

BOARD OF DIRECTORS

CHAIRMAN

Shri M S Sahu, IAS

MANAGING DIRECTOR

Smt. V.L. Joshi, IAS

COMPANY SECRETARY

Shri Joel Evans

AUDITORS

R.S. Patel & Co.,
Chartered Accountants

REGISTERED OFFICE

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

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

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

E-Mail : contact@gmdcltd.com

Website : www.gmdcltd.com

DIRECTORS

Shri Tapan Ray, IAS

Shri Raj Gopal, IAS (upto 4-4-2009)

Shri Vinay Vyasa, IAS (w.e.f. 4-4-2009)

ADDITIONAL DIRECTOR

Shri Bhadresh Mehta (w.e.f. 21-10-2008)

BANKERS

Bank of Baroda

Dena Bank

Vijaya Bank

Axis Bank Ltd.

HDFC Bank Ltd.

PROJECTS:

Lignite Projects

Panandhro (Dist. Kutch)

Rajpardi (Dist. Bharuch)

Tadkeshwar (Dist. Surat)

Mata-No-Madh (Dist. Kutch)

Bhavnagar (Dist. Bhavnagar)

Fluorspar Project

Kadipani (Dist. Baroda)

Bauxite Projects

Ratadia (Dist. Kutch)

Bhatia (Dist. Jamnagar)

Calcination Project

Gadhsisa (Dist. Kutch)

Multi-Metal Project

Ambaji (Dist. Banaskantha)

Manganese Project

Shivrajpur (Dist. Panchmahal)

Power Project

Nani Chher (Dist. Kutch)

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AGM DATE, DAY, TIME & VENUE

Date of AGM	: 29-09-2009
Day	: Tuesday
Time	: 11.00 a.m.
Venue	: Registered Office of the Company Khanij Bhavan Off: 132 Ft. Ring Road Near University Ground Vastrapur, Ahmedabad-380 052

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

M/s. MCS Limited

101, Shatdal Complex, 1st floor

Opp: Bata Show Room

Ashram Road

Ahmedabad – 380 009

Tel. 26582878

Fax: (079) 26581296

FINANCIAL RESULTS



GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

Sr.	Particulars	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01	1999-00
(A) Profit & Loss Account											
(Rs. In lacs)											
1.	Total Sales	98,121.21	98,105.54	58,895.65	43,374.08	36,925.50	27,295.60	29,275.01	25,256.58	21,789.94	18,892.05
2.	Profit before tax	36,990.48	40,839.48	16,775.22	6,669.12	16,799.15	12,046.25	13,052.92	10,978.86	10,879.88	7,180.10
3.	Interest	5,390.84	7,024.77	7,370.52	5,054.94	20.34	88.56	113.93	164.19	91.54	81.14
4.	Depreciation	7,777.77	9,553.69	12,932.05	13,034.02	804.22	1,133.37	1,262.56	2,116.62	2,776.20	2,860.39
5.	Provision for tax	13,359.87	14,446.38	5,907.38	2,494.48	6,478.03	3,950.57	4,561.87	4,360.58	4,891.92	3,423.45
6.	Profit after tax	23,630.61	26,393.10	10,867.85	4,174.64	10,321.13	8,095.59	8,473.39	6,618.46	5,874.69	3,774.71
7.	Short/Excess provision of tax of earlier years	488.85	-	1,420.48	649.31	20.33	0.08	17.66	0.18	113.27	18.07
8.	Net Profit after short/excess tax Provision of earlier years	23,141.76	26,393.10	9,447.37	3,525.33	10,341.46	8,095.51	8,491.05	6,618.28	5,987.96	3,756.64
9.	Balance of profit of last year	4,739.10	2,066.44	1,339.52	2,989.78	1,461.33	1,980.17	2,103.47	1,757.19	2,346.19	2,141.39
10.	Profit available for appropriation	27,880.86	28,459.54	10,786.89	6,515.11	11,802.79	10,075.68	10,594.52	8,375.47	8,334.15	5,898.03
11.	Dividend in %	100.00	100.00	100.00	60.00	50.00	45.00	45.00	40.00	45.00	40.00
12.	Dividend in Rupees	6,360.00	3,180.00	3,180.00	1,908.00	1,590.00	1,431.00	1,431.00	1,272.00	1,431.00	1,272.00
(B) Balance Sheet											
1.	Share Capital	6,360.00	3,180.00	3,180.00	3,180.00	3,180.00	3,180.00	3,180.00	3,180.00	3,180.00	3,180.00
2.	Reserves & Surplus	1,15,510.61	102,989.73	80,693.28	74,966.36	73,616.63	65,088.77	58,607.00	51,730.30	47,537.99	43,225.36
3.	Gross Fixed Assets	1,88,640.64	184,653.41	179,178.43	171,358.45	92,749.45	37,249.35	36,937.07	36,335.47	35,008.23	35,223.74
4.	Net Fixed Assets	1,30,820.45	134,283.09	137,135.55	136,496.96	70,877.57	7,055.98	7,825.87	8,459.20	8,046.77	10,473.35
5.	Current Assets	1,50,108.13	135,104.82	115,401.80	108,466.19	59,790.43	44,423.45	43,164.17	34,480.09	60,957.07	63,489.88
6.	Current Liabilities	95,387.21	82,782.69	67,659.48	63,101.47	21,546.83	19,635.83	21,906.55	12,184.29	3,945.18	4,956.74
7.	Capital Employed	1,85,736.39	187,945.97	188,169.08	186,376.29	1,80,521.34	1,37,391.26	1,05,200.96	63,635.94	44,134.76	37,812.11
8.	Net worth	1,20,769.80	105,847.65	80,319.15	74,446.76	73,713.62	66,141.06	60,558.49	53,550.24	49,579.60	45,300.51
(C) Financial Ratios											
1.	% of Net Profit										
	On Sales	24.08	26.90	18.45	9.57	27.95	29.66	28.94	26.20	26.96	19.98
	On Gross Fixed Assets	12.53	14.29	6.07	2.44	11.13	21.73	23.31	18.21	16.78	10.72
	On Capital Employed	12.72	14.04	5.78	2.24	5.72	5.89	8.06	10.40	13.31	9.98
	On Net Worth	19.57	24.93	13.53	5.61	14.00	12.24	13.99	12.36	11.85	8.33
	On Share Capital	371.55	829.97	341.76	131.28	324.56	254.58	266.45	208.13	184.74	118.70
2.	Debt/Equity Ratio	0.39	0.63	1.14	1.39	1.45	1.16	0.84	0.33	0.03	0.00

NOTICE

Notice is hereby given that the 46th Annual General Meeting of the Shareholders of 'Gujarat Mineral Development Corporation Limited' will be held on Tuesday, 29th September, 2009 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 business :

ORDINARY BUSINESS :

- Item No. 1.** To receive, consider and adopt the 'Profit & Loss Account' of the Company for the year ended 31st March, 2009 and the 'Balance Sheet' as on that date and the Report of the Board-of-Directors and Auditors thereon.
- Item No. 2.** To declare dividend on Equity Shares for the year ended 31st March, 2009.
- Item No. 3.** To fix up the remuneration of Statutory Auditors for the year 2009-10 to be appointed by the Comptroller & Auditor General of India.

SPECIAL BUSINESSES :

- Item No. 4** To appoint Shri Bhadresh Mehta, Additional Director as Director who was appointed as an Additional Director by the Board of Directors pursuant to Section 260 of the Companies Act, 1956 and holds office upto this Annual General Meeting and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution :

"RESOLVED THAT Shri Bhadresh Mehta be and is hereby appointed as a Director on the Board of Directors of the Company whose period of office shall be liable to determination by retirement of Directors by rotations pursuant to the provisions of Sections 255 and 265 of the Companies Act, 1956."

By Order of the Board-of-Directors

Joel Evans

Company Secretary

Date : 28.5.2009

Place : Ahmedabad.

Registered Office :

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

NOTES:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxies in order to be effective shall be deposited at the Registered Office of the Corporation, not less than 48 hours before the commencement of the meeting.
2. The 'Members Register' and the 'Share Transfer Book' of the Company shall remain closed from 21.9.09 to 29.9.09. (both dates inclusive).
3. The Dividend declared by the Company will be paid within 30 days from the date of the meeting to those Shareholders whose names appear on the 'Members Register' of the Company on 20.9.09. The Shareholders are advised to encash their Dividend Warrants during their original validity period. Thereafter, payment of the dividend shall be made by cheques payable on the Company's Bankers at Ahmedabad. The Shareholders are advised to get merged/consolidated their multiple folios held in the same names and in the same order.
4. Relevancy of questions and the order of speaker at the meeting will be decided by the Chairman.
5. Members are requested to give full particulars of their Bank Account details for safe payment of dividend.
6. Members are requested to notify immediately any change of address to their Depository Participants (DPs) in respect of their holdings in electronic form and to M/s. MCS Limited, 101, Shatdal Complex, Opp. Bata Show Room, Ahmedabad-9 in respect of their physical share folios, if any.
7. Members desiring any information about accounts at the meeting, are requested to write to the Company at least seven days in advance of the Annual General Meeting.
8. Members / Proxies are requested to bring a copy of their Annual Report and are also requested to produce the Attendance Slip at the entrance of the Meeting Hall.
9. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956 dividends for the financial year ended 31st March, 2002 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



GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

financial year ended 31st March, 2002 or any subsequent financial years are requested to make their claim to M/s. MCS Limited, Ahmedabad,. Shareholders are requested to note that no claims shall lie against the said Fund or the Company in respect of any amounts which were unclaimed and unpaid for a period of seven years from the dates that they first became due for payment and no payment shall be made in respect of any such claims.

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

Sr No.	Year	Date of declaration	Due Date of transfer
1.	2001-2002	30-09-2002	30-09-2009
2.	2002-2003	29-09-2003	29-09-2010
3.	2003-2004	30-09-2004	30-09-2011
4.	2004-2005	30-09-2005	30-09-2012
5.	2005-2006	22-12-2006	22-12-2013
6.	2006-2007	29-09-2007	29-09-2014
7.	2007-2008	11-09-2008	11-09-2015

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

Date : 28.5.2009

Place : Ahmedabad.

Registered Office :

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

Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956

Item No. 4

During the year, your directors appointed Shri Bhadresh Mehta as Additional Director on the Board of the Company Shri Bhadresh Mehta is an independent Director. As per the provisions of the Companies Act, 1956, Shri Bhadresh Mehta holds office upto the date of this annual general meeting. The Company has received a notice in writing under Section 257 of the Act from a Member signifying his intention to propose the appointment of Shri Bhadresh Mehta. Shri Mehta holds professionally qualified senior managerial experience with a proven success of over 20 years in steering finance and audit functions of reputed business groups. It is considered desirable that the Company should continue to avail the services of Shri Bhadresh Mehta and accordingly your directors recommend the appointment of Shri Bhadresh Mehta as rotational Director pursuant to Sections 255 and 256 of the Act, the resolution at Item No. 4 of the Notice for your approval.

None of the Directors except Shri Bhadresh Mehta is interested in the resolution and the Directors recommend the adoption of the proposed resolution.

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

Date : 28.5.2009

Place : Ahmedabad.

Registered Office :

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

DETAIL OF DIRECTOR SEEKING APPOINTMENT BY THE SHAREHOLDERS OF THE COMPANY AT THE ENSUING ANNUAL GENERAL MEETING (IN PURSUANCE OF CLAUSE 49 OF THE LISTING AGREEMENT)

Name of the Director	Shri Bhadresh Mehta
Date of Birth	23.2.1960
Date of appointment as Additional Director of GMDC	21.10.2008
Qualification	Chartered Accountant Company Secretary Cost Accountant
Nature of Expertise / Experience	He holds professionally qualified senior managerial experience with a proven success of over 20 years in steering finance and audit functions of reputed business groups. His areas of specialization are strategic planning, financial management, auditing, risk assessment and management.
Names of other Companies in which Directorship is held	NIL
Names of the Committees of the Board of Companies in which Membership / Chairmanship is held	GMDC 1. Audit Committee - Chairman 2. Tender Committee - Chairman

DIRECTORS' REPORT

To
The Shareholders,
Gujarat Mineral Development Corporation Limited

Your Directors have pleasure in presenting 46th Annual Report along with the audited accounts of your Company for the financial year 2008-2009. Our profit after tax for the year is Rs. 23,630.61 lacs as against Rs. 26,393.10 lacs last year.

Financial Results	2008-09	2007-08
	(Rs. in lacs)	(Rs. in lacs)
Operating profit	50,159.09	57,417.94
Less: Interest	5,390.84	7,024.77
Profit after interest, but Before depreciation	44,768.25	50,393.17
Less: Depreciation	7,777.77	9,553.69
Profit for the year before tax	36,990.48	40,839.48
Less: Provision for tax for the year including deferred tax and fringe benefit tax	13,359.87	14,446.38
Net profit after tax	23,630.61	26,393.10
Less: Short provision of deferred tax liability (net)	488.85	—
Add: Balance of profit brought forward	4,739.10	2,066.44
Profit available for appropriation	27,880.86	28,459.54
Less: Appropriation		
(i) Proposed Dividend	6,360.00	3,180.00
(ii) Corporate tax on dividend	1,080.88	540.44
(iii) General Reserve	7,500.00	20,000.00
Balance carried to Balance Sheet	12,939.98	4,739.10

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (1) in the preparation of the accounts for the financial year ended 31st March, 2009, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- (2) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.
- (3) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for

preventing and detecting fraud and other irregularities.

- (4) the Directors have prepared the accounts for the financial year ended 31st March, 2009 on a going concern basis.

DIVIDEND

Your Directors have pleasure to recommend a dividend of 100% on equity shares i.e. Rs. 2 per share. An amount of Rs. 6,360.00 lacs on equity share capital shall be paid as dividend.

CONTRIBUTION TO STATE EXCHEQUER:

The Corporation has contributed to the State Exchequer an amount of Rs. 22,585.12 lacs including Royalty of Rs. 5,566.74 lacs and Sales Tax of Rs. 17,018.38 lacs.

SHARE CAPITAL

During the year under review the issued, subscribed and paid-up share capital was increased to Rs. 6,360 lacs divided into 3,180 lacs equity shares of Rs.2 each.

