

48th
Annual Report
2010-2011



**GUJARAT MINERAL DEVELOPMENT
CORPORATION LIMITED**

BOARD OF DIRECTORS**CHAIRMAN**

Shri M. Sahu, IAS

MANAGING DIRECTOR

Shri 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

Gadhsisa (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)

Wind Farm Projects

Maliya (Dist. Rajkot)

Jodia (Dist. Jamnagar)

Gorsar (Dist. Porbandar)

CONTENTS

Contents	Page No.
Notice	3
Directors' Report	4
Corporate Governance Report	8
Report of the C.A.G.	14
Auditors' Report	15
Balance Sheet	18
Profit and Loss Account	19
Cash Flow Statement	20
Schedules	21
Statement under Section 212	40
Auditors' Report on Consolidated Financial Statements ..	41
Consolidated Financial Statements	42

AGM DATE, DAY, TIME & VENUE

Date of AGM :	30-9-2011
Day :	Friday
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 HIGHLIGHTS

Sr.	Particulars	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02
(A) Profit & Loss Account											
1.	Total Turnover	1,42,122.34	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
2.	Profit before tax	58,461.06	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
3.	Interest	1,528.32	2,611.22	5,390.84	7,024.77	7,370.52	5,054.94	20.34	88.56	113.93	164.19
4.	Depreciation	9,295.55	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
5.	Provision for tax	20,984.72	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
6.	Profit after tax	37,476.34	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
7.	Short/Excess provision of tax of earlier years	30.70	1.17	488.85	-	1,420.48	649.31	20.33	0.08	17.66	0.18
8.	Net Profit after short/excess tax prov of earlier years	37,507.04	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
9.	Balance of profit of last year	11,626.94	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
10.	Profit available for appropriation	49,133.98	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
11.	Dividend in %	150.00	125.00	100.00	100.00	100.00	60.00	50.00	45.00	45.00	40.00
12.	Dividend in Rupees	9,540.00	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
(B) Balance Sheet											
1.	Share Capital	6,360.00	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
2.	Reserves & Surplus	1,60,616.98	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
3.	Gross Fixed Assets	2,23,619.18	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
4.	Net Fixed Assets	1,51,739.13	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
5.	Current Assets	1,93,014.86	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
6.	Current Liabilities	1,55,374.91	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
7.	Capital Employed	1,91,260.84	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
8.	Net worth	1,65,852.01	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
(C) Financial Ratios											
1.	% of Net Profit										
	On Sales	26.37	26.25	24.08	26.90	18.45	9.57	27.95	29.66	28.94	26.20
	On Gross Fixed Assets	16.76	14.16	12.53	14.29	6.07	2.44	11.13	21.73	23.31	18.21
	On Capital Employed	19.59	16.36	12.72	14.04	5.78	2.24	5.72	5.89	8.06	10.40
	On net worth	22.60	20.17	19.57	24.93	13.53	5.61	14.00	12.24	13.99	12.36
	On Share Capital	589.25	440.05	371.55	829.97	341.76	131.28	324.56	254.58	266.45	208.13
2.	Debt/Equity Ratio	0.08	0.15	0.39	0.63	1.14	1.39	1.45	1.16	0.84	0.33

NOTICE

Notice is hereby given that the 48th Annual General Meeting of the Shareholders of 'Gujarat Mineral Development Corporation Limited' will be held on 30th September 2011, 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 :

1. To receive, consider and adopt the 'Profit & Loss Account' of the Corporation for the year ended 31st March, 2011 and the 'Balance Sheet' as on that date and the Report of the Board-of-Directors and Auditors thereon.
2. To declare dividend on Equity Shares for the year ended 31st March, 2011.
3. To fix up the remuneration of Statutory Auditors for the year 2011-12 to be appointed by the Comptroller & Auditor General of India.

