

50th
Annual Report
2012-2013



FUELING THE GROWTH

**GUJARAT MINERAL DEVELOPMENT
CORPORATION LIMITED**

ANNUAL REPORT 2012-2013

BOARD OF DIRECTORS

CHAIRMAN

Shri M. Sahu, IAS

MANAGING DIRECTOR

Shri V.S. Gadhavi, IAS (up to 31.1.13)

Shri B.B. Swain, IAS (up to 30.4.13)

Shri Pankaj Kumar, IAS (From 1.5.13)

COMPANY SECRETARY

Shri Joel Evans

AUDITORS

M/s P. Singhvi & Associates,

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 : cosec@gmdcltd.com

Website : www.gmdcltd.com

DIRECTORS

Ms. S. Aparna, IAS

Shri Vinay Vyasa, IAS (up to 30.6.13)

Shri T. Natarajan, IAS (w.e.f. 1.7.13)

Shri Bhadrash Mehta

BANKERS

Bank of Baroda

Dena Bank

Vijaya Bank

Axis Bank Ltd.

HDFC Bank Ltd.

State Bank of India

Union Bank of India

IDBI 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)

Bada (Dist. Kutch)

Varvala (Dist. Jamnagar)

Bhanvad (Dist. Jamnagar)

Solar Project

Panandhro (Dist. Kutch)

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. (079) 2658 2878

Fax: (079) 2658 1296

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AGM DATE, DAY, TIME & VENUE

Date of AGM : 27.09.2013

Day : Friday

Time : 11.00 a.m.

**Venue : Registered Office of the Company
Khanij Bhavan, 132 Ft. Ring Road,
Near University Ground,
Vastrapur, Ahmedabad - 380 052.**

FINANCIAL RESULTS

Sr.	Particulars	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04
(A)	Profit & Loss Account										
1.	Total Turnover	1,74,762.51	1,69,599.76	1,42,752.68	1,06,608.05	98,121.21	98,105.54	58,895.65	43,374.08	36,925.50	27,295.60
2.	Profit before tax	90,368.72	71,769.78	58,461.07	40,608.25	36,990.48	40,839.48	16,775.22	6,669.12	16,799.15	12,046.25
3.	Interest	-	744.87	1,528.32	2,611.22	5,390.84	7,024.77	7,370.52	5,054.94	20.34	88.56
4.	Depreciation	11,738.40	10,833.29	9,295.55	8,615.31	7,777.77	9,553.69	12,932.05	13,034.02	804.22	1,133.37
5.	Provision for tax	30,284.51	23,086.50	20,984.72	12,621.37	13,359.87	14,446.38	5,907.38	2,494.48	6,478.03	3,950.57
6.	Profit after tax	60,084.21	48,683.28	37,476.35	27,986.88	23,630.61	26,393.10	10,867.85	4,174.64	10,321.13	8,095.59
7.	Short/Excess provision of tax of earlier years	-	-	30.70	1.17	488.85	-	1,420.48	649.31	20.33	0.08
8.	Net Profit after short/excess tax prov of earlier years	60,084.21	48,683.28	37,507.05	27,988.05	23,141.76	26,393.10	9,447.37	3,525.33	10,341.46	8,095.51
9.	Balance of profit of last year	15,642.01	13,046.36	11,626.94	12,939.98	4,739.10	2,066.44	1,339.52	2,989.78	1,461.33	1,980.17
10.	Profit available for appropriation	75,726.22	61,729.64	49,133.99	40,928.03	27,880.86	28,459.54	10,786.89	6,515.11	11,802.79	10,075.68
11.	Dividend in %	150.00	150.00	150.00	125.00	100.00	100.00	100.00	60.00	50.00	45.00
12.	Dividend in Rupees	9,540.00	9,540.00	9,540.00	7,950.00	6,360.00	3,180.00	3,180.00	1,908.00	1,590.00	1,431.00
(B)	Balance Sheet										
1.	Share Capital	6,360.00	6,360.00	6,360.00	6,360.00	6,360.00	3,180.00	3,180.00	3,180.00	3,180.00	3,180.00
2.	Reserves & Surplus	2,47,135.53	1,98,212.64	1,60,616.99	1,34,197.57	1,15,510.61	1,02,989.73	80,693.28	74,966.36	73,616.63	65,088.77
3.	Gross Fixed Assets	2,65,632.13	2,55,743.34	2,23,619.18	1,97,608.33	1,88,640.64	1,84,653.41	1,79,178.43	1,71,358.45	92,749.45	37,249.35
4.	Net Fixed Assets	1,78,023.78	1,75,778.06	1,51,739.13	1,34,143.07	1,30,820.45	1,34,283.09	1,37,135.55	1,36,496.96	70,877.57	7,055.98
5.	Net worth	2,53,495.53	2,04,572.64	1,65,852.01	1,38,755.83	120,769.80	105,847.65	80,319.15	74,446.76	73,713.62	66,141.06
(C)	Financial Ratios										
1.	% of Net Profit										
	On Sales	34.38	28.70	26.25	26.25	24.08	26.90	18.45	9.57	27.95	29.66
	On Gross Fixed Assets	22.62	19.04	16.76	14.16	12.53	14.29	6.07	2.44	11.13	21.73
	On net worth	23.70	23.80	22.60	20.17	19.57	24.93	13.53	5.61	14.00	12.24
	On Share Capital	9,44.72	765.46	589.25	440.05	371.55	829.97	341.76	131.28	324.56	254.58
2.	Debt/Equity Ratio	Nil	Nil	0.08	0.15	0.39	0.63	1.14	1.39	1.45	1.16