FINANCE AND TAXATION

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

REVIEW OF THE OPERATIONS

LIGNITE PROJECT, PANANDHRO (DIST. KUTCH)

During the period under review, from May, 2008, the merchant sale of lignite from this Mines was stopped and the lignite reserves were exclusively reserved for supply to two power plants in this region, one belonging to Gujarat State Electricity Corporation Ltd. and the other belonging to your company at Akri Mota. During the year under review, this Project produced 36.18 lac MT of lignite

LIGNITE PROJECT, RAJPARDI (DIST. BHARUCH)

During the year under report, this mine produced 9.69 lac MT of lignite which is higher by 5.79 lac MT as compared to previous year's production.

LIGNITE PROJECT, MATA-NO-MADH (DIST. KUTCH)

During the period 2008-09, the mine produced 22.11 lac MT, which is higher by 15.47 lac MT as compared to previous year's production.

TADKESHWAR LIGNITE PROJECT (DIST. SURAT)

During the year under review, the mine produced 9.25 lac MT of lignite which is higher by 1.46 lac MT as compared to previous year's production.



GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

BHAVNAGAR LIGNITE PROJECT [DIST. BHAVNAGAR]

Looking to ever increasing demand of lignite, this mine has been planned for operation with production capacity of 3 Million Tonnes of lignite per year. From December, 2008, lignite production was commenced from this project.

PRICE REVISION OF LIGNITE

During the year under report, due to global recessionary trends in the market coupled with dumping of imported coal, it had become necessary to reduce the basic sale price for various grades of lignite produced at different mines to withstand market conditions. In this scenario, the basic selling price of lignite was reduced for the Small and Medium Scale Enterprises for a period of six months i.e. from 1.2.2009 to 31.7.2009.

FLUORSPAR PROJECT, KADIPANI (DIST. VADODARA)

Your directors are happy to inform that during the year under review, the production of fluorspar and other products from this project was of 6901 MT concentrate.

CALCINED BAUXITE PROJECT, GADHSISA

During the period under review, this project produced 41700 MT of calcined bauxite. This was highest ever production at this plant.

POWER PROJECT, NANI – CHHER [DIST. KUTCH]

During the year 2008-09 total generation at Akrimota Thermal Power Station was 1105.726 MUS. During 2008-09, the Power Project earned a revenue of Rs. 182.88 crores.

MANGANESE PROJECT, SHIVRAJPUR

GMDC has been granted Work Permit by Govt. of Gujarat for lifting of Manganese Waste Dump from Shivrajpur in Dist. Panchmahal. It has been planned to set up beneficiation plant and Manganese Oxide plant and other value addition projects like EMD and Ferro Manganese projects will be set up in private partnership.

MULTI METAL PROJECT, AMBAJI

Environment Clearance has been received from the Ministry of Environment and Forests, Govt. of India, New Delhi for setting up 2000 TPDC Beneficiation plant. Further discussion to establish beneficiation plant in Joint Venture with M/s Binani Industries Ltd and M/s Rajasthan State Mines and Minerals are under progress. The equity participation of GMDC would be 26%. The project is to be completed by 2012.

NEW PROJECTS AND SCHEMES OF THE CORPORATION

FUTURE LIGNITE MINES

Mining of lignite has been the core competence of your company since inception. Keeping the high growth trajectory, your company plans to commence Umarsar Lignite Mines, Kutch having an estimated lignite reserves of 22 Million Tonnes,

Lakhpat Dhedadi Lignite and Limestone Mine, Kutch having an estimated reserves of 50 Million Tonnes and Damlai Padal Lignite Mine, Bharuch, having an estimated reserves of 19 Million Tonnes.

500 MW POWER PLANT IN BHAVNAGAR DISTRICT

Your company, alongwith other seven Gujarat State PSUs, has promoted Bhavnagar Energy Co. Ltd. to set up 500 MW Power Plant in Bhavnagar District. The mining lease would be in the name of Bhavnagar Energy Co. Ltd. and lignite mining would be carried out by your company as Mine Operator. The equity participation by GMDC is 16%.

1750 MW POWER PROJECT BASED ON MORGA-II COAL BLOCK

Corporation has been allotted Morga-II Coal Block in Chhatisgarh by Ministry of Coal, Govt. of India. GMDC has executed Fuel Supply Agreement with M/s. KSK Energy Ventures Pvt. Ltd. for supply of 7 Million Tonnes per annum of coal for production of 1750 MW Power. The equity participation of GMDC would be 26%. The expected commencement of the power project is 2013-2014.

DEVELOPMENT OF NAINI COAL BLOCK

Company has been allotted Naini Coal Block in Orissa by Ministry of Coal, Govt. of India. The Coal Block contains an estimated coal reserve of 250 Million Tonnes. The planned production from this coal block is 7 Million Tonnes per annum. The Government of Gujarat has in recent past allocated supply of coal from this coal block and as per the directive, 50% of the coal would be supplied to M/s Torrent and rest 50% would be supplied to M/s. Adani for usage in their respective power plants. The power project is expected to commence by 2013-14.

REFRACTORIES

Your company has entered into an MoU with M/s Tata Refractories Ltd. and M/s Meena Agency Pvt. Ltd. to manufacture Refractories and Monolithics (castables) and other value added products. The total estimated cost of the project would be Rs. 105 crores. This project would result into value addition of 1 Million Tonne of High Grade Bauxite which would be four to five times. The equity participation of GMDC would be 26%.

ALUMINA PLANT

The State of Gujarat is bestowed with bauxite reserves of 137 Million Tonnes. In order to exploit these vast bauxite reserves, your company has executed MoUs for setting up 2 Alumina Plants one in Kutch and the other in Saurashtra region. Each plant would be of 1 Million Tonne capacity.

80 MW CAPTIVE POWER PLANT BASED ON LIGNITE FROM TADKESHWAR MINES

Corporation has executed an MOU with M/s. Gokul Refoils & Solvents Ltd. for setting up of 80 MW captive power plant

based on lignite from Tadkeshwar mine of GMDC and Shareholders' Agreement has been signed with the party after receipt of Government approval. The equity participation of GMDC would be 26%.

WIND POWER

Your directors are pleased to inform you that during the period under review, the Corporation has in principle decided to enter into power generation by harnessing wind energy in Kutch region and decided to install wind farm of 19.5 MW capacity at an estimated cost of Rs. 118 crores. This project would also entitle your company to enjoy special tax benefits as well as Carbon Credits under the Kyoto Protocol.

UNDER GROUND COAL GASIFICATION

In order to utilize the dip seated lignite which can not be mined through traditional mining technology, your company has entered into an MoU with M/s Reliance Industries Limited to set up an Under Ground Coal Gasification Project. The project proposes to employ innovative gasification technology and would provide energy security for the State of Gujarat.

NEW MOUs

During the year under report, your company entered into Memorandum of Understanding with the following parties during Vibrant Gujarat Global Investors' Summit 2009.

Sr. No.	Project	Prospective entrepreneur with whom MOU was executed
1	Integrated Coke Oven Plant	Sunflag Iron and Steel Co. Ltd., New Delhi
2		BLA Coke Pvt. Ltd., Mumbai
3		Saurashtra Fuels (P) Ltd., Ahmedabad.
4		Hindustan Dorr-Oliver Ltd., Mumbai
5	Coal Washery	Aryan Coal Beneficiation, Gurgaon
6		Adani Enterprise Ltd., Ahmedabad
7	Fluorspar Exploration and Beneficiation	Gujarat Fluorochemicals Ltd., Noida
8		Navin Fluorine International Ltd., Mumbai
9	Speciality Aluminium Chemicals	Alumina Refinery Pvt. Ltd., Mumbai
10	Silica Sand Beneficiation	Asahi India Glass Ltd., New Delhi
11	Brown Fused Alumina / Tubular Alumina	Carborundum Universal Ltd., Chennai
12		Orient Abrasives Ltd., New Delhi
13	Mining of coal at Mozambique	Rachana Global LDA, Mozambique
14	2.6 million tonnes/year cement plant at Sinapar	Gujarat Jaypee Cement & Infrastructure Ltd.

ENVIRONMENT PROGRAM

Company has obtained Environment Clearance for Ambadunagar Fluorspar Mines at Kadipani in 32 ha. area. Company has also obtained Terms of Reference for preparation of Environment impact Assessment report for new lignite lease at Umarsar, for Mewasa Bauxite mine, for expansion capacity of Amod, Tadkeshwar, Mata No Madh lignite mines, and for modernization and expansion capacity of Beneficiation Plant at Kadipani.

The public hearing for Umarsar based on EIA has been held and proposal has been submitted to MoEF for Environment Clearance.

Kutch being water scare, Company has started use of drip irrigation in afforestation programme. GMDC has taken up plantation through State Forest Department on 100 ha virgin area outside Akrimota Thermal power Plant, 57 ha. area in ATPP premises, 100 ha. in Bauxite group of mines, 50 ha. in Mata No Madh lignite mine and 25 ha. on the roadside linking ATPP with Panandhro mine.

For control of pollution and Environmental protection, your Company is following an effective environment management system at all its projects with regular water sprinkling for dust suppression and Sewage & Effluent Treatment Plants for the control of water pollution. In addition to above, we have intensified our environmental protection measures by way of reclamation of mined out area by backfilling and afforestation on them, overburden dump on virgin area and roadside, departmentally as well as through Forest Department. Company has its own environmental department at Corporate Office headed by Chief General Manager. Your Company is regularly monitoring polluting parameters internally as well as through external agencies.

Environment audit is conducted by an external agency recognized by the Gujarat Pollution Control Board regularly and we have submitted reports to GPCB.

INDUSTRIAL RELATIONS, HEALTH AND SAFETY

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

1. Well equipped and staffed dispensaries at Panandhro, Rajpardi, Kadipani and at Akrimota Power Projects.
2. Ambulance Vans to Taluka Panchayats of Kutch.
3. Two (2) Mobile dispensaries visiting all villages of Lakhpat Taluka twice every week.
4. Potable drinking water by Tankers to villages surrounding Panandhro and Rajpardi mines.



GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

5. Uniform, ISI & DGMS approved safety shoes helmets and all safety devices as per the provisions of the Mines Act.

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

Additional information on conservation of energy, technology absorption, foreign exchange earnings and outgo as required by the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 is annexed as Annexure-1 and forms part of this report.

PARTICULARS OF EMPLOYEES

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

INTERNAL AUDIT OF THE COMPANY

M/s. D.V. Shah & Associates, Chartered Accountants were appointed as Internal Auditor of the Company for the year 2008-2009.

APPOINTMENT OF AUDITORS

M/s. R S Patel & Co., Chartered Accountants were appointed Statutory Auditors of the Company by the Comptroller & Auditor General of India for the year 2008-09. The views of the management on the remarks on the Auditors' Report are given in the Annexure-II.

COST AUDIT

M/s N D Birla & Co were appointed as Cost Auditors in respect of Akrimota Thermal Power Station for the year 2008-09.

BOARD-OF-DIRECTORS

During the year, Shri Bhadresh Mehta was appointed as Additional Director and Shri Maheshwar Sahu, IAS was appointed as Director and Chairman vice Smt Gauri Kumar, IAS.

After the end of the financial year, Shri Vinay Vyasa, IAS, Commissioner of Geology and Mining has been appointed as Director vice Shri Raj Gopal, IAS.

CORPORATE GOVERNANCE

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

ACKNOWLEDGEMENT

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

For and on behalf of the Board-of-Directors

Place : Gandhinagar
Date : 6.8.2009

Maheshwar Sahu
Chairman

ANNEXURE : I

FORM – A

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

A. Conservation of Energy

(a) Energy Conservation Measures taken

Procurement of energy efficient Air Conditioners for plant Installation of lighting energy saver system at ATPS

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

NIL

(c) Impact of the above measures

The above measures would results in Energy Saving.

B. Technology absorption

The disclosure is made in the prescribed Form B.

C. Foreign Exchange Earnings and outgo NIL

FORM B

DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION RESEARCH AND DEVELOPMENT

Research and Development

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

Research & Development (R&D)

1. Specific Areas in which R & D carried out by Company

NIL

2. Benefits derived as a result of above R & D NIL

3. Future Plan of Action

- (a) Value addition of low grade manganese mineral
- (b) Development of deep seated lignite and coal deposit through Underground Coal Gasification method
- (c) Laterite and low alumina content bauxite value addition study to make suitable for use in proposed alumina projects has been entrusted to Jawaharlal Nehru Aluminium Research Institute, Nagpur
- (d) Value addition to Rajparda silica sand.
- (e) Value addition of various clays available in Gujarat for industrial and ceramic application including possibility to manufacture Nano-clays
- (f) Study of selecting suitable grass species for stabilization and reclamation on dump slopes.
- (g) Amelioration of soil for suitable plantation on back filling areas.

Technology absorption, adaptation and innovation

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

- (a) Initiation of ERP project
- (b) Proposal to install a 19.5 MW in wind energy

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

- (a) ERP project would computerize entire operations of the Company by employing state of the art computer technology available for mining and power industry.
- (b) Availability of clean energy and benefits of special tax exemptions and carbon credits.

ANNEXURE : II

Views of the Management on the remarks of the Statutory Auditors in respect of the Accounts of the Company for the year 2008-09.

Item No.	Remarks of the Statutory Auditors	Views of the Management
1.	In respect of its fixed assets :	We have already entrusted the work of reconciliation of fixed assets records of the Head Office with the project records. The Work is in progress and necessary adjustments wherever required shall be made after reconciliation and verification.
a.	The Company has maintained records showing full particulars including quantitative details and situation of fixed assets project wise except depreciation. However records relating to quantitative details and situation of fixed assets maintained at Head Office are not reconciled with the record maintained at Projects.	
b.	The fixed assets were physically verified during the year by the firm of Chartered Accountants. However, discrepancies noticed between physical quantity of fixed assets and quantity as per registers are not reconciled.	



