



GMDC/CS/ BSE/NSE/040/2019-20

09.05.2019

To, National Stock Exchange of India, Exchange Plaza, Bandra Curia Complex Bandra (East) , Mumbai – 400 051 Code : GMDCLTD	To, Bombay Stock Exchange Ltd. 25th Floor, P.J. Towers Dalal Street Fort, Mumbai-400 001 Code : 532181
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Dear Sirs,

Sub : (i) Audited annual financial results of GMDC together with auditors' report for the quarter/year ended on 31st March, 2019.

(ii) Recommendation of Dividend by the Board for the year FY 2018-19.

We would like to inform that the Board of Directors of GMDC in its 303rd Meeting held on 9/5/2019 has approved the Audited Financial Results (standalone and consolidated) for quarter/year ended 31st March,2019.

Further the Board has also approved audited Annual Financial Statement (standalone consolidated) for the year ended 31st March, 2019.

We would further like to inform that the Board has also recommended dividend of Rs. 2 /- per equity share of Rs. 2 each for financial year ended on 31st March,2019.

Pursuant to the above approval, we are submitting the following documents in compliance with SEBI (LODR) Regulation, 2015 :

1. Audited financial results for quarter/year ended 31st March, 2019.
2. Independent Auditors reports on audited financial result.
3. Certificate of veracity pursuant to Regulation 33(2) on the SEBI(LODR).
4. CEO/CFO compliance certificate pursuant to Regulation 17(8) of SEBI (LODR) Regulation , 2015.
5. Declaration of unmodified opinion in the auditor report for financial year 31st March, 2019. Pursuant to Regulation 33/52 of SEBI (LODR) Regulation ,2015.

You are requested to kindly take note of the same.

Thanking you,

Yours faithfully,

For Gujarat Mineral Development Corporation Limited,


Joel Evans
Company Secretary

Encl : As above

Gujarat Mineral Development Corporation Limited
(A Government of Gujarat Enterprise)

CIN : L14100GJ1963SGC001206

"Khanij Bhavan", 132 Ft. Ring Road, Near University Ground, Vastrapur, Ahmedabad-52
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GUJARAT MINERAL DEVELOPMENT CORPORATION LIMITED

Statement of Financial Results for the Quarter and Year Ended on 31st March 2019

(₹ in Lakh)

Particulars	STANDALONE						Consolidated	
	Quarter Ended			Year Ended			Year Ended	
	31-03-2019 (Audited)	31-12-2018 (Unaudited)	31-03-2018 (Audited)	31-03-2019 (Audited)*	31-03-2018 (Audited)	31-03-2019 (Audited)*	31-03-2018 (Audited)	
INCOME								
Revenue from Operations	53,050.07	41,038.36	63,506.13	1,87,967.82	2,06,996.68	1,87,967.82	2,06,996.68	
Finance Income	2,993.96	2,817.92	2,914.83	11,765.62	10,144.93	11,955.17	10,332.60	
Other Income	972.65	717.18	776.69	2,492.08	1,797.04	2,498.03	1,799.35	
Total Income (A)	57,016.68	44,573.46	67,197.65	2,02,225.52	2,18,938.65	2,02,421.02	2,19,128.63	
EXPENSES								
Changes in inventories of finished goods and mined ore	1,094.71	(603.25)	(44.36)	(631.81)	(296.49)	(631.81)	(296.49)	
Employee Benefit Expenses	2,244.08	3,314.10	8,750.84	12,228.66	18,848.67	12,239.52	18,859.25	
Finance Costs	66.04	39.74	37.89	183.12	162.32	182.81	162.92	
Depreciation and Amortisation Expenses	2,807.77	2,312.84	(141.50)	9,613.73	11,902.66	9,613.73	11,902.67	
Other Expenses	32,804.44	32,222.64	41,336.07	1,20,336.74	1,33,266.62	1,20,748.21	1,33,510.56	
Total Expenses (B)	39,017.04	37,286.07	49,938.94	1,41,730.44	1,63,883.78	1,42,152.46	1,64,138.91	
Profit/(loss) before exceptional items and tax (A-B)	17,999.64	7,287.39	17,258.71	60,495.08	55,054.87	60,268.56	54,989.72	
Exceptional Items								
Loss on Investment in associate	-	-	-	(29,765.00)	-	(21,437.46)	-	
Profit/(loss) Before Tax	17,999.64	7,287.39	17,258.71	30,730.08	55,054.87	38,831.10	54,989.72	
Share of Profit (Loss) of joint ventures and associates using equity method (net of taxes)						14.23	(8,089.17)	
Tax Expenses								
Current Tax	5,341.07	3,039.60	5,631.14	18,971.65	19,726.40	18,971.65	19,726.40	
Deferred Tax	255.03	(789.34)	1,620.69	(2,120.25)	(7,494.22)	(2,120.25)	(7,494.22)	
Profit/(loss) After Tax for the Period	12,403.54	5,037.13	10,006.88	13,878.68	42,822.69	21,993.93	34,668.37	
Other Comprehensive Income								
Items that will not be reclassified to profit or loss								
Changes in fair value of equity instruments measured at fair value through other comprehensive income (FVOCI)	(7,555.23)	(1,097.60)	(4,806.93)	(13,924.37)	10,441.16	(13,924.37)	10,441.16	
Remeasurement of post-employment benefit obligations	385.31	242.30	600.56	1,112.20	969.19	1,113.23	969.81	
Income tax relating to these items	1,082.08	(83.67)	29.53	831.60	(100.64)	831.60	(100.64)	
Other Comprehensive Income for the Period, net of tax	(6,087.84)	(938.97)	(4,176.84)	(11,980.57)	11,309.71	(11,979.54)	11,310.33	
Total Comprehensive Income for the Period (Comprising profit (loss) and other Comprehensive Income for the period)	6,315.70	4,098.16	5,830.04	1,898.11	54,132.40	10,014.39	45,978.70	
Earning per Equity Share (EPS) (Face Value of Rs.2)								
Basic (Rs.)	3.90	1.58	3.15	4.36	13.47	6.92	10.90	
Diluted (Rs.)	3.90	1.58	3.15	4.36	13.47	6.92	10.90	