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NOTICE

Notice is hereby given that the 50th Annual General Meeting of the Shareholders of 'Gujarat Mineral Development Corporation Limited' will be held on 27.09.2013 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 :

1. To receive, consider and adopt the Statement of Profit & Loss of the Corporation for the year ended 31st March, 2013 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, 2013.
3. To fix up the remuneration of Statutory Auditors for the year 2013-14 to be appointed by the Comptroller & Auditor General of India.

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

Date : 28.05.2013
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 18.09.2013 to 27.09.2013 (both dates inclusive).
3. Dividend declared by the Company will be paid within 30 days from the date of the meeting to those Shareholders holding shares in physical form and whose names appear on the Register of the members of the Company on 27.09.2013. In respect of shares held in electronic form, dividend will be payable to those who are beneficial owners of shares after close of business hours on 17.09.2013 as per the details to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). 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. Facility of payment of dividend through ECS / NECS is available. Those shareholders who are holding shares in electronic mode should register their ECS mandate with their respective depository participants directly. For those shareholders who are holding equity shares in physical mode, they are requested to deposit ECS mandate form with the office of the Companies Share Transfer and Registrar Agent M/s MCS Limited, 101, Shatdal Complex, Opp. Bata Show

Room, Ahmedabad-9. ECS mandate form for physical holding is attached to this notice which may be filled up by the shareholders and sent to the Registrar and Share Transfer Agent.

7. 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.
8. 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.
9. Pursuant to provisions of Section 212 of the Companies Act, 1956, the members are hereby informed that the annual accounts of M/s Gujarat State Mining & Resources Corporation Limited (GSMRCL) and the related detailed information shall be made available to the shareholders. The annual accounts of M/s GSMRCL will also be available for inspection by any shareholders during office hours on all working days. Hard copy of details of accounts of GSMRCL shall be furnished to the shareholder/s on demand.
10. 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.
11. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956 dividends for the financial year ended 31st March, 2006 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, 2006 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	2005-2006	22.12.2006	22.12.2013
2	2006-2007	29.09.2007	29.09.2014
3	2007-2008	11.09.2008	11.09.2015
4	2008-2009	29.09.2009	29.09.2016
5	2009-2010	28.09.2010	28.09.2017
6	2010-2011	30.09.2011	30.09.2018
7	2011-2012	28.09.2012	28.09.2019

By Order of the Board-of-Directors

Joel Evans
Company Secretary

Date : 28.05.2013
Place : Ahmedabad

Registered Office :

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



GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

DIRECTOR'S REPORT 2012-2013

To
The Shareholders,
Gujarat Mineral Development Corporation Limited

Your Directors have pleasure in presenting the 50th Annual Report along with the audited accounts of your Company for the financial year 2012-2013. Our profit after tax for the year is ₹ 60,084 lakhs as against the ₹ 48,683 lakhs of last year.

