

47th
Annual Report
2009-2010



**GUJARAT MINERAL DEVELOPMENT
CORPORATION LIMITED**

BOARD OF DIRECTORS

CHAIRMAN

Shri M. Sahu, IAS

MANAGING DIRECTOR

Smt. V. S. Gadhavi, IAS

COMPANY SECRETARY

Shri Joel Evans

AUDITORS

M/s. Jain Seth & 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 Atanu Chakraborty, IAS

Shri Vinay Vyasa, IAS

Shri Bhadresha Mehta

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

Gadhisa (Dist. Kutch)

Bhatia (Dist. Jamnagar)

Calcination Project

Gadhisa (Dist. Kutch)

Multi-Metal Project

Ambaji (Dist. Banaskantha)

Manganese Project

Shivrajpur (Dist. Panchmahal)

Power Project

Nani Chher (Dist. Kutch)

Wind Farm Project

Maliya (Dist. Rajkot)

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AGM DATE, DAY, TIME & VENUE

Date of AGM : 28-09-2010**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



GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

FINANCIAL HIGHLIGHTS

Sr.	Particulars	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01
(A) Profit & Loss Account											
1.	Total Sales	1,06,608.05	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
2.	Profit before tax	40,608.25	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
3.	Interest	2,611.22	5,390.84	7,024.77	7,370.52	5,054.94	20.34	88.56	113.93	164.19	91.54
4.	Depreciation	8,615.31	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
5.	Provision for tax	12,621.37	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
6.	Profit after tax	27,986.88	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
7.	Short/Excess provision of tax of earlier years	1.17	488.85	-	1,420.48	649.31	20.33	0.08	17.66	0.18	113.27
8.	Net Profit after short/excess tax prov of earlier years	27,988.05	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
9.	Balance of profit of last year	12,939.98	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
10.	Profit available for appropriation	40,928.03	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
11.	Dividend in %	125.00	100.00	100.00	100.00	60.00	50.00	45.00	45.00	40.00	45.00
12.	Dividend in Rupees	7,950.00	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
(B) Balance Sheet											
1.	Share Capital	6,360.00	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
2.	Reserves & Surplus	1,34,197.57	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
3.	Gross Fixed Assets	1,97,608.33	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
4.	Net Fixed Assets	1,34,143.07	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
5.	Current Assets	1,48,090.21	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
6.	Current Liabilities	1,12,113.46	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
7.	Capital Employed	1,71,092.32	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
8.	Net worth	1,38,755.83	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
(C) Financial Ratios											
1.	% of Net Profit										
	On Sales	26.25	24.08	26.90	18.45	9.57	27.95	29.66	28.94	26.20	26.96
	On Gross Fixed Assets	14.16	12.53	14.29	6.07	2.44	11.13	21.73	23.31	18.21	16.78
	On Capital Employed	16.36	12.72	14.04	5.78	2.24	5.72	5.89	8.06	10.40	13.31
	On net worth	20.17	19.57	24.93	13.53	5.61	14.00	12.24	13.99	12.36	11.85
	On Share Capital	440.05	371.55	829.97	341.76	131.28	324.56	254.58	266.45	208.13	184.74
2.	Debt/Equity Ratio	0.15	0.39	0.63	1.14	1.39	1.45	1.16	0.84	0.33	0.03

NOTICE

Notice is hereby given that the 47th Annual General Meeting of the Shareholders of 'Gujarat Mineral Development Corporation Limited' will be held on Tuesday, the 28th September, 2010 at 11.00 a.m. at the Registered Office of the Company, at Khanij Bhavan, Off:132 Ft. Ring Road, Near University Ground, Vastrapur, Ahmedabad - 380 052 to transact the following business :

ORDINARY BUSINESS :

Item No. 1. To receive, consider and adopt the 'Profit & Loss Account' of the Corporation for the year ended 31st March, 2010 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, 2010.

Item No. 3. To fix up the remuneration of Statutory Auditors for the year 2010-11 to be appointed by the Comptroller & Auditor General of India.

By Order of the Board-of-Directors

Joel Evans

Company Secretary

Date : 26th May, 2010

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 21.09.2010 to 28.09.2010 (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 20.09.2009. 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 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, 2001 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, 2001 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.	2002-2003	29.09.2003	29.09.2010
2.	2003-2004	30.09.2004	30.09.2011
3.	2004-2005	30.09.2005	30.09.2012
4.	2005-2006	22.12.2006	22.12.2013
5.	2006-2007	29.09.2007	29.09.2014
6.	2007-2008	11.09.2008	11.09.2015
7.	2008-2009	29.09.2009	29.09.2016

By Order of the Board-of-Directors

Joel Evans

Company Secretary

Date : 26th May, 2010

Place : Ahmedabad.