GUJARAT MINERAL DEVELOPMENT CORPORATION LIMITED

Balance Sheet as at 31st March 2019 and 31st March 2018

(₹ in Lakh)

Particulars	Standalone		Consolidated	
	As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	1,67,984.90	1,73,075.27	1,68,182.99	1,73,273.36
Capital Work-in-Progress	76.45	1,066.70	76.45	1,066.70
Investment Properties	9,183.13	9,288.37	9,183.13	9,288.37
Other Intangible Assets	35,776.16	32,108.88	35,776.16	32,108.88
Investment in Associates and Joint Ventures	891.37	30,656.37	1,118.00	22,540.21
Financial Assets				
Investments	41,737.16	55,661.54	41,737.16	55,661.54
Loans	205.79	289.28	205.79	289.28
Other Financial Assets	69,135.05	52,120.80	69,135.05	52,120.80
Other Non-Current Assets	44,705.59	45,790.36	44,867.00	45,969.60
Total Non-Current Assets	3,69,695.60	4,00,057.57	3,70,281.73	3,92,318.74
Current Assets				
Inventories	9,813.43	7,243.00	9,813.43	7,243.00
Financial Assets				
Trade Receivables	14,747.73	11,116.74	14,747.71	11,116.71
Cash and Cash Equivalents	1,827.76	2,833.74	4,676.36	5,599.70
Other Bank Balances	140.35	153.42	140.35	153.42
Loans	1,074.31	1,301.65	1,074.31	1,301.65
Other Financial Assets	1,05,011.71	1,08,595.28	1,05,064.67	1,08,639.01
Other Current Assets	14,850.90	12,617.72	14,854.34	12,621.66
	1,47,466.19	1,43,861.55	1,50,371.17	1,46,675.15
Assets classified as held for sale	16.75	16.75	16.75	16.75
Total Current Assets	1,47,482.94	1,43,878.30	1,50,387.92	1,46,691.90
Total Assets	5,17,178.54	5,43,935.87	5,20,669.65	5,39,010.64
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	6,360.00	6,360.00	6,360.00	6,360.00
Other Equity	4,22,190.95	4,33,710.64	4,25,350.52	4,28,753.93
Total Equity	4,28,550.95	4,40,070.64	4,31,710.52	4,35,113.93
Liabilities				
Non-Current Liabilities				
Financial Liabilities				
Other Financial Liabilities	2,593.94	1,309.24	2,623.56	1,317.47
Provisions	43,372.03	39,680.49	43,372.03	39,680.49
Net Employee Benefit Liabilities	3,930.57	4,172.12	3,930.57	4,172.12
Deferred Tax Liabilities (Net)	11,971.14	14,922.99	11,971.14	14,922.99
Other Non-Current Liabilities	2,441.94	2,624.62	2,441.94	2,624.62
Total Non-Current Liabilities	64,309.62	62,709.46	64,339.24	62,717.69
Current Liabilities				
Financial Liabilities				
Trade Payables	10,959.99	10,986.66	10,959.99	10,988.28
Other Financial Liabilities	9,365.26	23,761.83	9,658.25	23,776.27
Net Employee Benefit Liabilities	1,073.80	1,833.34	1,073.80	1,833.34
Other Current Liabilities	2,918.92	4,573.94	2,927.85	4,581.13
Total Current Liabilities	24,317.97	41,155.77	24,619.89	41,179.02
Total Liabilities	88,627.59	1,03,865.23	88,959.13	1,03,896.71
Total Equity and Liabilities	5,17,178.54	5,43,935.87	5,20,669.65	5,39,010.64