Financial Results	2012-13 (₹ in lakhs)	2011-12 (₹ in lakhs)
Operating profit	1,04,145	83,348
Less: Interest	-	745
Profit after interest, but before depreciation	1,04,145	82,603
Less: Depreciation	11,738	10,833
Profit before tax & exceptional items	92,407	71,770
Less: Exceptional items	2,038	-
Profit before tax	90,369	71,770
Less: Provision for tax for the year including deferred tax	30,285	23,087
Net profit after tax	60,084	48,683
Add: Balance of Profit brought forward	15,642	13,047
Less: Excess/Short provision of deferred tax liability (net)	-	-
Profit available for appropriation	75,726	61,730
Less: Appropriations		
(i) Proposed dividend	9,540	9,540
(ii) Corporate tax on dividend	1,621	1,548
(iii) General Reserve	40,000	35,000
Balance carried to Balance Sheet	24,565	15,642

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, 2013, 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 judgments 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, 2013 on a Going Concern basis.

DIVIDEND

Your Directors have pleasure to recommend a dividend of 150% i.e. ₹ 3/- per share on equity shares. An amount of ₹ 9,540 lakhs on equity share capital of ₹ 6,360 lacs shall be paid as dividend.

CONTRIBUTION TO STATE EXCHEQUER:

The Company has contributed to the State Exchequer an amount of ₹ 41,511.03 lakhs including Royalty of ₹ 8,633.38 lakhs and Sales Tax of ₹ 32,877.65 lakhs.

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 Company has been completed up to the Financial Year 2009-10 and the Sales Tax assessment has been completed up to the Financial Year 2008-09.

INTERNAL AUDIT

M/s. Pipara & Co. and M/s. R. S. Patel & Co., Chartered Accountants, were appointed as Internal Auditor of the Company for the year 2012-13.

STATUTORY AUDIT

M/s. P. Singhvi & Associates, Chartered Accountants, were appointed Statutory Auditors of the Company by the Comptroller & Auditor General of India for the year 2012-13.

COST AUDIT

M/s N.D. Birla & Co., were appointed as Cost Auditors in respect of Akrimota Thermal Power Station for the year 2012-13.

REVIEW OF OPERATIONS

The State Government incorporated GMDC with a clear mandate to develop the mineral resources of the state to add to the overall growth chain of the economy. From its humble beginnings with a small silica sand plant to the present day status of mining mammoth, GMDC's success trajectory has grown in tandem with the State's progress.

Lignite is the predominant mineral product of GMDC. A staggering 80% of our revenue comes from the mining operations of lignite mines which are spread across the state. Our lignite mines have proved to be invaluable in fuelling the growth of the state economy. As the sole merchant seller of lignite in India, we have a special policy for small and medium enterprises to supply lignite, thereby boosting the growth of this very important segment of the overall economy. Crucially, the mines have proved to be hubs for both direct and indirect employment, bringing some of Gujarat's remotest regions into the mainstream of development.

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The following chart gives a glimpse of the lignite production of GMDC:

(Production in Million MT)

Mines\Year	2012-13	2011-12	2010-11	2009-10	2008-09
Panandhro	2.85	2.60	2.70	2.84	3.62
Mata no Madh	3.30	3.58	3.70	2.89	2.21
Rajpardi	0.92	0.85	1.08	0.96	0.97
Tadkeshwar	1.91	2.21	1.89	1.05	0.93
Bhavnagar	1.92	2.10	0.86	0.65	0.38
Total	10.90	11.34	10.23	8.38	8.11

GMDC sustained its lignite production of 10.90 Million MT during the year 2012-13 as against 11.34 Million MT during the year 2011-12.