CORPORATE GOVERNANCE REPORT

MANDATORY REQUIREMENTS

Company's philosophy on Code of Governance

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

BOARD-OF-DIRECTORS

Composition

The composition of the Board-of-Directors as on 31.3.2009 is detailed below :

Sr. No.	Name of the Directors	Designation	Category	No. of outside Directorship held	No. of Chairmanship in the Committees of Board	No. of membership in the Committees of Board
1.	Shri M S Sahu, IAS (From 18-3-09)	Chairman	Non-Executive	3	0	0
2.	Smt. V.L. Joshi, IAS	MD	Executive	7	1	0
3.	Shri Tapan Ray, IAS	Director	Non-Executive	11	1	3
4.	Shri Raj Gopal, IAS	Director	Non-Executive	-	0	0
5.	Shri Bhadresh Mehta (From 21-10-08)	Addl Director	Non-Executive Independent	-	0	0

Notes :

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

Shareholding by Directors

Name of the Director	No. of Shares
M S Sahu, IAS	10000

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

Ten meetings of the Board-of-Directors were held during the year i.e. on 3.4.2008, 21.5.2008, 11.06.2008,

30.7.2008, 12.8.2008, 24.9.2008, 24.10.2008, 20.12.2008, 29.1.2009 and 25.3.2009 .

The attendance of each Director at the Board Meetings held during the year and at the last Annual General Meeting held on 11th September, 2008 and the adjourned Annual General Meeting held on 24th September, 2008 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.	Smt Gauri Kumar, IAS (From 19.6.2008 to 18.3.2009)	8	6	Yes
2.	Shri M S Sahu, IAS Chairman (From 18.3.2009)	1	1	NA
2.	Smt. V.L. Joshi , IAS	10	10	Yes
3.	Shri Tapan Ray, IAS	10	10	Yes
4.	Shri Raj Gopal, IAS	9	7	Yes
5.	Shri Bhadresh Mehta	3	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.

COMMITTEES OF THE BOARD

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

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

Audit Committee

The Company has constituted an Audit Committee of the Directors consisting of three Directors, who have adequate financial and accounting knowledge. The Audit

Committee is headed by an independent director. The Audit Committee met four times during the Financial Year 2008-09 to discuss *inter alia* the Auditors' Report, adequacy of internal control / internal audit system and functions, to review the unaudited quarterly financial results etc on 11.6.2008, 30.7.2008, 24.10.2008 and 29.1.2009. The number of meetings of Audit Committee and attendance of members at these meetings are stated as under :

Sr. No.	Name of the Directors	Meeting held during tenure	Attended
1.	Shri Tapan Ray, IAS	4	4
2.	Shri Bhadresh Mehta (From 21.10.2008)	2	1
3.	Shri Raj Gopal, IAS	4	4

The Company Secretary acts as Secretary to the Audit Committee.

Terms of Reference of the Audit Committee

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

Remuneration Committee

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

Shareholders' / Investors' Grievance Committee

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

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

1. Smt Gauri Kumar, IAS - Chairperson
2. Shri Raj Gopal, IAS - Member

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

Period	Complaints Received	Complaints Redressed
01-04-2008 to 30-06-2008	31	31
01-07-2008 to 30-09-2008	17	17
01-10-2008 to 31-12-2008	51	49*
01-01-2009 to 31-03-2009	58	58
Total	157	155

* Since resolved.

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

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

Share Transfer Committee

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

1. Smt. V.L. Joshi, IAS - Chairperson
2. Shri Raj Gopal, IAS - Member

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

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

Dematerialisation of Shares

Consequent upon the compulsory demat of the equity shares of the Company as notified by SEBI, as on 31.3.2009 about 98.54% of the equity capital offered to the public is in Demat Form.

General Body Meetings

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



GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

Year	Date	Time	Venue
2005-06	22.12.2006	11.00 AM	Registered Office of the Company, at Khanij Bhavan, 132' Ring Road, Near University Ground, Vastrapur, Ahmedabad – 380 052
2006-07	29.09.2007	11.00 AM	Registered Office of the Company, at Khanij Bhavan, 132' Ring Road, Near University Ground, Vastrapur, Ahmedabad – 380 052
2007-08	11.09.2008 24.09.2008 (adjourned AGM)	11.00 AM 4.00 PM	Registered Office of the Company, at Khanij Bhavan, 132' Ring Road, Near University Ground, Vastrapur, Ahmedabad – 380 052

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

Sr No.	Year	Subject
1	2007-2008	Alteration in Capital Clause of Memorandum of Association
2	2007-2008	To amend Article 115 of Articles of Association of the Company
3	2006-2007	To amend the Capital Clause of Memorandum of Association of the Company
4	2005-2006	To delist equity shares of GMDC Ltd.

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

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

Disclosures :

- (a) The Company has no materially significant related party transaction i.e. transactions that may have potential conflicts with the interest of the Company of that may have potential conflicts with the interests of the Company at large with its promoters, the Directors or the management, their subsidiaries or relatives etc. For details, about related parties transactions, see Note No. 20 of Note-on-Accounts.
- (b) There were no instances of non-compliance by the Company or penalties imposed on the Company by the Stock Exchange/(s) or SEBI or any statutory authority, on any nature related to Capital Markets during the last three years.
- (c) In the preparation of financial statements, there is no treatment different from that prescribed in accounting standards.
- (d) The company has integrated approach to manage the risk inherent in the various aspects of business.

Code of Conduct

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

All the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct during 2008-09. A declaration by the Managing Director to this effect is provided at Annexure A which forms part of the company's Annual Report 2008-09.

Means of Communication :

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

CEO / CFO Certificate

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

Compliance

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

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

Date of AGM	: 29th September, 2009
Day	: Tuesday
Time	: 11.00 am
Venue	: Registered Office of the Company Khanij Bhavan Off: 132 Ft. Ring Road Near University Ground Vastrapur, Ahmedabad-380052

Financial Calendar (tentative)

Period	Tentative Dates
1 st quarter results ending 30 th June	31.07.2009
2 nd quarter results ending 30 th September	31.10.2009
3 rd quarter results ending 31 st December	31.01.2010
4 th quarter results ending 31 st March	30.04.2010

Date of 'Book Closure'

The Register-of-Members and the Share Transfer Register of the Company would remain closed from 21.9.09 to 29.9.09 (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.

Dividend payment date

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

Listing of shares

The equity shares of the company are listed on the Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. The Listing Fee has been paid to NSE & BSE up to the year 2009-2010.

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

Stock Market Data

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

Month	National Stock Exchange			CNX NIFTY
	High	Low	Closing*	Closing*
April, 2008	352.00	260.05	321.35	5165.90
May, 2008	346.030	252.00	264.80	4870.10
June, 2008	324.00	235.00	249.15	4040.55
July, 2008	271.50	219.95	252.65	4332.95
August, 2008	284.95	242.55	248.15	4360.00
September, 2008	248.60	120.25	141.70	3921.20
October, 2008	148.10	37.15	49.20	2885.60
November, 2008	54.00	26.15	26.65	2755.10
December, 2008	50.45	25.10	42.50	2959.15
January, 2009	54.70	36.60	41.10	2874.80
February, 2009	42.80	35.50	35.75	2763.65
March, 2009	42.85	31.00	39.55	3020.95

*at the end of the month

Registrar and Transfer Agent (For physical & Demat)

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

Share Transfer System

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

Shareholding Pattern

The pattern of equity share holding of the Company as on 31st March, 2009 was as under:

Category	No. of Shares	% to total
Govt. of Gujarat	235320000	74.00
Mutual Funds	36238730	11.40
Financial Institutions/Banks	158782	0.05
Insurance Companies	3032000	0.95
Foreign Institutions/Investors	1202067	0.38
Bodies Corporate	12918575	4.06
Individuals	26406031	8.30
Others	2723815	0.86
Total.....	318000000	100.00

Distribution of Shareholding as on 31.3.2009

Shareholding of nominal value of Rs.	Shareholders		No. of Shares	Share amount	
	Rs.	Number of Shareholders		(in Rs.)	% to total
(1)	(2)	(3)	(4)	(5)	(6)
Upto - 5,000	66980	88.29	8735246	17470492	2.75
5,001 - 10,000	4623	6.09	3799920	7599840	1.19
10,001 - 20,000	2180	2.87	3467631	6935262	1.09
20,001 - 30,000	650	0.86	1699662	3399324	0.53
30,001 - 40,000	327	0.43	1194330	2388660	0.38
40,001 - 50,000	293	0.39	1390420	2780840	0.44
50,001 - 1,00,000	415	0.56	3065518	6131036	0.96
100001 - 5,00,000	292	0.38	5686741	11373482	1.79
5,00,000 - 10,00,000	32	0.04	2350519	4701038	0.74
10,00,001 and above	67	0.09	286610013	573220026	90.13
Total...	75859	100.00	318000000	636000000	100.00



GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

PROJECT LOCATIONS :

Lignite Projects	Panandhro (Dist. Kutch)	Rajpardi (Dist. Bharuch)	Mata-no-Madh (Dist. Kutch)	Tadkeshwar (Dist. Surat)	Bhavnagar (Dist. Bhavnagar)
Fluorspar Project	Kadipani (Dist. Baroda)				
Multi Metal Project	Ambaji (Dist. Banaskantha)				
Bauxite Projects	Bhatia (Dist. Jamnagar)				
	Ratadia (Dist. Kutch)				
Calcination Bauxite Project	Gadhsisa (Dist. Kutch)				
Manganese Project	Shivrajpur (Dist. Panchmahal)				
Power Project	Nani Chher (Dist. Kutch)				

Address for correspondence :

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

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

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

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

E-mail : cosec@gmdcltd.com

Website : www.gmdcltd.com

NON-MANDATORY REQUIREMENTS

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

Sr. No.	Name of the Directors	Remuneration paid (Rs.)	Out of Pocket expenses (Rs.)
1.	Smt Gauri Kumar, IAS (From 19.6.2008 to 18.3.2009)	—	—
2.	Shri M S Sahu, IAS (From 18.3.2009)	—	—
3.	Smt. V.L. Joshi, IAS	5,84,078.00	—
4.	Shri Tapan Ray, IAS	—	10,000.00
5.	Shri Raj Gopal, IAS (From 19.5.2008)	—	8,000.00
6.	Shri Bhadresh Mehta (From 21.10.2008)	—	1,000.00

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Over view

GMDC is one-of-the leading mining and mineral processing Companies of the country having plants at various locations in the State of Gujarat.

Product-wise performance :

Name of the products	2006-2007		2007-2008		2008-09	
	Production (MT in lacs)	Sales (MT in lacs)	Production (MT in lacs)	Sales (MT in lacs)	Production (MT in lacs)	Sales (MT in lacs)
Lignite	79.91	79.91	99.67	99.67	81.07	81.06
Bauxite	0.67	0.79	7.98	4.96	4.14	0.35
Calcined Bauxite	0.00	0.02	0.09	0.04	0.42	0.42
Fluorspar	0.00	0.00	0.04	0.02	0.07	0.08
Manganese ore	0.63	0.62	—	—	0.06	—
Power (Units I & II)	377.910 MUS	335.229 MUS	1009.124 MUS	866.443 MUS	1105.726 MUS	956.644 MUS

Financial performance :

Particulars	Year 2006-2007 (Rs. in lacs)	Year 2007-2008 (Rs. in lacs)	Year 2008-2009 (Rs. in lacs)
Profit before depreciation and tax (but after prior period and pre-operative exp.)	29,707.27	50,393.17	44,768.25
Depreciation	12,932.04	9,553.69	7,777.77
Profit Before Tax	16,775.23	40,839.48	36,990.48
Provision for Taxation	5,907.38	14,446.38	13,359.87
Profit After Tax	10,867.85	26,393.10	23,630.61
Dividend (%)	100%	100%	100%

Future Prospects and Outlook :

The Company expects to improve its performance during the current year in terms of production and profits. The Company's diversification plan for setting up various mineral based projects such as (i) Coal Mines (ii) Power through Coal blocks (iii) Cement for Manganese beneficiation and down stream projects (iv) Alumina Projects (v) Refractories and Monolithic castables (vi) Wind Energy are under progress. New initiatives taken by your company to chart a better future have been detailed in the Directors' Report.

Risks and Concerns

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

Internal Control System

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

Risk Management

Company manages risk mainly through insurance, internal controls and periodical audit by external

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

Statutory Compliance

The Company Secretary who is also the Compliance Officer, ensures compliance of all applicable provisions of the Companies Act, Securities Contract Regulation Act and SEBI Act.

Industrial Relations

During the year under report, the Company has employed 2565 (including Daily Rated Workers & Monthly Rated Workers) employees.

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

ANNEXURE-A

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

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

The Directors and Senior management have affirmed compliance with the said Code during the financial year 2008-09.

For Gujarat Mineral Development Corporation Ltd.

Date : 29th June, 2009
Place : Ahmedabad

V. L. Joshi
Managing Director



GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To
The Shareholders of
Gujarat Mineral Development Corporation Limited,
Ahmedabad.

We have examined the compliance of conditions of corporate governance by Gujarat Mineral Development Corporation Limited, for the year ended 31st March, 2009, as stipulated in Clause 49 of the Listing Agreement of the said company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of management. Our examination was limited to procedures 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.

In our opinion and to the best of our information according to the explanations given to us, subject to :

- (i) Non-compliance of clause 49 I (A) (ii) regarding number of independent directors in the composition of Board since only one independent director is appointed.
- (ii) Non-compliance of clause 49 II (A) (i) regarding number of independent directors in the Audit committee since only one independent director is appointed.
- (iii) Non-compliance of clause 49 I (C) (iii) regarding review of compliance reports of all laws applicable except mining law and listing requirement by the Board and steps taken by the company to rectify instances of non-compliance.
- (iv) Not placing following information before Board of Directors as required by Annexure 1A to clause 49 :
 - Information about show cause, demand, prosecution notices and penalty notices which are materially important.
 - Information about fatal or serious accidents, dangerous occurrences, etc.
 - Non-compliance of any regulatory or statutory requirements.

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

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

For R.S.Patel & Co.
Chartered Accountants
Rajan B. Shah
Partner
M.No. 101998

Place : Ahmedabad
Date : 31.07.2009

REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

Comments of the Comptroller and Auditor General of India under section 619(4) of the Companies Act, 1956 on the accounts of Gujarat Mineral Development Corporation Ltd. for the year ended on 31 March 2009

The preparation of financial statements of Gujarat Mineral Development Corporation Ltd. for the year ended 31 March 2009 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The statutory auditor/ auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 is/are responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Auditors' Report dated 28 May 2009.

I on the behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under section 619(3) (b) of the Companies Act, 1956 of the financial statements of Gujarat Mineral Development Corporation Ltd. for the year ended 31 March 2009. 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. Based on my supplementary audit, I would like to highlight the following significant matters under section 619(4) of the Companies Act, 1956 which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report.