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

Date : 30-05-2011
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 21-9-2011 to 30-9-2011 (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 30-9-2011. 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, 2004 which had remained unclaimed for a period of seven years from the date of transfer of the same will have to be transferred to the 'Investor Education and Protection Fund' established by the Central Government. Shareholders who have not encashed the dividend warrant(s) so far for the financial year ended 31st March, 2004 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	2003-2004	30.09.2004	30.09.2011
2	2004-2005	30.09.2005	30.09.2012
3	2005-2006	22.12.2006	22.12.2013
4	2006-2007	29.09.2007	29.09.2014
5	2007-2008	11.09.2008	11.09.2015
6	2008-2009	29.09.2009	29.09.2016
7	2009-2010	28.09.2010	28.09.2017

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

Date : 30-05-2011
Place : Ahmedabad.

Registered Office :

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



GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

DIRECTORS' REPORT

To
The Shareholders,
Gujarat Mineral Development Corporation Limited

Your Directors have pleasure in presenting 48th Annual Report along with the audited accounts of your Corporation for the financial year 2010-2011. Our profit after tax for the year is ₹ 37476.35 lacs as against ₹ 27986.88 lacs last year.

Financial Results	2010-11 (₹ in lakh)	2009-10 (₹ in lakh)
Operating profit	69,284.94	51,834.79
Less: Interest	1,528.32	2,611.23
Profit after interest, but Before depreciation	67,756.62	49,223.56
Less: Depreciation	9,295.55	8,615.31
Profit for the year before tax	58,461.07	40,608.25
Less: Provision for tax for the year including deferred tax	20,984.72	12,621.37
Net profit after tax	37,476.35	27,986.88
Add: Balance of profit brought forward	11,626.94	12,939.98
Add: Excess provision of FBT / Dividend Tax of earlier years	30.69	1.18
Profit available for appropriation	49,133.98	40,928.04
Less: Appropriation		
(i) Proposed Dividend	9,540.00	7,950.00
(ii) Corporate tax on dividend	1,547.63	1,351.10
(iii) General Reserve	25,000.00	20,000.00
Balance carried to Balance Sheet	13,046.35	11,626.94

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, 2011, 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, 2011 on a going concern basis.

DIVIDEND

Your Directors have pleasure to recommend a dividend of 150 %, including special dividend of 25% on account of Swarnim Gujarat Year, i.e. ₹ 3 per share on equity shares. An amount of ₹ 9540 Lacs on equity share capital of ₹ 6360 lacs shall be paid as dividend.

CONTRIBUTION TO STATE EXCHEQUER:

The Corporation has contributed to the State Exchequer an amount of ₹ 31893 lacs including Royalty of ₹ 8032 lacs and Sales Tax of ₹ 23861 lacs.

SHARE CAPITAL

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

FINANCE AND TAXATION

Income Tax assessment of the Corporation has been completed up to the Financial Year 2007-08 and the Sales Tax assessment has been completed up to the Financial Year 2006-07.

INTERNAL AUDIT

M/s. Sandip Desai & Company, Chartered Accountants were appointed as Internal Auditor of the Corporation for the year 2010-11.

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 2010-11.

COST AUDIT

M/s Manish Analkat were appointed as Cost Auditors in respect of Akrimota Thermal Power Station for the year 2010-11.

REVIEW OF THE OPERATIONS

During the year, your Corporation operated five lignite mines, namely, Panandhro, Mata-No-Madh, Rajpardi, Tadkeshwar and Bhavnagar Lignite Mines. In spite of stiff competition from alternate fuels such as petcoke and imported coal, the total lignite sales were sustained and during the year, 102.32 MT of lignite were produced from these mines. The mine-wise production figures are as follows :

Sr. No.	Name of mine	Lignite production in lac MT
1	Panandhro	26.97
2	Mata-No-Madh	36.97
3	Tadkeshwar	18.94
4	Rajpardi	10.76
5	Bhavnagar	8.68
	Total	102.32

FLOURSPAR PROJECT, KADIPANI (DIST. VADODARA)

During the year 2010-11, production of 4,801 MT of all grade concentrate is produced till Nov., 2010. The efforts are being made to find out some solution for removal of solid plant tailing waste lying at Kadipani to restart plant operations.

