per the agreed terms and depicted in the accounts as per accepted accounting norms?</b>	The power is sold to Government controlled entity and the same is calculated as per terms agreed in PPA (Power Purchase Agreement).	No impact
5	<b>In the case of Hydroelectric Projects the water discharge is as per policy /guidelines issued by the State Government to maintain biodiversity. For not maintaining it penalty paid/ payable may be reported.</b>	As informed to us, No hydroelectric Project is carried out by Company.	Not Applicable

For S.C. Ajmera & Co.  
Chartered Accountants  
FRN: 002908C  
**S.C. Ajmera**  
Partner  
M. No. 081398

Place : Ahmedabad  
Date : 26.05.2016

REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF GUJARAT MINERAL DEVELOPMENT CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2016**

The preparation of financial statements of Gujarat Mineral Development Corporation Limited for the year ended 31 March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act This is stated to have been done by them vide their Audit Report dated 26 May 2016.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of Gujarat Mineral Development Corporation Limited for the year ended 31 March 2016. 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

For and on behalf of the  
Comptroller and Auditor General of India  
**Y. N. Thakare**  
Pr. Accountant General (E&RSA), Gujarat

Place : Anmedabad  
Date : 04-08-2016



# GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

## BALANCE SHEET AS AT 31ST MARCH, 2016

(₹ in Lacs)

Particulars	Note No.	As at 31st March, 2016		As at 31st March, 2015	
<b>EQUITY AND LIABILITIES</b>					
<b>SHAREHOLDERS' FUNDS</b>					
Share Capital	2.01	<b>6,360.00</b>		6,360.00	
Reserves and Surplus	2.02	<b>3,30,311.28</b>	<b>3,36,671.28</b>	3,17,796.69	3,24,156.69
<b>NON-CURRENT LIABILITIES</b>					
Deferred tax liabilities (Net)	2.03	<b>16,247.48</b>		20,787.59	
Other long-term liabilities	2.04	<b>18,026.60</b>		18,079.09	
Long-term provisions	2.05	<b>33,614.16</b>	<b>67,888.24</b>	23,986.67	62,853.35
<b>CURRENT LIABILITIES</b>					
Trade payables	2.06	<b>6,813.98</b>		5,148.58	
Other current liabilities	2.07	<b>17,305.91</b>		14,006.56	
Short-term provisions	2.08	<b>12,157.58</b>	<b>36,277.47</b>	12,032.34	31,187.48
<b>Total</b>			<b>4,40,836.99</b>		<b>4,18,197.52</b>
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Fixed assets	2.09				
Tangible assets		<b>1,75,030.72</b>		1,75,472.31	
Intangible assets		<b>131.32</b>		149.83	
Capital work-in-progress (Net of Provision)		<b>7,474.54</b>		4,591.17	
		<b>1,82,636.58</b>		1,80,213.31	
Non-current investments	2.10	<b>32,415.61</b>		29,899.74	
Long-term loans and advances	2.11	<b>65,797.37</b>		78,274.71	
			<b>2,80,849.56</b>		2,88,387.76
<b>CURRENT ASSETS</b>					
Inventories	2.12	<b>4,352.68</b>		5,207.56	
Trade receivables	2.13	<b>9,735.22</b>		8,115.15	
Cash and cash equivalents	2.14	<b>3,245.76</b>		922.82	
Short-term loans and advances	2.15	<b>1,42,653.77</b>	<b>1,59,987.43</b>	1,15,564.23	1,29,809.76
<b>Total</b>			<b>4,40,836.99</b>		<b>4,18,197.52</b>

Significant Accounting Policies and Notes  
on Financial Statements.

1 & 2

**P. K. Bhootra**  
General Manager (Accounts)

**Joel Evans**  
Company Secretary

Place: Ahmedabad  
Date: 26th May, 2016

As per our report of even date attached

**For S. C. Ajmera & Co.**  
Chartered Accountants  
FRN - 002908C

**S.C. Ajmera**  
Partner  
Membership No.081398

Place: Ahmedabad  
Date : 26th May, 2016

**L. Kulshrestha**  
General Manager (Finance)  
& Chief Financial Officer

**Bhadresh Mehta**  
Director  
(DIN - 02625115)

**Arvind Agarwal, IAS**  
Chairman & Managing Director  
(DIN - 00122921)

## ANNUAL REPORT 2015-2016

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

	Note No.	2015-2016	2014-2015
(₹ in Lacs)			
Gross Revenue from Operations	2.16	1,22,601.81	1,47,314.45
Less : Excise Duty		3,661.80	5,425.97
Net Revenue from Operations		1,18,940.01	1,41,888.48
Other Income	2.17	14,434.46	14,399.87
<b>Total Revenue</b>		<b>1,33,374.47</b>	<b>1,56,288.35</b>
<b>Expenses:</b>			
Changes in inventories of Finished goods, Work-in-progress	2.18	385.40	(254.60)
Employee benefits Expense	2.19	10,132.29	9,637.51
Finance Cost	2.20	4.38	168.30
Depreciation / Depletion / Amortization	2.09	13,140.34	13,726.91
Other Expenses	2.21	76,049.46	80,339.71
<b>Total Expenses</b>		<b>99,711.87</b>	<b>1,03,617.83</b>
<b>Profit Before Extraordinary Items and Tax</b>		<b>33,662.60</b>	<b>52,670.52</b>
<b>Add : Extraordinary Items</b>		-	10,916.23
<b>Profit Before Tax</b>		<b>33,662.60</b>	<b>63,586.75</b>
Tax Expense			
Current Tax		14,206.00	21,150.00
Deferred Tax		(4,540.11)	(7,596.11)
<b>Profit/(Loss) For the period</b>		<b>23,996.71</b>	<b>50,032.86</b>
<b>Earning per equity Share (Par Value of ₹ 2/- each)</b>			
Basic (₹)		7.55	15.73
Diluted (₹)		7.55	15.73

Significant Accounting Policies and Notes on Financial Statements.

1 & 2

**P. K. Bhootra**  
General Manager (Accounts)

**Joel Evans**  
Company Secretary  
Place: Ahmedabad  
Date: 26th May, 2016

As per our report of even date attached

**For S. C. Ajmera & Co.**  
Chartered Accountants  
FRN - 002908C

**S.C. Ajmera**  
Partner  
Membership No.081398  
Place: Ahmedabad  
Date : 26th May, 2016

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Director  
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**Arvind Agarwal, IAS**  
Chairman & Managing Director  
(DIN - 00122921)



# GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

## CASH-FLOW STATEMENT FOR THE YEAR 2015-16

Sr. Particulars	2015-2016	2014-2015
(₹ in Lacs)		
<b>A Cash-Flow from Operating Activities:</b>		
Net Profit before tax & extra ordinary items	33,662.61	52,670.53
<b>Adjustments for:</b>		
Depreciation and Depletion	13,140.34	13,545.95
Provision for Doubtful Debts, Investments and Loans & Advances	22.95	97.36
Provision for Obsolete Spares / Stock	-	-
Assets written off	23.60	10.15
Excess/Short provision adjusted	(410.95)	(241.81)
Surplus / Deficit on sale of assets	(75.22)	56.17
Dividend Income	(605.21)	(570.60)
Wealth Tax	-	2.25
Interest from Banks & Corporates	(12,355.99)	(11,063.68)
<b>Operating profit before working capital changes:</b>	<b>33,402.13</b>	<b>54,506.32</b>
<b>Adjustments for:</b>		
Trade & Other Receivable	(12,729.90)	(27,614.87)
Inventories	854.88	(491.79)
Trade & Other Payable	15,102.24	(6,384.38)
	<b>3,227.22</b>	<b>(34,491.04)</b>
Cash Flow from Extra Ordinary Item	-	10,916.23
<b>Cash generated from operations</b>	<b>36,629.33</b>	<b>30,931.51</b>
Direct Taxes Paid (Net)	(15,848.46)	(21,765.35)
Cash-flow before extra ordinary items:	<b>20,780.87</b>	<b>9,166.16</b>
<b>Net Cash-Flow from Operating Activities</b>	<b>20,780.87</b>	<b>9,166.16</b>
<b>B Cash-Flow from Investing Activities:</b>		
Purchase of fixed assets	(15,594.13)	(7,620.24)
Sale of fixed assets	82.15	178.34
Redemption / Purchase of Investments	(2,537.50)	(3,865.00)
Interest from Bank and Companies	10,473.11	9,447.93
Dividend & Income from units	605.21	570.60
<b>Net cash used in Investing Activities</b>	<b>(6,971.16)</b>	<b>(1,288.37)</b>
<b>C Cash-Flow from Financing Activities:</b>		
Dividend paid	(11,486.79)	(11,138.84)
<b>Net cash used in Financing Activities</b>	<b>(11,486.79)</b>	<b>(11,138.84)</b>
Net increase in Cash & Cash Equivalents	2,322.92	(3,261.05)
Cash & Cash Equivalent at the beginning of year	922.83	4,183.87
Cash & Cash Equivalent at the end of year	<b>3,245.76</b>	<b>922.83</b>

### 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.

**P. K. Bhootra**  
General Manager (Accounts)

**Joel Evans**  
Company Secretary  
Place: Ahmedabad  
Date: 26th May, 2016

As per our report of even date attached

**For S. C. Ajmera & Co.**  
Chartered Accountants  
FRN - 002908C

**S.C. Ajmera**  
Partner  
Membership No.081398  
Place: Ahmedabad  
Date : 26th May, 2016

**L. Kulshrestha**  
General Manager (Finance)  
& Chief Financial Officer

**Bhadresh Mehta**  
Director  
(DIN - 02625115)

**Arvind Agarwal, IAS**  
Chairman & Managing Director  
(DIN - 00122921)



**1 : 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 -
  - a) Generally prior period expenses/Income and prepaid expenses for an amount up to ₹ 50,000 in each bill are debited/credited as current year's expenses/income.
  - b) Dividend income is recognized on receipt basis.
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 and disclosure of contingent 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 in lignite mines projects.
  - 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 straight line method based on the useful life prescribed in Schedule-II to the Companies Act, 2013 except Plant & Machinery of Thermal Power Plant, Wind Energy Farm and Solar Project from time to time.
    - ii) 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 Wind Energy Farm, Solar Project and Thermal Power Plant.
  - b) On the assets disposed off/discarded during the year, depreciation is charged on pro rata basis up to 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 up to ₹ 5,000/- are not capitalized and charged off to revenue in the year of acquisition.



## GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

- 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.

### 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 gross geological mineral reserves as mentioned in the mine closure plan submitted / approved.

### 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, fuel 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 total cost incurred at respective project or net realizable value item-wise.  
Cost is ascertained on First In First Out basis. While valuing inventories, the inter-unit profit has been eliminated at corporate level. Further, the corporation has the policy of not valuing the stock of by-products lying at various project sites.

### 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 financing through Suppliers' credit, borrowings cum loan for purchase of fixed assets is repayable in foreign currency, the exchange difference arising on repayment/realignment of 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 liabilities for employee benefits are 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, except liabilities in respect of goods in transit.

### 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 excluding VAT.
- b) The liquidated damage/penalty, if any, on capital contracts are generally determined on completion of contract and liquidated damages/penalty on revenue contracts are determined at the end of one year from the date of award of contract.
- c) Income of lease management fees is spread over the primary period of lease.

- d) In case of renewable energy, Unscheduled Interchange (UI) Charges and Generation Based Incentives (GBI) are recognized as and when the same are received / incurred by the corporation.
- e) Dividend income is recognized on receipt basis.

**16. EXCISE DUTY:**

Excise duty is accounted on the basis of payments made in respect of goods cleared.

**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 up to 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) As per the mine closure guidelines issued by the Ministry of Coal, in August 2009 and further updated in January 2013, the annual mine closure cost need to be provided @ ₹ 6 Lacs per hectare. Such annual cost is required to be modified with reference to WPI as mentioned and considered in the mine closure plan submitted / approved for the respective mines. The mine closure provisions are required to be provided in line with the approved / submitted / prepared mine closure plans. In case the mine closure plan has not been submitted / approved / prepared, the annual cost should be estimated based on the above referred guidelines.

**24. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE:**

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

**25. PROPOSED DIVIDEND:**

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



## GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

### 2 : NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2016

#### 2.01 SHARE CAPITAL

(₹ in Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
<b>Authorised Share Capital</b>		
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>
<b>Issued, Subscribed &amp; Paid-up Capital</b>		
31,80,00,000 Equity Shares (Previous year 31,80,00,000) of ₹ 2/- each fully paid up	6,360.00	6,360.00
<b>Total</b>	<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 31.03.2016	As at 31.03.2015
Number of shares outstanding at the beginning of year	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 of year	<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 31.03.2016	% held as at 31.03.2016	No. of shares as at 31.03.2015	% held as at 31.03.2015
Governor of Gujarat	23,53,20,000	74%	23,53,20,000	74%

#### 2.02 RESERVES AND SURPLUS

(₹ in Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
<b>- General Reserve</b>		
Opening Balance	2,71,928.96	2,47,570.63
Less : Depreciation on Assets Written Off	-	(972.15)
Add : Deffered Tax Effect on Depreciation	-	330.48
Add : Transfer from Profit & Loss Account	-	25,000.00
Closing Balance (A)	<u>2,71,928.96</u>	<u>2,71,928.96</u>
<b>- Profit and Loss Account</b>		
Opening Balance	45,867.73	32,316.99
Add : Net profit/(Net Loss) for the current year	23,996.71	50,032.86
Amount available for appropriation	69,864.44	82,349.85
Less : Appropriation		
Final Dividend	9,540.00	9,540.00
Dividend Distribution Tax	1,942.12	1,942.12
Amount Transferred to General Reserve	-	25,000.00
Closing Balance (B)	<u>58,382.32</u>	<u>45,867.73</u>
<b>Total (A + B)</b>	<u>3,30,311.28</u>	<u>3,17,796.69</u>

## ANNUAL REPORT 2015-2016

### 2.03 DEFERRED TAX LIABILITY (NET) (₹ in Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
<b>Deferred Tax Liability</b>		
Due to Depreciation	28,854.32	29,949.90
<b>Deferred Tax Assets</b>		
Due to Disallowance u/s 43B of Income Tax	(12,175.01)	(8,724.36)
Due to Others Timing Differences	(431.83)	(437.95)
<b>Total</b>	<u>16,247.48</u>	<u>20,787.59</u>

### 2.04 OTHER LONG-TERM LIABILITIES (₹ in Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
Security & Other Deposit liability	17,949.18	18,001.67
Others Liabilities	77.42	77.42
<b>Total</b>	<u>18,026.60</u>	<u>18,079.09</u>

### 2.05 LONG-TERM PROVISIONS (₹ in Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
Provision for Employee Benefits		
- Gratuity	29.70	-
- Leave Encashment	3,214.11	2,968.21
Provision for Mine Closure	30,370.35	21,018.46
<b>Total</b>	<u>33,614.16</u>	<u>23,986.67</u>

**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 ₹ 33,111.49 Lacs (P.Y. ₹ 23,535.97 Lacs) and has incurred progressive mine closure expenses of ₹ 2,745.14 Lacs (P.Y. ₹ 2,517.52 Lacs) so far. As per the guidelines the amount so provided is required to be deposited in Escrow Account with a scheduled bank. While corporation has opened the Escrow accounts for four mines and for other two mines, the Corporation 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 transferred as directed by the Ministry of Coal out of available ICDs to Escrow Accounts, on approval of mine closure plan.

### 2.06 TRADE PAYABLES (₹ in Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
Creditors for Supplies & services	6,813.98	5,148.58
<b>Total</b>	<u>6,813.98</u>	<u>5,148.58</u>

**2.06.01** Based on the information available with the corporation, there are no amounts due to suppliers covered under Micro, Small and Medium Enterprises Development Act, 2006.

### 2.07 OTHER CURRENT LIABILITIES (₹ in Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
Creditors for Capital Assets	2,667.91	1,493.25
Advance received from Customers	806.88	1,175.56
Rates, Taxes & Duties payable	6,139.02	4,259.58
Security & Other Deposit liability	2,134.27	1,310.41
Unpaid Dividend	112.64	117.30
Other Liabilities	5,445.19	5,650.46
<b>Total</b>	<u>17,305.91</u>	<u>14,006.56</u>



## GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

**2.07.01** The Government of Gujarat (GOG) has provided funds amounting to ₹ 8,740.31 Lacs (P.Y. ₹ 7,629.01 Lacs) which are in the nature of deposits for construction and other expenses for Stone Parks, Laboratory, Trade Fair and ISRC activities on behalf of Commissioner of Geology & Mining (CGM) GOG, iCEM and iCREATE. Out of the said deposits, Corporation has incurred ₹ 5,513.18 Lacs (P.Y. ₹ 4,134.78 Lacs) till 31st March, 2016. These funds have been shown as Other Liabilities. Net balance of unutilised funds amounting to ₹ 3,227.13 Lacs (P.Y. ₹ 3,494.24 Lacs) is shown under the head "Other Liabilities".