Comments on C.A.G.	Explanations by the Management
<p>Comments on Financial Position</p> <p>1. Fixed Assets Rs. 1,308.20 crore</p> <p>Above stands overstated by Rs. 14.20 crore, being capital expenditure on public roads and shown as Assets not owned by Corporation. As per AS-10, accounting for fixed assets, fixed asset means an asset held with the intention of being used for the purpose of producing or providing goods or services. Since the roads are not held by Corporation, the expenditure on roads should have been shown as deferred expenditure under the head Miscellaneous Expenditure (Schedule 10).</p>	<p>Capital expenditure of Rs.14.20 crores on public roads has been shown as Assets not owned by Corporation instead of showing as deferred expenditure under the head Miscellaneous Expenditure. The same has been shown on the same lines as was shown in the Annual Accounts for the year 2007-08. This practice is also followed by other reputed government corporations. However, the same is noted for future.</p>

For and on behalf of the
Comptroller and Auditor General of India
Dhiren Mathur
Accountant General
Place : Ahmedabad
Date : 20.08.2009

AUDITORS' REPORT

To,
The Shareholders

Gujarat Mineral Development Corporation Limited

1. We have audited the attached Balance Sheet of **Gujarat Mineral Development Corporation Limited** as at 31st March, 2009, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub Section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of accounts as required by law, have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with books of account;
 - (d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (e) Since the Company is a Government Company, as per Notification No.: G.S.R. 829 (E) dated October 21, 2003 of Ministry of Finance (Department of Company Affairs) provisions of clause (g) of Sub Section (1) of Section

274 of the Companies Act, 1956 are not applicable to the Company;

- (f) Without qualifying our report attention is invited to following Notes of Schedule 18 to the Financial Statements.
 - f.1 Note no. 1(a) and 1(b) regarding non provision of compensation for land acquired.
 - f.2 Note no. 4 regarding non provision for lease rent and royalty in respect of application made for renewal of lease for extracting bauxite, lignite and fluorspar.
 - f.3 Note no. 6 regarding change in rate of depreciation on fixed assets at the rate specified by the Central Electricity Regulatory Commission as against the rates prescribed as per schedule XIV of the Companies Act, 1956, effect of the same is quantified in the said note.
 - f.4 Note no 8 (a) regarding change in policy for expenditure incurred on diversion work and expenditure incurred for electrical and transmission line by amortising the same over a period of five years as against charging the full expenses in profit and loss account, effect of the same is quantified in the said note.
 - f.5 Note no. 8(d) regarding recognition of revenue in respect of sale of electricity to Gujarat Urja Vikas Nigam Ltd. (GUVNL) on the basis of amount paid by GUVNL, pending execution of Supplementary Power Purchase Agreement.
- (g) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon and the statement on significant accounting policies give the information required by the Companies Act 1956 in the manner so required and give a true and fair view in conformity with the accounting principle generally accepted in India:
 - (i) in the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2009;
 - (ii) in the case of Profit and Loss account, of the profit for the year ended on that date; and
 - (iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For R.S.Patel & Co.
Chartered Accountants

Rajan B. Shah

Partner

Place: Ahmedabad

Date: May 28, 2009

Membership No. 101998



ANNEXURE TO AUDITORS' REPORT

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

1. In respect of its fixed assets:

- a. The Company has maintained records showing full particulars including quantitative details and situation of fixed assets project wise except depreciation. **However records relating to quantitative details and situation of fixed assets maintained at Head Office are not reconciled with the record maintained at Projects.**
- b. The fixed assets were physically verified during the year by the firm of Chartered Accountants. **However, discrepancies noticed between physical quantity of fixed assets and quantity as per registers are not reconciled.**
- c. In our opinion, the Company has not disposed of substantial part of fixed assets during the year.

2. In respect of its inventories:

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

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

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

4. In respect of internal control

In our opinion and according to the information and explanations given to us, there are adequate internal

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

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

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

6. In respect of deposits from public

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

7. In respect of internal audit system

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

8. In respect of maintenance of cost records

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

9. In respect of statutory dues:

- a. According to the records of the Company, the company is generally regular in depositing with

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

- b. According to the information and explanations given to us, no undisputed amounts payable in respect of Value added tax, income tax, wealth tax, customs duty, excise duty, sales tax, service tax and cess, were outstanding as at March 31, 2009 for a period of more than six months from the date they became payable.
- c. According to the records of the company, there are no dues of custom duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute. **In respect of income tax and sales tax, details of disputed dues which have not been deposited are given hereunder:**

Nature of dues	Amount (Rs. in lakhs)	Forum where dispute is pending
Sales tax	106.59	Gujarat Sales Tax Tribunal
Income tax	51.07	Asst Commissioner of Income Tax
Total	157.66	

10. In respect of accumulated losses and cash losses

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

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

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

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

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

13. In respect of provisions applicable to Chit fund

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

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

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

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

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

16. In respect of application of term loans

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

17. In respect of funds used

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

18. In respect of preferential allotment of shares

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

19. In respect of securities created for debentures

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

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

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

21. In respect of fraud

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

For R.S.Patel & Co.
Chartered Accountants

Rajan B. Shah

Partner

Membership No. 101998

Place: Ahmedabad

Date: May 28, 2009



GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

BALANCE SHEET AS AT 31ST MARCH, 2009

	Schedules	Rs.	As at 31-03-09 Rs.	As at 31-03-08 Rs.
Sources of Funds:				
Shareholders' Funds :				
Share Capital	1	63,60,00,000		31,80,00,000
Reserves & Surplus	2	<u>11,55,10,61,102</u>		<u>10,29,89,73,444</u>
			12,18,70,61,102	10,61,69,73,444
Loan Funds :				
Secured Loans	3			2,00,00,00,000
Unsecured Loans	4		4,78,57,14,286	4,64,28,57,143
Net Deferred Tax Liability	5		<u>2,29,65,31,697</u>	<u>2,17,43,50,856</u>
Total			<u>19,26,93,07,085</u>	<u>19,43,41,81,443</u>
Application of Funds:				
Fixed Assets :				
Gross Block	6	18,86,40,64,478		18,46,53,40,879
Less : Depreciation		<u>5,78,20,19,018</u>		<u>5,03,70,32,210</u>
Net Block		<u>13,08,20,45,460</u>		<u>13,42,83,08,669</u>
Capital Work in progress		<u>1,95,02,240</u>		<u>13,40,75,886</u>
			13,10,15,47,700	13,56,23,84,555
Investments				
	7		58,55,86,400	60,73,76,000
Current Assets, Loans & Advances :				
Inventories	8	59,18,69,729		48,25,09,112
Sundry Debtors		92,62,35,712		80,77,04,285
Cash and Bank Balances		94,62,62,047		1,28,06,57,765
Other Current Assets		3,45,44,988		5,22,19,128
Loans and Advances		<u>12,51,19,00,266</u>		<u>10,88,73,91,845</u>
		<u>15,01,08,12,742</u>		<u>13,51,04,82,135</u>
Less:				
Current Liabilities & Provisions :				
Liabilities	9	1,99,84,59,435		2,18,14,16,773
Provisions		<u>7,54,02,61,301</u>		<u>6,09,68,52,674</u>
		<u>9,53,87,20,736</u>		<u>8,27,82,69,447</u>
Net Current Assets				
Miscellaneous Expenditure (to the extent not written off or adjusted)	10		5,47,20,92,006 11,00,80,979	5,23,22,12,688 3,22,08,200
Total			<u>19,26,93,07,085</u>	<u>19,43,41,81,443</u>
Information as required by Schedule-VI of the Companies Act, 1956				
Significant Accounting Policies	17			
Notes on Accounts	18			

S. R. Bhatt
General Manager (Accounts)

L. Kulshrestha
General Manager (Finance)

V.L. Joshi
Managing Director

Joel Evans
Company Secretary

Tapan Ray
Director

Vinay Vyasa
Director

Bhadresh Mehta
Additional Director

Place : Ahmedabad
Date : 28th May, 2009

As per our report of even date attached :
For R.S.Patel & Co.
Chartered Accountants
Rajan B. Shah
Partner
M.No. 101998

Place : Ahmedabad
Date : 28th May, 2009

ANNUAL REPORT 2008-2009

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	Schedules	Rs.	2008-09 Rs.	2007-08 Rs.
Income :				
Sales			9,81,21,21,106	9,81,05,53,710
Less: Excise duty			3,53,79,904	39,89,190
			<u>9,77,67,41,202</u>	<u>9,80,65,64,520</u>
Other Income	11		45,70,23,403	40,06,96,582
Increase in stock	12		2,89,69,492	11,73,88,072
Excess provision of earlier Years			42,39,531	1,02,03,748
Total			<u>10,26,69,73,628</u>	<u>10,33,48,52,922</u>
Expenditure:				
Manufacturing & Other Expenses	13		5,17,13,05,280	4,27,37,53,146
Interest	14		53,90,83,896	70,24,76,778
Depreciation			77,77,76,648	95,53,69,479
Mining & Project Development Deferred Expenses written off			2,34,94,215	32,26,95,762
Prior period adjustments	15		5,62,65,607	(33,90,685)
Total			<u>6,56,79,25,646</u>	<u>6,25,09,04,480</u>
Profit before Tax			<u>3,69,90,47,982</u>	<u>4,08,39,48,442</u>
Provision for Income-tax [including Wealth-tax amounting to Rs.1,30,000,(PY Rs1,05,000)]		1,26,07,61,840		1,10,01,05,000
Less: MAT Credit entitlement		1,31,840		5,35,91,568
Provision for deferred tax		7,04,01,992		39,32,25,048
Provision for Fringe Benefit Tax		<u>49,55,000</u>		<u>49,00,000</u>
			<u>1,33,59,86,992</u>	<u>1,44,46,38,480</u>
Profit after Tax			<u>2,36,30,60,990</u>	<u>2,63,93,09,962</u>
Less: Short provision of Deferred Tax Liability(Net)			5,17,78,850	-
Add: Excess provision of FBT of earlier years			28,93,718	-
			<u>2,31,41,75,858</u>	<u>2,63,93,09,962</u>
Add : Balance of profit of last year			47,39,10,236	20,66,44,374
Profit available for appropriation			<u>2,78,80,86,094</u>	<u>2,84,59,54,336</u>
Less : Appropriations :				
General Reserve			75,00,00,000	2,00,00,00,000
Proposed Dividend			63,60,00,000	31,80,00,000
Tax on Dividend			10,80,88,200	5,40,44,100
Balance carried to Balance-sheet			<u>1,29,39,97,894</u>	<u>47,39,10,236</u>
Basic and diluted earning per share (Refer note No.19,of Schedule18)			7.28	8.30
Information as required by Schedule-VI of the Companies Act, 1956	16			
Significant Accounting Policies	17			
Notes on Accounts	18			

S. R. Bhatt
General Manager (Accounts)

L. Kulshrestha
General Manager (Finance)

V.L. Joshi
Managing Director

Joel Evans
Company Secretary

Tapan Ray
Director

Vinay Vyasa
Director

Bhadresh Mehta
Additional Director

Place : Ahmedabad
Date : 28th May, 2009

As per our report of even date attached :

For R.S.Patel & Co.
Chartered Accountants
Rajan B. Shah
Partner
M.No. 101998

Place : Ahmedabad
Date : 28th May, 2009



GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

Cash-flow statement for the year ended on 31st March, 2009 Pursuant to the listing agreement with stock exchange.

Particulars	2008-09 Rs.	2007-08 Rs.
A Cash-Flow from Operating Activities:		
Net Profit before tax & extra ordinary items	3,69,90,47,982	4,08,39,48,442
Adjustments for:		
Depreciation	77,77,76,648	95,53,69,479
Profit on Investments	-	-
Provision for Doubtful Debts, Loans & Advances	22,00,00,000	13,83,13,786
Assets written off	-	1,27,598
Electricity and transmission line amortised	1,56,72,000	-
River diversion expenses	78,22,216	-
Depreciation written back	(1,54,719)	-
Excess Provision of Earlier Years	-	(2,57,389)
Provision for Obsolete Stock	-	1,12,54,604
Surplus / Deficit on sale of assets	(36,83,500)	(1,00,80,719)
Interest & Finance Charges	53,90,83,896	70,24,76,778
Dividend & Income From Units	(1,94,95,480)	(8,47,96,380)
Interest from Bank & Corporates	(23,27,49,667)	(22,16,61,283)
Interest on Tax Free Bonds	(6,04,330)	(36,32,588)
Operating profit before working capital changes:	5,00,27,15,046	5,57,10,62,328
Adjustments for:		
Trade & Other Receivable	(72,41,10,427)	19,30,54,464
Inventories	(10,93,60,617)	(20,01,73,415)
Trade Payable	(13,56,78,404)	35,03,24,321
Miscellaneous Expenditure	(10,13,66,994)	28,70,80,443
	(1,07,05,16,442)	63,02,85,813
Cash generated from operations	3,93,21,98,604	6,20,13,48,141
Direct Taxes Paid	(1,45,97,06,253)	(1,52,39,88,566)
Cash-flow before extra ordinary items:	2,47,24,92,351	4,67,73,59,575
Extra ordinary items:	-	-
Net Cash-Flow from Operating Activities	2,47,24,92,351	4,67,73,59,575
B Cash-Flow from Investing Activities:		
Purchase of fixed assets	(32,19,92,703)	(44,16,19,520)
Sale of fixed assets	87,36,410	1,27,76,949
Redemption / Purchase of Investments	2,17,89,600	65,21,000
Interest Received	6,04,330	36,32,588
Interest from Bank and Companies	23,27,49,667	22,16,61,283
Dividend & Income from units	1,94,95,480	8,47,96,380
Net cash used in Investing Activities	(3,86,17,216)	(11,22,31,320)
C Cash-Flow from Financing Activities:		
Total proceeds from Share Capital	-	-
Total proceeds from borrowing (net)	(1,85,71,42,857)	(2,95,54,35,922)
Interest & financial charges	(53,90,83,896)	(70,24,76,778)
Dividend paid	(37,20,44,100)	(37,20,44,100)
Net cash used in Financing Activities	(2,76,82,70,853)	(4,02,99,56,800)
Net increase in Cash & Cash Equivalents	(33,43,95,718)	53,51,71,455
Cash & Cash Equivalent at the beginning of year	1,28,06,57,765	74,54,86,310
Cash & Cash Equivalent at the end of year	94,62,62,047	1,28,06,57,765

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

S. R. Bhatt
General Manager (Accounts)

L. Kulshrestha
General Manager (Finance)

V.L. Joshi
Managing Director

Joel Evans
Company Secretary

Tapan Ray
Director

Vinay Vyasa
Director

Bhadresh Mehta
Additional Director

Place : Ahmedabad
Date : 28th May, 2009

As per our report of even date attached :

For R.S.Patel & Co.
Chartered Accountants

Rajan B. Shah
Partner
M.No. 101998

Place : Ahmedabad
Date : 28th May, 2009

ANNEXURES TO THE BALANCE SHEET

Annexures to the Balance Sheet	Rs.	As at 31-03-09 Rs.	As at 31-03-08 Rs.
SCHEDULE - 1 SHARE CAPITAL			
Authorised :			
74,50,00,000 Equity shares of Rs. 2/- each (Previous year 24,50,00,000 Equity shares of Rs. 2/- each)		1,49,00,00,000	49,00,00,000
1,00,000 Preference shares of Rs.100 each (Previous year 1,00,000 Preference shares of Rs. 100 each)		1,00,00,000	1,00,00,000
		<u>1,50,00,00,000</u>	<u>50,00,00,000</u>
Issued,Subscribed and Paid-up :			
31,80,00,000 Equity shares of Rs.2/- Each (Previous year 15,90,00,000 Equity shares of Rs.2/- Each)		63,60,00,000	31,80,00,000
Total 31,80,00,000 Equity shares of Rs.2/- Each (out of the above 30,21,00,000 Shares were issued as fully paid bonus shares by Capitalisation of the General Reserve) (Previous year 15,90,00,000 of Rs. 2 each(out of the above 14,31,00,000 shares were issued as fully paid bonus shares by Capitalisation of the General Reserve))			
	Total	<u>63,60,00,000</u>	<u>31,80,00,000</u>
SCHEDULE - 2 RESERVES AND SURPLUS			
General Reserve :			
Balance as per last Balance-sheet		9,82,50,63,208	7,86,26,83,849
Add : Transferred from Profit & Loss Account		75,00,00,000	2,00,00,00,000
Less : Adjustment of transitional Gratuity liability on adoption of revised AS-15 "Empolyees Benefits"		–	3,76,20,641
Less Issue of Bonus Equity shares		<u>31,80,00,000</u>	–
		10,25,70,63,208	9,82,50,63,208
Balance of Profit & Loss Account		1,29,39,97,894	47,39,10,236
	Total	<u>11,55,10,61,102</u>	<u>10,29,89,73,444</u>
SCHEDULE - 3 SECURED LOANS			
Loan From Gujarat State Financial Services Secured by Inter Corporate Deposits Receipts		–	2,00,00,00,000
	Total	<u>–</u>	<u>2,00,00,00,000</u>
SCHEDULE - 4 UNSECURED LOANS			
Loan From Gujarat State Financial Services		4,78,57,14,286	4,64,28,57,143
	Total	<u>4,78,57,14,286</u>	<u>4,64,28,57,143</u>
Repayable with in one year			
Secured Loan		–	2,00,00,00,000
Unsecured Loan		1,50,00,00,000	1,42,85,71,428



GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

Annexures to the Balance Sheet

As at 31-03-09
Rs.

As at 31-03-08
Rs.

SCHEDULE - 5, NET DEFERRED TAX LIABILITY

(a) Deferred Tax Assets on account of : Disallowance under Income Tax	<u>7,91,79,887</u>	<u>8,22,77,080</u>
	<u>7,91,79,887</u>	<u>8,22,77,080</u>
(b) Deferred Tax Liabilities on account of : Depreciation, Gratuity and others	<u>2,37,57,11,584</u>	<u>2,25,66,27,936</u>
Net Deferred Tax Liability	<u>2,29,65,31,697</u>	<u>2,17,43,50,856</u>

SCHEDULE - 6, FIXED ASSETS :

Sr. No.	Particulars	GROSS BLOCK (AT COST)			DEPRECIATION				NET BLOCK		
		As on 1-4-2008 Rs.	Additions/ Adjustments Rs.	Deductions Rs.	As on 31-3-2009 Rs.	Up to 31-3-2008 Rs.	For the year 2008-09 Rs.	Deductions/ Adjustments Rs.	As on 31-3-2009 Rs.	As on 31-3-2009 Rs.	As on 31-3-2008 Rs.
1	Free -hold Land	62,31,49,101	23,50,030	4,46,760	62,50,52,371	1,59,36,352	1,25,01,047	1,54,719	2,82,82,680	59,67,69,691	60,72,12,749
2	Buildings	2,22,98,19,568	18,39,60,528	51,57,727	2,40,86,22,369	52,53,70,105	14,31,45,114	14,69,076	66,70,46,143	1,74,15,76,226	1,70,44,49,463
3	Plant & Machinery	14,88,69,37,741	14,35,17,667	2,68,52,395	15,00,36,03,013	4,00,37,02,734	54,22,56,000	2,61,07,819	4,51,98,50,915	10,48,37,52,098	10,88,32,35,007
4	Furniture, Fixtures & Appliances	23,73,32,979	1,61,79,423	18,91,628	25,16,20,774	15,32,64,862	1,92,93,262	16,87,716	17,08,70,408	8,07,50,366	8,40,68,117
5	Vehicles	10,19,83,466	99,18,463	34,94,240	10,84,07,689	7,89,70,755	75,40,787	33,70,510	8,31,41,032	2,52,66,657	2,30,12,711
6	Asset not owned by Corpn.	16,11,00,751	8,06,40,238	-	24,17,40,989	5,14,33,161	4,83,48,198	-	9,97,81,359	14,19,59,630	10,96,67,590
7	Leased Assets : Vehicles	22,50,17,273	-	-	22,50,17,273	20,83,54,241	46,92,240	-	21,30,46,481	1,19,70,792	1,66,63,032
	Total	18,46,53,40,879	43,65,66,349	3,78,42,750	18,86,40,64,478	5,03,70,32,210	77,77,76,648	3,27,89,840	5,78,20,19,018	13,08,20,45,460	13,42,83,08,669
	Total as on 31-3-2008	17,91,78,43,541	63,65,64,525	8,90,66,902	18,46,53,40,879	4,20,42,88,020	91,92,44,714	8,64,95,563	5,03,70,32,210	13,42,83,08,669	
	Capital works in progress (including un-installed machinery etc.)									1,95,02,240	13,40,75,886
										TOTAL	13,10,15,47,700

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

Sr. No.	Particulars	GROSS BLOCK (AT COST)			DEPRECIATION				NET BLOCK		
		As on 1-4-2008 Rs.	Additions/ Adjustments Rs.	Deductions Rs.	As on 31-3-2009 Rs.	Up to 31-3-2008 Rs.	For the year 2008-09 Rs.	Deductions/ Adjustments Rs.	As on 31-3-2009 Rs.	As on 31-3-2009 Rs.	As on 31-3-2008 Rs.
1	Plant & Machinery	5,58,26,446	1,98,39,718	2,15,16,920	5,41,49,244	5,45,62,318	1,94,47,676	2,11,90,721	5,28,19,273	13,29,971	12,64,128
2	Furniture, Fixtures & Appliances	9,84,802	-	-	9,84,802	9,36,138	-	-	9,36,138	48,664	48,664
3	Vehicles	69,58,706	17,52,162	16,40,535	70,70,333	66,89,719	16,75,790	15,66,074	67,99,435	2,70,898	2,68,987
	Total	6,37,69,954	2,15,91,880	2,31,57,455	6,22,04,379	6,21,88,175	2,11,23,466	2,27,56,795	6,05,54,846	16,49,533	15,81,779
	Total as on 31-3-2008	11,86,08,217	2,62,51,479	8,10,89,742	6,37,69,954	11,58,93,632	2,59,04,806	7,96,10,263	6,21,88,175	15,81,779	

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

Schedule - 7 INVESTMENTS (At cost)(fully paid)

Long Term

(1) Quoted:

(a) Units :

Nil (P.Y. 5,37,180 6.75 % Tax free US64,Bonds of the face value each of Rs.100)	-	5,37,18,000
	-	5,37,18,000

(b) Shares :

(i) 32,68,480 (P.Y. 32,68,480) Equity Shares of Rs.10 each of Gujarat Alkalies & Chemicals Ltd.(Refer note no. 13,of Schedule 18)	<u>34,14,24,000</u>	34,14,24,000
(ii) 10,00,000 (P.Y.10,00,000) Equity shares of Rs.10 each of Gujarat State Fertilisers & Chemicals Limited,Baroda	<u>10,01,25,000</u>	10,01,25,000
(iii) 9,35,600 (P.Y. 9,35,600) Equity shares of Rs.10 each of Gujarat State Financial Corporation Less : Provision made for diminution in value	<u>1,87,12,000</u>	1,87,12,000
	-	-
(iv) 7,77,900 (P.Y. 7,77,900) Equity shares of Rs.10 each of Vijaya Bank	<u>77,79,000</u>	77,79,000
	<u>44,93,28,000</u>	<u>44,93,28,000</u>

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Annexures to the Balance Sheet

	Rs.	As at 31-03-09 Rs.	As at 31-03-08 Rs.
(2) Unquoted:			
Shares :			
(i) 10,00,000 (P.Y.10,00,000) Equity shares of Rs.10 each of Gujarat Informatics Limited	1,00,00,000		1,00,00,000
(ii) 1,000 (P.Y. 1,000) Equity shares of Rs.100 each of Gujarat Industrial Technical Consultancy Organization Limited	1,00,000		1,00,000
(iii) 74,25,000 (P.Y.74,25,000) Equity Shares of Rs.10 each of Gujarat Guardian Limited	7,42,50,000		7,42,50,000
(iv) 20,00,000 (P.Y.10,00,000) Equity Shares of Rs.10 each of Gujarat State Petroleum Corporation Limited	1,00,00,000		1,00,00,000
(v) 40,00,000 (P.Y. 2,48,000) Shares of Rs. 10/- each of Bhavnagar Energy Company Ltd.	4,00,00,000		24,80,000
(vi) 1,90,840 (P.Y. NIL) Shares of Rs. 10 each of Gujarat Jaypee Cement and Infra Ltd	19,08,400		-
		13,62,58,400	9,68,30,000
(3) Other Investments :			
In corpus of Gujarat Venture Capital Fund - 1995		-	75,00,000
		58,55,86,400	60,73,76,000
Aggregate cost of quoted investments [Market value of Rs.29,92,17,709,(P.Y.Rs.75,87,06,271)]		46,80,40,000	52,17,58,000
Aggregate cost of unquoted investments		13,62,58,400	10,43,30,000
Total		60,42,98,400	62,60,88,000

SCHEDULE - 8 CURRENT ASSETS, LOANS & ADVANCES

SCHEDULE - 8.1 Inventories

Stores & Spare Parts (Gross)	41,54,97,000	33,35,70,939
Less: Provision for obsolete stores	1,83,22,551	1,83,22,551
	39,71,74,449	31,52,48,388
Loose Tools	12,35,240	12,42,324
Stores & Spares in transit	15,18,313	33,19,858
	39,99,28,002	31,98,10,570
Stock-in-trade :		
Mined Ore (Gross)	16,04,90,409	11,49,94,119
Less: Provision for obsolete stock	5,97,399	8,71,092
	15,98,93,010	11,41,23,027
Finished Goods	3,20,48,717	4,85,75,515
	19,19,41,727	16,26,98,542
Total	59,18,69,729	48,25,09,112



GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

Annexures to the Balance Sheet	Rs.	As at 31-03-09 Rs.	As at 31-03-08 Rs.
SCHEDULE - 8.2 SUNDRY DEBTORS (Un-secured)			
(a) Outstanding for a period exceeding six months :			
Considered Good (including lease debtors)		9,96,62,699	10,50,83,369
Considered Doubtful		75,98,501	75,98,501
		10,72,61,200	11,26,81,870
(b) Other Debts : (including lease debtors)			
Considered Good		82,65,73,013	70,26,20,916
		93,38,34,213	81,53,02,786
Less : Provision		75,98,501	75,98,501
Total		92,62,35,712	80,77,04,285
SCHEDULE - 8.3 CASH AND BANK BALANCES			
1. Cash & Stamps on hand	1,84,213		1,02,295
2. Remittance in Transit	-		2,50,00,000
		1,84,213	2,51,02,295
3. With Scheduled Banks :			
(i) * In Current Accounts	52,15,05,982		69,95,51,773
(ii) In Fixed Deposit Accounts	42,41,38,297		55,50,50,489
		94,56,44,279	1,25,46,02,262
4. With Non-Schedule Banks : Maximum Balance			
(a) In Fixed Deposit Account Rs.			
(i) Ahmedabad Mahila Nagrik Sahkari Bank Limited, Ahmedabad (in liquidation) (PY 24,00,000)	24,00,000	24,00,000	24,00,000
(ii) Ahmedabad Urban Co-operative Bank, Ahmedabad [in liquidation](PY 3,50,00,000)	3,50,00,000	3,50,00,000	3,50,00,000
	3,74,00,000	3,74,00,000	3,74,00,000
Less : Provision made for Doubtful FDR	3,74,00,000		3,74,00,000
		-	-
(b) In Current Account with : Baroda Central Co-operative Bank, Kawant (Maximum Balance 24,67,737) (PY 38,33,949)		4,33,555	9,53,208
Total		94,62,62,047	1,28,06,57,765
*Includes balance in unclaimed dividend accounts		48,27,805	29,49,160