Sr. No	Particulars	STANDALONE				CONSOLIDATED	
		Quarter Ended		Year Ended		31-03-2019 (Audited)*	31-03-2018 (Audited)
		31-03-2019 (Audited)	31-12-2018 (Unaudited)	31-03-2018 (Audited)	31-03-2019 (Audited)*		
1	Segment Revenue : (Net Sales / Revenue from Operations)						
	1 Mining	47,705.69	36,562.39	55,997.30	1,60,407.07	1,77,581.52	1,60,407.07
	2 Power	7,802.43	6,946.81	10,705.17	38,463.34	41,572.12	38,463.34
		55,508.12	43,509.20	66,702.47	1,98,870.41	2,19,153.64	1,98,870.41
	Less: Inter Segment Revenue	2,458.05	2,470.84	3,196.34	10,902.59	12,156.96	10,902.59
	Net Sales/Income From Operations	53,050.07	41,038.36	63,506.13	1,87,967.82	2,06,996.68	1,87,967.82
2	Segment Results (Operating Results):						
	1 Mining	13,790.36	4,906.67	10,970.80	42,108.83	43,881.37	42,108.84
	2 Power	1,940.68	65.13	6,132.10	10,530.01	9,605.27	10,530.01
	Total Segment Operating Results	15,731.04	4,971.80	17,102.90	52,638.84	53,486.64	52,638.85
	Un-allocable Corporate Results	(928.36)	(979.22)	(3,355.13)	(5,038.79)	(9,896.23)	(5,460.84)
	Total Results	14,802.68	3,992.58	13,747.77	47,600.05	43,590.41	47,178.01
	Add : Interest and Dividend Income	3,120.18	3,197.38	3,063.34	12,555.36	10,825.26	12,744.92
	Add : Un-allocable income net of un-allocable expenses	76.78	97.43	447.60	339.67	639.20	345.63
	Net Profit Before Tax and Exceptional Items	17,999.64	7,287.39	17,258.71	60,495.08	55,054.87	60,268.56
3	Segment Assets :						
	1 Mining	1,23,883.16	1,23,437.15	1,15,752.09	1,23,883.16	1,15,752.09	1,23,883.16
	2 Power	1,54,554.44	1,57,396.45	1,63,524.28	1,54,554.44	1,63,524.28	1,54,554.44
	3 Unallocated	2,38,740.95	2,42,237.85	2,64,659.50	2,38,740.95	2,64,659.50	2,42,232.05
		5,17,178.55	5,23,071.45	5,43,935.87	5,17,178.55	5,43,935.87	5,20,669.65
4	Segment Liabilities :						
	1 Mining	61,765.84	67,189.70	56,855.74	61,765.84	56,855.74	61,765.84
	2 Power	6,589.79	7,842.72	6,484.69	6,589.79	6,484.69	6,589.79
	3 Unallocated	20,271.96	25,709.45	40,524.80	20,271.96	40,524.80	20,603.50
		88,627.59	1,00,741.87	1,03,865.23	88,627.59	1,03,865.23	88,959.13

* Subject to Audit u/s 143(6) of the Companies Act, 2013 by C&AG of India

Notes:

- The above results have been reviewed by the Audit Committee of the Board of Directors in its meeting held on 9th May, 2019 and the same have been taken on record by the Board of Directors in its meeting held on the same date.
- The Board of Directors have recommended 100 % dividend (Rs.2/- per equity share of Rs.2/-each) for the financial year ended 31.03.2019 subject to the approval of the share holders in the Annual General Meeting.
- During the year Bhavnagar Energy Co Ltd (BECL) has been merged with Gujarat State Electricity Corporation Ltd (GSECL) vide notification dated 27th August, 2018 issued by Energy and Petrochemicals Department, Government of Gujarat. GMDC has been given one share of GSECL of Rs. 10 fully paid having fair value of Rs.12.01 against the total investment of Rs.29765.00 Lakh in 29,76,50,000 equity shares of BECL Rs.10 each fully paid. Therefore there is a loss on investment of Rs.29765.00 Lakh which has been shown as an exceptional item in results.
- During the year accounting policy for overburden removal expenditure has been changed in respect of Lignite mines. Overburden removal expenditure has been charged based on plot wise technically evaluated average stripping ratio, where the company has awarded unit-rate based contracts for Overburden Removal and Lignite extraction, which amounts to Rs. 7562.39 Lakh for the year ended 31st March, 2019. Balance amount of ₹ 3328.13 Lakh incurred for stripping activity adjustment under such contracts, has been recognised as Stripping activity assets.
- Figures of last quarter are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the current financial year.
- Corresponding figures of the previous periods/year's have been re-grouped / re-arranged / re-classified / restated and revised, wherever necessary, for rounding off to nearest lakh and/or to make them comparable with the figures of the current year.