Details of funds received and utilized for various activities are as under:

(₹ in Lacs)

Nature of Activities	Funds Received upto 31.03.2016	Funds Utilized upto 31.03.2016	Unutilized funds as on 31.03.2016
Construction and other expenses of Stone Park	4,265.62	3,085.71	1,179.91
Construction and other expenses of Laboratory	2,245.40	2,062.65	182.75
Construction and other expenses of iCEM	900.00	50.52	849.48
Construction and other expenses of iCREATE	1,200.00	200.00	1,000.00
Activities related to Trade Fair	61.14	46.14	15.00
Activities related to ISRC	68.15	68.15	-
<b>Total</b>	<b>8,740.31</b>	<b>5,513.17</b>	<b>3,227.14</b>
Previous Year	7,629.01	4,134.77	3,494.24

**2.07.02** 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, ₹ 166.95 Lacs (P.Y. ₹ 79.47 Lacs) (i.e. 80% of the basic sale price) has been transferred to GMRDS and included under the head "Other Liabilities" above.

### 2.08 SHORT-TERM PROVISIONS

(₹ in Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
Provision for Employee Benefits		
- Gratuity	-	-
- Leave Encashment	495.53	424.08
- Provident Fund	179.93	126.14
Proposed Dividend	9,540.00	9,540.00
Provision for Tax on Dividend	1,942.12	1,942.12
<b>Total</b>	<b>12,157.58</b>	<b>12,032.34</b>

**2.08.01** During the year ended 31st March, 2016, the amount of dividend per share recognized 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.

#### 2.08.02 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 Lacs)

Particulars	2015-16	2014-15
Contribution to PF & other funds	893.95	788.30

##### 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.

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(i) Changes in Present Value of Obligations		(₹ in Lacs)	
Particulars	31.03.2016	31.03.2015	
Present Value of Obligation as at the beginning of the year	9,097.67	9,087.32	
Current Service Cost	565.61	420.98	
Interest Cost	723.26	820.59	
Actuarial (gain) / Loss on obligations	(393.84)	(398.03)	
Benefits paid	(602.85)	(833.19)	
Past Service cost	-	-	
Present Value of Obligation as at the end of the year	9,389.85	9,097.67	
(ii) Changes in the Fair Value of Plan Assets		(₹ in Lacs)	
Particulars	31.03.2016	31.03.2015	
Fair Value of Plan Assets at the beginning of the year	9,204.52	8,750.35	
Expected Return on Plan Assets	731.76	761.28	
Actuarial Gain / (loss) on Plan Assets	26.32	26.08	
Contributions	0.41	500.00	
Benefits Paid	(602.85)	(833.19)	
Fair Value of Plan Assets at the end of the year	9,360.15	9,204.52	
(iii) The amount recognized in Balance Sheet		(₹ in Lacs)	
Particulars	31.03.2016	31.03.2015	
Fair Value of Plan Assets as at the end of the year	9,360.15	9,204.52	
Present Value of Obligations as at the end of the year	(9,389.85)	(9,097.67)	
Net Asset / (Liability) recognized in Balance Sheet	(29.70)	106.85	
(iv) Amount recognized in the Statement of Profit & Loss		(₹ in Lacs)	
Particulars	31.03.2016	31.03.2015	
Current Service Cost	565.61	420.98	
Interest Cost	(8.49)	59.31	
Expected Return on Plan Assets	-	-	
Net actuarial (gain) / loss recognized in the year	(420.15)	(424.11)	
Past Service Cost	-	-	
Expenses/(Income) Recognized in the Statement of Profit & Loss	136.96	56.17	
(v) Investment Details		% Invested as at	
Particulars	31.03.2016	31.03.2015	
Funds with L.I.C. (% Invested)	99.68%	100.00	
(vi) Assumptions		31.03.2016	31.03.2015
Mortality Table (LIC)	2006-08(Ultimate)	2006-08(Ultimate)	
Discount Rate (Current)	7.85%	7.95%	
Rate of increase in Compensation Levels	6.00%	6.00%	
Rate of Return on Plan Assets	7.85%	8.70%	

The estimates of rate of escalation in salary considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors including attrition rate. 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.



# GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

## 2.09 FIXED ASSETS

(₹ in Lacs)

Description	GROSS BLOCK				DEPRECIATION/DEPLETION				NET BLOCK		
	As on 01.04.2015	Additions during the year	Sales/ Adjustments during the year	As on 31.03.2016	As on 01.04.2015	Depreciation /Depletion for the year	Sales/ Adjustment during the year	Adjustment as per Companies Act, 2013	As on 31.03.2016	As at 31.03.2016	As at 31.03.2015
<b>Tangible Assets :</b>											
Land											
- Free hold Land	13,819.71	6,059.71	-	19,879.42	2,192.73	872.98	-	-	3,065.71	16,813.71	11,626.98
- Lease hold Land	1,679.74	1,208.28	-	2,888.02	272.29	83.99	-	-	356.28	2,531.74	1,407.45
Building	26,289.01	1,537.42	-	27,826.43	12,909.89	575.89	-	-	13,485.78	14,340.65	13,379.12
Plant & Equipments	2,35,361.71	2,636.87	353.26	2,37,645.32	87,627.12	11,248.76	351.27	-	98,524.61	1,39,120.71	1,47,734.59
Furniture & Fixtures	981.74	8.43	2.39	987.78	861.56	15.38	2.27	-	874.67	113.11	120.18
Vehicles	1,444.38	381.71	77.83	1,748.26	980.47	111.27	74.74	-	1,017.00	731.26	463.91
Office Equipments	495.98	463.65	2.71	956.92	422.68	89.54	1.96	-	510.26	446.66	73.30
Computers	61.43	164.54	1.60	224.37	36.51	26.26	0.62	-	62.15	162.22	24.92
Electrical Equipments	819.36	136.37	-	955.73	258.87	82.13	-	-	341.00	614.73	560.49
Laboratory Equipment	125.39	90.18	-	215.57	44.02	15.62	-	-	59.64	155.93	81.37
<b>Total (A)</b>	<b>2,81,078.45</b>	<b>12,687.16</b>	<b>437.79</b>	<b>2,93,327.82</b>	<b>1,05,606.14</b>	<b>13,121.82</b>	<b>430.86</b>	<b>-</b>	<b>1,18,297.10</b>	<b>1,75,030.72</b>	<b>1,75,472.31</b>
<b>Intangible Assets :</b>											
Enterprise Resource Planning	765.41	-	-	765.41	615.58	18.51	-	-	634.09	131.32	149.83
<b>Total (B)</b>	<b>765.41</b>	<b>-</b>	<b>-</b>	<b>765.41</b>	<b>615.58</b>	<b>18.51</b>	<b>-</b>	<b>-</b>	<b>634.09</b>	<b>131.32</b>	<b>149.83</b>
<b>Total (A) + (B)</b>	<b>2,81,843.86</b>	<b>12,687.16</b>	<b>437.79</b>	<b>2,94,093.23</b>	<b>1,06,221.72</b>	<b>13,140.33</b>	<b>430.86</b>	<b>-</b>	<b>1,18,931.19</b>	<b>1,75,162.04</b>	<b>1,75,622.14</b>
Previous Year	2,80,574.19	4,137.03	2,867.35	2,81,843.86	94,336.46	13,728.74	2,632.84	789.36	1,06,221.71	1,75,622.15	1,86,237.73

**2.09.01** Depreciation on free hold land represents depletion on wasting assets.

**2.09.02** 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 and also for general public 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 Lacs (P.Y. ₹ 59.40 Lacs) are accounted in the books of the Corporation and included in the respective heads of the assets.

**2.09.03** Fixed Assets shown above include 373 assets valuing ₹ 13.76 Crores which were commissioned long back. Corporation has taken 1st April, 1987 as an identical commissioning date for such assets.

**2.09.04** Intangible assets shown above is other than internally generated intangible assets having useful life of 10 years. It is amortized as per Straight Line Method over its useful life.

**2.09.05** Statement showing assets discontinued from operations awaiting disposal included in fixed assets stated above.

(₹ in Lacs)

Description	Gross Block	Depreciation	Net Block
Plant & Equipment	746.80	727.99	18.81
Furniture & Fixtures	1.85	1.70	0.15
Office Appliances	0.84	0.73	0.11
Vehicles	57.23	53.23	4.00
<b>Total</b>	<b>806.72</b>	<b>783.65</b>	<b>23.07</b>
Previous Year	432.31	425.20	7.11

**2.09.06** Break-up of Capital Work-in-progress for the year ended 31st March, 2016 is given here under: (₹ in Lacs)

Segment	Civil Work	Non-Civil Work	Total
Mining	753.08	296.14	1,049.22
Power	-	746.14	746.14
Corporate Office	5,491.70	187.47	5,679.17
<b>Total</b>	<b>6,244.78</b>	<b>1,229.76</b>	<b>7,474.54</b>
Previous Year	3,362.72	1,228.45	4,591.17

**2.09.07** Previous year figure has been regrouped and rearranged wherever necessary.



## 2.10 NON-CURRENT INVESTMENTS

(₹ in Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
<b>Quoted Investments</b>		
- Investments in Equity Instruments		
41,45,433 (P.Y. 41,45,433) Equity Shares of ₹ 10/- each, fully paid, of Gujarat Alkalies & Chemicals Ltd.	4,953.11	4,953.11
50,00,000 (P.Y. 50,00,000) Equity shares of ₹ 2/- 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
	<b>6,219.27</b>	6,219.27
Less : provision for diminution in value of investments	<b>187.12</b>	187.12
	<b>6,032.15</b>	6,032.15
<b>Unquoted Investments</b>		
- Investments in Equity Instruments	-	-
10,00,000 (P.Y.10,00,000) Equity shares of ₹ 10/- each, fully paid, of Gujarat Informatics Ltd.	100.00	100.00
3900 (P.Y. 3,900) Equity shares of ₹ 100/- each, fully paid, of Gujarat Industrial Technical Consultancy Organization Ltd.	7.12	7.12
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
19,76,50,000 (P.Y. 17,26,50,000) Equity Shares of ₹ 10/- each, fully paid, of Bhavnagar Energy Company Ltd.	19,765.00	17,265.00
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. 2,497) 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 Corp. 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. 49,40,000) Equity Shares of ₹ 10/- Each, fully paid, of Gujarat Credo Mineral Industries Ltd.	494.00	494.00
25,000 (P.Y. 25,000) Equity Shares of ₹ 10/- Each, fully paid, of Swarnim Gujarat Fluorspar Pvt. Ltd.	2.50	2.50
12,98,700 (P.Y. 12,98,700) Equity Shares of ₹ 10/- Each, fully paid, of Aikya Chemicals Pvt. Ltd.	129.87	129.87
Share Application Money in Stone Research Foundation 3,75,000 Shares ₹ 10 each	37.50	-
	<b>26,407.59</b>	23,870.09
Less : provision for diminution in value of investments	<b>24.13</b>	2.50
	<b>26,383.46</b>	23,867.59
<b>Total Non-current Investment</b>	<b>32,415.61</b>	29,899.74
Aggregate amount of quoted investments	6,219.27	6219.27
Aggregate market value of quoted investments	10,341.90	11,156.64
Aggregate amount of unquoted investments	26,407.59	23,870.09
Aggregate provision for diminution in value of investments	211.25	189.62



## GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

### 2.10.01 Details of Investment in Associates

(₹ in Lacs)

Particulars	Investment as at 31.03.2016	Investment as at 31.03.2015
Gujarat Foundation for Entrepreneurial Excellence	5.00	5.00

### 2.10.02 Details of Investment in Joint Ventures

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

(₹ in Lacs)

Particulars	Country of Incorporation	Investment as at 31.03.2016	Proportion of Share- holding as at 31.03.2016	Investment as at 31.03.2015	Proportion of Share- holding as at 31.03.2015
Bhavnagar Energy Co.Limited.	India	19,765.00	25.48%	17,265.00	24.39%
Gujarat Jaypee Cement & Infrastructure Ltd.	India	19.08	26.00%	19.08	26.00%
Naini Coal Co. Limited.	India	2.50	50.00%	2.50	50.00%
Gujarat Credo Mineral Industries Limited.	India	494.00	26.00%	494.00	26.00%
Swarnim Gujarat Fluorspar Pvt. Ltd.	India	2.50	1.14%	2.50	1.14%
Aikya Chemicals Pvt. Ltd.	India	129.87	12.99%	129.87	12.99%

**2.10.03** 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 16 Lacs number of 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. The balance 25.45 Lacs number of shares as shown in above schedule of GACL have been purchased by the corporation from the open market.

**2.10.04** The corporation has provided for diminution in respect of the investment made in Gujarat State Mining & Resources Corporation Ltd, Gujarat Jaypee Cement and Infra Ltd. and Naini Coal Company Ltd.

## 2.11 LONG-TERM LOANS AND ADVANCES

(₹ in Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
<b>Unsecured, considered good</b>		
Capital Advances	6,058.76	2,860.89
Deposits with Various Courts	4,105.26	582.31
Deposits with Corporate Bodies	2,800.43	33,686.11
Interest accrued but not due on above deposits	6.22	354.37
Balance with Banks in Escrow account	10,096.44	945.78
Interest accrued but not due on Escrow Accounts	371.52	-
Fixed Deposit with more than 12 months maturity	0.74	0.15
Security Deposits	350.27	318.16
Advances to Suppliers/ Contractors	2,906.40	2,896.23
Advance Tax & Tax Deducted at Source (Net of Provision)	35,318.18	33,675.73
Balance with Government Agencies		
- with Sales Tax / VAT Department	682.42	894.50
Loans & Advances to Employees	2,096.84	1,056.70
Other Loans & Advances	1,003.89	1,003.78
<b>Total</b>	<b>65,797.37</b>	<b>78,274.71</b>
<b>Doubtful</b>		
Loans & Advances to Related Parties	2,035.62	2,035.62
Deposits with Corporate Bodies	2,629.27	2,629.27
Interest Accrued and Due on Deposits	1,583.13	1,583.13
	6,248.03	6,248.03
Less : Allowance for Bad & Doubtful	6,248.03	6,248.03
	-	-
<b>Total</b>	<b>65,797.37</b>	<b>78,274.71</b>

**2.11.01** 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 ₹ 3,250 Lacs and another ₹ 3,250 Lacs 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. ₹ 3,250 Lacs 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 had discharged its liability towards invoked bank guarantee and has accounted for the same as advance to Naini Coal Company Ltd.

Recently, the Supreme Court has delivered a landmark judgement cancelling all coal block allocation. GMDC has already filed special civil application before the Gujarat High court against arbitrary cancellation of coal block as well as invocation of bank guarantee. The said petition is still pending before the Gujarat High Court.

**2.11.02** Corporation has given Operation & Maintenance Contract to KEPCO for the Thermal Power Project from February-2013 to February-2028. As per terms and conditions of the contract, the inventory of stores, spares and parts lying at the plant in the ownership of Corporation has been given on loan to KEPCO for utilization in Operation & Maintenance activities and those inventories would be given back by KEPCO to Corporation at the end of contract.



## GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

**2.11.03** As per the guidelines of Coal Controller, Ministry of Coal, the corporation has deposited in Escrow account a sum of ₹ 10,096.44 Lacs (P.Y. ₹ 945.78 Lacs) for following Mines during the Financial Year in line with the Mine Closure Plan approved by the Coal Controller.

Name of Bank	Project Name	(₹ in Lacs)
Yes Bank Escrow Account	Umarsar	1,029.28
Kotak Mahindra Bank Ltd.- Escrow	Rajpardi	869.60
ICICI Bank Escrow Account	Tadkeshwar	2,245.75
Yes Bank - Escrow Account	Mata No Madh	5,951.81

**2.12 INVENTORIES** (₹ in Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
Mined Ore	3,110.78	3,496.18
Finished Goods	0.45	0.45
Stores, Spares & Fuel	1,872.02	2,341.50
	<u>1,872.02</u>	<u>2,341.50</u>
Less : Provision for Obsolete Stock	640.78	640.78
	<u>1,231.24</u>	<u>1,700.72</u>
Loose Tools	10.21	10.21
<b>Total</b>	<u><u>4,352.68</u></u>	<u><u>5,207.56</u></u>

**2.13 TRADE RECEIVABLES** (₹ in Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
<b>Debts outstanding for a period exceeding six months</b>		
Unsecured, considered good	140.46	401.31
Doubtful	104.14	104.14
	<u>244.60</u>	<u>505.45</u>
Less : Allowance for Bad & Doubtful	104.14	104.14
	<u>140.46</u>	<u>401.31</u>
<b>Other debts</b>		
Unsecured, considered good	9,594.76	7,713.84
<b>Total</b>	<u><u>9,735.22</u></u>	<u><u>8,115.15</u></u>

**2.14 CASH AND CASH EQUIVALENTS** (₹ in Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
<b>CASH AND CASH EQUIVALENTS</b>		
Cash & Stamp on Hand	1.64	1.18
Balance with Banks		
- Current Account	3,022.39	631.99
- Fixed Deposits	65.00	91.10
<b>Other Bank Balance</b>		
- Balance with Banks in Unpaid Dividend accounts	112.64	117.30
- Balance with Banks to the extent held as Margin Money	44.09	81.25
- Fixed Deposit with more than 3 months maturity but less than 12 months maturity	-	-
- Doubtful Fixed Deposits	374.00	374.00
	<u>530.73</u>	<u>572.55</u>
Less : Allowance made for Doubtful FDR	374.00	374.00
	<u>156.73</u>	<u>198.55</u>
<b>Total</b>	<u><u>3,245.76</u></u>	<u><u>922.82</u></u>

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**2.14.01** Cash and Cash Equivalents as of 31st March, 2016 and 31st March, 2015 include restricted cash and bank balances of ₹ 221.72 Lacs (P.Y. ₹ 289.65 Lacs). The restrictions are primarily on account of cash and bank balances held as margin money, fixed deposits and unclaimed dividends.