Registered Office :

Gujarat Mineral Development Corporation Limited

'Khanij Bhavan' Vastrapur, Ahmedabad-380 052

DIRECTORS' REPORT

To
The Shareholders,
Gujarat Mineral Development Corporation Limited

Your Directors have pleasure in presenting 47th Annual Report along with the audited accounts of your Corporation for the financial year 2009-2010. Our profit after tax for the year is Rs. 27,986.88 lacs as against Rs. 23,630.61 lacs last year.

Financial Results	2009-10 (Rs. in lacs)	2008-09 (Rs. in lacs)
Operating profit	51,834.79	50,159.09
Less: Interest	2,611.23	5,390.84
Profit after interest, but Before depreciation	49,223.56	44,768.25
Less: Depreciation	8,615.31	7,777.77
Profit for the year before tax	40,608.25	36,990.48
Less: Provision for tax for the year including deferred tax and fringe benefit tax	12,621.37	13,359.87
Profit after tax	27,986.88	23,630.61
Add: Balance of profit brought forward	12,939.98	4,739.10
Less : Short provision of deferred tax liability (net)	-	517.79
Add : Excess provision of FBT for earlier years	1.18	49.55
Profit available for appropriation	40,928.04	27,880.86
Less: Appropriation		
(i) Proposed Dividend	7,950.00	6,360.00
(ii) Corporate tax on dividend	1,351.10	1,080.88
(iii) General Reserve	20,000.00	7,500.00
Balance carried to Balance Sheet	11,626.94	12,939.98

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, 2010, 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, 2010 on a going concern basis.

DIVIDEND

Your Directors have pleasure to recommend a dividend of 125 % on equity shares. An amount of Rs. 7,950 Lacs on equity share capital of Rs. 6,360 lacs shall be paid as dividend.

CONTRIBUTION TO STATE EXCHEQUER:

The Corporation has contributed to the State Exchequer an amount of Rs. 22,777 lacs including Royalty of Rs. 5,994 lacs and Sales Tax of Rs. 16,783 lacs.

SHARE CAPITAL

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

FINANCE AND TAXATION

Income Tax assessment of the Corporation has been completed up to the Financial Year 2006-07 and the Sales Tax assessment has been completed up to the Financial Year 2005-06.

INTERNAL AUDIT

M/s. Sandip Desai & Company, Chartered Accountants were appointed as Internal Auditor of the Corporation for the year 2009-10.

STATUTORY AUDIT

M/s. Jain Seth & Co., Chartered Accountants were appointed Statutory Auditors of the Corporation by the Comptroller & Auditor General of India for the year 2009-10.

COST AUDIT

M/s Manish Analkat were appointed as Cost Auditors in respect of Akrimota Thermal Power Station for the year 2009-10.

NEW MINERAL POLICY FOR LIMESTONE, LIGNITE, BAUXITE AND MANGANESE.

During the year under review, the Government of Gujarat has announced a new mineral policy for development of mineral resources in the State of Gujarat vide resolution No. MCR-102008.1868-CHH dated 18.11.2009 for limestone, Resolution No. MCR-102008.1868-CHH dated 19.11.2009 for lignite, Resolution No. MCR-102008.1868-CHH dated 19.11.2009 for bauxite and Resolution No. GMC-1006-2472-CHH dated 19.11.2009 for manganese. The new mineral policy emphasizes more on triggering mineral based industrial growth.

LIMESTONE

Limestone leases granted for trading purpose shall have to register with GMDC before supply of limestone.

The role of GMDC and Commissioner of Geology and Mining would be to over see assured mining from lease area for trading purpose as well as for requirement of Small Scale Industrial units.



GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

LIGNITE

The lignite resources have been reserved for power generation and wherever possible, for under ground coal gasification by State PSUs or by Joint Ventures with State PSUs.

GMDC would continue to supply surplus quantity of lignite from its mines to the industries in state, in particular to small and medium industries on a long term basis in a transparent manner.

BAUXITE

All Bauxite bearing areas in the State except already granted has been reserved for GMDC.

GMDC has been made a facilitating and channelizing agency for bauxite sale and export. GMDC would become the sole supplier to bauxite users in the state for higher value addition. Export of bauxite, both plant grade and non plant grade would be carried out through GMDC. GMDC will also set up plants in JV for maximum value addition.