GMDC also runs a 2 x 125 MW power plant at Akrimota village in Kutch District, which is fed lignite mined from our mines in Panandhro. This power plant employs the **Circulating Fluidized Bed Combustion (CFBC)** technology, which was pioneered by GMDC in the State. The power generated from this plant is supplied into the state grid. In addition to this, the Panandhro Lignite mines also supply Lignite at subsidised rates to the State Power Utility GSECL's power plant (Kutch Lignite Thermal Power Station), thus doing its bit to meet the State's power needs.

Bauxite is another major mineral resource that GMDC deals with. Our Bauxite operations are currently concentrated at the Gadhsisa Group of Mines in Kutch District. Bauxite is the raw material for Alumina, a vital raw material for the manufacture of Aluminium.

This group of mines supplies Bauxite to various manufacturers, including one of India's biggest alumina refineries on the eastern coast of the country. This critical supply of Bauxite has triggered interest in various private sector players for setting up Bauxite based value addition projects in collaboration with GMDC.

Fluorspar, the mother project of GMDC is now set to be revamped in a joint venture under public private partnership mode. The project is undergoing a total spin off under this business model.

A recent venture, **Wind Power**, is a non-conventional segment, both to GMDC and to Power Generation in the country. We are all set to achieve the 150 MW target of wind power installation. With this, GMDC has set a new benchmark for any mining player across the nation.

Recycling the mined out land areas, GMDC has set up a very innovative and unique **5 MW solar power project** at Panandhro Lignite Mines. The power plant is set up on mined out reclaimed areas, thus doubling up the benefits of the same land resource.

Acknowledging our stringent commitment to the Environment, the Standing Committee on National Board for Wildlife has cleared the Umarsar lignite mine in Kutch, having **1 million TPA capacity**, as well as Mewasa Bauxite Mine in Jamnagar. This year we also achieved **1 lakh meter drilling exploration** of Lignite, Bauxite, Limestone & Manganese minerals.

GMDC's commitment to its goal of technological advancement in 2013-14 began with the signing of MOU for setting up of an **International Centre of Excellence in Mining, Safety and Automation**. This was signed at the Vibrant Gujarat Global Investors Summit (VGGIS) earlier in 2013.

GMDC is the only State PSU which has given a **nonstop profit performance** since its inception. If the figures of last five years are looked at, the profit performance of GMDC has set newer benchmarks year on year. The Company booked a **record profit** after tax of ₹ 600.84 crores for the year 2012-13, **the highest ever** in its corporate history. With this exemplary performance, GMDC

has also been a precursor in wealth creation for both the State and investors.

GMDC has been feted year on year for its path breaking work and commitment to excellence. This year, Enterprise Resource Planning (ERP) system has been successfully implemented. Your company has been conferred with various awards:

- Gold CIO award from Cyber Media
- National award for E-Governance 2012-13 from Department of Public Reforms and Grievances, Govt. of India
- President Award on "National Mines Safety" conferred on Mata-No-Madh Lignite mine consecutively for two years i.e. 2009 and 2010 (award received on 21.11.2012).

ENVIRONMENT PROGRAMME

GMDC is committed to contributing, in accordance with its capacity, to the global endeavour of environmental protection, including protection of air and water quality, conservation of resources and protection of biodiversity, waste management and control of activities which have an adverse environmental impact.

Towards this commitment, our activities include regular water sprinkling for dust suppression; installation and operation of electrostatic precipitators for stack emission control; sewage and effluent treatment plants for the control of water pollution; and regular noise/vibration measurement for controlling noise pollution from machines. Our commitment to the environment is furthered through our effective Environment Management System and all our projects are certified under ISO 9001, ISO 14001 & OHSAS 18001.

Wildlife Clearance has been received for Umarsar Lignite Project, Taluka Lakhpat, Dist. Kutch, Gujarat, for 1 MTPA Production Capacity as well as the Mevasa I Bauxite Project, Taluka Kalyanpur, Dist. Jamnagar, Gujarat, for 1.25 lac tonnes per Annum Production Capacity, from the Standing Committee of National Board for Wildlife (NBWL) - GOI, New Delhi, under the Wild Life Protection Act, 1972.