BAUXITE

During the year under review, the Gadhsisa Group of Mines produced **95240 M.T. High grade; 453110 M.T. Low grade (<54%) bauxite, 135000 MT Mine Dust.**

The CB plant was not in operation. So no Calcined bauxite produced and generated a revenue of **₹ 66.58 Crores.** The bauxite sold was **78,930 M.T. of High grade (>54%), 585695 M.T. of Low grade (<54%), 124661 MT Mine dust, 3,872 M.T. of Calcined bauxite, 688 M.T. of C.B. Balls and 2,067 M.T. of Plant dust.** The high grade Bauxite, Calcined Bauxite, CB Balls, Plant dust produced was supplied to the units in the State and the low grade bauxite produced was supplied to the units in the country and Part of low grade was also exported.

MANGANESE

During the period 2010-11, the Corporation disposed off 2.45 Lac MT of Mn Ore Waste dump lying at Shivrajpur area. GMDC generated ₹ 491.29 Lac of the total sale value.

POWER PROJECT – NANI CHHER

During the year under review, the total generation of Akrimota Thermal Power Station was 1171 MUs. The power project generated the revenue of ₹ 233.67 Crores. During the year, this project generated profit of ₹ 31.16 crores.

WIND FARM

Your directors are pleased to inform you that Wind Farms with a capacity of 40.5 MW were progressively commissioned by 31.03.2011. The total Wind farm capacity as on date is 60 MW and it earned revenue of ₹1804 lacs. The work of 40.5 MW final phase of Wind farm project has been started and is expected to be completed within next four months. With this, the total Wind farm capacity will reach 100.5 MW.

SOLAR POWER

Your Directors are happy to inform you that your Corporation is actively considering to set up a 5 MW Solar Power Plant in Kutch region to harness the solar energy.

ENTERPRISE RESOURCE PLANNING PROJECT – iMine

During the year under review, your Corporation implemented an integrated one of its kind ERP Project – iMine. The project proposes to introduce efficiency and transparency with IT intervention. The integrated IT platform offers unique solutions for all functionality across the board, viz. Sales and Dispatch, Maintenance, Power Generation, Geology, Finance, Purchase, Human Resource Management and Investors' Grievance. The unique features of the software will enable consumers to order and pay online. Moreover, the ERP facility will make available real time information.

NEW PROJECTS AND SCHEMES OF THE CORPORATION

- A) During the period under review, your Corporation executed MoUs with following parties during Vibrant Gujarat Global Investors' Summit 2011 held in January, 2011 for participation in mining projects abroad.

Sr. No.	Name of party	Purpose of MoU
1	Jadeja Reality Pvt. Ltd.	Coal and Bauxite mining
2	PT Aneka Sumber Jaya	Exploration and mining of coal blocks in East Kalimantan, in Indonesia

3	ATHA Group	Joint investments in South Africa (coal, manganese, iron ore and other minerals)
4	Gujarat State Fertilizers & Chemicals Ltd., Baroda	Rock Phosphate Mining at Uganda
5	Gujarat State Fertilizers & Chemicals Ltd., Baroda	Rock Phosphate Mining in Mozambique
6	Gujarat State Fertilizers & Chemicals Ltd., Baroda	Potash Mining in Canada

- B) **Setting up of Alumina and Aluminium Smelter Plant in Kutch District based on non-plant grade bauxite to be supplied by GMDC.**

It has been decided to call for financial bids from selected seven parties and finally one of them shall be selected, to go ahead with the project.

- C) **Value addition projects based on supply of non-plant grade bauxite by GMDC**

MOUs have been signed with the following parties.

Sr. No.	Name of party	Purpose of MoU
1	Alumina Refinery Ltd.	Speciality Alumina Chemicals Refining
2	Navin Processors Pvt. Ltd.	Zeolite and Aluminium chemicals plant
3	Credo Venture Ltd.	Zeolite and DBLB project

- D) **Setting up of 200 MW Group Captive Power Plant for textile weaving sector based on supply of lignite by GMDC from its Bhavnagar mine**

Four Companies listed below have shown interest in this regard.

- Univision Textile Gujarat Limited
- Ahmedabad Textile Processors' Association
- Pradip Energy Limited
- Suryachakra Energy & Infrastructure Pvt. Ltd.

One out of the above four shall be selected with approval of Govt. of Gujarat, to go ahead with the project.