**2.14.02** 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 Lacs (P.Y. ₹ 24.92 Lacs) 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 Corporation has placed the same with Union Bank of India, Vastrapur Branch, Ahmedabad.

**2.15 SHORT-TERM LOANS AND ADVANCES** (₹ in Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
<b>Unsecured, considered good</b>		
Deposits with Corporate Bodies	1,21,155.93	1,02,157.10
Interest accrued but not due on Deposits	6,213.30	4,353.78
Advances to Suppliers	6,614.30	2,359.84
Balance with Govt. Parties		
- with Central Excise & CGM	6,742.05	3,719.14
Prepaid expenses	233.32	203.38
Loans & Advances to Related Parties	470.87	386.22
Loans & Advance to Employees	405.39	981.77
Other Loans & Advances	818.61	1,403.00
	1,42,653.77	1,15,564.23
<b>Doubtful</b>		
Advances to Suppliers	4.31	3.00
	4.31	3.00
Less : Allowance for Bad & Doubtful	4.31	3.00
<b>Total</b>	1,42,653.77	1,15,564.23

**2.15.01** As per the Mine Closure guidelines the amount is required to be deposited in Escrow Account with a scheduled bank. While corporation has opened the Escrow accounts for four mines and for other two mines, the Corporation 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 transferred as directed by the Ministry of Coal out of available ICDs to Escrow Accounts, on approval of mine closure plan.

**2.16 REVENUE FROM OPERATIONS** (₹ in Lacs)

Particulars	2015-2016	2014-2015
Sale of Products		
- Sale from Lignite Projects	82,447.35	1,08,144.07
- Sale from Bauxite Projects	1,470.22	2,259.95
- Sale from Thermal Power Project	25,703.66	23,715.20
- Sale from Renewable Energy Projects	12,919.23	13,113.34
- Sale from Other Projects	61.35	81.89
Less :		
Excise Duty	3,661.80	5,425.97
<b>Total</b>	1,18,940.01	1,41,888.48



## GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

- 2.16.01** In respect of sale of electricity by Themal Power Project, as per Power Purchase Agreement between Corporation and Gujarat Urja Vikas Nigam Ltd, the rate of Return of Equity is 13%, Normative Plant Load Factor is 75% and auxiliary consumption @ 11%.

**2.17 OTHER INCOME** (₹ in Lacs)

Particulars	2015-2016		2014-2015	
Interest Income				
- Income Tax/ Sales Tax Refund	-		7.33	
- FDRs with Banks & ICDs	12,355.99		11,063.68	
- Others	88.52	12,444.51	532.77	11,603.78
Income from Investments				
- Dividend Income	605.21			570.60
Net gain on Sale of Fixed Assets	75.22			-
Sale of Scrap material	235.29			495.25
Excess Provision of Earlier Years Written Back	410.95			241.81
Liquidated Damages/ Penalty	126.42			1,102.13
Other Misc. Income	536.86			386.30
<b>Total</b>		<b>14,434.46</b>		<b>14,399.87</b>

- 2.17.01** As per the guidelines issued by the Ministry of Coal, the corporation has amended the Mine Closure Provisions with reference to WPI as per the approved / submitted mine closure plan. Due to this, the corporation has written back the excess mine closure provisions of ₹ 381.86 Lacs for Rajpardi Project during the year.

**2.18 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS & STOCK-IN TRADE** (₹ in Lacs)

Particulars	2015-2016	2014-2015
Inventories at the end of the year:		
Finished Goods	0.45	0.45
Mined Ore	3,110.78	3,496.18
	<u>3,111.23</u>	<u>3,496.63</u>
Less :Inventories at the beginning of the year:		
Finished Goods	0.45	0.45
Mined Ore	3,496.18	3,241.58
	<u>3,496.63</u>	<u>3,242.03</u>
<b>Increase / (Decrease) in Inventories</b>	<b>(385.40)</b>	<b>254.60</b>

**2.19 EMPLOYEE BENEFITS EXPENSE** (₹ in Lacs)

Particulars	2015-2016	2014-2015
Salaries, Wages & Bonus	7,484.30	6,518.15
Contribution to Provident fund & other funds	1,030.91	844.47
Staff Welfare Expenses	643.14	553.19
Terminal Benefits	973.94	1,721.70
<b>Total</b>	<b>10,132.29</b>	<b>9,637.51</b>

**2.20 FINANCE COST** (₹ in Lacs)

Particulars	2015-2016	2014-2015
Interest expense on Borrowings	-	-
Other Borrowing Costs		
- Interest on delayed / deferred payment of income tax	0.35	0.17
- Other Charges	4.03	168.13
<b>Total</b>	<b>4.38</b>	<b>168.30</b>

2.21

## OTHER EXPENSES

(₹ in Lacs)

Particulars	2015-2016	2014-2015
<b>Manufacturing Expenses</b>		
Loading of Lignite & Overburden Removal	24,654.59	35,568.57
Freight & Octroi Expenses	1,546.71	1,314.94
Other Loading charges & Mining Expenses	1,085.04	873.14
Consumption of Stores, Spares & Fuel		
- Power & Fuel	315.64	815.28
- Electricity Expenses	1,286.67	1,189.56
- Consumption of Stores, Spares & Chemicals	3,320.26	5,865.16
Operation & Maintenance Charges for Thermal Project	4,155.90	3,388.17
Op. & Maint.Charges for Renewable Energy Projects	1,212.32	982.58
Repairs & Maintenance		
- Buildings	654.94	198.89
- Machineries ( Including spares)	435.23	1,143.48
- Other Assets	61.12	67.07
Rates & Taxes		
- Royalty	4,716.45	6,556.02
- Clean Energy Cess	15,206.94	8,092.30
- Other Rates & Taxes	1,138.92	234.69
Mine Closure Expenses	9,957.13	8,010.06
Other Manufacturing Expense		
- Machinery Hire Charges	-	0.17
- Rent	11.69	12.55
<b>Administrative &amp; Selling Expenses</b>		
CSR Expenses	1,496.69	1,334.99
Insurance Premium	290.40	291.41
Vehicle Hire Charges	607.33	586.17
Advertisement & Publicity	161.16	220.69
Security Expenses	1,678.65	1,557.12
Legal & Professional Fees	365.40	501.41
Payment to Auditors		
- Audit Fees (Current Year excluding service tax)	6.77	5.68
- For Tax Audit	0.83	0.75
- For Certification & Other Matters	-	0.83
- Out of Pocket Expenses	-	0.19
Remuneration to Managing Director	19.04	0.10
Directors sitting Fees & Allowances	2.42	3.12
Cash Discount	608.75	570.86
Net loss on Sale of Fixed Assets	-	56.17
Provision for Obsolete Stock	-	-
Provision for doubtful debts /loans & advances	1.31	97.36
Provision due to loss on Investment	21.63	-
Net Loss on Foreign Exchange transactions	-	-
Mining & Project Development Expenses	0.59	53.79
Other Miscellaneous Charges	1,002.74	823.10
Prior Period Adjustments (Net)	26.22	(76.66)
<b>Total</b>	<b>76,049.48</b>	<b>80,339.71</b>



## GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

- 2.21.01** During previous year Royalty on account of sale of Bauxite had been accounted for ₹ NIL (P.Y. ₹ 466.23 lacs) 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.
- 2.21.02** 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.
- 2.21.03** During the year, corporation has written off ₹ 0.96 Lacs and written back ₹ NIL to the books of accounts. In the opinion of the management, such amounts are no longer payable / receivable. Net effect is write off to the Profit & Loss account an amount of ₹ 0.96 Lacs.
- 2.21.04** In compliance with Section 135(5) of the amended Companies Act, 2013, the corporation has spent ₹ 1,496.69 Lacs against the statutory requirement of spending ₹ 1,446.10 Lacs (based on average net profits of last 3 years) during the year towards Corporate Social Responsibility (CSR) Expense which mainly includes Contribution to Sardar Vallabhbai Patel Rashtriya Ekta Trust of ₹ 1,000 Lacs and Donation To Gujarat Cancer Hospital for MRI, CT Scan & Highend Ultrasonography Machines of ₹ 345 Lacs.

**2.21.05 Details of Prior Period Adjustments (Net) (₹ in Lacs)**

Particulars	2015-2016		2014-2015	
<b>Income</b>				
- Sales	(2.39)		(0.59)	
- Other Income	6.73	4.34	19.09	18.50
<b>Expenditure</b>				
- Consumption of Stores, Chemicals etc.	-		2.34	
- Repair & Maintenance	3.16		27.96	
- Security Expenses	3.71		-	
- Water Charges	8.25		-	
- Loading of Lignite / Mining Expenses of bauxite	-		2.27	
- Rates & Taxes	13.10		29.51	
- O & M / Plant operation charges	1.24		1.49	
- Depreciation	-		(181.07)	
- Other Miscellaneous Expenses (net)	1.11	30.57	59.34	(58.16)
<b>Net Prior Period Income/(Expenses)</b>		<b>(26.23)</b>		<b>76.66</b>

**2.22 Contingent Liabilities**

Contingent liabilities not provided for Claims against the Corporation not acknowledged as debt ₹ 47,276.28 Lacs (P.Y. ₹ 44,106.19 Lacs).

- 2.22.01** As against claims for additional compensation of ₹ 1,000 per sq. mtr. by ex-owners of land acquired for Bhavnagar Project, District Court has partly allowed the claims of ex-land owners by ₹ 4 per sq. mtr. The Corporation has deposited ₹ 912.32 Lacs with District Court, Bhavnagar in April'14 towards this order. The Corporation has also decided to file an application before High Court against the order of District Court. Necessary adjustment shall be made in accounts after final decision/outcome of the case. During this year case is again referred to civil court in which compensation is demanded @ ₹ 85/- per sq. mtr. which comes to ₹ 2,700 Lacs. Management perceives that liability recognized by the corporation is based on the order of judicial authority and land acquisition act. Management is of the view that it is unlikely of significant increase of compensation by higher court.
- 2.22.02** The Honourable Supreme Court has given judgement to pay additional compensation to land owners of Rajparadi lignite mines. However, the total compensation amount has not been quantified by the Court till date. Necessary adjustment shall be made in the books as and when the amount is quantified by the court. At present, ₹ 552.31 Lacs deposited earlier are shown as Deposits with Courts.



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- 2.22.03** Corporation has paid compensation of ₹ 1,200.28 Lacs to land owners of Umarsar Mines at ₹ 15.60 per sq. mtr. But during this Feb 16 land owners has filed the appeal with supreme court for enhancement of compensation of ₹ 25 per sq. mtr. which comes to additional claim of ₹ **1,400.00 Lacs**. Management perceives that liability recognized by the corporation is based on the order of judicial authority and land acquisition act. Management is of the view that it is unlikely of significant increase of compensation by higher court.
- 2.22.04** Income Tax : ₹ **28,524.73 Lacs** (P.Y. ₹ 26,730.03 Lacs)
- 2.22.05** Sales Tax/ VAT : ₹ **425.45 Lacs** (P.Y. ₹ 425.45 Lacs)
- 2.22.06** Excise : ₹ **504.39 Lacs** (P.Y. ₹ 450.58 Lacs)
- 2.22.07** Related to Contractors and Others : ₹ **7,029.92 Lacs** (P.Y. ₹ 8,896.02 Lacs)
- 2.22.08** Bank Guarantee/letter of credits issued by banks on behalf of the Corporation. : ₹ **37.16 Lacs** (P.Y. ₹ 37.16 Lacs)
- 2.22.09** Royalty, Stamp duty and Conversion tax : ₹ **4,943.48 Lacs** (P.Y. ₹ 4,943.48 Lacs)
- 2.22.10** Incentive to Employees : ₹ **1,158.84 Lacs** (P.Y. ₹ 1,158.84 Lacs)

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

### 2.23 Capital and other commitments :

#### 2.23.01 Capital Commitments

Estimated amount of Capital Contracts remaining to be executed and not provided for is ₹ **28,787.91 lacs** (P.Y. ₹ 6,200.45 lacs)

#### 2.23.02 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 23.36% in BECL.
- b) NALCO has made upfront payment of ₹ 15,100 Lacs 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.

### 2.24 I Consumption of imported & indigenous Stores & Spares (₹ in Lacs)

Particulars	2015-2016		2014-2015	
	₹	%	₹	%
Imported	-	-	-	-
Indigenous	3,320.26	100	5,865.16	100
<b>Total</b>	<b>3,320.26</b>	<b>100</b>	<b>5,865.16</b>	<b>100</b>

### II C.I.F. Value of Imports: (₹ in Lacs)

Particulars	2015-2016	2014-2015
Components & Spares	-	-
Capital Goods	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

### III Expenditure in foreign currency : (₹ in Lacs)

Particulars	2015-2016	2014-2015
Fees for Technical Services	-	1.98
Other Matters	-	2.35
<b>Total</b>	<b>-</b>	<b>4.33</b>



# GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

## IV Remuneration to Managing Director :

(₹ in Lacs)

Particulars	2015-2016	2014-2015
Remuneration	18.97	0.10
Perquisites	0.07	Nil
<b>Total</b>	<b>19.04</b>	<b>0.10</b>

## V During the year, the Corporation has remitted the amount in foreign currency on account of dividend to the Share holders as under:

	2015-2016	2014-2015
(a) Year to which dividend relates	2015-2016	2014-2015
(b) Number of non-resident shareholders	930	851
(c) Number of shares held by them	10684121	21632995
(d) Amount of dividend remitted in foreign currency	Nil	Nil

**2.25** 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.

**2.26** Balances of trade payables, trade receivables, loans & advances, advances from customers, other long term/current liabilities, etc. are subject to confirmation, if any, in the accounts.

**2.27** On periodical basis and as and when required, Corporation reviews the carrying amounts of its assets. In the Financial Year 2015-16, Corporation 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.

## **2.28 Earning Per Share :**

Particulars	2015-2016	2014-2015
Profit after tax (₹ in Lacs)	23,996.71	50,032.86
Weighted average no. of equity shares outstanding (no. in Lacs)	3,180.00	3,180.00
Basic and diluted earnings per share (₹)	7.55	15.73

## **2.29 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 Standard 17 on Segmental Reporting issued by the Institute of Chartered Accountants of India.

- 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 Lacs)

Sr. Particulars	2015-2016	2014-2015
<b>1 Segment Revenue :</b>		
a) Mining Projects	91,722.60	1,15,267.17
b) Power Projects	38,731.08	37,015.99
	Segment Revenue	1,52,283.16
c) Un-allocable Corporate Revenue	256.35	507.37
	Total Revenue	1,52,790.53

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Sr. Particulars	2015-2016	2014-2015
<b>2 Segment Results :</b>		
(Profit/Loss before interest and tax)		
a) Mining Projects	17,646.48	37,618.50
b) Power Projects	6,464.41	6,758.18
	Segment Results	44,376.68
c) Un-allocable	9,041.48	(3,880.54)
	Total	40,496.14
Add : Interest Income	12,444.51	11,603.78
Add : Dividend Income	605.21	570.60
Net Profit before tax and exceptional Items	46,202.09	52,670.52
Add : Extraordinary Items	-	10,916.23
	46,202.09	63,586.76
Less : Provision for Current Tax	14,206.00	21,150.00
Less : Provision for Deferred Tax	(4,540.11)	(7,596.11)
Total Tax Provision	9,665.89	13,553.89
Profit after tax (Enterprise net profit)	36,536.20	50,032.87
<b>3 Segment Assets :</b>		
a) Mining Projects	74,520.46	48,557.23
b) Power Projects	2,55,496.51	2,52,802.06
	Total Segment Assets	3,01,359.29
c) Un-allocable Corporate Assets	2,08,481.55	2,03,676.67
	5,38,498.52	5,05,035.96
<b>4 Segment Liabilities :</b>		
a) Mining Projects	64,736.08	50,119.50
b) Power Projects	1,03,740.67	92,354.82
	Total Segment Liabilities	1,42,474.32
c) Un-allocable Corporate Liabilities	3,70,021.77	3,62,561.63
	5,38,498.52	5,05,035.95
<b>5 Capital Expenditure :</b>		
(i) Additions :		
a) Mining Projects	8,508.97	3,989.11
b) Power Project	2,755.81	126.80
	11,264.78	4,115.91
c) Un-allocable Capital Expenditure	1,422.67	21.12
	Total Additions	4,137.03
(ii) Depreciation :		
a) Mining Projects	702.41	889.60
b) Power Project	12,334.39	12,746.92
	13,036.80	13,636.52
c) Un-allocable Depreciation	103.53	90.39
	Total Depreciation	13,726.91

**Notes :**

- 1 Segment assets and liabilities are subject to reconciliation.
- 2 Segment Revenue of Mining includes ₹ 10,789.46 Lacs (P.Y. ₹ 8,471.20 Lacs) being captive consumption of Lignite/Lime for Power Project.
- 3 Inter-segment transfers of Lignite and Lime are accounted for at cost.
- 4 Depreciation is net off ₹ NIL (P.Y. including ₹ 181.07 Lacs) relating to previous years.
- 5 The operations of the Company are carried out within the country and therefore geographical segments are not applicable.



# GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

## 2.30 Related party disclosures on 31.3.2016 :

### (i) List of Related parties & Relationships :

Name of Related Party	Relationship
Shri Atanu Chakraborty, IAS - Chairman upto 13th May, 2015 Shri Arvind Agarwal, IAS - Chairman (w.e.f. 13th May, 2015) and CMD (w.e.f. 18th Feb, 2016) Shri B B Swain, IAS, - Managing Director up to 23rd April, 2015 Shri Manoj Aggarwal, IAS, - Managing Director (w.e.f. 23rd April, 2015 to 15th June, 2015) Shri Premkumar Gera, IAS, - Managing Director (w.e.f. 15th June, 2015 to 18th Feb, 2016)	Key Managerial Personnel
Gujarat Foundation for Entrepreneurial Excellence	Associates
Gujarat Jaypee Cement Infrastructure Ltd. Gujarat Credo Mineral Industries Ltd. Bhavnagar Energy Co. Ltd. Aikya Chemicals Pvt. Ltd. Swarnim Gujarat Fluorspar Pvt. Ltd. Naini Coal Company Ltd.	Joint Ventures
GMDC Gram Vikas Trust Lakhpat Welfare Society GMDC Science & Research Centre International Centre for Excellence in Mining Safety & Automation	Enterprises over which key management personnel are able to exercise significant influence

### (ii) Transactions during the year with related parties :

(₹ in Lacs)

Nature of transactions			Associates		Joint Ventures Personnel		Key Management		Others Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Remuneration Paid	NIL	Nil	Nil	Nil	19.04	0.10	Nil	Nil	19.04	0.10
Purchase of Investments	NIL	Nil	2,500.00	3,865.00	Nil	Nil	Nil	Nil	2,500.00	3,865.00
Receivable	0.01	0.03	2,854.87	2,051.22	Nil	Nil	Nil	Nil	2,854.88	2,051.25
Paid	3.43	Nil	Nil	Nil	Nil	Nil	277.71	189.12	281.14	189.12
Received/Adjusted (Payable)	87.95	Nil	2,532.78	1,695.76	Nil	Nil	58.34	Nil	2,679.07	1,695.76
Donations given	Nil	Nil	Nil	Nil	Nil	Nil	Nil	18.80	Nil	18.80

### (iii) Balances as at 31<sup>st</sup> March, 2016 :

(₹ in Lacs)

Nature of transactions	Associates		Joint Ventures		Key Management Personnel		Others		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Investments	5.00	5.00	20,412.95	17,912.95	19.04	0.10	Nil	Nil	20436.99	17918.05
Receivables	0.01	84.53	2,449.17	2,042.97	Nil	Nil	520.08	438.70	2969.26	2566.20
Payables	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

2.31 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.

**P. K. Bhootra**  
General Manager (Accounts)

**Joel Evans**  
Company Secretary

Place: Ahmedabad  
Date: 26th May, 2016

As per our report of even date attached

**For S. C. Ajmera & Co.**  
Chartered Accountants  
FRN - 002908C

**S.C. Ajmera**  
Partner  
Membership No.081398

Place: Ahmedabad  
Date : 26th May, 2016

**L. Kulshrestha**  
General Manager (Finance)  
& Chief Financial Officer

**Bhadresh Mehta**  
Director  
(DIN - 02625115)

**Arvind Agarwal, IAS**  
Chairman & Managing Director  
(DIN - 00122921)

## **Consolidated Financial Statements & Notes**



**INDEPENDENT AUDITOR'S REPORT**

To,  
The Members of  
Gujarat Mineral Development Corporation Limited

**Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of **Gujarat Mineral Development Corporation Limited** ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries referred to as "the Group") its associates and jointly controlled entities (as per Other Matters para), comprising of the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "the consolidated financial statements").

**Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the company included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group, its Associates and Jointly controlled entities and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, 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 financial control relevant to the Holding Company's preparation 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 the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Others Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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, of the consolidated state of affairs as at 31<sup>st</sup> March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

**Other Matters**

We did not audit the financial statements of Nil subsidiary and six jointly controlled entities, whose financial statements reflect total assets of ₹ 4,53,702.69 Lacs as at 31<sup>st</sup> March, 2016, total revenues of ₹ 5,233.68 Lacs and net cash flows amounting to

₹ (-) 290.36 Lacs for the year ended on that date, as considered in the consolidated financial statements.

The consolidated financial statements also include the Group's share of unaudited net profit of ₹ Nil for the year ended 31st March, 2016, as considered in the consolidated financial statements, in respect of one associate, whose financial statement have not been audited by us.

Financial statement of one joint venture is audited and balance five joint ventures are unaudited. Further, financial statements of one associate is also unaudited. These financial statements have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on such unaudited financial statements/ financial information. In our opinion and according to information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our Report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and Unaudited Financial Statements certified by the Management.

### Report on Other Legal and Regulatory Requirements

1. In terms of Section 143(5) of the Act, we give in Annexure '2(i) & 2(ii)' a statement on the directions issued under the aforesaid section by the Comptroller and Auditor General of India to the Holding Company.
2. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company and joint venture company incorporated in India, none of the directors of the Group Companies incorporated in India is disqualified as on 31st March, 2016, from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The consolidated financial statements disclose the impact of pending litigations of the consolidated financial position of the Group- Refer Note 2.26 to the consolidated financial statements.
    - ii. The Group, its associates and jointly controlled entities did not have any material foreseeable losses on long term contracts including derivative contracts.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies, jointly controlled companies incorporated in India.

For S.C. Ajmera & Co.  
Chartered Accountants  
FRN: 002908C  
**S.C. Ajmera**  
Partner  
M. No. 081398

Place : Ahmedabad  
Date : 26.05.2016



**ANNEXURE 'A' TO THE AUDITORS' REPORT**  
**Report on Internal Financial Controls over Financial Reporting**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting of **Gujarat Development Mineral Corporation Limited** ("the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

**Management's Responsibility for Internal Financial Controls**

The Respective Board of Directors of the Holding Company and its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Holding Company and its Subsidiary Companies, its associate companies and jointly controlled companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **Other Matters**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to Nil subsidiary company, one associate company and Six jointly controlled companies, which are companies incorporated in India, is based on audited financial statement in one of the joint venture, in one associate and five other joint ventures, the Management Representation has been given to us as these were not audited.

Place : Ahmedabad  
Date : 26.05.2016

For S.C. Ajmera & Co.  
Chartered Accountants  
FRN: 002908C  
**S.C. Ajmera**  
Partner  
M. No. 081398



## GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

### ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT OF GUJARAT MINERAL DEVELOPMENT CORPORATION LTD

To  
The Members  
Gujarat Mineral Development Corporation Ltd.

In continuation of our Independent Audit Report on Consolidated Financial Statement of Gujarat Mineral Development Corporation Ltd. ("The Company") dated 26.05.2016, we have reported on Directions and Sub-direction under section 143(5) of the Companies Act, 2013 applicable for the year 2015-16, as under:

Report on directions under section 143(5) of the Companies Act, 2013 of Joint Ventures and Associates have not been received yet as unaudited financial statements have been considered for consolidation of joint ventures and associates. Hence, we are unable to offer any comment on the same.

#### ANNEXURE-2(I)

##### Directions under Section 143(5) of Companies Act, 2013 Applicable for the year 2015-16

Sr. No.	Directions/Questions u/s 143(5)	Action Taken by Gujarat Mineral Development Corporation Ltd.	Impact on Accounts and Financials
1	Whether the Company has clear title/lease deeds for freehold and leasehold respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available?	Yes, the Company has clear title/lease deeds for freehold and leasehold respectively.	No impact
2	Whether there are any cases of waiver/ write off of debts/loans/interest etc. If yes, the reasons there for and the amount involved.	As informed to us, there was one case of write off amounting to Rs. 96,282/- being loan given to a deceased employee. As per the staff welfare policy of the company, the same is to be waived in case of death.	No impact
3	Whether proper records are maintained for inventories lying with third parties and assets received as gift/grant(s) from the Government or other authorities.	Yes, proper records are maintained by the company for inventory lying with third parties. And no asset is received as gift from Government or other authority, as informed to us.	No impact

Place : Ahmedabad  
Date : 26.05.2016

For S.C. Ajmera & Co.  
Chartered Accountants  
FRN: 002908C  
**S.C. Ajmera**  
Partner  
M. No. 081398

**ANNEXURE-2(ii)**

**Sector Specific Sub-directions under section 143(5) of Companies Act, 2013**

Sr. No.	Sub Directions issued/Questions u/s 143(5)	Action Taken	Impact on financials
<b>Manufacturing Sector</b>			
<b>Mining</b>			
1	<b>Whether the company has taken adequate measures to reduce the adverse affect on environment as per established norms and taken up adequate measures for the relief and rehabilitation of displaced people.</b>	According to the information and explanation given to us, the Company is obtaining monthly environmental pollution monitoring report from outside agency for each project to reduce/monitor the adverse effect on environment.  No Displacement/Rehabilitation has been taken at any project of the corporation for the year 2015 -16. (Please note that we are not technical expert)	No impact
2	<b>Whether the Company had obtained the requisite statutory compliances that was required under mining and environmental rules and regulations?</b>	As per information and explanation given to us, the Company has obtained necessary consents from GPCB for mining projects.	No impact.
3	<b>Whether overburden removal from mines and backfilling of mines are commensurate with the mining activity?</b>	As informed to us, in respect of lignite projects overburden removal from mines and backfilling of mines are commensurate with the mining activity as per approved/submitted/prepared mine closure plan. (Please note that we are not technical expert)	No Impact
4	<b>Whether the Company has disbanded and discontinued mines, if so, the payment of corresponding dead rent there against may be verified.</b>	As informed to us, the Company has not disbanded nor discontinued any of its mines.	Not Applicable
5	<b>Whether the Company's financial statements had properly accounted for the effect of Rehabilitation Activity and Mine Closure Plan?</b>	The expenditure on Rehabilitation Activity' and for Mine Closure is properly accounted in the books of account of the Company, as per the policy adopted on this behalf.	No impact
<b>Power Sector</b>			
<b>Generation</b>			
1	<b>In the cases of Thermal Power Projects, compliance of the various Pollution Control Acts and the impact thereof including utilization and disposal of ash and the policy of the company in this regard, may be checked and commented upon.</b>	As per information and explanation provided to us, the Company has made compliance of various pollution control Act.  In respect of utilization and disposal of ash, generally the Company is using it in backfilling of mine in Panandhro project.	No impact
2	<b>Has the company entered into revenue sharing agreements with private parties for extraction of coal at pitheads and it adequately protects the financial interest of the Company?</b>	As informed to us, the Company has not entered into revenue sharing agreements with private parties for extraction of coal at pitheads.	Not Applicable



## GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

Sr. No.	Sub Directions issued/Questions u/s 143(5)	Action Taken	Impact on financials
3	<b>Does the company have a proper system for reconciliation of quantity/ quality of coal ordered and received and whether grade of coal/ moisture and demurrage etc., are properly recorded in the books of accounts?</b>	Company does not purchase coal from the outside parties. However, as informed to us, the Company is having a system in ERP for reconciliation of quantity ordered and received and Grade of coal/ moisture and demurrage etc., are recorded in the books of accounts on the basis of Test Certificate received from the laboratory. (Please note that we are not technical experts).	No impact
4	<b>How much share of free power was due to the State Government and whether the same was calculated as per the agreed terms and depicted in the accounts as per accepted accounting norms?</b>	The power is sold to Government controlled entity and the same is calculated as per terms agreed in PPA (Power Purchase Agreement).	No impact
5	<b>In the case of Hydroelectric Projects the water discharge is as per policy /guidelines issued by the State Government to maintain biodiversity. For not maintaining it penalty paid/ payable may be reported.</b>	As informed to us, No hydroelectric Project is carried out by Company.	Not Applicable

Place : Ahmedabad  
Date : 26.05.2016

For S.C. Ajmera & Co.  
Chartered Accountants  
FRN: 002908C  
**S.C. Ajmera**  
Partner  
M. No. 081398

**CONSOLIDATED REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA**

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH THE SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF GUJARAT MINERAL DEVELOPMENT CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2016**

The preparation of consolidated financial statements of Gujarat Mineral Development Corporation Limited for the year ended 31 March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) read with Section 129(4) of the Act are responsible for expressing opinion on the financial statements under Section 143 read with Section 129(4) of the Act based on independent audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 26 May 2016,

I, on behalf of the Comptroller and Auditor General of India, have conducted « supplementary audit under Section 143(6) (a) read with Section 129(4) of the Act of the consolidated financial statements of Gujarat Mineral Development Corporation Limited for the year ended 31 March 2016. We conducted a supplementary audit of the financial statements of Gujarat Mineral Development Corporation Limited and Bhavnagar Energy Company Limited but did not conduct supplementary audit of the financial statements of Naini Coal Company Limited and Gujarat State Mining and Resources Corporation Limited for the year ended on that date. Further, section 139(5) and 143(6)(b) of the Act are not applicable to Aikya Chemicals Private Limited, Gujarat Credo Mineral Industries Limited, Gujarat Jaypee Cement and Infrastructure Limited, Swarnim Gujarat Fluorspar Private Limited and Gujarat Foundation for Entrepreneurial Excellence being private entities, neither for appointment of their Statutory Auditor nor for conduct of supplementary audit. 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 give rise to any comment upon or supplement to Statutory Auditors' Report.

For and on behalf of the  
Comptroller and Auditor General of India  
**Y. N. Thakare**  
Pr. Accountant General (E&RSA), Gujarat

Place : Ahmedabad  
Date : 04-08-2016



# GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

## CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2016

(₹ in Lacs)

Particulars	Note No.	As at 31st March, 2016		As at 31st March, 2015	
<b>EQUITY AND LIABILITIES</b>					
<b>SHAREHOLDERS' FUNDS</b>					
Share Capital	2.02	6,360.00		6,360.00	
Reserves and Surplus	2.03	<u>3,30,580.98</u>	<u>3,36,940.98</u>	<u>3,17,952.84</u>	3,24,312.84
<b>NON-CURRENT LIABILITIES</b>					
Long Term Borrowings	2.04	77,587.12		66,882.15	
Deferred tax liabilities (Net)	2.05	16,248.90		20,789.24	
Other long-term liabilities	2.06	24,791.71		24,526.98	
Long-term provisions	2.07	<u>33,621.95</u>	<u>1,52,249.68</u>	<u>23,992.96</u>	1,36,191.33
<b>CURRENT LIABILITIES</b>					
Short Term Borrowings	2.08	6,402.74		956.04	
Trade payables	2.09	6,779.77		5,301.62	
Other current liabilities	2.10	20,615.87		17,206.76	
Short-term provisions	2.11	<u>12,158.18</u>	<u>45,956.56</u>	<u>12,032.53</u>	35,496.95
<b>Total</b>			<u><u>5,35,147.22</u></u>		<u><u>4,96,001.12</u></u>
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Fixed assets	2.12				
Tangible assets		1,77,400.14		1,76,920.00	
Intangible assets		147.11		167.02	
Capital work-in-progress (Net of Provision)		1,17,015.84		95,797.27	
Intangible assets under development		9.74		9.33	
		<u>2,94,572.83</u>		<u>2,72,893.62</u>	
Non-current investments	2.13	12,296.53		12,084.99	
Long-term loans and advances	2.14	67,887.82		80,531.42	
Other Non Current Assets	2.15	<u>150.04</u>		<u>82.23</u>	
			<u>3,74,907.22</u>		3,65,592.26
<b>CURRENT ASSETS</b>					
Inventories	2.16	4,561.08		5,223.07	
Trade receivables	2.17	9,333.29		8,141.96	
Cash and cash equivalents	2.18	3,508.58		1,247.15	
Short-term loans and advances	2.19	<u>1,42,837.05</u>	<u>1,60,240.00</u>	<u>1,15,796.68</u>	1,30,408.86
<b>Total</b>			<u><u>5,35,147.22</u></u>		<u><u>4,96,001.12</u></u>

Significant Accounting Policies and Notes on Financial Statements.