We have also received the Environmental Clearance for installation of Pyrite Removal Plant in Surkha (N) Lignite Mine from the Ministry of Environment & Forests (MoEF), Govt. of India, New Delhi. For approvals for the production capacity expansion of Surkha (N) Lignite Project, Bhavnagar, from 3 MTPA to 5 MTPA, a Quality Council of India - National Accreditation Board for Education and Training (QCI-NABET) approved consultant has been engaged for the study as well as preparation of an Environment Impact Assessment/Environment Management Plan (EIA/EMP) Report as per EIA notification (2006) and MoEF guidelines.

GMDC has its own Environmental Department with well qualified staff headed by Chief General Manager (IFS) at Corporate Office, Ahmedabad and by GM (Projects) at projects. For environmental activities at Corporate Office & GMDC projects, Managers, Assistant Managers & Trainee Engineer (Environment) has been appointed to look after environmental management as per regulatory requirements and compliances.

For third party monitoring of environmental control measures and standards, Gujarat Pollution Control Board approved Schedule II auditor has been engaged for monthly environmental monitoring of all GMDC Projects. Additionally, under the directives of Hon'ble High Court of Gujarat, Annual Environmental Auditing work of all GMDC operational projects has been awarded to a Gujarat Pollution Control Board approved Schedule I Auditor.

For in-house environmental monitoring and analysis, an Environmental Laboratory has been installed at Tadkeshwar and



GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

Bhavnagar Lignite Projects. All statutory returns and reports have been submitted to the regulatory agencies within the time frame as per the statutory provision. Other regular activities include video-conferencing with all Projects on environmental issues, increasing environmental awareness through celebrations such as World Environment Day and Van Mahotsav, and training to GMDC executives and workers.

GMDC has planted a total 2.61 lac seedlings through the Forest department and departmentally on 117.80 ha area in the year 2012-13, which contributes for environmental protection, conservation and restoration of mined out areas. Stabilization of non active and permanent dumps through laying of Geo Coir Mat and plantation of grass as well as plants on experimental basis has been completed in around 20,000 sq mt of area divided in Tadkeshwar, Rajpardi, Bhavnagar, Panandhro & Mata No Madh Lignite Projects. Captive plantation of Eucalyptus saplings in 7.16 ha. of waste area at the Tadkeshwar Lignite Project was achieved through J.K. Paper Ltd. For environmental protection and conservation in seven surrounding villages of Kadipani Project, a contract has been awarded to Gujarat Medicinal Plants Board, Gandhinagar for restoration of medicinal plants.

INDUSTRIAL RELATIONS, HEALTH AND SAFETY

The relations between your Company and its employees continued to be cordial throughout the year. GMDC's commitment to the health and safety of project staff and inhabitants within the surrounding areas of mines by continues through our efforts at 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 Kutch.
3. Uniforms as well as ISI & DGMS approved safety shoes, helmets and devices as per the provisions of the Mines Act.

SOCIALLY RESPONSIBLE AND INCLUSIVE DEVELOPMENT

GMDC has always practised a culture of responsible development. We have constantly strived to reach out to the community in and around our areas of operations, many of which are situated in some of the remotest regions of the State. The community outreach programmes of your Company targets relevant areas of rural development such as health, sanitation, education, agriculture, micro irrigation, water harvesting and rural infrastructure through a participative approach. GMDC provides facilities of mobile dispensaries at various projects thus making health services accessible in these rural areas. The Micro Irrigation Scheme introduced by us in collaboration with Government implementing agencies has also been well received by the farmers' community. During the year under review, GMDC started a three year financial assistance scheme for girl students studying in standard eight to 12, of core zone villages. As you are aware, the operations of your Company are predominantly in the areas of Kutch where water is scarce. Focussing on this requirement, we have carried out water harvesting works. Year on year, GMDC has always attempted to shoulder its Corporate Social Responsibility holistically and strategically.

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.