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Annexures to the Balance Sheet	Rs.	As at 31-03-09 Rs.	As at 31-03-08 Rs.
SCHEDULE - 8.4 Other Current Assets :			
(i) Interest accrued on investments		-	12,08,655
(ii) Interest accrued but not due on deposits		<u>3,45,44,988</u>	<u>5,10,10,473</u>
Total		<u>3,45,44,988</u>	<u>5,22,19,128</u>
SCHEDULE - 8.5 Loans & Advances :			
(Unsecured, considered good unless otherwise stated)			
Advances recoverable in cash or in kind or for value to be received			
(a) Considered Good	90,73,83,153		81,23,76,847
Considered Doubtful	<u>1,11,19,256</u>		<u>1,11,19,256</u>
	91,85,02,409		82,34,96,103
Less : Provision	<u>1,11,19,256</u>		<u>1,11,19,256</u>
		90,73,83,153	81,23,76,847
(b) Deposits with Corporate Bodies (out of which Rs. 26,29,27,293,(PY 6,29,27,293) is considered doubtful)	2,89,87,05,278		2,79,07,21,293
Less : Provision for doubtful ICD	<u>26,29,27,293</u>		<u>6,29,27,293</u>
		2,63,57,77,985	2,72,77,94,000
(c) Interest accrued and due on deposits (out of which Rs. 15,83,13,400,(PY 13,83,13,400) is considered doubtful)	16,12,75,899		16,12,75,899
Less : Provision for doubtful interest on ICD	<u>15,83,13,400</u>		<u>13,83,13,400</u>
		29,62,499	2,29,62,499
(d) Other Deposits		11,19,42,272	9,83,85,186
(e) Sales-tax Payments made		11,55,38,470	7,60,14,647
(f) Income-tax Paid in Advance and Tax deducted at source		8,60,57,37,313	7,14,91,91,622
(g) Balance with central excise and CGM		<u>13,25,58,574</u>	<u>6,67,044</u>
Total		<u>12,51,19,00,266</u>	<u>10,88,73,91,845</u>
SCHEDULE - 9 CURRENT LIABILITIES & PROVISIONS			
SCHEDULE - 9.1 Current Liabilities :			
Sundry Creditors	49,60,61,115		70,15,43,832
Advance Payments from customers	52,49,71,551		87,42,60,500
Credit Balances of Bank accounts	1,99,60,912		-
Other Liabilities	85,40,06,557		41,89,01,269
* Unclaimed Dividend	48,27,695		29,49,050
Interest accrued but not due on Unsecured loan	<u>9,86,31,605</u>		<u>18,37,62,122</u>
		1,99,84,59,435	2,18,14,16,773
SCHEDULE - 9.2 Provisions :			
Proposed Dividend	63,60,00,000		31,80,00,000
Tax on Dividend	10,80,88,200		5,40,44,100
Provision for Income Tax, FBT and Wealth Tax	6,59,32,02,533		5,56,91,16,940
Provision for Leave Encashment, PF and Gratuity	19,90,10,688		15,03,44,092
Provision for Excise duty on closing stock	<u>39,59,880</u>		<u>53,47,542</u>
		7,54,02,61,301	6,09,68,52,674
Total		<u>9,53,87,20,736</u>	<u>8,27,82,69,447</u>



GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

* There is no amount due and outstanding to be transferred to Investor Education and Protection fund as on 31-3-2009.

Annexures to the Balance Sheet	As at 31-03-09 Rs.	As at 31-03-08 Rs.
SCHEDULE - 10 MISCELLANEOUS EXPENDITURE		
(to the extent not written off or adjusted)		
(1) Voluntary Retirement Scheme Expenses Deferred	1,61,04,116	3,22,08,200
(2) River Diversion Expenses Deferred	3,12,88,863	-
(3) HT Line shifting charges Deferred	6,26,88,000	-
Total	<u>11,00,80,979</u>	<u>3,22,08,200</u>

ANNEXURES TO THE PROFIT & LOSS ACCOUNT

Annexures to the Profit & Loss Account	2008-09 Rs.	2007-08 Rs.
SCHEDULE - 11 OTHER INCOME		
Income from Investments : (Gross)		
Dividend	1,94,95,480	8,47,96,380
Interest on Tax free Bonds	6,04,330	36,32,588
	<u>2,00,99,810</u>	8,84,28,968
Interest (Gross) from :		
Income-tax	7,27,89,068	72,43,723
Banks and Companies	23,27,49,667	22,16,61,283
Others	89,65,689	89,94,586
	<u>31,45,04,424</u>	23,78,99,592
[Tax deducted at source Rs.5,39,65,188 (PY Rs.5,05,28,153)]		
Miscellaneous Income	10,78,04,491	5,69,04,274
Profit on Sale of Fixed Assets	50,16,365	1,01,20,485
Lease Rent	43,39,200	43,39,200
Rent	52,59,113	30,04,063
Total	<u>45,70,23,403</u>	<u>40,06,96,582</u>
SCHEDULE - 12 INCREASE/(DECREASE) IN STOCK		
Closing Stock :		
Mined Ore	16,04,90,409	11,41,23,027
Finished Goods	3,20,48,717	4,94,46,607
	<u>19,25,39,126</u>	16,35,69,634
Less: Opening Stock		
Mined Ore	11,41,23,027	4,59,89,395
Finished Goods	4,94,46,607	1,09,467
Goods in process	-	82,700
	<u>16,35,69,634</u>	4,61,81,562
Increase in Stock	<u>2,89,69,492</u>	<u>11,73,88,072</u>

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Annexures to the Profit & Loss Account	Rs.	2008-09 Rs.	2007-08 Rs.
SCHEDULE - 13 MANUFACTURING AND OTHER EXPENSES			
Payments to and Provisions for Employees :			
Salary, Wages and Bonus	65,55,83,462		49,28,34,698
Contribution to PF & Other Funds	8,14,59,119		6,78,33,736
Welfare Expenses	4,41,66,886		5,01,51,363
Terminal Benefits	<u>2,77,91,186</u>		<u>8,11,24,703</u>
		80,90,00,653	69,19,44,500
Operational and Other Expenses :			
Power and Fuel	31,76,12,330		29,80,19,936
Consumption of Stores, Spares & Chemicals	<u>94,67,38,753</u>		<u>43,01,57,585</u>
		1,26,43,51,083	72,81,77,521
Repairs & Maintenance :			
Buildings	2,36,96,559		2,47,17,230
Machineries (Including spares)	20,57,64,997		19,34,15,958
Other Assets	<u>24,33,67,569</u>		<u>17,26,81,101</u>
		47,28,29,125	39,08,14,289
Other Expenditure :			
Rent :			
Machinery Hire Rent Charges	1,27,84,074		1,61,95,113
Rent	<u>1,91,200</u>		<u>2,87,067</u>
		1,29,75,274	1,64,82,180
Rates and Taxes :			
Royalty and Dead Rent	56,04,64,467		62,30,91,965
Other Rates & Taxes	93,26,095		4,58,89,253
Excise Duty on closing stock	39,50,706		53,47,542
Purchase/Sales Tax paid	<u>1,83,891</u>		<u>37,956</u>
		57,39,25,159	67,43,66,716
Overburden Removal, Loading, Plant operation and Mining Expenses			
Insurance Premium	4,76,75,810		6,31,25,667
Vehicle Hire Charges	3,16,73,206		2,28,70,341
Advertisement and Publicity	2,28,06,026		2,81,18,747
Forest/ Environment Expenses	2,99,19,995		3,57,79,859
Rehabilitation Expenses	84,40,645		3,61,85,904
Security Expenses	5,70,36,413		4,69,01,379
Legal and Professional Fees	1,17,62,646		1,09,66,784
Payment to auditors :			
Audit fees	4,13,625		4,21,350
For Tax Audit	55,150		56,180
For Report on Corporate Governance	33,090		28,090
Provision for obsolete stock/stores	-		1,12,54,604
Obsolete Asset written off	-		1,27,598
Remuneration to Managing Director	5,84,078		6,44,835
Loss on Sale of Assets	13,32,865		39,766
Directors' Sitting fees & allowances	19,000		13,000
Donation	5,07,25,545		97,49,550
Provision for Doubtful debts, Loans & Advances	22,00,00,000		13,83,13,786
Miscellaneous Charges	<u>6,48,40,144</u>		<u>7,30,17,679</u>
		2,03,82,23,986	1,77,19,67,940
Total		5,17,13,05,280	4,27,37,53,146



GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

Annexures to the Profit & Loss Account

	2008-09	2007-08
	Rs.	Rs.
SCHEDULE - 14 INTEREST		
Interest/ Financial charges :		
Fixed Loans	53,72,94,747	65,85,07,777
Others	17,89,149	4,39,69,001
Total	53,90,83,896	70,24,76,778
SCHEDULE - 15 PRIOR - PERIOD ADJUSTMENTS		
Income :		
Sales	3,98,400	-
Other Income	16,47,881	(6,05,853)
	20,46,281	(6,05,853)
Expenditure :		
Payment to the employees	-	1,44,61,369
Operational & Other Expenses	2,03,92,760	
Consumption of Stores, Chemicals etc.	9,89,086	40,42,338
Repair & Maintenance for Buildings		1,44,773
Repair & Maintenance for Machineries	17,52,369	98,63,703
Repair & Maintenance for Others	1,22,292	-
Miscellaneous Mining Expenses	(1,94,801)	-
Royalty & Dead Rent Charges	-	(16,64,407)
Rates & Taxes	-	35,51,684
Legal and Professional charges	22,46,000	-
Consultancy Charges	84,270	3,13,542
Depreciation		(3,61,24,765)
Miscellaneous Expenses (net)	12,64,113	11,77,315
Advertisement and Publication charges	4,35,658	-
Plantation Charges	13,29,071	87,336
Short Provision of earlier Year	40,63,245	1,50,574
Common Services Expenses with GEB	2,58,27,825	-
	5,83,11,888	(39,96,538)
Net	5,62,65,607	(33,90,685)

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SCHEDULE - 16

I. Information pursuant to the provisions of Para 3, 4C and 4D of part-II of Schedule-VI to the Companies Act, 1956: Capacity, Production, Turnover and Stock:

Sr. No.	Particulars	Installed Capacity (M.T.)	Opening Stock		Production Quantity (M.T.)	Turnover		Closing Stock	
			Quantity (M.T.)	Value (Rs.)		Quantity (M.T.)	Value (Rs.)	Quantity (M.T.)	Value (Rs.)
1.	Fluorspar Project, Kadipani Mined Ore	NIL (Nil)	20,672 (16,363)	65,11,680 (51,54,428)	66,286 (35,800)	3 (Nil)	1,60,777 (Nil)	(a)36,701 (20,672)	1,10,10,334 (65,11,680)
	Powder and Filter-Cake	30,000 (30,000)	2,555 (5)	3,18,94,562 (1,09,442)	6,901 (4,128)	8,295 (1,578)	(b)11,25,64,310 (1,98,74,753)	1,159 (c) (2,555)	1,46,84,355 (3,18,94,562)
	Briquettes	14,400 (14,400)	5 (5)	92,986 (82,700)	NIL (Nil)	NIL (Nil)	NIL (Nil)	5 (5)	91,168 (92,986)
2.	Bauxite Project, Bhatia Mined Ore	NIL (Nil)	60,404 (77,641)	1,01,28,342 (59,95,622)	NIL (Nil)	NIL (16,982)	NIL (1,03,14,959)	39,140 (d) (60,404)	83,61,095 (1,01,28,342)
3.	Bauxite Calcination Project, Gadhsisa (Kutchh) Mined Ore	NIL (Nil)	4,02,459 (1,00,877)	8,33,09,013 (2,26,04,636)	4,14,286 (7,98,347)	35,616 (4,79,037)	5,23,08,605 (e) (34,54,03,015)	7,06,482 (f) (4,02,459)	13,48,12,182 (8,33,09,013)
	Calcined Bauxite	50,000 (50,000)	5,700 (0)	1,65,87,942 (0)	41,700 (9,945)	41,773 (4,245)	34,47,04,438 (2,96,40,357)	5,627 (5,700)	1,66,76,877 (1,65,87,942)
4.	Multi-Metal Project, Ambaji Mined Ore	NIL (Nil)	NIL (Nil)	NIL (Nil)	NIL (Nil)	NIL (Nil)	NIL (Nil)	NIL (Nil)	NIL (Nil)
	Bulk-Concentrate	15,000 (15,000)	317 (317)	NIL (Nil)	NIL (Nil)	NIL (Nil)	NIL (Nil)	200 (g) (317)	NIL (Nil)
5.	Lignite Projects : Panandhro-Mined Ore	NIL (Nil)	NIL (Nil)	NIL (Nil)	36,18,164 (81,32,966)	36,17,327(h) (81,32,966)	2,07,38,02,678 (i) (6,04,99,88,659)	837 (Nil)	2,61,981 (Nil)
	Rajpardi - Mined Ore	NIL (Nil)	NIL (Nil)	NIL (Nil)	9,69,000 (3,90,642)	9,69,000 (3,90,642)	1,40,92,37,196(j) (51,58,26,240)	NIL (Nil)	NIL (Nil)
	Mata's Madh - Mined Ore	NIL (Nil)	NIL (Nil)	NIL (Nil)	22,10,687 (6,64,504)	22,10,687 (6,64,504)	2,24,40,34,067 (41,24,91,196)	NIL (Nil)	NIL (Nil)
	Tadkeshwar - Mined Ore	NIL (Nil)	NIL (Nil)	NIL (Nil)	9,25,764 (7,79,052)	9,25,764 (7,79,052)	1,22,66,06,090 (83,02,68,666)	NIL (Nil)	NIL (Nil)
	Bhavnagar- Mined Ore	NIL (Nil)	NIL (Nil)	NIL (Nil)	3,84,156 (Nil)	3,84,156 (Nil)	47,62,39,921 (Nil)	NIL (Nil)	NIL (Nil)
	Akrimota Power Proj. Nani Chher	250 (MWH) (Nil)	NIL (Nil)	NIL (Nil)	1,105.726 MU (1,009.124 MU)	956.644M U(k) (866.443 MU)	1,82,88,27,862 (1,58,98,74,870)	NIL (Nil)	NIL (Nil)
7.	Manganese Project- Shivrajpur Mined Ore	NIL (Nil)	607 (619)	75,820 (77,319)	666 (Nil)	NIL (Nil)	NIL (Nil)	1,273 (607)	1,85,767 (75,820)
	Mined ore waste	NIL (Nil)	NIL (Nil)	NIL (Nil)	87,621 (17,078)	87,621 (17,078)	4,35,82,600 (64,62,085)	NIL (Nil)	NIL (Nil)

Notes:

- a) After considering captive consumption of ore of 50,254 M.T. (PY 31,491 M.T.) for production of Powder/ Filter Cake.
- b) After excluding Rs.52,563/- (PY Rs. 4,08,907) of tailing waste.
- c) After considering of shortage of 2 MT.
- d) After considering shortage of 21,264 MT.
- e) Including Rs.1,22,61,413/- (PY Rs.4,23,292) being sales value of fine dust.
- f) After issue of 74,534 M.T. (PY 17,728) plant grade bauxite for production of Calcined Bauxite and considering shortage of 113 MT.
- g) After considering sale of 100 MT as prior period sales and shortage of 17 MT.
- h) Including Branch transfer 9,36,441 M.T. (PY 9,04,547 M.T.) of Lignite and 318 M.T. (PY 2,278 M.T.) of Lime Stone to Power Project-Nani Chher.
- i) Including Rs.31,157/- (PY Rs. 1,41,908) being sales value of lime stone.
- j) Including Rs. 2,73,399/- (PY Rs. 1,79,262) being sales value of clay.
- k) Excluding auxiliary consumption of 149.082 MU (PY 142.681 MU).