1 & 2

**P. K. Bhootra**  
General Manager (Accounts)

**Joel Evans**  
Company Secretary

Place: Ahmedabad  
Date: 26th May, 2016

As per our report of even date attached

**For S. C. Ajmera & Co.**  
Chartered Accountants  
FRN - 002908C

**S.C. Ajmera**  
Partner  
Membership No.081398

Place: Ahmedabad  
Date : 26th May, 2016

**L. Kulshrestha**  
General Manager (Finance)  
& Chief Financial Officer

**Bhadresh Mehta**  
Director  
(DIN - 02625115)

**Arvind Agarwal, IAS**  
Chairman & Managing Director  
(DIN - 00122921)

## ANNUAL REPORT 2015-2016

### CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2016

	Note No.	2015-2016	2014-2015
(₹ in Lacs)			
Gross Revenue from Operations	2.20	1,23,934.68	1,49,352.47
Less : Excise Duty		3,661.81	5,425.97
Net Revenue from Operations		1,20,272.87	1,43,926.50
Other Income	2.21	14,462.55	14,426.63
<b>Total Revenue</b>		<b>1,34,735.42</b>	<b>1,58,353.13</b>
<b>Expenses:</b>			
Changes in inventories of Finished goods, Work-in-progress	2.22	260.51	(178.15)
Employee benefits Expense	2.23	10,170.70	9,655.53
Finance Cost	2.24	61.67	236.10
Depreciation / Depletion / Amortization	2.12	13,249.41	13,836.39
Other Expenses	2.25	77,157.51	82,026.01
<b>Total Expenses</b>		<b>1,00,899.80</b>	<b>1,05,575.88</b>
<b>Profit Before Extraordinary Items and Tax</b>		<b>33,835.62</b>	<b>52,777.25</b>
<b>Add : Extraordinary Items</b>		<b>-</b>	<b>10,916.23</b>
<b>Profit Before Tax</b>		<b>33,835.62</b>	<b>63,693.48</b>
Tax Expense			
Current Tax		14,258.71	21,203.56
Deferred Tax		(4,540.34)	(7,599.66)
<b>Profit/(Loss) For the period</b>		<b>24,117.25</b>	<b>50,089.58</b>
<b>Earning per equity Share (Par Value of ₹ 2/- each)</b>			
Basic (₹)		7.58	15.75
Diluted (₹)		7.58	15.75

Significant Accounting Policies and Notes on Financial Statements.

1 & 2

**P. K. Bhootra**  
General Manager (Accounts)

**Joel Evans**  
Company Secretary  
Place: Ahmedabad  
Date: 26th May, 2016

As per our report of even date attached

**For S. C. Ajmera & Co.**  
Chartered Accountants  
FRN - 002908C

**S.C. Ajmera**  
Partner  
Membership No.081398  
Place: Ahmedabad  
Date : 26th May, 2016

**L. Kulshrestha**  
General Manager (Finance)  
& Chief Financial Officer

**Bhadresh Mehta**  
Director  
(DIN - 02625115)

**Arvind Agarwal, IAS**  
Chairman & Managing Director  
(DIN - 00122921)



# GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR 2015-16

Sr. Particulars	(₹ in Lacs)	
	2015-2016	2014-2015
<b>A Cash-Flow from Operating Activities:</b>		
Net Profit before tax & extra ordinary items	33,835.62	52,670.10
<b>Adjustments for:</b>		
Depreciation and Depletion	13,249.40	13,545.95
Provision for Doubtful Debts, Investments and Loans & Advances	6.55	97.36
Preliminary expenses written off	0.91	-
Provision for Obsolete Spares / Stock	-	-
Assets written off	23.60	10.15
Excess/Short provision adjusted	(410.95)	(11,158.04)
Surplus / Deficit on sale of assets	(75.22)	56.17
Profit on sale of investment	(10.52)	-
Foreign Exchange Gain (Net)	(11.79)	-
Dividend Income	(605.21)	(570.60)
Wealth Tax	-	2.25
Interest and finance charge	10.82	0.01
Interest from Banks & Corporates	(12,355.99)	(11,063.69)
<b>Operating profit before working capital changes:</b>	<b>33,657.22</b>	<b>43,589.66</b>
<b>Adjustments for:</b>		
Trade & Other Receivable	(12,136.95)	(26,668.94)
Inventories	661.99	(491.79)
Trade & Other Payable	15,324.80	4,530.44
	<b>3,849.84</b>	<b>(22,630.29)</b>
Cash flow from extra-ordinary items	-	10,916.23
<b>Cash generated from operations</b>	<b>37,507.05</b>	<b>31,875.60</b>
Direct Taxes Paid (Net)	(15,937.94)	(21,765.35)
Cash-flow before extra ordinary items:	<b>21,569.11</b>	<b>10,110.25</b>
<b>Net Cash-Flow from Operating Activities</b>	<b>21,569.11</b>	<b>10,110.25</b>
<b>B Cash-Flow from Investing Activities:</b>		
Purchase of fixed assets	(34,918.57)	(7,620.31)
Sale of fixed assets	82.15	178.34
Redemption / Purchase of Investments	(203.57)	(3,865.00)
Interest from Bank and Companies	10,473.11	9,447.95
Dividend & Income from units	605.21	570.60
<b>Net cash used in Investing Activities</b>	<b>(23,961.67)</b>	<b>(1,288.42)</b>
<b>C Cash-Flow from Financing Activities:</b>		
Dividend paid	(11,486.79)	(11,138.84)
Total proceeds from borrowing ( net )	16,140.86	2.44
Interest & financial charges	-	(0.01)
Proceeds / issue of shares from Share Application Money	-	(0.73)
<b>Net cash used in Financing Activities</b>	<b>4,654.07</b>	<b>(11,137.14)</b>
Net increase in Cash & Cash Equivalents	2,261.42	(2,315.31)
Cash & Cash Equivalent at the beginning of year	1,247.16	4,184.73
Cash & Cash Equivalent at the end of year	<b>3,508.58</b>	<b>1,869.42</b>

**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.
- In above Cash Flow, the previous year figures have been consolidated base on audited accounts of previous year where in only one subsidiary was considered for the purpose of consolidation.

**P. K. Bhootra**  
General Manager (Accounts)

**Joel Evans**  
Company Secretary  
Place: Ahmedabad  
Date: 26th May, 2016

As per our report of even date attached

**For S. C. Ajmera & Co.**  
Chartered Accountants  
FRN - 002908C

**S.C. Ajmera**  
Partner  
Membership No.081398  
Place: Ahmedabad  
Date : 26th May, 2016

**L. Kulshrestha**  
General Manager (Finance)  
& Chief Financial Officer

**Bhadresh Mehta**  
Director  
(DIN - 02625115)

**Arvind Agarwal, IAS**  
Chairman & Managing Director  
(DIN - 00122921)



## 1 : SIGNIFICANT ACCOUNTING POLICIES ON 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 -

- a) 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.
- b) Dividend income is recognized on receipt basis.

#### 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.
- d) The losses applicable to the minority in a consolidated subsidiary may exceed the minority interest in the equity of the subsidiary. The excess, and further losses applicable to the minority, are adjusted against the majority interest except to the extent that the minority has a binding obligation to, and is able to make good the losses. If the subsidiary subsequently reports profit, all such profits are allocated to the majority interest until the minority's share of losses previously absorbed by the majority has been recovered.
- e) Interest in Joint Ventures have been accounted by using the proportionate consolidation method as per Accounting Standard 27 – "Financial Reporting of interest in Joint Ventures."

#### 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 in lignite mines projects.
- 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.



## 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 straight line method based on the useful life prescribed in Schedule-II to the Companies Act, 2013 except Plant & Machinery of Thermal Power Plant, Wind Energy Farm and Solar Project from time to time.
- ii) 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 Wind Energy Farm, Solar Project and 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 up to ₹ 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.

## 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 gross geological mineral reserves as mentioned in the mine closure plan submitted / approved.

## 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, fuel 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 total cost incurred at respective project or net realizable value item-wise.

Cost is ascertained on First In First Out basis. While valuing inventories, the inter-unit profit has been eliminated at corporate level. Further, the corporation has the policy of not valuing the stock of by-products lying at various project sites.

## 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 financing through Suppliers' credit, borrowings cum loan for purchase of fixed assets is repayable in foreign currency, the exchange difference arising on repayment/realignment of 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 liabilities for employee benefits are 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, except liabilities in respect of goods in transit.

#### **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 excluding VAT.
- b) The liquidated damage/penalty, if any, on capital contracts are generally determined on completion of contract and liquidated damages/penalty on revenue contracts are determined at the end of one year from the date of award of contract.
- c) Income of lease management fees is spread over the primary period of lease.
- d) In case of renewable energy, Unscheduled Interchange (UI) Charges and Generation Based Incentives (GBI) are recognized as and when the same are received / incurred by the corporation.
- e) Dividend income is recognized on receipt basis.

#### **17. EXCISE DUTY:**

Excise duty is accounted on the basis of payments made in respect of goods cleared.

#### **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



## GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

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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 up to 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) As per the mine closure guidelines issued by the Ministry of Coal, in August 2009 and further updated in January 2013, the annual mine closure cost need to be provided @ ₹ 6 Lacs per hectare. Such annual cost is required to be modified with reference to WPI as mentioned and considered in the mine closure plan submitted / approved for the respective mines. The mine closure provisions are required to be provided in line with the approved / submitted / prepared mine closure plans. In case the mine closure plan has not been submitted / approved / prepared, the annual cost should be estimated based on the above referred guidelines.

### **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 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 not attributable to creation of fixed assets, hence charged to Profit & Loss A/c.

**2 : NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2016**

**2.01.01** The consolidated financial statements relate to Gujarat Mineral Development Corporation Limited, its Associate and its joint ventures. Associate company and joint venture companies considered in the financial statement are as follows:

Name of the Company	Country of Incorporation	Status	Proportion of shareholding as on March 31, 2016	Proportion of shareholding as on March 31, 2015
Gujarat Foundation for Entrepreneurial Excellence	India	Associate	50 %	50 %
Gujarat Jaypee Cement & Infrastructure Ltd.	India	Joint venture	26%	26%
Gujarat Credo Mineral Industries Ltd.	India	Joint venture	26%	26%
Bhavnagar Energy Co. Ltd.	India	Joint venture	25.48%	24.39%
Aikya Chemicals Pvt. Ltd.	India	Joint venture	12.99%	12.99%
Swarnim Gujarat Fluorspar Pvt. Ltd.	India	Joint venture	1.14%	1.14%
Naini Coal Company Ltd.	India	Joint venture	50%	50%

**2.02 SHARE CAPITAL** (₹ in Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
<b>Authorised Share Capital</b>		
74,50,00,000 Equity Shares (Previous year 74,50,00,000) of ₹ 2/- each	<b>14,900.00</b>	14,900.00
1,00,000 Preference Shares (Previous year 1,00,000) of ₹ 100/- each	<b>100.00</b>	100.00
	<b>15,000.00</b>	15,000.00
<b>Issued, Subscribed &amp; Paid-up Capital</b>		
31,80,00,000 Equity Shares (Previous year 31,80,00,000) of ₹ 2/- each fully paid up	<b>6,360.00</b>	6,360.00
<b>Total</b>	<b>6,360.00</b>	6,360.00

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

Particulars	As at 31.03.2016	As at 31.03.2015
Number of shares outstanding at the beginning of year	<b>31,80,00,000</b>	31,80,00,000
Add: Shares issued during the year	-	-
Less : Share bought back	-	-
Number of shares outstanding at the end of year	<b>31,80,00,000</b>	31,80,00,000

**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 31.03.2016	% held as at 31.03.2016	No. of shares as at 31.03.2015	% held as at 31.03.2015
Governor of Gujarat	<b>23,53,20,000</b>	<b>74%</b>	23,53,20,000	74%



# GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

## 2.03 RESERVES AND SURPLUS

(₹ in Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
<b>- General Reserve</b>		
Opening Balance	2,71,928.56	2,47,570.63
Less : Depreciation on Assets Written Off	-	(972.55)
Add : Deferred Tax Effect on Depreciation	-	330.48
Add : Transfer from Profit & Loss Account	-	25,000.00
Closing Balance (A)	2,71,928.56	2,71,928.56
<b>- Profit and Loss Account</b>		
Opening Balance	46,024.28	32,421.82
Add : Net profit/(Net Loss) for the current year	24,117.25	50,089.58
Less : Share in loss of in Associate (Gujarat foundation for Entrepreneurial Excellence)	-	(5.00)
Add: Due to increase in share of Joint Venture	(6.99)	-
Amount available for appropriation	70,134.54	82,506.40
Less : Appropriation		
Final Dividend	9,540.00	9,540.00
Dividend Distribution Tax	1,942.12	1,942.12
Amount Transferred to General Reserve	-	25,000.00
Closing Balance (B)	58,652.42	46,024.28
<b>Total (A + B)</b>	<b>3,30,580.98</b>	<b>3,17,952.84</b>

## 2.04 LONG-TERM BORROWINGS

(₹ in Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
<b>Secured Loan</b>		
From Banks	77,331.40	66,788.16
<b>Unsecured Loan</b>		
<b>From Related Party</b>		
Cube Mines and Minerals Pvt. Ltd.	45.22	45.22
<b>From Others</b>		
Blackberry Ventures Pvt. Ltd.	210.50	48.77
<b>Total</b>	<b>77,587.12</b>	<b>66,882.15</b>

### 2.04.01 Term Loan from Banks are secured by way of mortgage as under : BECL

- All the immoveable properties admeasuring approximately 171 Hectares of land situated at Village Padva, District Bhavnagar in the State of Gujarat;
- All the other immoveable properties and assets of the Company, both present and future;
- All the moveable (whether tangible or intangible) properties and assets of the Company (including but not limited to moveable plant and machinery, machinery spares, tools and accessories, furniture, fixtures and vehicles), both present and future.
- All the Company's tangible and intangible assets, all the book debts, operating cash flows, receivables, all other current assets, commissions, revenues of the Company both present and future;
- All the Accounts and all other bank accounts of the Company including in each case, all monies lying credited/ deposited into such accounts;

Term Loan	Sanction Amount	Repayment Period	Repayment start	Interest Rate
Term Loan 1	₹ 2994 Crore	45 Equal Quarterly	31-Dec-16	SBI BR plus 130 BP
Term Loan 2	₹ 306 Crore	Installment	31-Dec-16	(Presently 10.60% P.A.)

### 2.04.02 Term Loan : GCMIL

Rupee Term Loan of ₹ 19 Crores (Previous Year ₹ 19 Crores) from a Bank is secured by equitable mortgage of land and hypothecation of entire project assets and other assets (Present and Future) of the Company situated at Naredi, Kutch, Gujarat.

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Repayable in 24 quarterly installments (23 quarterly installment of ₹ 0.79 crores each and last quarterly installment of ₹ 0.83 crores) starting from FY 2014-15, out of which 16 (*Previous year 20*) installments are due as on the balance sheet date).

Rate of Interest is 12.20% p.a. at present (*Previous Year 14.25% p.a.*)

Rupee Term Loan of ₹ 29.50 crores (*Previous year ₹ 29.50 crores*) from a Bank is secured by pari passu first charge by way of equitable mortgage over land and building situated at Naredi, Kutch, Gujarat and hypothecation over plant and Machinery and other fixed assets. Second pari passu charge over current assets of the company and Corporate Guarantee by the Company.

Repayable in 20 quarterly installments of ₹ 1.48 crores each starting from last quarter of FY 2016-17.

Rate of Interest is 11.30% p.a. at present (*Previous year 12.00% p.a.*)

### 2.05 DEFERRED TAX LIABILITY (NET) (₹ in Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
<b>Deferred Tax Liability</b>		
Due to Depreciation	28,855.74	29,951.55
<b>Deferred Tax Assets</b>		
Due to Disallowance u/s 43B of Income Tax	(12,175.01)	(8,724.36)
Due to Others Timing Differences	(431.83)	(437.95)
<b>Total</b>	<u>16,248.90</u>	<u>20,789.24</u>

### 2.06 OTHER LONG-TERM LIABILITIES (₹ in Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
Security & Other Deposit liability	17,949.18	18,001.67
Others Liabilities	6,842.53	6,525.31
<b>Total</b>	<u>24,791.71</u>	<u>24,526.98</u>

### 2.07 LONG-TERM PROVISIONS (₹ in Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
Provision for Employee Benefits		
- Gratuity	35.13	4.82
- Leave Encashment	3,216.47	2,969.68
Provision for Mine Closure	30,370.35	21,018.46
<b>Total</b>	<u>33,621.95</u>	<u>23,992.96</u>

**2.07.01** 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 ₹ 33,111.49 Lacs (P.Y. ₹ 23,535.97 Lacs) and has incurred progressive mine closure expenses of ₹ 2,745.14 Lacs (P.Y. ₹ 2,517.52 Lacs) so far. As per the guidelines the amount so provided is required to be deposited in Escrow Account with a scheduled bank. While corporation has opened the Escrow accounts for four mines and for other two mines, the Corporation 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 transferred as directed by the Ministry of Coal out of available ICDs to Escrow Accounts, on approval of mine closure plan.