MANGANESE

In addition to the existing 1153 hectares reserved for GMDC, the remaining areas of manganese reserves would be granted to captive users for forming a JV with GMDC to produce value added products like MnSo₄, MnO, Ferro Alloys or EMD etc.

The new mineral policy has made GMDC as a catalyst and a propeller in manganese based industries. This would open up a whole new gamut of industrial growth particularly in the under developed regions of the state.

REVIEW OF THE OPERATIONS

During the year your Corporation operated Panandhro, Mata no Madh, Rajpardi, Tadkeshwar and Bhavnagar Lignite mines. Total 83.79 Lac MT of lignite was mined during the year. The mines wise production details are tabulated hereunder :

Mines	In Lac MT
Panandhro	28.38
Mata no Madh	28.87
Tadkeshwar	10.48
Rajpardi	9.55
Bhavnagar	6.51
Total	83.79

In spite of stiff competition from alternative fuels such as pet coke and imported coal, the total lignite sales was sustained.

Your Directors are pleased to inform that during the period under review, Mata no Madh and Tadkeshwar mines achieved highest ever production since their inception.

FLOURSPAR PROJECT, KADIPANI (DIST. VADODARA)

During the year, a second line was commissioned at Flourspar Plant at Kadipani. This project produced 100237 tones of flourspar ore and 8786 M.T. of flourspar concentrate. In order to unleash the potential of this project, it has been proposed to hive off this plant in a joint venture details of which are described elsewhere in this report.

BAUXITE

During the year under review, the Gadhsisa Group of Mines produced 89,535 M.T. High grade; 3,75,523 M.T. Low grade (<54%) bauxite and 17366 M.T. Calcined bauxite generating a revenue of Rs. 42.90 Crores. The bauxite sold was 67,910 M.T. of High grade (>54%), 2,43,154 M.T. of Low grade (<54%), 16,840 M.T. of Calcined bauxite, 1,291 M.T. of C.B. Balls and 5,925 M.T. of dust. The Bauxite, Calcined Bauxite, CB Balls, Plant dust produced was supplied to the units in the State.

MANGANESE

During the period under review, special efforts were initiated to dispose off the manganese waste dump lying at Shivrajpur mines. As a result, the GMDC generated a revenue of Rs. 83.00 Lacs (20% of total sale value) by sale of 55,090 M.T. Manganese Ore dump.

POWER PROJECT - NANI CHHER

During the year under review, the total generation of Akrimota Thermal Power Station was 1,394 MUs. The power project generated the revenue of Rs. 269.03 Crores. During the year, this project generated its maiden profit of Rs. 44 crores.

WIND FARM

Your directors are pleased to inform you that Wind Farm with a capacity of 19.5 MW was commissioned on 1.10.2009 and it earned revenue of Rs. 3.37 Crores. Your Corporation has further executed orders of installing 81 MW Wind Farm in two phases. The first phase of 40.5 MW is expected to be commissioned by September, 2010 and the next phase is expected to commence by March 2011.

NEW PROJECTS AND SCHEMES OF THE CORPORATION UPCOMING 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 tones, Lakhpat Dhedadi Lignite and Limestone Mine, Kutch having an estimated reserves of 50 million tones and Damlai Padal Lignite Mine, Bharuch, having an estimated reserves of 19 million tones. Your Corporation has also applied for mining lease in Ghala near Surat.

The Environmental Clearance for Umarsar mines has been granted subject to clearance from Standing Committee on Wild Life of Government of India as the mines is lying in the vicinity of a protected wild life sanctuary. Efforts are under way to obtain the sanction from Wild Life so as to commence lignite production at Umarsar.

UNDERGROUND COAL GASIFICATION

Your corporation has entered in to Memorandum of Understanding with ONGC and with M/s Reliance Industries Limited for undertaking underground Coal Gasification for deep seated Lignite.

CEMENT PLANT

Your corporation has also participated in joint venture with

M/s Jay Prakash Group to set up 2.6 Million Tonnes of Cement Plant. As per the existing arrangements, the lime stone required for the Cement Plant will be supplied by GMDC. A proposal for allocation of land for this project has been submitted to Revenue department of Government of Gujarat.