- E) **Setting up of Cement Plant based on supply of limestone by GMDC**

Based on EOI, the following have been shortlisted for long term supply of overburden limestone from the lignite mines of GMDC

- Adani Enterprise Ltd. - In Kutch District
- Reliance Cementation Pvt. Ltd. - In Kutch District
- ACC Limited - In Kutch District
- India Bulls Construction Materials Ltd. - In Kutch District
- Calcom Cement Co. Ltd. - In Tadkeshwar (Surat Dist.)

- F) **Setting up of Power Plant based on allocation of coal Blocks to GMDC by Govt. of India**

Based on EOI, the following parties have been identified to approach GOI for allocation of Coal Blocks

- Reliance Power Limited
- Shyam Emco Infrastructure Limited
- Adani Power Limited



GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

4. Tata Power
5. Ispat Industries Limited
6. Indiabulls Power Limited
7. Jaiprakash associates Limited
8. Pradip Energy Limited
9. Suryachakra Energy (Chhatisgarh) Pvt. Ltd.
10. ATHA Group.

G) Lignite based Value addition projects

Sr. No.	Name of party	Purpose of MoU
1	Rajratna Fasteners Pvt. Ltd.	Making of coal briquettes (green coal) from coal dust and agricultural biomass.
2	Suryachakra Green Power Pvt. Ltd.	10 Nos. of 15 MW Biomass Power Plants
3	Ardee Hi-tech Pvt. Ltd.	Setting up of plant for Pyrite Removal from Bhavnagar lignite
4	Adani Enterprise Limited	Production of Syn Gas from deep-seated lignite deposits

H) Exploration and prospecting of mineral resources in the State

1. Credo Ventures Ltd.

I) Mining of Manganese, Iron Ore and setting up of value addition plants outside Gujarat but within the country.

1	Raj Lube Pvt. Ltd	<ol style="list-style-type: none"> i) Mining of Manganese ore and setting up of Ferro Alloys Plant along with Captive Thermal Power plant. ii) Mining of Iron Ore and setting up of Sponge Iron plant.
---	-------------------	--

J) Setting up of 100 MW Solar Power Plant – Santech Power LLC

ENVIRONMENT PROGRAMME

Environment is governed by number of factors which requires proactive measures resolve before it becomes alarming. Keeping this in view GMDC has declared "Environmental Policy-20" statement as part of commitment to emphasize on adopting environment friendly measures in the whole sphere of operation.

GMDC has obtained environmental clearance from Ministry of Environment and Forests New Delhi for three projects namely Mevasa-1 bauxite mine, Mata no Madh lignite mine and Tadkeshwar lignite mine. Being closer to the sanctuary, Mata no Madh and Mevasa-1 mining proposal is being submitted for the approval of Standing Committee on Wildlife.

Your company has taken up massive plantation through Forest department and departmentally on 228.0 ha area in the year 2010-11 which is 14% higher than last year to contribute for environmental protection and conservation and restoration of mined out areas. A total of 2.97 lakh saplings have been planted. For the environmental awareness and sensitization of people, your company has conducted group training programme as well as community plantation drives such as Van Mahotsav celebration.

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 in house 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 and compliances of environmental clearance are submitted to Ministry of Environment and Forests, New Delhi.

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. 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 been sensitive towards the needs of the society within which it operates and has continuously strived to make a difference to the lives of people and community in some of the remotest regions where it operates. During the year, your Corporation rigorously advocated the Micro Irrigation Scheme in collaboration with Government agencies in the arid regions of Kutch and assisted small and marginal farmers to adopt Micro Irrigation for better yields. And the results have been very good. Kutch, where your Corporation has predominant presence, is a perennial water scarce region. In order to address the problem of scarcity of water for the local community, your Corporation also undertook special drive for creation of water bodies to harvest and retain rain water. These water bodies have proved to be an alixir for the local communities as during the year that passed by saw good monsoon season. These initiatives have helped in improving the livelihood and income generation for the rural poor. Special initiatives were also launched to upgrade the skill of the rural women artisans in the villages of Lakhpat taluka to leverage their traditional handicraft skills for income generation. Your corporation has charted out a focused policy to carry out its social responsibilities for an inclusive growth.

PARTICULARS OF EMPLOYEES

No employee was in receipt of emoluments in excess of ₹2,00,000 per month or ₹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

ANNUAL REPORT 2010-2011

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

During the year under review, there was no change in the Board of Directors of your Corporation.