### 2.08 SHORT TERM BORROWINGS (₹ in Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
Loan from PIPDIC & GMDC	242.50	242.50
Cash Credit /Export Packing Credit Facility from Bank	191.65	21.56
Term Loan Facility from Bank - DBLB Project	82.16	82.16
Gujarat State Financial Services Ltd	5,886.43	609.82
<b>Total</b>	<u>6,402.74</u>	<u>956.04</u>



## GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

### GCML

Sanctioned Limit ₹ 10.00 crores (Previous Year ₹ 10.00 crores), secured by first charge over all the chargeable present and future current assets of the company by way of hypothecation. Second pari passu charge over fixed assets situated at Naredi, Kutch, Gujarat.

Repayable on Demand, Rate of interest is 11.30% at present (Previous Year 12% p.a.)

### LC,SLC and CEL Facility from Bank

Sanctioned Limit ₹ 9.00 crores, ₹ 3.00 crores, ₹ 0.50 crores respectively (Previous Year ₹ 9.00 crores, ₹ 3.00 crores, ₹ 0.50 crores respectively), secured by first charge over all the chargeable present and future current assets of the company by way of hypothecation. Second pari passu charge over fixed assets situated at Naredi, Kutch, Gujarat.

Repayable on Demand, Rate of Interest is 11.30% p.a. (Previous Year 12% p.a.)

### 2.09

#### **TRADE PAYABLES**

(₹ in Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
Creditors for Supplies & services	6,779.77	5,301.62
<b>Total</b>	<b>6,779.77</b>	<b>5,301.62</b>

### 2.09.01

Based on the information available with the corporation, there are no amounts due to suppliers covered under Micro, Small and Medium Enterprises Development Act, 2006.

### 2.10

#### **OTHER CURRENT LIABILITIES**

(₹ in Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
Current Maturities of Long Term Borrowing	66.91	34.44
Creditors for Capital Assets	5,504.46	4,455.63
Advance received from Customers	806.88	1,175.56
Rates, Taxes & Duties payable	6,142.35	4,269.74
Security & Other Deposit liability	2,155.72	1,310.41
Interest Accrued but not due	294.29	109.48
Unpaid Dividend	112.64	117.30
Other Liabilities	5,532.62	5,734.20
<b>Total</b>	<b>20,615.87</b>	<b>17,206.76</b>

### 2.10.01

The Government of Gujarat (GOG) has provided funds amounting to ₹ 8,740.31 Lacs (P.Y. ₹ 7,629.01 Lacs) which are in the nature of deposits for construction and other expenses for Stone Parks, Laboratory, Trade Fair and ISRC activities on behalf of Commissioner of Geology & Mining (CGM) GOG, iCEM and iCREATE. Out of the said deposits, Corporation has incurred ₹ 5,513.18 Lacs (P.Y. ₹ 4,134.78 Lacs) till 31st March, 2016. These funds have been shown as Other Liabilities. Net balance of unutilized funds amounting to ₹ 3,227.13 Lacs (P.Y. ₹ 3,494.24 Lacs) is shown under the head "Other Liabilities".

Details of funds received and utilized for various activities are as under:

(₹ in Lacs)

Nature of Activities	Funds Received upto 31.03.2016	Funds Utilized upto 31.03.2016	Unutilized funds as on 31.03.2016
Construction and other expenses of Stone Park	4,265.62	3,085.71	1,179.91
Construction and other expenses of Laboratory	2,245.40	2,062.65	182.75
Construction and other expenses of iCEM	900.00	50.52	849.48
Construction and other expenses of iCREATE	1,200.00	200.00	1,000.00
Activities related to Trade Fair	61.14	46.14	15.00
Activities related to ISRC	68.15	68.15	-
<b>Total</b>	<b>8,740.31</b>	<b>5,513.17</b>	<b>3,227.14</b>
Previous Year	7,629.01	4,134.77	3,494.24

### 2.10.02

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, ₹ 166.95 Lacs (P.Y. ₹ 79.47 Lacs) (i.e. 80% of the basic sale price) has been transferred to GMRDS and included under the head "Other Liabilities" above.



**2.11 SHORT-TERM PROVISIONS** (₹ in Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
Provision for Employee Benefits		
- Leave Encashment	495.74	424.21
- Provident Fund	179.93	126.14
Proposed Dividend	9,540.00	9,540.00
Provision for Tax on Dividend	1,942.12	1,942.12
Bonus Payable	0.39	0.06
<b>Total</b>	<b>12,158.18</b>	<b>12,032.53</b>

**2.11.01** During the year ended 31st March, 2016, the amount of dividend per share recognized 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.

**2.11.02 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 Lacs)

Particulars	2015-16	2014-15
Contribution to PF & other funds	893.95	788.30

**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 Lacs)

Particulars	31.03.2016	31.03.2015
Present Value of Obligation as at the beginning of the year	9,097.67	9,087.32
Current Service Cost	565.61	420.98
Interest Cost	723.26	820.59
Actuarial (gain) / Loss on obligations	(271.97)	(398.03)
Benefits paid	(724.73)	(833.19)
Present Value of Obligation as at the end of the year	9,389.85	9,097.67

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

Particulars	31.03.2016	31.03.2015
Fair Value of Plan Assets at the beginning of the year	9,204.52	8,750.35
Expected Return on Plan Assets	731.76	761.28
Actuarial Gain / (loss) on Plan Assets	26.32	26.08
Contributions	122.28	500.00
Benefits Paid	(724.73)	(833.19)
Fair Value of Plan Assets at the end of the year	9,360.15	9,204.52

(iii) The amount recognized in Balance Sheet (₹ in Lacs)

Particulars	31.03.2016	31.03.2015
Fair Value of Plan Assets as at the end of the year	9,360	9,205
Present Value of Obligations as at the end of the year	(9,390)	(9,098)
Net Asset / (Liability) recognized in Balance Sheet	(30)	107



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

Particulars	31.03.2016	31.03.2015
Current Service Cost	565.61	420.98
Interest Cost	(8.49)	59.31
Net actuarial (gain) / loss recognized in the year	(420.15)	(424.11)
Expenses/(Income) Recognized in the Statement of Profit & Loss	136.96	56.17

(v) Investment Details

Particulars	% Invested as at	
	31.03.2016	31.03.2015
Funds with L.I.C. (% Invested)	99.68%	100

(vi) Assumptions

Particulars	31.03.2016	31.03.2015
Mortality Table (LIC)	2006-08(Ultimate)	2006-08(Ultimate)
Discount Rate (Current)	7.85%	7.95%
Rate of increase in Compensation Levels	6.00%	6.00%
Rate of Return on Plan Assets	7.85%	8.70%

The estimates of rate of escalation in salary considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors including attrition rate. 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.

### 2.12 FIXED ASSETS

(₹ in Lacs)

Description	GROSS BLOCK				DEPRECIATION/DEPLETION				NET BLOCK		
	As on 01.04.2015	Additions during the year	Sales/ Adjustm ents during the year	As on 31.03.2016	As on 01.04.2015	Depreciation /Depletion for the year	Sales/ Adjustment during the year	Adjustment as per Companies Act, 2013	As on 31.03.2016	As at 31.03.2016	As at 31.03.2015
<b>Tangible Assets :</b>											
Land											
- Free hold Land	14,530.02	6,059.71	-	20,589.73	2,192.73	872.98	-	-	3,065.71	17,524.02	12,337.29
- Lease hold Land	1,679.74	1,208.28	-	2,888.02	272.29	83.99	-	-	356.28	2,531.74	1,407.45
Building	26,639.40	1,809.07	-	28,448.47	13,022.20	598.92	-	-	13,621.12	14,827.35	13,617.20
Plant & Equipments	2,35,867.79	3,371.95	353.26	2,38,886.48	87,742.27	11,311.16	351.27	-	98,702.16	1,40,194.30	1,48,125.52
Furniture & Fixtures	998.66	16.00	2.39	1,012.27	868.03	17.92	2.27	-	883.68	128.59	130.63
Vehicles	1,456.58	384.24	77.83	1,762.99	984.07	113.32	74.74	-	1,022.65	740.34	472.51
Office Equipments	514.79	463.73	2.71	975.81	431.02	92.99	1.96	-	522.05	453.76	83.77
Computers	83.53	166.29	1.60	248.22	52.21	30.65	0.62	-	82.24	165.98	31.32
Electrical Equipments	905.38	136.37	-	1,041.75	275.12	91.18	-	-	366.30	675.45	630.26
Laboratory Equipments	125.39	90.18	-	215.57	44.02	15.62	-	-	59.64	155.93	81.37
Others (SGFPL & GJCIL)	2.68	-	-	2.68	-	-	-	-	-	2.68	2.68
<b>Total (A)</b>	<b>2,82,803.96</b>	<b>13,705.82</b>	<b>437.79</b>	<b>2,96,111.38</b>	<b>1,05,883.96</b>	<b>13,228.73</b>	<b>430.86</b>	<b>-</b>	<b>1,18,681.83</b>	<b>1,77,400.14</b>	<b>1,76,920.00</b>
<b>Intangible Assets :</b>											
Enterprise Resource Planning	790.16	-	-	790.16	623.14	20.68	-	-	643.82	146.34	167.02
<b>Total (B)</b>	<b>790.16</b>	<b>-</b>	<b>-</b>	<b>790.16</b>	<b>623.14</b>	<b>20.68</b>	<b>-</b>	<b>-</b>	<b>643.82</b>	<b>146.34</b>	<b>167.02</b>
<b>Total (A) + (B)</b>	<b>2,83,594.12</b>	<b>13,705.82</b>	<b>437.79</b>	<b>2,96,862.15</b>	<b>1,06,507.10</b>	<b>13,249.41</b>	<b>430.86</b>	<b>-</b>	<b>1,19,325.65</b>	<b>1,77,546.48</b>	<b>1,77,087.02</b>
Previous Year	2,81,197.41	4,355.59	2,867.35	2,82,685.65	94,373.10	13,836.88	2,632.84	789.36	1,04,787.78	1,77,897.87	1,86,824.31

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- 2.12.01** Depreciation on free hold land represents depletion on wasting assets.
- 2.12.02** 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 and also for general public 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 Lacs** (P.Y. ₹ 59.40 Lacs) are accounted in the books of the Corporation and included in the respective heads of the assets.
- 2.12.03** Fixed Assets shown above include 373 assets valuing **₹ 13.76 Crores** which were commissioned long back. Corporation has taken 1st April, 1987 as an identical commissioning date for such assets.
- 2.12.04** Intangible assets shown above is other than internally generated intangible assets having useful life of **10 years**. It is amortized as per Straight Line Method over its useful life.
- 2.12.05** Statement showing assets discontinued from operations awaiting disposal included in fixed assets stated above.

(₹ in Lacs)

Description	Gross Block	Depreciation	Net Block
Plant & Equipment	746.80	727.99	18.81
Furniture & Fixtures	1.85	1.70	0.15
Office Appliances	0.84	0.73	0.11
Vehicles	57.23	53.23	4.00
<b>Total</b>	<b>806.72</b>	<b>783.65</b>	<b>23.07</b>
Previous Year	432.31	425.20	7.11

- 2.12.06** Break-up of Capital Work-in-progress for the year ended 31st March, 2016 is given here under: (₹ in Lacs)

	Segment	Civil Work	Non-Civil Work	Total
Mining	753.08	296.14	816.47	1,865.69
Power	-	746.14	1,08,724.64	1,09,470.79
Corporate Office	5,491.89	187.47	-	5,679.36
<b>Total</b>	<b>6,244.97</b>	<b>1,229.76</b>	<b>1,09,541.12</b>	<b>1,17,015.84</b>
Previous Year	3,362.72	1,228.45	91,206.10	95,797.27

\*\* Out of total amount **₹ 1,08,724.65 Lacs** pertaining to BECL.

- 2.13 NON-CURRENT INVESTMENTS** (₹ in Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
<b>Quoted Investments</b>		
- Investments in Equity Instruments		
41,45,433 (P.Y. 41,45,433) Equity Shares of ₹10/- each, fully paid, of Gujarat Alkalies & Chemicals Ltd.	<b>4,953.11</b>	4,953.11
50,00,000 (P.Y.50,00,000) Equity shares of ₹ 2/- each, fully paid, of Gujarat State Fertilizers & Chemicals Ltd.	<b>1,001.25</b>	1,001.25
9,35,600 (P.Y. 9,35,600) Equity shares of ₹ 10/- each, fully paid, of Gujarat State Financial Corporation Ltd.	<b>187.12</b>	187.12
7,77,900 (P.Y. 7,77,900) Equity shares of ₹ 10/- each, fully paid, of Vijaya Bank	<b>77.79</b>	77.79
	<b>6,219.27</b>	6,219.27
Less : provision for diminution in value of investments	<b>187.12</b>	187.12
	<b>6,032.15</b>	6,032.15



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(₹ in Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
<b>Unquoted Investments</b>		
- Investments in Equity Instruments		
10,00,000 (P.Y.10,00,000) Equity share of ₹ 10/- each, fully paid, of Gujarat Informatics Ltd.	<b>100.00</b>	100.00
3,900 (P.Y. 3,900) Equity shares of ₹ 100/- each, fully paid, of Gujarat Industrial Technical Consultancy Organization Ltd.	<b>7.12</b>	7.12
74,25,000 (P.Y. 74,25,000) Equity Shares of ₹ 10/- each, fully paid, of Gujarat Guardian Ltd.	<b>742.50</b>	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.	<b>5,099.97</b>	5,099.97
25,497 (P.Y. 25,497) Equity Shares of ₹ 10/- each, fully paid, of Gujarat State Mining & Resources Corp. Ltd.	<b>2.55</b>	2.55
Investments in Mutual Funds NON Trade	<b>277.29</b>	100.70
Share Application Money in Stone Research Foundation 3,75,000 Shares ₹ 10 each	<b>37.50</b>	-
	<b>6,266.93</b>	6,052.84
Less : provision for diminution in value of investments	<b>2.55</b>	-
	<b>6,264.38</b>	6,052.84
<b>Total Non-current Investment</b>	<b>12,296.53</b>	12,084.99
Aggregate amount of quoted investments	<b>6,219.27</b>	6,219.27
Aggregate market value of quoted investments	<b>10,341.90</b>	11,156.64
Aggregate amount of unquoted investments	<b>6,266.93</b>	6,052.84
Aggregate provision for diminution in value of investments	<b>189.67</b>	189.62

**2.13.01** 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 16 Lacs number of 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. The balance 25.45 Lacs number of shares as shown in above schedule of GACL have been purchased by the corporation from the open market.

**2.13.02** The corporation has provided for diminution in respect of the investment made in Gujarat State Mining & Resources Corporation Ltd, Gujarat Jaypee Cement and Infra Ltd. and Naini Coal Company Ltd.

## 2.14 LONG-TERM LOANS AND ADVANCES

(₹ in Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
<b>Unsecured, considered good</b>		
Capital Advances	7,947.92	4,912.64
Deposits with Various Courts	4,105.26	582.31
Deposits with Corporate Bodies	2,800.43	33,686.11
Interest accrued but not due on above deposits	6.22	354.37
Balance with Banks in Escrow account	10,096.44	945.78
Interest accrued but not due on Escrow Accounts	371.52	-
Fixed Deposit with more than 12 months maturity	0.79	0.15
Security Deposits	593.98	559.85
Advances to Suppliers/Contractors	2,906.40	2,896.23
Advance Tax & Tax Deducted at Source (Net of Provision)	35,275.71	33,638.95
Balance with Government Agencies	-	-
- with Sales Tax / VAT Department	682.42	894.50
Loans & Advances to Employees	2,096.84	1,056.70
Other Loans & Advances	1,003.89	1,003.83
<b>Total</b>	<b>67,887.82</b>	<b>80,531.42</b>
<b>Doubtful</b>		
Loans & Advances to Related Parties	1,811.72	1,811.72
Deposits with Corporate Bodies	2,629.27	2,629.27
Interest Accrued and Due on Deposits	1,583.13	1,583.13
	6,024.12	6,024.12
Less : Allowance for Bad & Doubtful	6,024.12	6,024.12
	-	-
<b>Total</b>	<b>67,887.82</b>	<b>80,531.42</b>

**2.14.01** 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 ₹ 3,250 Lacs and another ₹ 3,250 Lacs 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. ₹ 3,250 Lacs 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 had discharged its liability towards invoked bank guarantee and has accounted for the same as advance to Naini Coal Company Ltd.

