

ANNUAL REPORT 2008-2009**BOARD OF DIRECTORS****CHAIRMAN**

Shri M S Sahu, IAS

MANAGING DIRECTOR

Smt. V.L. Joshi, IAS

COMPANY SECRETARY

Shri Joel Evans

AUDITORSR.S. Patel & Co.,
Chartered Accountants**REGISTERED OFFICE**Khanij Bhavan
132 Feet Ring Road
Near University Ground
Vastrapur, Ahmedabad – 380 052Phone : 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

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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

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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 MORG-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

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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

ANNUAL REPORT 2008-2009

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 Rajpardi 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.	



GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

ANNEXURE : III

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