COAL BLOCK DEVELOPEMNT

Your corporation has been allocated two Coal block viz. at Morga-II in Chhatisgarh and at Naini in Orissa. Your corporation has participated in joint venture with M/s Pondicherry Industrial Promotion Development and Investment Corporation (PIPDIC), Government of Pondicherry with 50 : 50 equity stake. During the year under review, a company named Naini Coal Company Limited has been incorporated. A request has been submitted to Government of Orissa for seeking permission to carry out exploration.

NEW COAL BLOCKS

In order to participate in the anticipated auction of coal blocks by Government of India, your Corporation has identified several parties in collaboration with whom, applications can be submitted for allotment of coal blocks under Government dispensation route.

80 MW POWER PROJECT WITH M/S GOKUL REFOILS AND SOLVENTS LIMITED

Your Corporation has participated in joint venture with M/s Gokul Refoils and Solvents Limited with an equity stake of 26%. A separate joint venture company has been set up for this purpose. The land required for this project has been acquired and environmental clearance for the project has been received. Negotiations are being conducted with M/s BHEL for procurement of main plant and equipments of suitable configuration for the power plant.

DOWN STREAM PROJECT BASED ON MANGANESE ORE

Your corporation has envisaged promotion of projects for value addition of Manganese Ore. For this purpose, your corporation has executed MoUs with M/s Cube Mines & Minerals Pvt. Limited and M/s Shivam Manganese & Minerals Pvt. Limited to set up Manganese beneficiation project based on Manganese waste dump.

REFRACTORIES, MONOLITHICS AND CASTABLES

Your corporation has executed an MoU with M/s TATA Refractories Limited and M/s Meena Agency to manufacture refractories and Manganese (castables) and other value added products by using bauxite.

ALUMINA PLANT

The state of Gujarat is bestowed with bauxite reserves of 137 Million Tonnes. In order to exploit this vast bauxite mineral wealth, your corporation has executed MoU for setting up two Alumina Plants - one at Kutch and other at Saurashtra region. Each plant would be of 1 Million Tonne capacity.

FLUORSPAR BENEFICIATION

As reported earlier, your Corporation has entered in to several MoUs for mineral development and value addition with various business entities. As part of these initiatives, it has

proposed to set up joint venture with M/s Gujarat Fluoro chemicals Limited and M/s Navin Fluorine International Limited with equity pattern of 50 : 50 for GMDC & GFL / NFIL.

SILICA SAND BENEFICIATION

It has been proposed to set up a Silica Sand beneficiation plant in joint venture with M/s Asahi India Glass Co. with an investment of Rs. 37.50 Crores. As per the agreement, 2.00 Lacs MT per annum capacity Silica Sand beneficiation plant will be set up. M/s Asahi India Glass Co. will consume 1.00 Lac MT per annum and the remaining 1.00 Lac MT per annum will be made available to GMDC for sale. The operation and maintenance of the plant will be carried out by M/s Asahi India Glass Co.

SPECIALITY ALUMINA CHEMICALS

It has been proposed to set up Speciality Alumina Chemicals Plant in Gujarat based on the raw materials (Bauxite) to be supplied by GMDC with an investment of Rs. 30.00 Crores.

BROWN FUSE ALUMINA - TABULAR ALUMINA

Your Corporation has entered in to two MoUs to set up Brown Fuse Alumina - Tabular Alumina plant based on Bauxite.

INTEGRATED COKE OVEN PLANT

During the period under review, joint venture has been set up in collaboration with M/s Sunflag Iron & Steel Co. Limited with equity pattern of 51:49. A separate company namely Gujarat State Min. & Resources Corporation Limited has been incorporated for this purpose.

MULTI METAL PROJECT, AMBAJI

Your corporation has entered in to an MoU with M/s Binani Zinc Limited and M/s Rajasthan State Mines Mineral Development Corporation for setting up beneficiation plant with a capacity of 2000 tonnes per day based on the deposits of Ambaji Deri and Basant Gadh, with a approximate project cost of Rs. 239.11 Crores. The proposed Equity investment is GMDC - 25%, Binani-65% and RSMMD-10%.

ENVIRONMENT PROGRAMME

Environmental Clearance is prerequisite for starting any new project or expansion of an existing project. This involves obtaining terms of reference conducting public hearing and then environmental clearance is obtained from Ministry of Environment and Forests New Delhi. Company has obtained environmental clearance for Umarsar lignite mines in 2186-76 ha. area. Being close to Narayan Sarovar Wildlife Sanctuary, the proposal is now submitted for the approval of Steering Committee of Wildlife.