Recently, the Supreme Court has delivered a landmark judgement cancelling all coal block allocation. GMDC has already filed special civil application before the Gujarat High court against arbitrary cancellation of coal block as well as invocation of bank guarantee. The said petition is still pending before the Gujarat High Court.

**2.14.02** Corporation has given Operation & Maintenance Contract to KEPCO for the Thermal Power Project from February, 2013 to February-2028. As per terms and conditions of the contract, the inventory of stores, spares and parts lying at the plant in the ownership of Corporation has been given on loan to KEPCO for utilization in Operation & Maintenance activities and those inventories would be given back by KEPCO to Corporation at the end of contract.

**2.14.03** As per the guidelines of Coal Controller, Ministry of Coal, the corporation has deposited in Escrow account a sum of ₹ 10,096.44 Lacs (P.Y. ₹ 945.78 Lacs) for following Mines during the Financial Year in line with the Mine Closure Plan approved by the Coal Controller:

Name of Bank	Project Name	(₹ In Lacs)
Yes Bank Escrow Account	Umarsar	1,029.28
Kotak Mahindra Bank Ltd.- Escrow	Rajpardi	869.60
ICICI Bank Escrow Account	Tadkeshwar	2,245.75
Yes Bank - Escrow Account	Mata No Madh	5,951.81



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### 2.15 OTHER NON-CURRENT ASSETS (₹ in Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
Pre-operative expenses	110.45	65.43
Group Gratuity Fund	5.93	3.85
Unamortized Expenses	0.91	0.91
Margin Money accounts	32.75	12.04
<b>Total</b>	<b>150.04</b>	<b>82.23</b>

### 2.16 INVENTORIES (₹ in Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
Mined Ore	3,110.78	3,496.18
Raw Material - Aikya Chemicals	23.18	4.87
Stock of Light Diesel Oil, Furnace Oil and Diesel & Gas	56.70	6.50
Finished Goods	127.90	4.59
Stores, Spares & Fuel	1,872.02	2,341.50
	<b>1,872.02</b>	<b>2,341.50</b>
Less : Provision for Obsolete Stock	640.78	640.78
	<b>1,231.24</b>	<b>1,700.72</b>
Work in Progress	1.07	-
Loose Tools	10.21	10.21
<b>Total</b>	<b>4,561.08</b>	<b>5,223.07</b>

### 2.17 TRADE RECEIVABLES (₹ in Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
<b>Debts outstanding for a period exceeding six months</b>		
Unsecured, considered good	140.46	401.31
Doubtful	104.14	104.14
	<b>244.60</b>	<b>505.45</b>
Less : Allowance for Bad & Doubtful	104.14	104.14
	<b>140.46</b>	<b>401.31</b>
<b>Other debts</b>		
Unsecured, considered good	9,192.83	7,740.65
<b>Total</b>	<b>9,333.29</b>	<b>8,141.96</b>

### 2.18 CASH AND CASH EQUIVALENTS (₹ in Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
<b>CASH AND CASH EQUIVALENTS</b>		
Cash & Stamp on Hand	1.83	1.44
Balance with Banks		
- Current Account	3,240.39	882.33
- Fixed Deposits	90.87	115.48
<b>Other Bank Balance</b>		
- Balance with Banks in Unpaid Dividend accounts	112.64	117.30
- Balance with Banks to the extent held as Margin Money	56.11	122.93
- Fixed Deposit with less than 3 months	0.16	1.59
- Fixed Deposit with more than 3 months maturity but less than 12 months maturity	6.58	6.08
- Doubtful Fixed Deposits	374.00	374.00
	<b>549.49</b>	<b>621.90</b>
Less : Allowance made for Doubtful FDR	374.00	374.00
	<b>175.49</b>	<b>247.90</b>
<b>Total</b>	<b>3,508.58</b>	<b>1,247.15</b>

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**2.18.01** Cash and Cash Equivalents as of 31st March, 2016 and 31st March, 2015 include restricted cash and bank balances of ₹ 266.35 Lacs (P.Y. ₹ 363.39). The restrictions are primarily on account of cash and bank balances held as margin money, fixed deposits and unclaimed dividends.

**2.18.02** 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 Lacs (P.Y. ₹ 24.92 Lacs) 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 Corporation has placed the same with Union Bank of India, Vastrapur Branch, Ahmedabad.

### 2.19 SHORT-TERM LOANS AND ADVANCES (₹ in Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
<b>Unsecured, considered good</b>		
Deposits with Corporate Bodies	1,21,155.93	1,02,157.10
Security Deposits	-	-
Interest accrued but not due on Deposits	6,213.81	4,354.30
Advances to Suppliers	6,616.70	2,508.18
Balance with Government Agencies		
- with Central Excise & CGM	6,924.94	3,797.68
Prepaid expenses	239.05	208.06
Loans & Advances to Related Parties	470.87	386.22
Loans & Advances to Employees	405.39	981.77
Other Loans & Advances	810.36	1,403.37
	<u>1,42,837.05</u>	<u>1,15,796.68</u>
<b>Doubtful</b>		
Advances to Suppliers	4.31	3.00
	<u>4.31</u>	<u>3.00</u>
Less : Allowance for Bad & Doubtful	4.31	3.00
<b>Total</b>	<u>1,42,837.05</u>	<u>1,15,796.68</u>

**2.19.01** As per the Mine Closure guidelines the amount is required to be deposited in Escrow Account with a scheduled bank. While corporation has opened the Escrow accounts for four mines and for other two mines, the Corporation 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 transferred as directed by the Ministry of Coal out of available ICDs to Escrow Accounts, on approval of mine closure plan.

### 2.20 REVENUE FROM OPERATIONS (₹ in Lacs)

Particulars	2015-2016	2014-2015
Sale of Products		
- Sale from Lignite Projects	82,447.35	108,144.07
- Sale from Bauxite Projects	1,470.22	2,259.95
- Sale from Thermal Power Project	25,703.66	23,715.20
- Sale from Renewable Energy Projects	12,919.23	13,113.34
- Sale from Other Projects	61.35	81.89
- Dry Beneficated Bauxite	1,328.98	2,031.95
- Other Operating Revenues	3.89	6.07
Less :		
Excise Duty	3,661.81	5,425.97
<b>Total</b>	<u>1,20,272.87</u>	<u>1,43,926.50</u>

**2.20.01** In respect of sale of electricity by Thermal Power Project, as per Power Purchase Agreement between Corporation and Gujarat Urja Vikas Nigam Ltd, the rate of Return of Equity is 13%, Normative Plant Load Factor is 75% and auxiliary consumption @ 11%.



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### 2.21 OTHER INCOME (₹ in Lacs)

Particulars	2015-2016		2014-2015	
Interest Income				
- Income Tax/Sales Tax Refund	-		7.33	
- FDRs with Banks & ICDs	12,355.99		11,068.85	
- Others	94.30	12,450.29	532.77	11,608.95
Income from Investments				
- Dividend Income	605.21			570.60
- Net gain on sale of Investment	10.52			5.85
Net gain on Sale of Fixed Assets	75.22			-
Foreign Exchange Gain (Net)	11.79			15.74
Sale of Scrap material	235.29			495.25
Excess Provision of Earlier Years Written Back	410.95			241.81
Liquidated Damages/ Penalty	126.42			1,102.13
Other Misc. Income	536.86			386.30
<b>Total</b>		<b>14,462.55</b>		<b>14,426.63</b>

2.21.01 As per the guidelines issued by the Ministry of Coal, the corporation has amended the Mine Closure Provisions with reference to WPI as per the approved / submitted mine closure plan. Due to this, the corporation has written back the excess mine closure provisions of ₹ 381.86 Lacs for Rajparddi Project during the year.

### 2.22 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS & STOCK-IN TRADE (₹ in Lacs)

Particulars	2015-2016	2014-2015
Inventories at the end of the year:		
Finished Goods	128.80	4.98
Work in Progress	1.07	-
Mined Ore	3,110.78	3,496.18
	<b>3,240.65</b>	<b>3,501.16</b>
Less :Inventories at the beginning of the year:		
Finished Goods	4.98	81.43
Mined Ore	3,496.18	3,241.58
	<b>3,501.16</b>	<b>3,323.01</b>
<b>Increase / (Decrease) in Inventories</b>	<b>(260.51)</b>	<b>178.15</b>

### 2.23 EMPLOYEE BENEFITS EXPENSE (₹ in Lacs)

Particulars	2015-2016	2014-2015
Salaries, Wages & Bonus	7,519.87	6,535.81
Contribution to Provident fund & other funds	1,033.24	844.78
Staff Welfare Expenses	643.65	553.24
Terminal Benefits	973.94	1,721.70
<b>Total</b>	<b>10,170.70</b>	<b>9,655.53</b>

### 2.24 FINANCE COST (₹ in Lacs)

Particulars	2015-2016	2014-2015
- Interest on delayed / deferred payment of income tax	0.88	4.61
- Other Charges	4.03	168.13
- Interest on term loans and other loans	45.94	50.54
- Borrowing & Other Cost	10.82	12.82
<b>Total</b>	<b>61.67</b>	<b>236.10</b>



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### OTHER EXPENSES

(₹ in Lacs)

Particulars	2015-2016	2014-2015
<b>Manufacturing Expenses</b>		
Loading of Lignite & Overburden Removal	24,654.11	35,568.57
Freight & Octroi Expenses	1,677.23	1,505.81
Beneficiation Process Expenses	76.47	122.28
Other Loading charges & Mining Expenses	1,085.04	873.14
Consumption of Stores, Spares & Fuel		
- Power & Fuel	322.95	823.14
- Electricity Expenses	1,287.42	1,190.13
- Consumption of Stores, Spares & Chemicals	3,627.32	6,375.10
Operation & Maintenance Charges for Thermal Project	4,155.90	4,370.75
Op. & Maint. Charges for Renewable Energy Projects	1,212.32	-
- Repairs & Maintenance		
- Buildings	654.94	198.89
- Machineries ( Including spares)	435.87	1,144.88
- Other Assets	62.15	67.61
Rates & Taxes		
- Royalty	4,716.45	6,556.02
- Clean Energy Cess	15,206.94	8,092.30
- Other Rates & Taxes	1,138.92	234.69
Custom Duty	249.94	341.89
Mine Closure Expenses	9,957.13	8,010.06
Other Manufacturing Expense		
- Machinery Hire Charges	-	0.17
- Rent	17.84	14.28
Stevedoring Expenses	64.27	124.68
<b>Administrative &amp; Selling Expenses</b>		
CSR Expenses	1,498.23	1,338.04
Insurance Premium	291.18	291.95
Vehicle Hire Charges	607.33	586.17
Advertisement & Publicity	161.16	220.69
Security Expenses	1,681.16	1,559.22
Legal & Professional Fees	374.94	507.87
Payment to Auditors		
- Audit Fees (Current Year excluding service tax)	8.88	7.64
- For Tax Audit	0.83	0.75
- For Certification & Other Matters	-	0.83
- Out of Pocket Expenses	-	0.19
Remuneration to Managing Director	19.04	0.10
Directors sitting Fees & Allowances	8.45	8.22
Freight Outward	156.28	250.75
Cash Discount	608.75	570.86
Commission and Brokerage	28.30	25.60
Donation	30.96	17.07
Net loss on Sale of Fixed Assets	-	56.32
Provision for doubtful debts /loans & advances	1.31	97.36
Provision due to loss on Investment	2.55	-
Mining & Project Development Expenses	0.59	53.79
Other Miscellaneous Charges	1,046.75	894.86
Prior Period Adjustments (Net)	27.12	(76.66)
<b>Total</b>	<b>77,157.02</b>	<b>82,026.01</b>



## GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

- 2.25.01** During previous year Royalty on account of sale of Bauxite had been accounted for ₹ NIL (P.Y. ₹ 466.23 lacs) 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 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.
- 2.25.03** During the year, corporation has written off ₹ 3.65 Lacs and written back ₹ NIL to the books of accounts. In the opinion of the management, such amounts are no longer payable / receivable. Net effect is write off to the Profit & Loss account an amount of ₹ 3.65 Lacs.
- 2.25.04** In compliance with Section 135(5) of the amended Companies Act, 2013, the corporation has spent ₹ 1,496.69 Lacs against the statutory requirement of spending ₹ 1,446.10 Lacs (based on average net profits of last 3 years) during the year towards Corporate Social Responsibility (CSR) Expense which mainly includes Contribution to Sardar Vallabhbhai Patel Rashtriya Ekta Trust of ₹ 1,000 Lacs and Donation To Gujarat Cancer Hospital for MRI, CT Scan & Highend Ultrasonography Machines of ₹ 345 Lacs.

**2.25.05 Details of Prior Period Adjustments (Net) (₹ in Lacs)**

Particulars	As at 31.03.2016	As at 31.03.2015
<b>Income</b>		
- Sales	(2.39)	(0.59)
- Other Income	6.73	19.09
<b>Expenditure</b>		
- Consumption of Stores, Chemicals etc.	-	2.34
- Repair & Maintenance	3.16	27.96
- Security Expenses	3.71	-
- Water Expenses	8.25	-
- Loading of Lignite / Mining Expenses of bauxite	-	2.27
- Rates & Taxes	13.10	29.51
- O & M / Plant operation charges	1.24	1.49
- Depreciation	-	(181.07)
- Other Miscellaneous Expenses (net)	2.01	59.34
<b>Net Prior Period Income/(Expenses)</b>	<b>(27.13)</b>	<b>76.66</b>

**2.26 Contingent Liabilities**

Contingent liabilities not provided for Claims against the Corporation not acknowledged as debt ₹ 47,276.28 lacs (P.Y. ₹ 44,106.19 lacs).

- 2.26.01** As against claims for additional compensation of ₹ 1,000 per sq. mtr. by ex-owners of land acquired for Bhavnagar Project, District Court has partly allowed the claims of ex-land owners by ₹ 4 per sq. mtr. The Corporation has deposited ₹ 912.32 lacs with District Court, Bhavnagar in April'14 towards this order. The Corporation has also decided to file an application before High Court against the order of District Court. Necessary adjustment shall be made in accounts after final decision/outcome of the case. During this year case is again referred to civil court in which compensation is demanded @ ₹ 85/- per sq. mtr. which comes to ₹ 2,700.00 lacs. Management perceives that liability recognized by the corporation is based on the order of judicial authority and land acquisition act. Management is of the view that it is unlikely of significant increase of compensation by higher court.
- 2.26.02** The Honorable Supreme Court has given judgement to pay additional compensation to land owners of Rajparadi lignite mines. However, the total compensation amount has not been quantified by the Court till date. Necessary adjustment shall be made in the books as and when the amount is quantified by the court. At present, ₹ 552.31 Lacs deposited earlier are shown as Deposits with Courts.
- 2.26.03** Corporation has paid compensation of ₹ 1,200.28 Lacs to land owners of Umarsar Mines at ₹ 15.60 per sq. mtr. But during this Feb, 16 land owners has filed the appeal with supreme court for enhancement of compensation of ₹ 25 per sq. mtr. which comes to additional claim of ₹ 1,400.00 Lacs. Management perceives that liability recognized by the corporation is based on the order of judicial authority and land acquisition act. Management is of the view that it is unlikely of significant increase of compensation by higher court.

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<b>2.26.04</b>	Income Tax	:	<b>₹ 28,524.73 lacs</b> (P.Y. ₹ 26,730.03 lacs)
<b>2.26.05</b>	Sales Tax/ VAT	:	<b>₹ 425.45 lacs</b> (P.Y. ₹ 425.45 lacs)
<b>2.26.06</b>	Excise	:	<b>₹ 504.39 lacs</b> (P.Y. ₹ 450.58 lacs)
<b>2.26.07</b>	Related to Contractors and Others	:	<b>₹ 7,029.92 lacs</b> (P.Y. ₹ 8,896.02 lacs)
<b>2.26.08</b>	Bank Guarantee/letter of credits issued by banks on behalf of the Corporation.	:	<b>₹ 37.16 lacs</b> (P.Y. ₹ 37.16 lacs)
<b>2.26.09</b>	Royalty, Stamp duty and Conversion tax	:	<b>₹ 4,943.48 lacs</b> (P.Y. ₹ 4,943.48 lacs)
<b>2.26.10</b>	Incentive to Employees	:	<b>₹ 1,158.84 lacs</b> (P.Y. ₹ 1,158.84 lacs)

In view of the various court cases/litigations and claims disputed by the Corporation, 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 is **₹ 28,787.91 lacs** (P.Y. ₹ 6,200.45 lacs).