Place: Ahmedabad
Date: 9th May, 2019

For and on behalf of the Board of Directors


Arunkumar Solanki, IAS
Managing Director



GUJARAT MINERAL DEVELOPMENT CORPORATION LIMITED

(See Regulation 47(1) (b) of the SEBI (LODR) Regulations, 2015)
AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED ON 31ST MARCH, 2019

(₹ in Lakh)

Sr No	Particulars	STANDALONE				CONSOLIDATED	
		3 Months ended on 31/03/2019 (Audited)	3 Months ended on 31/12/2018 (Unaudited)	12 months ended on 31/03/2019 (Audited)*	12 months ended on 31/03/2018 (Audited)	12 months ended on 31/03/2019 (Audited)*	12 months ended on 31/03/2018 (Audited)
1	Total Income from Operations (net)	53,050.07	41,038.36	1,87,967.82	2,06,996.68	1,87,967.82	2,06,996.68
2	Net Profit/(Loss) for the period (before Tax and Exceptional Items)	17,999.64	7,287.39	60,495.08	55,054.87	60,268.56	54,989.72
3	Net Profit/(Loss) for the period before tax (after Exceptional Items)	17,999.64	7,287.39	30,730.08	55,054.87	38,831.10	54,989.72
4	Net Profit/(Loss) for the period after tax (after Exceptional Items)	12,403.54	5,037.13	13,878.68	42,822.69	21,993.93	34,668.37
5	Total Comprehensive Income for the period [Comprising Profit/(Loss) for the period after tax and Other Comprehensive Income (after tax)]	6,315.70	4,098.16	1,898.11	54,132.40	10,014.39	45,978.70
6	Equity Share Capital	6,360.00	6,360.00	6,360.00	6,360.00	6,360.00	6,360.00
7	Reserves (excluding Revaluation Reserve as shown in the Balance Sheet)			4,22,190.95	4,33,710.64	4,25,350.52	4,28,753.93
8	Earning Per Share (of Rs. 2/- each) (for continuing and discontinued operations) (not annualised)-						
	1. Basic: (Rs)	3.90	1.58	4.36	13.47	6.92	10.90
	2. Diluted (Rs)	3.90	1.58	4.36	13.47	6.92	10.90

* Subject to Audit u/s 143(6) of the Companies Act, 2013 by C&AG of India

Note:

The above is an extract of the detailed format of Financial Results for the quarter & for the year ended on 31st March 2019 filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015 and SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5th July 2016. The full format of the Financial Results for the quarter & for the year ended on 31st March 2019 alongwith Explanatory Notes is available on the Stock Exchange websites. (www.nseindia.com and www.bseindia.com)

Place: Ahmedabad
 Date: 9th May, 2019

For and on behalf of the Board of Directors

Arunkumar Solanki, IAS
 Managing Director

Independent Auditors' Report

To
The Members of
Gujarat Mineral Development Corporation Limited

Report on the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Gujarat Mineral Development Corporation Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, notes to the standalone financial statements including a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone financial statements").

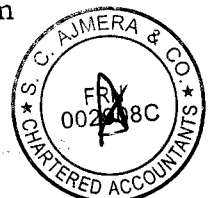
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India of the state of affair of the Company as at 31st March, 2019, the profit and total comprehensive income, changes in equity and cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

- i. We draw attention to note no. 2.02.01 and 2.48(a) of the standalone financial statements wherein the company has changed the accounting policy relating to presentation of Government Grants. Earlier Government grants relating to the purchase or construction of items of PPE or investment properties were included in non-financial liabilities as deferred income and credited to Statement of Profit & Loss on a straight line basis over the expected life of the related assets and presented within the other income. Now, Government grant relating to the purchase or construction of items of PPE or investment



S.C. AJMERA & CO
Chartered Accountants

properties is deducted from cost of purchase/construction in arriving at the carrying amount of the asset in line with Ind AS 20.

The said change of accounting policy has resulted in decrease in Other Income and depreciation to the tune of Rs. 43.04 Lakh for the year ended 31st March, 2019 and decrease in Investment Properties and Other Non-Current Non-Financial Liabilities by Rs. 2458.59 Lakh.

- ii. We draw the attention to Note No. 2.48(c) of the standalone financial statements wherein the company has changed its accounting policy of charging overburden removal on actual basis i.e. without adjustment of stripping ratio to charging overburden removal cost based on plot wise technically evaluated average stripping ratio on contract awarded based on unit price.

The said change of accounting policy has resulted in increase in profit to the tune of Rs. 3328.13 Lakhs and increase in Non Current Non Financial Assets by the same amount.

- iii. We draw the attention to Note No. 2.04.01 of the standalone financial statements wherein the company has made an investment in 2,976.50 lakh equity shares of Rs.10 each amounting to Rs. 29,765 lakh of Bhavnagar Energy Company Limited (BECL). BECL was merged with Gujarat State Electricity Corporation Limited (GSECL) and GSECL has issued one share having book value of Rs 12.01 against 2,976.50 lakh equity shares of Rs.10 each amounting to Rs. 29,765 lakh of BECL held by the company.

Therefore, an amount of Rs. 29,765 lakh has been written off during the year and has been shown as an exceptional item in the Statement of Profit & Loss.

- iv. We draw the attention to Note No. 2.48(b) of the standalone financial statements wherein the Company was treating the Power Purchase Agreement (PPA) entered with Gujarat Urja Vikas Nigam Ltd. (GUVNL) for sale of power generated from thermal power plant located at Akrimota as assets given on operating lease. During the year, the company has discontinued treating the same as assets given on operating lease and accordingly, income from sale of power has been shown under the head 'Sale of Product' instead of 'Other Operating Income'.

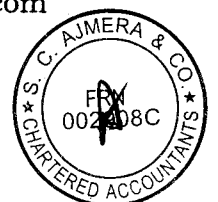
The above reclassification does not have any impact on profitability as well as total assets of the Company.

Our opinion on the standalone financial statements, and our Report on Other Legal and Regulatory Requirements is not modified in respect of the above matters.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a

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separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No.	Key Audit Matter	Auditor's Response
1.	<p>Stripping Cost Expenditure incurred on removal of mine waste materials (overburden) necessary to extract the lignite reserve is referred to as Stripping cost.</p> <p>Cost of stripping is charged on technical evaluated average stripping ratio at each plot of mine after due adjustment for stripping activity.</p> <p>Refer Note (r) of the Significant Accounting Policies</p>	<p>Principal Audit Procedures Our audit approach was a combination of test of internal controls and substantive procedures which included the following:</p> <ul style="list-style-type: none"> • Evaluated the Overburden Removal (OB) and lignite reserve estimate and discussed with the geologist about geologist model, estimation tools and sampling method (As per SA-620 "Using the Work of an Auditor's Expert"). • Tested 'Average stripping ratio' by recalculating the Lignite to overburden. • Selected a sample of contracts and through inspection of evidence tested the operating effectiveness of the internal controls relating to stripping activity. • Carried out a combination of procedures involving enquiry, observation and inspection of evidence in respect of operation of these controls. • Performed analytical procedures and test of details for reasonableness of expenditure incurred.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Report on CSR Activities, Corporate Governance and Shareholders Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these

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standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with relevant rules issued there under and accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

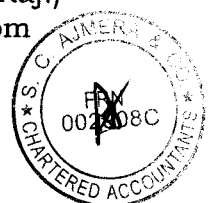
Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with Standards on Auditing ('SAs'), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal

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financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure 'A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. In terms of Section 143(5) of the Companies Act, 2013, we give in Annexure '2(i) & 2(ii)' a statement on the directions issued under the aforesaid section by the Comptroller and Auditor General of India.

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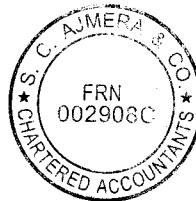


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3. As required by Section 143 (3) of the Companies Act, 2013 we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid standalone financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid standalone financial statements have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of the standalone financial statements.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) Being a Government Company, pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs, Government of India, provisions of sub-section (2) of Section 164 of the Companies Act, 2013, are not applicable to the Company.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements- Refer Note 2.37 to the Standalone financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Place:- Ahmedabad
Date:- 09.05.2019



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

Arun
Arun Sarupria - Partner
M. No. 078398