BOARD-OF-DIRECTORS

During the year under review, the Government of Gujarat had

given additional charge of Managing Director, GMDC to Shri B.B. Swain, IAS, vice Shri V.S. Gadhavi, IAS, retired. Further, after the end of Financial Year, the Government of Gujarat has given the additional charge of Managing Director, GMDC, to Shri Pankaj Kumar, IAS, vice Shri B.B. Swain, 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 Company 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 Company for their valued co-operation.

For and on behalf of the Board-of-Directors

Sd/-
M. Sahu
Chairman

Date : 28.05.2013
Place : Gandhinagar

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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

- (a) 2 x 10 KWp Roof top Solar Plant was installed at Shivrajpur, Tadkeshwar, Rajpardi, Mata-no-madh.

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

NIL

(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 : AUD 690, EURO 70815.3,
GBP 35164.54, USD 10482

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 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

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. 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 121.5 MW.
2. Latest Fluorspar beneficiation technology.
3. Dry beneficiation of Lignite to reduce moisture and sulphur content.

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

1. Generation of clean and sustainable energy.
2. Recovery of ore will improve and process cost will be reduced.
3. Dry beneficiation will improve Calorific value of Lignite from 3000 to 4000 Kcal and dry beneficiated Lignite will be eco friendly fuel.



REPORT ON CORPORATE GOVERNANCE (Pursuant to clause 49 of the Listing Agreement)

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 envisages the attainment of the high standards of corporate governance by timely disclosures, transparent accounting policies, responsibility and fairness. The Company 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. Its endeavour is to maximize the long term value of the shareholders of the Company.

BOARD-OF-DIRECTORS

Composition

The present strength of the Board is five Directors, The Board of Directors of the Company comprises of mix of both Executive and Non-executive Directors with independent Directors. The Board members consist of persons with professional expertise and experience in various fields of Finance, Accounts, Management, Law, Labour Welfare etc. Further, being a State Government Public Sector Undertaking, majority Directors are IAS Officers who have possessed professional expertise and are appointed by the Government of Gujarat except Shri Bhadresh Mehta.

Category and Designation of Directors:

Sr. No.	Name of Director	Category	Designation	No. of Directorship in other Companies (Excluding Pvt. Limited Companies)	No. of specified Committees (Other than (GMDC) in which chairman/ Member
					Chairman/Member
1	Maheshwar Sahu, IAS	NED/PD	Chairman/ Director	07	-
2	Vasantbhai Shaktidan Gadhi IAS(Please Refer Note No. 5 as mentioned below)	ED/PD	Managing Director	11	-
3	Bidyut Behari Swain (Please Refer Note No. 5 as mentioned below)	ED/PD	Managing Director	14	-
4	Vinaykumar Yogeshchandra Vyasa, IAS	NED/PD	Director	Nil	-
5	Bhadresh Vinaychandra Mehta	NED/ID	Director	Nil	-
6	*Ms. S Aparna, IAS	NED/PD	Director	12	-
7	Pankaj Kumar, IAS#	ED/PD	Managing Director	-	-

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.
4. Outside directorship do not include alternate directorship,

directorship of Private Ltd. Companies, Section 25 Company and of Companies incorporated outside India. The Number of outside Committee position held includes Audit Committee and Investor Grievance Committee only.

5. *Shri B B Swain has been appointed by GOG on 1st February 2013 and Shri V S Gadhi has retired from the Directorship on 31st January 2013 due to his retirement.
6. * PD-Promoter Director, NED-Non Executive Director, ED-Executive Director
7. # Since been appointed as Managing Director w.e.f. 1st May 2013 and on the Board on the date of signing this report.

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

Eight meetings of the Board-of-Directors were held during the year i.e. on 25.5.2012, 26.6.12, 31.7.12, 17.9.2012, 15.10.12, 29.12.12, 29.1.2013 & 8.3.13.