#### 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 23.36% in BECL.
- b) NALCO has made upfront payment of ₹ 15,100 lacs 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 Consumption of imported & indigenous Stores & Spares (₹ in Lacs)

Particulars	2015-2016		2014-2015	
	₹	%	₹	%
Imported	-	-	-	-
Indigenous	<b>3,627.32</b>	<b>100</b>	5,865.16	100
<b>Total</b>	<b>3,627.32</b>	<b>100</b>	<b>5,865.16</b>	<b>100</b>

### II C.I.F. Value of Imports: (₹ in Lacs)

Particulars	2015-2016	2014-2015
Components & Spares	-	-
Capital Goods	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

### III Expenditure in foreign currency : (₹ in Lacs)

Particulars	2015-2016	2014-2015
Fees for Technical Services	-	1.98
Other Matters	-	2.35
<b>Total</b>	<b>-</b>	<b>4.33</b>

### IV Remuneration to Managing Director : (₹ in Lacs)

Particulars	2015-2016	2014-2015
Remuneration	<b>18.97</b>	0.10
Perquisites	<b>0.07</b>	Nil
<b>Total</b>	<b>19.04</b>	<b>0.10</b>



## GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

### V During the year, the Corporation has remitted the amount in foreign currency on account of dividend to the Share holders as under:

	2015-2016	2014-2015
(a) Year to which dividend relates		
(b) Number of non-resident shareholders	930	Nil
(c) Number of shares held by them	10684121	Nil
(d) Amount of dividend remitted in foreign currency	Nil	Nil

**2.29** In the opinion of Management, any of the Assets other than Fixed Assets and Non-Current Investments have a value on realization 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 confirmation, if any, in the accounts.

**2.31** On periodical basis and as and when required, Corporation reviews the carrying amounts of its assets. In the Financial Year 2015-16, Corporation 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	2015-16	2014-15
Profit after tax (₹ in Lacs)	24,117	50,090
Weighted average no. of equity shares outstanding	31,80,00,000	31,80,00,000
Basic and diluted earnings per share (₹)	7.58	15.75

### 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 Standard 17 on Segmental Reporting issued by the Institute of Chartered Accountants of India.

- 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 Lacs)	
Sr.	Particulars	2015-2016	2014-2015
<b>1</b>	<b>Segment Revenue :</b>		
	a) Mining Projects	91,722.60	1,15,267.17
	b) Power Projects	38,731.08	37,015.99
	Segment Revenue	<u>1,30,453.68</u>	<u>1,52,283.16</u>
	c) Un-allocable Corporate Revenue	256.35	507.37
	Total Revenue	<u>1,30,710.03</u>	<u>1,52,790.53</u>
<b>2</b>	<b>Segment Results :</b>		
	(Profit/Loss before interest and tax)		
	a) Mining Projects	17,646.48	37,618.50
	b) Power Projects	6,464.41	6,758.18
	Segment Results	<u>24,110.89</u>	<u>44,376.68</u>
	c) Un-allocable	9,041.48	(3,880.54)
	Total	<u>33,152.37</u>	<u>40,496.14</u>

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		(₹ in Lacs)	
Sr. Particulars	2015-2016	2014-2015	
Add : Interest Income	12,444.51	11,603.78	
Add : Dividend Income	605.21	570.60	
Net Profit before tax and exceptional Items	46,202.09	52,670.52	
Add : Extraordinary Items	-	10,916.23	
	<u>46,202.09</u>	<u>63,586.75</u>	
Less : Provision for Current Tax	14,206.00	21,150.00	
Less : Provision for Deferred Tax	(4,540.11)	(7,596.11)	
Total Tax Provision	<u>9,089.89</u>	<u>13,553.89</u>	
Profit after tax (Enterprise net profit)	<u>36,536.20</u>	<u>50,032.86</u>	
<b>3 Segment Assets :</b>			
a) Mining Projects	74,520.46	48,557.23	
b) Power Projects	2,55,496.51	2,52,802.06	
Total Segment Assets	<u>3,30,016.97</u>	<u>3,01,359.29</u>	
c) Un-allocable Corporate Assets	2,08,481.55	2,03,676.67	
	<u>5,38,498.52</u>	<u>5,05,035.96</u>	
<b>4 Segment Liabilities :</b>			
a) Mining Projects	64,736.08	50,119.50	
b) Power Projects	1,03,740.67	92,354.82	
Total Segment Liabilities	<u>1,68,476.75</u>	<u>1,42,474.32</u>	
c) Un-allocable Corporate Liabilities	3,70,021.77	3,62,561.63	
	<u>5,38,498.52</u>	<u>5,05,035.95</u>	
<b>5 Capital Expenditure :</b>			
(i) Additions :			
a) Mining Projects	8,508.97	3,989.11	
b) Power Project	2,755.81	126.80	
	<u>11,264.78</u>	<u>4,115.91</u>	
c) Un-allocable Capital Expenditure	1,422.67	21.12	
Total Additions	<u>12,687.45</u>	<u>4,137.03</u>	
(ii) Depreciation :			
a) Mining Projects	702.41	889.60	
b) Power Project	12,334.39	12,746.92	
	<u>13,036.80</u>	<u>13,636.52</u>	
c) Un-allocable Depreciation	103.53	90.39	
Total Depreciation	<u>13,140.33</u>	<u>13,726.91</u>	

**Notes :**

- 1 Segment assets and liabilities are subject to reconciliation.
- 2 Segment Revenue of Mining includes ₹ 10,789.46 Lacs (P.Y. ₹ 8,471.20 Lacs) being captive consumption of Lignite/Lime for Power Project.
- 3 Inter-segment transfers of Lignite and Lime are accounted for at cost.
- 4 Depreciation is net off ₹ NIL (P.Y. including ₹ 181.07 Lacs) relating to previous years.
- 5 Operations of the company are carried with in the country and therefore geographical segments are not applicable.



# GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

## 2.34 Related party disclosures on 31.3.2016 :

### (i) List of Related parties & Relationships :

Name of Related Party	Relationship
Shri Atanu Chakraborty, IAS - Chairman up to 13th May, 2015 Shri Arvind Agarwal, IAS - Chairman (w.e.f. 13th May, 2015) and CMD (w.e.f. 18th Feb, 2016) Shri B B Swain, IAS, - Managing Director up to 23rd April, 2015 Shri Manoj Aggarwal, IAS, - Managing Director (w.e.f. 23rd April, 2015 to 15th June, 2015) Shri Premkumar Gera, IAS, - Managing Director (w.e.f. 15th June, 2015 to 18th Feb, 2016)	Key Managerial Personnel
Gujarat Foundation for Entrepreneurial Excellence	Associates
Gujarat Jaypee Cement & Infrastructure Ltd. Gujarat Credo Mineral Industries Ltd. Bhavnagar Energy Co. Ltd. Aikya Chemicals Pvt. Ltd. Swarnim Gujarat Fluorspar Pvt. Ltd. Naini Coal Company Ltd.	Joint Ventures
GMDC Gram Vikas Trust Lakhpat Welfare Society GMDC Science & Research Centre International Centre for Excellence in Mining Safety & Automation	Enterprises over which key management personnel are able to exercise significant influence

### (ii) Transactions during the year with related parties : (₹ in Lacs)

Nature of transactions	Associates		Joint Ventures		Key Management Personnel		Others		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Remuneration Paid	Nil	Nil	Nil	Nil	19.04	0.10	Nil	Nil	19.04	0.10
Purchase of Investments	Nil	Nil	-	3,865.00	Nil	Nil	Nil	Nil	-	3,865.00
Receivable	0.01	0.03	2,854.87	2,051.22	Nil	Nil	Nil	Nil	2,854.88	2,051.25
Paid	3.43	Nil	Nil	Nil	Nil	Nil	277.71	189.12	281.14	189.12
Received	87.95	Nil	2,532.78	1,695.76	Nil	Nil	58.34	Nil	2,679.07	1,695.76
(Payable)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	18.80	Nil	18.80
Donations given	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

### (iii) Balances as at 31<sup>st</sup> March, 2016 : (₹ in Lacs)

Nature of transactions	Associates		Joint Ventures		Key Management Personnel		Others		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Investments	5.00	5.00	17,912.95	17,912.95	19.04	0.10	Nil	Nil	17,936.99	17,918.05
Receivables	0.01	84.53	2,449.17	2,042.97	Nil	Nil	520.08	438.70	2,969.26	2,566.20
Payables	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

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 As per Schedule III to the Companies Act, 2013, the information required to be disclosed in relation of joint venture and associate companies whose accounts has been consolidated on provisional basis except Swarnim Gujarat Fluorspar Pvt. Ltd. are given below:

Name of Company	Relationship	Audited/Unaudited
Gujarat Foundation for Entrepreneurial Excellence	Associate	Unaudited
Gujarat Jaypee Cement & Infrastructure Ltd.	Joint Venture	Unaudited
Gujarat Credo Mineral Industries Ltd.	Joint Venture	Unaudited
Bhavnagar Energy Co. Ltd.	Joint Venture	Unaudited
Aikya Chemicals Pvt. Ltd.	Joint Venture	Unaudited
Swarnim Gujarat Fluorspar Pvt. Ltd.	Joint Venture	Audited
Naini Coal Company Ltd.	Joint Venture	Unaudited

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## 2.37 Financial Information of Subsidiary Company:

(₹ in Lacs)

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.	2015-16	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	2014-15	5.00	(8.67)	0.39	0.39	0.00	0.00	(0.32)	0.00	(0.32)	0.00

## 2.38 Financial Information of Joint Venture Company:

(₹ in Lacs)

Name of Subsidiary Company	Year	Capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend
Bhavnagar Energy Co. Ltd.	2015-16	77,563.39	(829.10)	438,851.07	438,851.07	-	-	(167.63)	20.06	(187.69)	NIL
	2014-15	70,779.39	(641.41)	383,853.04	383,853.04	-	-	(102.40)	22.48	(124.88)	NIL
Aikya Chemicals Pvt. Ltd.	2015-16	1,000.00	(8.53)	5,218.50	5,218.50	-	2.80	2.21	0.76	1.51	NIL
	2014-15	1,000.00	(10.04)	3,252.03	3,252.03	-	2.75	2.19	0.61	1.48	NIL
Naini Coal Company Ltd.	2015-16	5.00	13.95	952.64	952.64	-	3.78	3.31	1.02	2.29	NIL
	2014-15	5.00	11.66	950.18	950.18	-	4.75	4.20	1.00	3.21	NIL
Swarnim Gujarat Fluorspar Pvt. Ltd.	2015-16	219.00	(50.84)	178.31	178.31	-	1.47	(8.81)	-	(8.81)	NIL
	2014-15	219.00	(42.02)	184.92	184.92	-	1.28	(9.45)	-	(9.45)	NIL
Gujarat Jaypee Cement & Infrastructure Ltd.	2015-16	73.40	(29.77)	44.78	44.78	-	2.31	0.33	-	0.33	NIL
	2014-15	73.40	(29.38)	45.14	45.14	-	2.87	(9.65)	0.88	(10.53)	NIL
Gujarat Credo Mineral Industries Ltd.	2015-16	1,900.00	1,046.85	8,457.40	8,457.40	1,066.51	5,223.31	862.16	180.71	682.32	NIL
	2014-15	1,900.00	364.53	4,703.48	4,703.48	387.31	7,928.04	507.37	181.81	339.28	NIL

## 2.39 Financial Information of Associate Company:

(₹ in Lacs)

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 Foundation for Entrepreneurial Excellence	2015-16	10.00	(43.15)	316.15	316.15	NIL	112.95	NIL	NIL	NIL	NIL
	2014-15	10.00	(43.15)	270.86	270.86	NIL	116.47	(0.32)	NIL	NIL	NIL

**P. K. Bhootra**  
General Manager (Accounts)

**Joel Evans**  
Company Secretary  
Place: Ahmedabad  
Date: 26th May, 2016

As per our report of even date attached  
**For S. C. Ajmera & Co.**  
Chartered Accountants  
FRN - 002908C

**S.C. Ajmera**  
Partner  
Membership No.081398  
Place: Ahmedabad  
Date : 26th May, 2016

**L. Kulshrestha**  
General Manager (Finance)  
& Chief Financial Officer

**Bhadresh Mehta**  
Director  
(DIN - 02625115)

**Arvind Agarwal, IAS**  
Chairman & Managing Director  
(DIN - 00122921)







# GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

CIN : L14100GJ1963SGC001206

## ATTENDANCE SLIP

I/We \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

<b>Folio No.</b>	
<b>D.P. ID</b>	
<b>Client ID</b>	

hereby record my/our present at the **53<sup>rd</sup> ANNUAL GENERAL MEETING** of the Company held in the premises of the Company at the Registered office: 'Khanij Bhavan', 132<sup>nd</sup> ring road, University Ground, Vastrapur, Ahmedabad-52 at 11.00 a.m. on 29th September, 2016.

Signature of the Member/Proxy/Representative attending the Meeting \_\_\_\_\_

- Notes :** (i) Please handover the Attendance Slip at the entrance to the place of the Meeting.  
(ii) Only Members and in their absence, duly appointed proxies will be allowed for the Meeting.  
Please avoid bringing non-members/ children to the Meeting.



# GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

(A Government of Gujarat Enterprise)

CIN : L14100GJ1963SGC001206

"Khanij Bhavan", 132 Ft. Ring Road, Near University Ground, Vastrapur, Ahmedabad-52  
Phone : 2791 0665 / 2791 1662 / 2791 3200 / 2791 3201 • Tele Fax : 079 - 2791 1151  
E-mail : cosec@gmdcltd.com • Website : www.gmdcltd.com

## PROXY FORM

**53<sup>rd</sup> ANNUAL GENERAL MEETING**  
**Thursday, the 29th September, 2016 at 11.00 a.m.**

I/We, being the member(s), holding \_\_\_\_\_ shares of the above Company, hereby appoint:

- |     |                  |                                    |
|-----|------------------|------------------------------------|
| (1) | Name _____       | Address _____                      |
|     | E-mail ID: _____ | Signature _____ or failing him/her |
| (2) | Name _____       | Address _____                      |
|     | E-mail ID: _____ | Signature _____ or failing him/her |
| (3) | Name _____       | Address _____                      |
|     | E-mail ID: _____ | Signature _____                    |

as my / our proxy to attend vote (on a poll) for me / us and on my / our behalf at the **53<sup>rd</sup> ANNUAL GENERAL MEETING** of the Company to be held on Thursday, the 29th September, 2016 at 11.00 a.m. in the premises of the Company at the Registered office: 'Khanij Bhavan', 132<sup>nd</sup> Ring Road, University Ground, Vastrapur, Ahmedabad-52 and at any adjournment thereof in respect of such Resolutions as are indicated below.

Resolution No.	Resolutions	Optional*	
		For	Against
<b>Ordinary Business</b>			
1.	To receive, consider and adopt the financial statements (standalone & consolidated) for the year ended on March 31, 2016, including the Balance Sheet, Profit and Loss Statement and Cash Flow Statement as at that date together with the Report of the Board of Directors and Auditors thereon.		
2.	Declaration of Dividend on Equity Shares.		
3.	To fix up the remuneration of Statutory Auditors for the year 2016-2017.		
<b>Special Business</b>			
4.	Appointment of Prof. Shailesh Gandhi, as an Independent Director.		
5.	To ratify the remuneration of Cost Auditors.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016

Member's Folio / DP ID - Client ID No. \_\_\_\_\_

Signature of Shareholder(s) \_\_\_\_\_

Signature of Proxy holder(s) \_\_\_\_\_

Affix  
Revenue  
Stamp  
₹ 1/-

- Note: 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.  
2. For the Resolutions, Explanatory Statement and Notes, Please refer to the Notice of the 53<sup>rd</sup> Annual General Meeting.  
\*3. It is optional to put 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he / she thinks appropriate.  
4. Please complete all details including details of Member(s) in above box before submission.



**GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.**  
Khanij Bhavan", 132 Ft. Ring Road, Near University Ground, Vastrapur, Ahmedabad-52  
Phone : 2791 0665 / 2791 1662 / 2791 3200 / 2791 3201 TeleFax : 079 - 2791 1151  
E-mail : cosec@gmdcltd.com, website : www.gmdcltd.com

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 : \_\_\_\_\_

SHAREHOLDER'S SIGNATURE : \_\_\_\_\_

DATE : \_\_\_\_\_

PLACE : \_\_\_\_\_

NOTE : ECS MANDATE FORM TO BE FILLED BY THE SHAREHOLDER HOLDING PHYSICAL SHARES AND RETURN TO THE COMPANY OR REGISTRAR FOR REGISTRATION.









**BY COURIER**

**To,**



**GUJARAT  
MINERAL  
DEVELOPMENT  
CORPORATION  
LIMITED**

**(A GOVT. OF GUJARAT ENTERPRISE)**

**Registered Office :**

“Khanij Bhavan” 132 Feet Ring Road,

Near University Ground, Vastrapur, Ahmedabad - 380 052.

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

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

E-Mail : [Contact@gmdcltd.com](mailto:Contact@gmdcltd.com)

Website : [www.gmdcltd.com](http://www.gmdcltd.com)

CIN No. : L14100GJ1963SGC001206