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SCHEDULE - 16

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

	2008-09		2007-08	
	Quantity M.T.	Value Rs.	Quantity M.T.	Value Rs.
II Raw Material Consumed :				
(a) Fluorspar Project, Kadipani				
Mined Ore	50,254	5,73,39,814	31,491	5,21,23,958
Powder/Filter-Cake	NIL	NIL	Nil	Nil
(b) Calcination Project, Gadhsisa				
Mined Ore	74,534	1,63,97,480	17,728	45,11,938
	<u>* 1,24,788</u>	<u>7,37,37,294</u>	<u>49,219</u>	<u>5,66,35,896</u>
*Notional value worked for costing				
III Consumption of imported & indigenous raw materials, stores and spares :				
(a) Raw Materials	Value Rs.	%	Value Rs.	%
Imported	NIL	NIL	Nil	Nil
Indigenous	7,37,37,294	100.00	5,66,35,896	100.00
	<u>7,37,37,294</u>	<u>100.00</u>	<u>5,66,35,896</u>	<u>100.00</u>
(b) Components, Stores & Spareparts	Rs.	%	Rs.	%
Imported	1,64,214	0.01	16,96,636	0.30
Indigenous	1,09,86,73,954	99.99	56,68,42,974	99.70
	<u>*1,09,88,38,168</u>	<u>100.00</u>	<u>*56,85,39,610</u>	<u>100.00</u>
*(Includes Rs.15,20,99,415/- (PY Rs.13,83,82,025/-) charged to Repairs & Maintenance				
IV C.I.F.Value of Imports :		Rs.		Rs.
Components & Spare-parts		37,58,522		65,75,341
Capital Goods		NIL		Nil
V FOB value of Exported Bauxite		NIL		5,87,83,600
VI Expenditure in foreign currency :				
Service charge		NIL		Nil
VII Profit and Loss Account includes :				
Remuneration to Managing Director as under :				
Remuneration		5,66,325		6,16,423
Perquisites		17,753		28,412
		<u>5,84,078</u>		<u>6,44,835</u>
VIII During the year the Corporation has remitted the amount in foreign currency on account of the shareholders as under :				
(a) Year to which dividend relates		2007-08		2006-07
(b) Number of non-resident shareholders		13		59
(c) Number of shares held by them		58,000		35,611
(d) Amount of dividend remitted in foreign currency		1,16,000		3,56,110

X SEGMENT REPORTING :

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

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

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Items	Particulars	2008-09 Rs.	2007-08 Rs.
1	Segment Revenue (net sales/revenue)		
	a) Mining Projects	8,44,23,80,656	8,54,93,65,395
	b) Power Project	<u>1,85,44,75,508</u>	<u>1,61,53,73,471</u>
	Segment Revenue	<u>10,29,68,56,164</u>	<u>10,16,47,38,866</u>
	c) Un-allocable Corporate Revenue	<u>34,24,04,672</u>	<u>33,28,00,474</u>
	Total Revenue	<u>10,63,92,60,836</u>	<u>10,49,75,39,340</u>
2	Segment Results :		
	(Profit/Loss before interest and tax)		
	a) Mining Projects	4,30,87,44,047	4,91,69,43,548
	b) Power Project	<u>4,74,17,208</u>	<u>(16,35,29,019)</u>
	Segment Results	<u>4,35,61,61,255</u>	<u>4,75,34,14,529</u>
	c) Un-allocable Corporate Revenue	<u>(45,26,33,611)</u>	<u>(29,33,17,871)</u>
	Total	<u>3,90,35,27,644</u>	<u>4,46,00,96,658</u>
	less : Interest Paid	<u>53,90,83,896</u>	<u>70,24,76,778</u>
	Add : Interest Income	<u>33,46,04,234</u>	<u>32,63,28,562</u>
	Net Profit before tax	<u>3,69,90,47,982</u>	<u>4,08,39,48,442</u>
	Less : Provision for Current Tax	<u>1,26,07,61,840</u>	<u>1,10,01,05,000</u>
	Add : MAT credit entitlement	<u>1,31,840</u>	<u>5,35,91,568</u>
	Less : Provision for Deferred Tax	<u>7,04,01,992</u>	<u>39,32,25,048</u>
	Less : Provision for Fringe Benefit tax	<u>49,55,000</u>	<u>49,00,000</u>
	Total Tax Provision	<u>1,33,59,86,992</u>	<u>1,44,46,38,480</u>
	Profit after tax (Enterprise net profit)	<u>2,36,30,60,990</u>	<u>2,63,93,09,962</u>
	Less : Provision for tax prior period (net)	<u>4,88,85,132</u>	<u>-</u>
	Add : Balance of profit of last year	<u>47,39,10,236</u>	<u>20,66,44,374</u>
	Profit available for appropriation	<u>2,78,80,86,094</u>	<u>2,84,59,54,336</u>
3	Segment Assets :		
	a) Mining Projects	2,57,78,59,002	2,65,88,84,830
	b) Power Project	<u>12,55,87,90,711</u>	<u>12,74,92,83,382</u>
	Total Segment Assets	<u>15,13,66,49,713</u>	<u>15,40,81,68,212</u>
	c) Un-allocable Corporate Assets	<u>13,75,05,57,988</u>	<u>12,30,42,82,678</u>
		<u>28,88,72,07,701</u>	<u>27,71,24,50,890</u>
4	Segment Liabilities :		
	a) Mining Projects	1,12,03,11,365	1,37,29,64,270
	b) Power Project	<u>4,94,36,10,118</u>	<u>6,76,62,29,279</u>
	Total Segment Liabilities	<u>6,06,39,21,483</u>	<u>8,13,91,93,549</u>
	c) Un-allocable Corporate Liabilities	<u>22,82,32,86,218</u>	<u>19,57,32,57,341</u>
		<u>28,88,72,07,701</u>	<u>27,71,24,50,890</u>
5	Capital Expenditure :		
	(i) Additions :		
	a) Mining Projects	23,07,15,359	39,38,10,492
	b) Power Project	<u>20,16,96,000</u>	<u>23,97,82,358</u>
		<u>43,24,11,359</u>	<u>63,35,92,850</u>
	c) Un-allocable Capital Expenditure	<u>41,54,886</u>	<u>29,71,675</u>
	Total Additions	<u>43,65,66,245</u>	<u>63,65,64,525</u>
	(ii) Depreciation :		
	a) Mining Projects	12,08,67,636	7,52,63,137
	b) Power Project	<u>63,97,44,548</u>	<u>86,02,10,659</u>
		<u>76,06,12,184</u>	<u>93,54,73,796</u>
	c) Un-allocable Depreciation	<u>1,71,64,464</u>	<u>1,98,95,683</u>
	Total Depreciation	<u>77,77,76,648</u>	<u>95,53,69,479</u>

6 Segment assets and liabilities are subject to reconciliation.

7 Segment Revenue of Mining includes Rs.29,32,05,614/- (P.Y.Rs.16,55,37,947/-)being captive consumption of Lignite/Lime for Power Project.

8 The basis of pricing- inter segment transfers on cost.



SCHEDULE 17: SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING:

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

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

2. FIXED ASSETS:

- a) The fixed assets are stated at historical cost less depreciation. Cost includes expenditure incurred in their acquisition as well as construction/installation and other related expenditure.
- 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 Company 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 and net realizable value.

3. MACHINERY SPARES:

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

4. BORROWING COSTS :

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

5. DEPRECIATION:

- a) Depreciation has been provided for the fixed assets as under :
 - i) In respect of assets purchased upto 31st March, 1987 on straight line method by writing off 95% of the cost of the block of assets over the specified period of the block of assets under section 205(2)(b) of the Companies Act, 1956 pursuant to the Circular dated 21-5-1986 issued by the Department of Company Affairs at the rates applicable under Income Tax Rules, 1962 in force at the time of acquisition/purchase of assets.
 - ii) In respect of the assets purchased after 31st March, 1987 (except Plant & Machinery of Power Plant) on written down value method at the rates prescribed in Schedule-XIV to the Companies Act, 1956 from time to time.
 - iii) Depreciation is charged on Straight Line Method at the rates prescribed by Central Electricity Regulatory Commission in respect of Plant and Machinery including mandatory spares of Power Project.
- b) On the assets disposed off/discarded during the year, depreciation is charged on pro rata basis upto the date of their disposal/discarding.
- c) i) Depreciation on assets acquired in respect of Power Project is charged proportionately from the date of putting them to use on pro rata basis.

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



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is discounted to the current value, using the yield on government bonds as on the date of Balance Sheet at the discounting rate.

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

10. LIABILITIES FOR PURCHASES:

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

11. REVENUE RECOGNITION:

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

12. EXCISE DUTY:

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

13. TAXATION:

- a) Provision of income-tax for the current year is based on the estimated taxable income for the period in accordance with the provisions of the Income Tax Act, 1961.
- b) Deferred tax is calculated at current statutory income-tax rate and is recognized on timing difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.
- c) Deferred tax assets subject to consideration of prudence are recognized and carried forward only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.
- d) MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternate Tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Profit and Loss Account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying

amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

14. PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

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

15. PRE-OPERATIVE EXPENSES ON MINING PROJECTS:

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

16. IMPAIRMENT OF ASSETS:

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

17. REHABILITATION AND RESETTLEMENT EXPENSES:

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

18. AFFORESTATION EXPENSES:

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

19. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE:

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



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SCHEDULE 18 : NOTES ON ACCOUNTS

1. Contingent liabilities not provided for : Claims against the Company not acknowledged as debt Rs.25,055.11 (P.Y.Rs.32,425.33) lakhs.
 - a) The ex-owners of land acquired for the Akrimota Project of the Company have filed suits for enhancement of compensation awarded by the order of the competent authority and the value of enhancement claimed is Rs.773.52 (P.Y.Rs.709.29) lakhs. Necessary adjustment shall be made in accounts after final decision/outcome of the case.
 - b) Claims for additional compensation against acquisition of land at Rajpardi and Panandhro for mining activities of the Corporation are under litigation before the Hon'ble Gujarat High Court. Pending the final disposal of the matters by the Hon'ble High Court, Rs.880.96 (P.Y.Rs.764.25) lakhs has been deposited and shown under the head 'Advance recoverable in cash or kind or for value to be received'. Necessary adjustment shall be made in accounts after final decision/outcome of the case.
 - c) Income-tax : Rs.13,359.41 (P.Y.Rs.24,744.00) lakhs
 - d) Sales-tax : Rs.418.73 (P.Y.Rs.736.52) lakhs
 - e) Related to Contractors and Others : Rs.6,318.50 (P.Y.Rs.5,471.27) lakhs
 - f) Bank Guarantee issued by banks
on behalf of the Company : Rs.3,303.99 (P.Y.Rs.3,303.29) lakhs
2. Estimated amount of Capital Contracts remaining to be executed and not provided for Rs.9,451.03 (P.Y.Rs.741.19) lakhs.
3. Pending clearance of the title of the land, sale deed in respect of the land of the Cement Plant at Hadad sold earlier, is not executed and Rs.24.92 (P.Y.Rs.24.92) lakhs are recoverable from the buyer on execution of sale deed. The said amount has been deposited by the party before the Danta Court.
4. In view of the Supreme Court's decision in respect of mining activities, applications made by the Company for renewal of leases covering 2,040 (P.Y. 2,040) hectares of land for extracting bauxite, lignite, fluorspar, etc. are pending since 1993-94. Necessary adjustment in respect of liability for lease rent and royalty will be provided in accounts on finalization of renewal applications.
5. Royalty on account of sale of Bauxite and Manganese Ore has been deposited on adhoc basis as intimated by the Commissioner of Geology and Mining. Necessary adjustment shall be made in the accounts after final outcome of the matter.
6. It was informed by our Technical Consultant on 8.5.2009 that the service life of Thermal Power Plant is generally considered as 25 years as per the Guidelines of Central Electricity Regulatory Commission. Power Station situated at Nani Chher is also a Thermal Power Plant and its life can be considered as 25 years as per CERC Guidelines. In view of that, during the year, the Company has changed depreciation rate on Plant and Machinery including mandatory spares of Akrimota Power Plant from 5.28% as prescribed in Schedule XIV to the Companies Act, 1956 to 3.60% as prescribed by Central Electricity Regulatory Commission.
Had the Company continued to provide depreciation for Plant and Machinery including mandatory spares of Power Project @ 5.28%, the depreciation charged for the current year would have been higher by Rs.2,121.91 lakhs and profit would have been lower to that extent and net fixed assets would have been lesser by Rs.2,121.91 lakhs.
7. Till last year, 100% depreciation was charged on the fixed assets valuing Rs.5,000/- or less and the same was debited in Profit and Loss Account and this year, the Company has charged the same in Profit and Loss Account by debiting Petty Assets Written-off Account. The change will not have any effect on the Profit and Loss Account for the year and net fixed assets as at 31st March, 2009.
8. a) In view of the Order dated 27.2.2009 of Commissioner of Income-tax (Appeals)-VIII, Ahmedabad in our Appeal No CIT(A)-VIII/JC-4/237/07-08, the Company has changed the Accounting Policy in respect of Capital Expenditure incurred for river diversion work not owned by the Company and Capital Expenditure incurred for shifting of electricity lines, transformer, etc. not owned by the Company considering the

enduring nature of the expenses hence the said expenses have been amortized over a period of five years. Earlier, the said expenses were charged to Profit and Loss Account in the year in which they were incurred.

Had the Company continued to charge the expenses to Profit and Loss Account in full, the expenses for the current year would have been higher by Rs.939.77 lakhs and profit would have been lower to that extent and assets would have been lesser by Rs.939.77 lakhs.

- b) GSECL (erstwhile GEB) and the Company had agreed to create common amenities (school, hospital, drinking water supply, communication, transport facilities, etc.) for the employees of both entities in Panandhro in terms of minutes dated 8.10.1991, 3.8.1992, 1.10.1993. These were to be managed by a Trust to be registered in this regard. Pending formation of the Trust, the capital and revenue expenditure incurred by the Company as well as GSECL are shared on 50:50 basis and accounted in the books of the respective entity. Share of 50% given by each against the expenditure incurred by respective entity is subject to confirmation and adjustments, if any. Pending transfer of such assets to the Trust, capital expenditure incurred in the creation of assets towards 50% share of GMDC to the tune of Rs.59.40 (P.Y.Rs.59.40) lakhs are accounted in the books of the Company and included in the respective heads of the assets.
 - c) An amount of Rs.179.26 (P.Y.Rs.567.46) lakhs is payable by GSECL on account of 50% of the revenue expenditure incurred by GMDC towards common facilities at Panandhro, which is subject to reconciliation and adjustments, if any.
 - d) In respect of sale of electricity, GUVNL (erstwhile GEB) has considered the Return on Equity, Normative Plant Load Factor and auxiliary consumption @ 13% per annum, 75% and 11% respectively as per letter dated 6.10.2006 issued by Energy and Petrochemicals Department, Government of Gujarat. However, as per Power Purchase Agreement, the rate of Return of Equity is 16%, Normative Plant Load Factor is 68.5% and auxiliary consumption @ 10%. GMDC and GUVNL are in the process of execution of Supplementary Power Purchase Agreement. Pending such execution, the revenue has been booked on the basis of amount paid by GUVNL against electricity bills. Necessary adjustment shall be made in accounts after final outcome of the matter.
9. Gujarat State Road Transport Corporation Limited (GSRTC) had agreed to pay overdue lease rent of Rs.1,183 lakhs in installments towards providing 254 buses on lease, which was credited to Profit and Loss Account in the FY 2005-06 against which an amount of Rs.202 lakhs is received upto 31st March, 2009. The Management is hopeful for recovery of the balance amount.
 10. There are no amounts due to the Suppliers covered under Micro, Small and Medium Enterprises Development Act, 2006; this information takes into account only those suppliers who have responded to the enquiries made by the Company for this purpose.
 11. a) Balance confirmations have not been received from Indian Oil Corporation Limited and Hindustan Petroleum Corporation Limited for Rs.375.92 (P.Y.Rs.175.02) lakhs Debit and Rs.106.40 (P.Y.Rs. 79.41) lakhs Debit respectively. The said balances are subject to reconciliation and adjustments in the accounts.
b) Balances of Creditors, Debtors, Loans & Advances and Advances from Customers are subject to reconciliation and adjustments, if any, in the accounts.
 12. In the opinion of Board of Directors, Current Assets. Loans & Advances have value at which they are stated in the Balance Sheet, if realized in the ordinary course of business, unless otherwise stated and provision for all known liabilities are adequate and not in excess of the amount reasonably necessary.
 13. As per the Memorandum of Understanding (MOU) dated 30th March, 1995 entered into with the Gujarat Industrial Investment Corporation Ltd (GIIC), the said company had to repurchase all the shares of Gujarat Alkalies & Chemicals Limited (GACL) purchased by GMDC from GIIC by 30th March, 1998 at an agreed price consisting of cost plus interest @ 14% per annum and service charge @ 0.25% per annum less dividend, bonus and rights, etc. received thereon. The shares have not been repurchased by GIIC. The matter has been referred to the State Govt. Necessary adjustment shall be made in the accounts after final outcome of the matter.
 14. The Company had placed a Deposit of Rs.20 Crores during the year 1999-2000 with Gujarat Agro Industries Corporation Limited (GAICL) to finance Gujarat Dairy Development Corporation Limited (GDCC) for Voluntary



GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

Retirement Scheme (VRS) payment to be made to its employees. Government of Gujarat, Agriculture & Co-operation Department in terms of the letter dated 11.8.2008 advised GMDC to make full provision for outstanding principal and interest amount. Accordingly, the Corporation has made provision of Rs.22 Crores (Rs.20 Crores principal and Rs.2 Crores interest) in the current year.

15. The possession of the Company's Guest-house at Bhuj given to Tourism Corporation of Gujarat Limited (TCGL) on 6.8.2002 against proposed sale in terms of letter No GMC-102002-415-CHH.1 dated 10.6.2002 of Ministry of Industries and Mines, Government of Gujarat has been returned to the Company on 28.2.2006 in terms of letter No TDC-102001-929-S dated 26.10.2005. TCGL during the period of possession has let out some portion of the Guesthouse. The Company is taking necessary steps with TCGL and the Government of Gujarat for recovery of rent for the period of possession, maintenance expenditure, gram panchayat tax and rent recovery from the tenants, which is in process. The said recoveries will be considered in accounts on finalization of negotiations with TCGL and the State Government.

16. Employee Benefits

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

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

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

Particulars	March 31, 2009	March 31, 2008
Present Value of Obligation as at the beginning of the year	38,19,26,788	35,89,07,467
Current Service Cost	1,84,52,973	2,57,30,036
Interest Cost	3,05,54,143	2,87,12,597
Actuarial (gain) / Loss on obligations	(5,41,23,002)	54,04,103
Benefits paid	(1,16,95,292)	(3,68,27,415)
Present Value of Obligation as at the end of the year	36,51,15,610	38,19,26,788

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

Particulars	March 31, 2009	March 31, 2008
Fair Value of Plan Assets at the beginning of the year	36,10,06,885	14,32,80,924
Expected Return on Plan Assets	2,88,80,551	1,40,65,611
Actuarial Gain / (loss) on Plan Assets	68,21,357	(5,64,067)
Contributions	13,49,18,731	24,10,51,832
Benefits Paid	(1,16,95,292)	(3,68,27,415)
Fair Value of Plan Assets at the end of the year	51,99,32,232	36,10,06,885

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

Particulars	March 31, 2009	March 31, 2008
Present Value of Obligations as at the end of the year	36,51,15,610	38,19,26,788
Fair Value of Plan Assets as at the end of the year	51,99,32,232	36,10,06,885
Net Asset / (Liability) recognized in Balance Sheet	15,48,16,622	(2,09,19,903)

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

Particulars	March 31, 2009	March 31, 2008
Current Service Cost	1,84,52,973	2,57,30,036
Interest Cost	3,05,54,143	2,87,12,598
Expected Return on Plan Assets	(2,88,80,551)	(1,40,65,611)
Net actuarial (gain) / loss recognized in the year	(6,09,44,359)	59,68,169
Expenses/(Income) Recognized in the Statement of Profit & Loss	(4,08,17,794)	4,63,45,192

v. Investment Details

Particulars	% Invested as at	
	March 31, 2009	March 31, 2008
Funds with L.I.C.	100	100

vi. Assumptions

Particulars	March 31, 2009	March 31, 2008
Mortality Table (LIC)	1994-96 (Ultimate)	1994-96 (Ultimate)
Discount Rate	7.75%	8.00%
Rate of increase in Compensation Levels	5.50%	6.00%
Rate of Return on Plan Assets	7.75%	8.00%

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

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

- b) Consequent to the Guidance on implementing Accounting Standard 15 "Employees Benefits" (AS-15) which clarifies the applicability of the Accounting Standard, the Company has considered certain entitlements to earned leave which can be carried forward to future periods as a long term employee benefit.
- c) In terms of the guidance on implementing the AS-15 (Revised 2005) issued by the Institute of Chartered Accountants of India, the Employees Provident Fund set up by the Company is treated as a defined benefit plan since the Company has to meet the specified minimum rate of return. As at the year end, no shortfall remains unprovided for. Accordingly, other related disclosures in respect of Provident Fund have not been made and an amount of Rs.2.58 (P.Y.Rs.229.86 as an Expense) lakhs is recognized as an Income towards the Provident Fund Scheme of the Company included under the head "Payments to and provisions for employees" in Profit and Loss Account.

17. As approved by the Shareholders in Annual General Meeting, the Company has increased its authorized Share Capital from Rs.50 Crores to Rs.150 Crores divided into 7,450 lakhs Equity Shares of Rs.2/- each and 1 lakh Preference Shares of Rs.100/- each.
18. The Board of Directors in its meeting held on 30.1.2008 has recommended the issue of Bonus Shares in the ratio of 1 : 1 to the Shareholders and the same was approved in Annual General Meeting during the year. Hence, necessary effect has been given in the accounts of the current year.



GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

19. Earning per share :

	2008-09	2007-08
Profit after tax (in rupees)	2,31,41,75,858	2,63,93,09,962
Weighted average no. of equity shares outstanding	31,80,00,000	15,90,00,000
Basic and diluted earnings per share (in rupees)	7.28	8.30*

*As per requirement of AS-20, 'earning per share' calculation of basic and diluted earning per share for the year 2007-08 has been restated consequent to the issue of bonus shares.

20. Related party disclosures on 31.3.2009 :

a) Key Management Personnel

Shri M. S. Sahu, IAS Chairman
 Smt V. L. Joshi, IAS Mg. Director

b) Particulars of remuneration paid to Mg. Director are given in the Note No.VII of the Schedule 16.

c) Associates :

Investments :

Sr No	Particulars	Bhavnagar Energy Co Ltd	Gujarat Guardian Ltd	Gujarat Jaypee Cement & Infra structure Ltd
1	Balance as at 1 st April, 2008	Rs.24,80,000	Rs.7,42,50,000	Nil
2	Addition during the year	Investment of Rs.3,75,20,000 in 37,52,000 Equity Shares of Rs.10/- each	Nil	Investment of Rs.19,08,400 in 1,90,840 Equity Shares of Rs.10/- each
3	Balance as on 31.03.2009	Rs.4,00,00,000	Rs.7,42,50,000	Rs.19,08,400
4	Income from investment during the year	Nil	Nil	Nil

21. Disclosures as regards leased assets :

a) (Vehicles)

	2008-09	2007-08
1. Gross carrying amount	Rs. 22,50,17,273*	Rs. 22,50,17,273
2. Accumulated depreciation	Rs. 21,30,46,481	Rs. 20,83,54,241
3. Depreciation charged to Profit and Loss A/c.	Rs. 46,92,240	Rs. 46,92,240

*The above includes vehicles of Rs.20.30 Crores leased to GSRTC, Ahmedabad for which lease period has expired. Pending transfer of ownership to GSRTC, the same has been shown in fixed assets.

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

	2008-09	2007-08
(i) Not later than one year	Rs. 10,24,61,318	Rs. 10,90,36,118
(ii) Later than one year and not later than five years	Rs. 18,08,000	Rs. 61,47,200

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

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

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

(A) Registration Details :	1206 of 1963-64
State code	04
Balance-Sheet Date	31-Mar-09
(B) Capital Raised during the year :(in thousand rupees)	
Public Issue	NIL
Right Issue	NIL
Bonus Issue	3,18,000
Private Placement	NIL
(C) Position of mobilisation and deployment of funds: (in thousand rupees)	
Total Liabilities	1,92,69,307
Total Assets	1,92,69,307
Sources of Funds :	
Paid up Share Capital	6,36,000
Reserves and Surplus	1,15,51,061
Secured Loans	-
Unsecured Loans	47,85,714
Net Deferred tax Liability	22,96,532
Application of Funds :	
Net Fixed Assets	1,31,01,548
Investments	5,85,586
Net Current Assets,Loans and Advances	54,72,092
Miscellaneous Expenditure	1,10,081
Accumulated Losses	NIL
(D) Performance of the Company :(in thousand rupees)	
Turnover (including other income)	1,02,66,974
Total Expenditure	65,67,926
Profit before tax	36,99,048
Profit after tax (after adjustment of short provision of tax)	23,14,176
Earning per share Rupees	7.28
Dividend rate (%)	100%
(E) Name of the principal products,services of the company: (as per monetary terms)	
(i) Item code no	270220-00
Product description	Lignite
(ii) Item code no	252921-00
Product description	Fluorspar
(iii) Item code no	260600-01
Product description	Bauxite
(iv) Item code no	260600-02
Product description	Calcined Bauxite
(v) Item code no	-
Product description	Generation of Electricity

Signature to Schedule 1 to 18

S. R. Bhatt
General Manager (Accounts)

L. Kulshrestha
General Manager (Finance)

V.L. Joshi
Managing Director

Joel Evans
Company Secretary

Tapan Ray
Director

Vinay Vyasa
Director

Bhadresh Mehta
Additional Director

Place : Ahmedabad
Date : 28th May, 2009

As per our report of even date attached :

For R.S.Patel & Co.
Chartered Accountants

Rajan B. Shah
Partner
M.No. 101998

Place : Ahmedabad
Date : 28th May, 2009



GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

CERTIFICATE BY CEO AND CFO FOR ANNUAL ACCOUNT 2008-09

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

S.R. Bhatt
General Manager (Accounts)

L. Kulshrestha
General Manager (Finance)

V.I.Joshi
Managing Director

GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

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

PROXY FORM

Regd. Folio No. _____ Class of Shares : _____

I/We _____ of _____

_____ being a Shareholder of

Gujarat Mineral Development Corporation Limited, holding _____ Shares denoting

Nos. _____

to _____ hereby appoint _____

of _____

_____ (or failing him _____

of _____) as my /

our Proxy to vote for me/us on my/our behalf at the 46th Annual General Meeting of the Company to be held at the Registered Office of the Company at Khanij Bhavan, Off: 132 Ft. Ring Road, Near University Ground, Vastrapur, Ahmedabad 380 052 at 11.00 a.m. on Tuesday, the 29th September, 2009 and at any adjournment thereof.

Dated _____ day of _____ 2009

Revenue
Stamp
Rs.1.00

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

GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

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

ATTENDANCE SLIP

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

Class of Shares : _____

I certify that I am registered Shareholder / proxy for the registered shareholder of the Company. I hereby record my presence at the 46th Annual General Meeting of the Company at the Registered Office of the Company, at Khanij Bhavan, Off: 132 Ft. Ring Road, Near University Ground, Vastrapur, Ahmedabad – 380 052 at 11.00 a.m. on Tuesday, the 29th September, 2009 and at any adjournment thereof.

(Shareholder's / Proxy
name in block letters)

Signature of
Shareholder / Proxy

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