The attendance of each Director at the Board Meetings held during the year and at the last Annual General Meeting held on 28th September, 2012 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	8	7	No
2.	Shri V S Gadhi, IAS, Managing Director *upto 31 st Jan.13	7	7	YES
3.	Shri B B Swain, IAS *From:1 st Feb.,13	1	1	NO
4.	Ms. S Aparna,, IAS	8	3	NO
5.	Shri Vinay Vyasa, IAS	8	8	Yes
6.	Shri Bhadresh Mehta	8	8	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 Audit Committee of the Company comprises of following three

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non-executive directors out of which one is Independent Director as on 31.03.2013.

1. Bhadresh Mehta Non-Executive Director/Independent Director
2. Ms. S. Aparna Non-Executive Director/Promoter Director
3. Vinay Vyasa Non-Executive Director/Promoter Director

The Audit Committee is headed by an independent director. The Audit Committee met four times during the Financial Year 2012-13 to discuss *inter alia* the Auditor's Report, adequacy of internal control / internal audit system and functions, to review the unaudited quarterly financial results etc on **25.5.2012, 30.7.2012, 15.10.2012 and 29.1.2013**. The number of meetings of Audit Committee and attendance of members at these meetings during the year are stated as under:

Sr. No.	Name of the Directors	Meeting held during tenure	Attended
1.	Shri Bhadresh Mehta	4	4
2.	Ms. S Aparna, IAS	4	1
3.	Shri Vinay Vyasa, IAS	4	4

The Company Secretary acts as Secretary to the Audit Committee.

The Chairman of the Audit Committee was present at 49th Annual General Meeting of the Company held on 28th September 2012 .

Terms of Reference of the Audit Committee

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

Remuneration Committee

Since the Company is a Government Company in terms of Section 617 of the Companies Act, 1956, the remuneration of Directors is fixed by the Govt. of Gujarat and the remuneration of Executives, Supervisors and Workmen is fixed by the Board-of-Directors in-line with the Government guidelines. None of the Non-Executive Director of the company has any pecuniary relationship or transactions with the Company. Hence no Remuneration Committee has been constituted.

However, the Details of Sitting Fees paid to the Directors for the year 2012-13 are mentioned hereunder along with their shareholding in the Company.

Sr. No.	Name of the Directors	Remuneration paid (Rs.)	Sitting fees (Rs.)	No. of Shares held
1.	Shri Maheshwar Sahu, IAS Chairman	—	35000/-*	Nil
2.	Shri V S Gadhi, IAS Managing Director * upto 31 st Jan.13	4,32,800/-	—	Nil
3.	Shri B B Swain, IAS Managing Director * From:1 st Feb.,13	—	—	Nil
4.	Ms. S Aparna, IAS	—	35000/-*	Nil
5.	Shri Vinay Vyasa, IAS	—	65000/-*	Nil
6.	Shri Bhadresh Mehta	—	65000/-	Nil

*Paid into Government Treasury

Shareholders' / Investors' Grievance Committee

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

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

Shri Bhadresh Mehta	Chairman	
Shri V S Gadhi, IAS	Member	upto 31.1.2013
Shri B B Swain, IAS	Member	From 1.2.2013

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

Period	Complaints Received	Complaints Redressed
01-04-2012 to 30-06-2012	09	09
01-07-2012 to 30-09-2012	02	02
01-10-2012 to 31-12-2012	12	12
01-01-2013 to 31-03-2013	01	01
Total	24	24

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

Share Transfer Committee

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

Shri Bhadresh Mehta	Chairman	
Shri V S Gadhi, IAS	Member	upto 31.1.2013
Shri B B Swain, IAS	Member	From 1.2.2013

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

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

General Body Meetings

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

Year	Date	Time	Venue
2009-10	28.09.2010	11.00 AM	Registered Office of the Company, at Khanij Bhavan, 132' Ring Road, Near University Ground, Vastrapur, Ahmedabad – 380 052
2010-11	30.09.2011	11.00 AM	Registered Office of the Company, at Khanij Bhavan, 132' Ring Road, Near University Ground, Vastrapur, Ahmedabad – 380 052
2011-12	28.09.2012	11.00 AM	Registered Office of the Company, at Khanij Bhavan, 132' Ring Road, Near University Ground, Vastrapur, Ahmedabad – 380 052