Company has conducted public hearing for Mevasa -1 bauxite mine, capacity expansion of Amod, Tadkeshwar and Mata No Madh lignite mines and the proposal has been submitted to the Ministry of Environment & Forest, GOI, and New Delhi for environmental clearance. Proposal of Forestry clearance for drilling is submitted to the Ministry of Environment & Forest, GOI, New Delhi. Your company has taken up plantation through Forest department and departmentally on 201.0 ha area in the year 2009-10.



GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

Your company is well concerned with the environmental protection and takes appropriate preventive and curative measures to maintain environment. 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, electrostatic precipitator for stack dust emission, sewage and Effluent Treatment Plants for the control of water pollution and regular vibration measurement for controlling noise pollution from machines.

In addition to above, your company has intensified environmental protection measures by way of reclamation of mined out area by backfilling and Afforestation, plantation on overburden dump, virgin area and roadside through inhouse sources 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 and maintaining the environmental control measures and standards very effectively.

Environment audit is conducted by an external agency recognized by the Gujarat Pollution Control Board regularly and the Environmental Audit Report is submitted to Gujarat Pollution Control Board.

INDUSTRIAL RELATIONS, HEALTH AND SAFETY

The relations between Corporation and its employees continued to be cordial throughout the year. Corporation 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. There is a facility of telemedicine at select hospitals which provide state of the art techno-medical intervention.
2. Ambulance Vans to Taluka Panchayats of Kutchh.
3. Mobile van visiting all villages of Lakhpat Taluka twice every week.
4. Uniform, ISI & DGMS approved safety shoes helmets and all safety devices as per the provisions of the Mines Act.

SOCIALLY RESPONSIBLE AND INCLUSIVE DEVELOPMENT

Your Corporation has wedded to a sensitive C.S.R. policy. It has been sensitive towards various stake holders attached to it at various platform whether they are people residing in surrounding places at its different project areas situated in remotest part of the State, be they investors, consumers or industry at large. Your Corporation has tried to meet the expectation of various sections of the society by reaching out to them, be it in the form of providing rural infrastructure in the field of water, sanitation, education, employment and livelihood, micro irrigation or be it continuous fuel supply to small and medium scale enterprises or be it generous dividend payout policy.

During the year under review, your corporation made special efforts to further strengthen its reach to weaker sections of the society in and around its project areas. It is imperative to note that CSR has acquired immense importance while getting sanction of environmental clearances. In view of this, your Corporation has charted out a focussed and holistic strategy to usher in developmental impacts in mineral bearing villages. This would also result in harmonious relationship with the society at large. These initiatives would also result in an all-round inclusive growth.

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.

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 at Annexure-I and forms part of this report.

BOARD-OF-DIRECTORS

Shri M Sahu, IAS was appointed as Director and Chairman of your Company vice Smt. Gauri Kumar IAS. Shri V S Gadhavi, IAS was appointed as Managing Director vice Smt. V L Joshi, IAS, Managing Director. Shri Atanu Chakraborty has been appointed as Director in place of Shri Tapan Ray, IAS.

CORPORATE GOVERNANCE

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

ACKNOWLEDGEMENT

Your Directors are pleased to place on record their deep appreciation for the sincere services and co-operation extended by the officers, employees and workmen of the 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 Corporation for their valued co-operation.

For and on behalf of the Board-of-Directors

Place : Gandhinagar
Date : 28th July, 2010

M. 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**

- (i) Installation of lighting energy saver panel
- (ii) Usage of energy saver VPIT ballast in HPSV fittings instead of cu ballast
- (iii) Execution of Thermal imaging for switch yard, GT, UAT, Battery banks, boiler insulation.
- (iv) Multi effect desalination plant charged through Turbine extraction steam normally when main boiler is available.

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

Proposal to implement solar water heating system at ATPS hostel premises

(c) Impact of the above measures

- (i) Saving observed is 23 to 27%.
- (ii) Over all reduction in energy consumption.
- (iii) Saving of thermal energy and reduction in carbon emission

B. Technology absorption

The disclosure is made in the prescribed Form B.

C. Foreign Exchange Earnings and outgo

Total foreign exchange used : Euro 50497, USD 51081

Total foreign exchange earned : NIL

FORM-B**DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION RESEARCH AND DEVELOPMENT****Research and Development**

Particular fields in which Research and Development carried out by the Corporation 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) Exploration of Lignite, Bauxite, Limestone and Manganese.

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

Installation of wind power farms with a capacity of 19.5 MW.

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

Generation of clean and sustainable energy.