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 various bodies of State Government of Gujarat viz. Industries & Mines Department, the Finance Department, Commissionerate of Geology and Mining and Gujarat State Pollution Control Board. The Directors also extend their heartiest thanks to the esteemed customers and shareholders of the Corporation for their valued co-operation.

For and on behalf of the Board-of-Directors

Place : Gandhinagar
Date : 30-05-2011

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) Solar Power Plant of 10 kwp commissioned at Corporate Office
- (ii) Solar Power Plant of 20 kwp commissioned at Bhavnagar Office

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

- (i) Proposal to set up roof top solar power plants at various project offices of the Corporation

(c) Impact of the above measures

- (i) Alternative non conventional energy source will result in saving of traditional energy

B. Technology absorption

The disclosure is made in the prescribed Form B.

C. Foreign Exchange Earnings and outgo

Total foreign exchange used : Euro 92524
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**
 1. Value addition of low grade manganese mineral.
 2. Development of Deep seated lignite and coal deposit thorough Underground Coal Gasification method.
 3. Laterite and low alumina content bauxite value addition for use in proposed Alumina projects.
 4. Value addition of Silica Sand of Rajpardi mine
 5. Exploration of lignite, bauxite, limestone and manganese.
 6. Setting up of 5 MW Solar and 100 MW Wind Farm project.

Technology absorption, adaptation and innovation

1. **Efforts in brief made towards technology absorption, adaptation and innovation :**
 1. Installation of wind power farms with a capacity of 60 MW.
 2. Proposal to set up 5 MW solar power plant
2. **Benefits derived as a result of the above efforts:**
Generation of clean and sustainable energy.



CORPORATE GOVERNANCE REPORT

MANDATORY REQUIREMENTS

Company's philosophy on Code of Governance

GMDC is committed to good governance practices across all the fields where it operates. Being a Government Public Sector Undertaking, GMDC is consciously adopting the practices that are transparent and effective. It is its corporate philosophy that good corporate governance practices ultimately results in the enhancement of value for all the stakeholders, be they shareholders, Government, society or business community at large.

BOARD-OF-DIRECTORS

Composition

The composition of the Board-of-Directors as on 31.3.2011 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 Sahu, IAS	Chairman	Non-Executive	6	–	–
2.	Shri V S Gadhavi, IAS	MD	Executive	9	–	1
3.	Shri Atanu Chakraborty, IAS	Director	Non-Executive	13	–	4
4.	Shri Vinay Vyasa, IAS	Director	Non-Executive	Nil	Nil	Nil
5.	Shri Bhadresh Mehta	Director	Non-Executive Independent	Nil	Nil	Nil

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.

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

Seven meetings of the Board-of-Directors were held during the year i.e. on 26.5.2010, 28.7.2010, 22.9.2010, 01.11.2010, 29.12.2010, 09.02.2011 & 16.3.2011 .

The attendance of each Director at the Board Meetings held during the year and at the last Annual General Meeting held on 28th September, 2010 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	Shri M S Sahu, IAS, Chairman	7	6	No
2.	Shri V S Gadhavi, IAS, Managing Director	7	7	YES
3.	Shri Atanu Chakraborty, IAS	7	3	No
4.	Shri Vinay Vyasa, IAS	7	6	Yes
5.	Shri Bhadresh Mehta	7	7	Yes

Board's Procedure

Apart from the matters which are to be decided by the Board as per relevant statutes and rules, all major decisions involving large capital expenditure, award of major contracts, mobilization of resources, pricing policies, loans and investments, policy relating to all borrowings and personnel matters including Employees' compensation etc., are decided by the Board.

COMMITTEES OF THE BOARD

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

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

Audit Committee

The Company has constituted an Audit Committee of the Directors consisting of three Directors, who have adequate financial and accounting knowledge. The Audit Committee is headed by an independent director. The Audit Committee met four times during the Financial Year 2010-11 to discuss *inter alia* the Auditors' Report, adequacy of internal control / internal audit system and functions, to review the unaudited quarterly financial results etc on 26.5.2010, 28.7.2010, 1.11.2010 and 9.2.2011. The number of meetings of Audit Committee and attendance of members at these meetings during the year are stated as under: