



GMDC/CS/ 34 /2016-17

26.5.2016

To,
National Stock Exchange of India
Exchange Plaza
Bandra Curla Complex
Bandra (East)
Mumbai – 400 051

Fax – 022 2659 8237 / 38
2659 8347/48
SPEED POST
e-MAIL: cmlist@nse.co.in

Dear Sirs,

- Sub : (1) Audited annual financial results of GMDC together with auditors' report for the quarter/year ended on 31st March, 2016**
(2) Recommendation of Dividend by the Board for the year 2015-16
(3) Form-A

In continuation of our earlier letter dated 3rd May, 2016 on the above referred subject, we are pleased to inform you that our Board-of-Directors in their meeting held today in the Committee Room, Industries & Mines Department, 3rd Floor, Block No. 5, New Sachivalaya Complex, Gandhinagar, has approved audited annual financial results of the Company for the quarter/year ended on 31st March, 2016.

One copy of the audited financial results together with auditors' report thereon for the year ended on 31st March, 2016 is submitted for your record and further action.

Further pursuant to SEBI Listing and Obligation Disclosure Regulation, 2015 (LODR) we are enclosing herewith Form-A, duly signed.

Further we would like to inform the Exchange that the Board at the above said meeting has recommended a dividend of Rs. 3/- per share (150 %) for the financial year 2015-16.

You are requested to take the same on record.

Thanking you,

Yours faithfully,

For Gujarat Mineral Development Corporation Ltd.,


(Joel Evans)
Company Secretary
Encl. as above

C:\Documents and Settings\KASONI\Desktop\NNSEBSess.doc

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

CIN : 114100GG1963SGC001206
Khanij Bhavan", 132 Ft. Ring Road, Near University Ground, Vastrapur, Ahmedabad-52
Phone : 2791 0665 2791 1662 2791 3200 2791 3201 Telefax : 079 2791 1151
e-mail : casec@gmdcltd.com website : www.gmdcltd.com



PART I, Audited Financial Results for the year ended 31st March, 2016

(₹ In Lakh)

Sr.No.	Particulars	STANDALONE					CONSOLIDATED	
		Quarter Ended		Year Ended			Year Ended	
		31-03-2016 (Audited)	31-12-2015 (Unaudited)	31-03-2015 (Audited)	31-03-2016 (Audited)		31-03-2016 (Audited)	31-03-2015 (Audited)
1	Income from Operations:							
	a) Net Sales/ Income from operations (Net of excise duty)	35,935.81	26,570.97	40,048.36	118,940.02	141,888.47	120,272.87	143,926.50
	b) Other operating Income							
	I. Total Income from Operations (net) (a+b)	35,935.81	26,570.97	40,048.36	118,940.02	141,888.47	120,272.87	143,926.50
2	Expenses							
	a. Changes in inventories of finished goods, work in progress and stock in trade	206.15	(219.22)	(8.46)	385.40	(254.61)	260.52	(178.15)
	b. Employee benefits expense	2,166.60	2,549.80	1,655.09	9,734.50	8649.07	10,170.71	9,655.54
	c. Depreciation and amortisation expenses	3,838.69	3,126.29	4,774.25	13,140.34	13,726.91	13,249.40	13,836.39
	d. Expenses for overburden removal, loading of lignite & Mining Expenses	8,928.08	6,698.82	10,438.70	26,863.72	37,808.30	26,863.71	37,756.64
	e. Plant Operation Charges	1,999.90	1,169.85	1,221.25	5,368.22	4,370.75	5,368.22	4,370.75
	f. Royalty and Related Taxes	1,824.47	1,011.93	1,968.25	5,070.66	6,612.77	5,070.66	6,790.72
	g. Power, Fuel / Stores Consumption	871.15	775.99	2,109.27	3,635.89	6,674.73	3,950.27	7,198.24
	h. Clean Energy Cess	5,275.35	3,449.80	3,241.35	15,206.94	8,092.30	15,206.94	8,092.30
	i. Operational and Other Expenses	3,180.20	1,725.81	2,715.22	8,449.82	7,379.24	9,211.38	8,452.20
	j. Mine Closure Exp	2,349.90	2,320.92	3,927.37	9,957.13	8,010.06	9,957.13	8,010.06
	k. VRS Expenses	397.79	-	(1.20)	397.79	988.44	-	-
	l. CSR Expenses	18.01	755.41	116.13	1,496.69	1,334.99	1,529.19	1,355.12
	II. Total Expenses	31,056.29	23,365.40	32,157.22	99,707.10	103,392.95	100,838.13	105,339.80
3	Profit from operations before other income, Finance cost & Exceptional Items (1-2)	4,879.52	3,205.57	7,891.14	19,232.92	38,495.52	19,434.74	38,586.69
4	Other Income	2,915.95	3,350.01	4,600.14	14,434.47	14,343.71	14,462.56	14,426.64
5	Profit before Finance and Exceptional Items (3+4)	7,795.47	6,555.58	12,491.28	33,667.39	52,839.23	33,897.30	53,013.33
6	Finance Cost	2.07	0.73	168.08	4.79	168.71	61.67	236.10
7	Profit after Finance but before exceptional items (5-6)	7,793.40	6,554.85	12,323.20	33,662.60	52,670.52	33,835.62	52,777.23
8	Exceptional Item	-	-	-	-	-	-	-
9	Profit (+) / Loss (-) from Ordinary Activities before Tax (7-8)	7,793.40	6,554.85	12,323.20	33,662.60	52,670.52	33,835.62	52,777.23
10	Tax expenses	2,694.10	1,762.38	(256.52)	9,665.89	13,553.89	9,718.37	13,603.90
11	Net Profit (+) / Loss (-) from Ordinary Activities after tax (9-10)	5,099.30	4,792.47	12,579.72	23,996.71	39,116.63	24,117.25	39,173.33
12	Extra Ordinary Income (net of tax expense)	-	-	10,916.23	-	10,916.23	-	10,916.23
13	Net profit (+) / Loss (-) for the period (11-12)	5,099.30	4,792.47	23,495.95	23,996.71	50,032.86	24,117.25	50,089.56
14	Share of Profit/(Loss) of Associates	-	-	-	-	-	-	(5.00)
15	Minority Interest	-	-	-	-	-	-	-
16	Net Profit/(Loss) after Taxes, Minority Interest and share of Profit/(Loss) of Associates	5,099.30	4,792.47	23,495.95	23,996.71	50,032.86	24,117.25	50,094.56
17	Paid-up Equity Share Capital (₹1.80.00.000 (Previous year ₹1.80.00.000) Equity shares of ₹ 2/- Each)	6,360.00	6,360.00	6,360.00	6,360.00	6,360.00	6,360.00	6,360.00
18	Reserves & Surplus excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	-	317,796.69	329,490.46	317,952.83
19 (I)	Earning Per Share (before extraordinary items) (of ₹ 2 each) (not annualised)							
	a) Basic EPS before Extraordinary item	1.60	1.51	3.96	7.55	12.30	7.58	12.32
	b) Diluted EPS before Extraordinary item	1.60	1.51	3.96	7.55	12.30	7.58	12.32
19 (II)	Earning Per Share (after extraordinary items) (of ₹ 2 each) (not annualised)							
	a) Basic EPS after Extraordinary item	1.60	1.51	7.39	7.55	15.73	7.58	15.75
	b) Diluted EPS after Extraordinary item	1.60	1.51	7.39	7.55	15.73	7.58	15.75

PART II, Audited Financial Results for the year ended 31st March, 2016

Sr.No.	Particulars	STANDALONE					CONSOLIDATED	
		Quarter Ended		Year Ended			Year Ended	
		31-03-2016 (Audited)*	31-12-2015 (Unaudited)	31-03-2015 (Audited)	31-03-2016 (Audited)*		31-03-2016 (Audited)*	31-03-2015 (Audited)
A	Particulars of Shareholding							
	1. Public Shareholdings							
	-No. of Shares	82680000	82680000	82680000	82680000	82680000	82680000	82680000
	-Percentage of Shareholding	26%	26%	26%	26%	26%	26%	26%
	2. Promoters and Promoter Groups Shareholding							
	(a) Pledged/ Encumbered							
	- Number of shares	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	- Percentage of shares (as a % of the total shareholding of promoters and promoter group)	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	- Percentage of shares (as a % of the total share capital of the company)	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	(b) Non- encumbered							
	- Number of shares	235320000	235320000	235320000	235320000	235320000	235320000	235320000
	- Percentage of shares (as a % of the total shareholding of promoters and promoter group)	100%	100%	100%	100%	100%	100%	100%
	- Percentage of shares (as a % of the total share capital of the company)	74%	74%	74%	74%	74%	74%	74%
B	INVESTOR COMPLAINTS							
	Pending at the beginning of the quarter	NIL						
	Received during the quarter	NIL						
	Disposed of during the quarter	NIL						
	Remaining unresolved at the end of the quarter	NIL						



Segmentwise Revenue, Results and Capital Employed under clause 41 of the listing agreement

(₹ In Lakhs)

Sr.No.	Particulars	STANDALONE			CONSOLIDATED		
		Quarter Ended		Year Ended		Year Ended	
		31-03-2016 (Audited)*	31-12-2015 (Unaudited)	31-03-2015 (Audited)	31-03-2016 (Audited)*	31-03-2015 (Audited)	31-03-2015 (Audited)
1	Segment Revenue :						
	Net Sales / Revenue						
	1 Mining	29791.87	20474.61	33971.11	92106.45	115267.18	115267.18
	2 Power	9954.52	8991.27	9839.36	38738.24	37015.99	37015.99
	Un-alloable Corporate Revenue	39746.39	29465.88	43810.47	130844.69	152283.17	152283.17
	Total Revenue	105.30	66.27	378.94	276.41	507.38	507.38
	Less: Inter Segment Revenue	39851.69	29532.15	44189.41	131121.10	152790.55	152790.55
	Net Sales/Income From Operations	3786.03	2745.97	2409.93	10789.47	8471.20	8471.20
		36065.66	26786.18	41779.48	120331.63	144319.35	144319.35
2	Segment Results :						
	1 Mining	7247.52	3670.89	10027.12	19313.11	37618.50	37618.50
	2 Power	(544.13)	1180.77	88.71	6464.41	6758.18	6758.18
	Un-alloable Corporate Results	6703.39	4851.66	10115.83	25777.52	44376.68	44376.68
	Total	(1696.89)	(1434.67)	(766.67)	(5164.52)	(3880.54)	(3880.54)
	Add : Interest Received	5006.50	3416.99	9349.16	20613.00	40496.14	40496.14
	Add : Dividend Income	2786.90	2989.37	2974.04	12444.39	11603.78	11603.78
	Add: Extra Ordinary Income	-	148.49	-	605.21	570.60	570.60
	Net Profit Before Tax	7793.40	6554.85	10,916.23	33662.60	63586.75	63586.75
3	Capital Employed :						
	(Segment Assets - Segment Liabilities)						
	1 Mining				9784.38	(1562.28)	(1562.28)
	2 Power				151755.84	160447.23	160447.23
	Un-alloable Capital Employed				161540.22	158884.95	158884.95
	Total				281548.46	313210.67	313210.67

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

NOTE :

- The above results have been reviewed by the Audit Committee of the Board of Directors in its meeting held on 26th May, 2016 and the same have been taken on record by the Board of Directors in its meeting held on the same date.
- The Board of Directors have recommended 150 % dividend (3/- per equity share of ` 2/- each) for the financial year ended 31.03.2016 subject to the approval of the share holders in the Annual General Meeting.
- During the Financial Year 2015-16, the corporation has paid ` 397.79 Lakhs towards VRS payments to employees.
- The Consolidated Financial Statements of the Corporation represent consolidated accounts of its Joint Venture company "Swarnim Gujarat Flourspar Private Limited", "Gujarat Jaypee Cement & Infrastructure Limited", "Gujarat Credo Mineral Industries Limited", "Bhavnagar Energy Limited", "Aikya Chemicals Pvt Ltd", "Swarnim Gujarat Flourspar Pvt Ltd" and Naini Coal Company Limited" as per AS-27 "Financial Reporting of Interests In Joint Venture" and "Gujarat Foundation for Entrepreneurial Excellence" as per AS-23 "Accounting for Associates"
- As required under the Companies Act, 2013, the corporation has incurred expense towards CSR activities of ` 1496.69 Lakhs for the Year ended 31st March, 2016. Total CSR required as per the Act, during FY 2015-16 is ` 1446.54 Lakhs.
- Figures of last quarter are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the current financial year.
- Previous periods/year's figures have been regrouped/rearranged wherever necessary.

For and on Behalf of the Board of Directors,

Place : Ahmedabad

Date : 26th May , 2016

Arvind Agarwal
Chairman and Managing-Director

Gujarat Mineral Development Corporation Ltd.
Balance Sheet as at 31st March, 2016

Rs in Lakhs

Particulars	Standalone				Consolidated			
	As at 31st March, 2016		As at 31st March, 2015		As at 31st March, 2016		As at 31st March, 2015	
EQUITY AND LIABILITIES								
SHAREHOLDERS' FUNDS								
Share Capital	6,360		6,360		6,360		6,360	
Reserves and Surplus	3,30,311	3,36,671	3,17,797	3,24,157	3,30,581	3,36,941	3,17,953	3,24,313
NON-CURRENT LIABILITIES								
Long Term Borrowings	-		-		77,587		66,882	
Deferred tax liabilities (Net)	16,247		20,788		16,249		20,789	
Other long-term liabilities	18,027		18,079		24,792		24,527	
Long-term provisions	33,614	67,888	23,986	62,853	33,622	1,52,250	23,993	1,36,191
CURRENT LIABILITIES								
Short Term Borrowings	-		-		6,403		956	
Trade payables	6,814		5,148		6,780		5,302	
Other current liabilities	17,306		14,007		20,616		17,206	
Short-term provisions	12,157	36,277	12,032	31,187	12,158	45,957	12,033	35,497
Total		4,40,837		4,18,197		5,35,147		4,96,001
ASSETS								
NON-CURRENT ASSETS								
Fixed assets								
Tangible assets	1,75,031		1,75,472		1,77,400		1,76,920	
Intangible assets	131		150		147		168	
Capital work-in-progress (Net of Provision)	7,475		4,590		1,17,017		95,797	
Intangible assets under development	-		-		10		9	
	1,82,637		1,80,212		2,94,574		2,72,894	
Non-current investments	32,415		29,900		12,296		12,084	
Long-term loans and advances	65,797		78,275		67,887		80,532	
Other Non Current Assets	-	2,80,849	-	2,88,387	150	3,74,907	82	3,65,592
CURRENT ASSETS								
Inventories	4,353		5,208		4,561		5,223	
Trade receivables	9,735		8,115		9,333		8,142	
Cash and cash equivalents	3,246		923		3,508		1,247	
Short-term loans and advances	1,42,654	1,59,988	1,15,564	1,29,810	1,42,837	1,60,240	1,15,797	1,30,409
Total		4,40,837		4,18,197		5,35,147		4,96,001

Significant Accounting Policies and Notes on Financial Statements.

Form A
(for audit report with unmodified opinion)

1.	Name of the Company	Gujarat Mineral Development Corporation Limited (CIN: L14100GJ1963SGC001206)
2.	Annual Financial Statements for the year ended	31 st March, 2016
3.	Type of Audit observation	Un Qualified
4.	Frequency of observation	Since Inception
5.	To be signed by:	
	Mr. Arvind Agarwal, IAS DIN: 00122921 Chairman and Managing Director	
	Mr. Bhadresh Mehta DIN: 02625115 Chairman of Audit Committee	
	Mr. L. Kulshrestha PAN: AJXPK7446A General Manager (Finance) Chief Financial Officer	
	Mr. Pawan Bhootra PAN: AAOPB0150C General Manager (Accounts)	
	S. C. Ajmera (Statutory Auditor) Partner PAN: AAUPA0148F M/s. S. C. Ajmera & Co. Chartered Accountants	



GUJARAT MINERAL DEVELOPMENT CORPORATION LIMITED

(A Government of Gujarat Enterprise)

Khanij Bhavan, Univ.Ground, 132 ft.Ring Road, Opp.Manav Mandir, Vastrapur, Ahmedabad

380 052 Tel no. 27913200, 27913501, 27911340, 27911680, 27910665 Fax no. (079) 27912746,1454

CIN L14100GJ1963SGC001206

CERTIFICATE BY CEO AND CFO FOR ANNUAL ACCOUNTS 2015-16

- a) We have reviewed the Balance Sheet and the Profit and Loss Account and Significant Accounting Policies and notes forming part of Accounts as well as the Cash Flow Statement for the year and certify that to the best of our knowledge and belief :
- i) These statements do not contain any materially untrue statement or omit any material fact nor contain statements that might be misleading;
- ii) These statements together present a true and fair view of the Company's affairs and are in compliance with the existing Accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative to the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and that we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of which such internal controls, if any, of which we are aware, and the steps we have taken or proposed to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee :
- i) significant changes in internal controls over financial reporting during the year;
- ii) significant changes in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- iii) Instances of significant fraud of which we have become aware and the involvement therein if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

P.K.BHOOTRA
GENERAL MANAGER (ACCOUNTS)

L.KULSHRESTHA
GENERAL MANAGER (FINANCE)
& CHIEF FINANCIAL OFFICER

ARVIND AGARWAL, IAS
CHAIRMAN AND MANAGING DIRECTOR



GUJARAT MINERAL DEVELOPMENT CORPORATION LIMITED

(A Government of Gujarat Enterprise)

Khanij Bhavan, Univ. Ground, 132 ft. Ring Road, Opp. Manav Mandir, Vastrapur, Ahmedabad

380 052 Tel no. 27913200, 27913501, 27911340, 27911680, 27910665 Fax no. (079) 27912746, 1454

CIN L14100GJ1963SGC001206

CERTIFICATE

(Pursuant to Regulation 33(2)(a) of SEBI (Listing Obligation & Disclosure Requirement) Regulation 2015)

This is to certify that the audited quarterly financial results of the Company for the year 2015-16 placed before the 287th Meeting of the Board of Directors do not contain any false or misleading statement or figures and do not omit any material fact which may make the statements or figures contained therein misleading.

P.K. BHOOTRA
GENERAL MANAGER (ACCOUNTS)

I. KULSHRESTHA
GENERAL MANAGER (FINANCE)
& CHIEF FINANCIAL OFFICER

ARVIND AGARWAL, IAS
CHAIRMAN AND MANAGING DIRECTOR

Place: Ahmedabad

Date: May 26, 2016

Independent Auditor's Report

To,
The Members of
Gujarat Mineral Development Corporation Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Gujarat Mineral Development Corporation Limited** ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries referred to as "the Group") its associates and jointly controlled entities (as per Other Matters para), comprising of the Consolidated Balance Sheet as at 31st March , 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the company included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group, its Associates and Jointly controlled entities and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.



S.C. AJMERA & CO
Chartered Accountants

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Others Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs as at 31st March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements of Nil subsidiary and six jointly controlled entities, whose financial statements reflect total assets of Rs. 4,53,702.69 Lacs as at 31st March, 2016, total revenues of Rs. 5,233.68 Lacs and net cash flows amounting to Rs. (-) 290.36 Lacs for the year ended on that date, as considered in the consolidated financial statements.

The consolidated financial statements also include the Group's share of unaudited net profit of Rs. Nil for the year ended 31st March, 2016, as considered in the consolidated financial statements, in respect of one associate, whose financial statement have not been audited by us.

Financial statement of one joint venture is audited and balance five joint ventures are unaudited. Further, financial statements of one associate is also unaudited. These financial statements have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and

18, Technocrat Housing Society, Moti Magri Scheme, Udaipur - 313001 (Raj.)
Telefax (0294) 2425057, email : sca_ca@yahoo.com, ajmerasc@gmail.com



S.C. AJMERA & CO
Chartered Accountants

disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on such unaudited financial statements/ financial information. In our opinion and according to information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our Report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and Unaudited Financial Statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. In terms of Section 143(5) of the Act, we give in Annexure '2(i) & 2(ii)' a statement on the directions issued under the aforesaid section by the Comptroller and Auditor General of India to the Holding Company.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company and joint venture company incorporated in India, none of the directors of the Group Companies incorporated in India is disqualified as on 31st March, 2016, from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'.



S.C. AJMERA & CO
Chartered Accountants

- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations of the consolidated financial position of the Group- Refer Note 2.26 to the consolidated financial statements.
 - ii. The Group, its associates and jointly controlled entities did not have any material foreseeable losses on long term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies, jointly controlled companies incorporated in India.

Place:- Ahmedabad
Date:- 26.05.2016

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


(S.C. Ajmera - Partner)
M. No. 081398

Annexure 'A' to the Auditors' Report

Report on Internal Financial Controls over Financial Reporting

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting of **Gujarat Development Mineral Corporation Limited** ("the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.



S.C. AJMERA & CO
Chartered Accountants

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



S.C. AJMERA & CO
Chartered Accountants

Opinion

In our opinion, the Holding Company and its Subsidiary Companies, its associate companies and jointly controlled companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to Nil subsidiary company, one associate company and Six jointly controlled companies, which are companies incorporated in India, is based on audited financial statement in one of the joint venture, in one associate and five other joint ventures, the Management Representation has been given to us as these were not audited.

Place:- Ahmedabad
Date:- 26.05.2016

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



(S.C. Ajmera - Partner)
M. No. 081398

S.C. AJMERA & CO
Chartered Accountants

**Annexure to the Independent Auditors' Report of Gujarat Mineral
Development Corporation Ltd**

To
The Members
Gujarat Mineral Development Corporation Ltd.

In continuation of our Independent Audit Report on Consolidated Financial Statement of Gujarat Mineral Development Corporation Ltd. ("The Company") dated 26.05.2016, we have reported on Directions and Sub-direction under section 143(5) of the Companies Act, 2013 applicable for the year 2015-16, as under:

Report on directions under section 143(5) of the Companies Act, 2013 of Joint Ventures and Associates have not been received yet as unaudited financial statements have been considered for consolidation of joint ventures and associates. Hence, we are unable to offer any comment on the same.

ANNEXURE-2(i)

Directions under Section 143(5) of Companies Act, 2013 Applicable for the year 2015-16

Sr. No.	Directions/Questions u/s 143(5)	Action Taken by Gujarat Mineral Development Corporation Ltd.	Impact on Accounts and Financials
1	Whether the Company has clear title/lease deeds for freehold and leasehold respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available?	Yes, the Company has clear title/lease deeds for freehold and leasehold respectively.	No impact
2	Whether there are any cases of waiver/ write off of debts/loans/interest etc. If yes, the reasons there for and the amount involved.	As informed to us, there was one case of write off amounting to Rs. 96,282/- being loan given to a deceased employee. As per the staff welfare policy of the company, the same is to be waived in case of death.	No impact
3	Whether proper records are maintained for inventories lying with third parties and assets received as gift/grant(s) from the Government or other authorities.	Yes, proper records are maintained by the company for inventory lying with third parties. And no asset is received as gift from Government or other authority, as informed to us.	No impact

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


S.C. Ajmera - Partner
M. No. 081398

Place: Ahmedabad
Date: 26/05/2016

18, Technocrat Housing Society, Moti Magri Scheme, Udaipur - 313001 (Raj.)
Telefax (0294) 2425057, email : sca_ca@yahoo.com, ajmerasc@gmail.com

S.C. AJMERA & CO
Chartered Accountants

ANNEXURE-2(ii)

Sector Specific Sub-directions under section 143(5) of Companies Act, 2013

Sr. No.	Sub Directions issued/Questions u/s 143(5)	Action Taken	Impact on financials
Manufacturing Sector			
Mining			
1	Whether the company has taken adequate measures to reduce the adverse affect on environment as per established norms and taken up adequate measures for the relief and rehabilitation of displaced people.	According to the information and explanation given to us, the Company is obtaining monthly environmental pollution monitoring report from outside agency for each project to reduce/monitor the adverse effect on environment. No Displacement/Rehabilitation has been taken at any project of the corporation for the year 2015 -16. (Please note that we are not technical expert)	No impact
2	Whether the Company had obtained the requisite statutory compliances that was required under mining and environmental rules and regulations?	As per information and explanation given to us, the Company has obtained necessary consents from GPCB for mining projects.	No impact.
3	Whether overburden removal from mines and backfilling of mines are commensurate with the mining activity?	As informed to us, in respect of lignite projects overburden removal from mines and backfilling of mines are commensurate with the mining activity as per approved/ submitted/prepared mine closure plan. (Please note that we are not technical expert)	No Impact
4	Whether the Company has disbanded and discontinued mines, if so, the payment of corresponding dead rent there against may be verified.	As informed to us, the Company has not disbanded nor discontinued any of its mines.	Not Applicable
5	Whether the Company's financial statements had properly accounted for the effect of Rehabilitation Activity and Mine Closure Plan?	The expenditure on Rehabilitation Activity and for Mine Closure is properly accounted in the books of account of the Company, as per the policy adopted on this behalf.	No impact
Power Sector			
Generation			
1	In the cases of Thermal Power Projects, compliance of the various Pollution Control Acts and the impact thereof including utilization and disposal of ash and the policy of the company in this regard, may be checked and commented upon.	As per information and explanation provided to us, the Company has made compliance of various pollution control Act. In respect of utilization and disposal of ash, generally the Company is using it in backfilling of mine in Panandhro project.	No impact

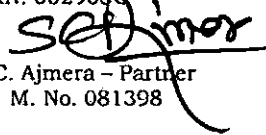


S.C. AJMERA & CO
Chartered Accountants

Sr. No.	Sub Directions issued/Questions u/s 143(5)	Action Taken	Impact on financials
2	Has the company entered into revenue sharing agreements with private parties for extraction of coal at pitheads and it adequately protects the financial interest of the Company?	As informed to us, the Company has not entered into revenue sharing agreements with private parties for extraction of coal at pitheads.	Not Applicable
3	Does the company have a proper system for reconciliation of quantity/ quality of coal ordered and received and whether grade of coal/ moisture and demurrage etc., are properly recorded in the books of accounts?	Company does not purchase coal from the outside parties. However, as informed to us, the Company is having a system in ERP for reconciliation of quantity ordered and received and Grade of coal/ moisture and demurrage etc., are recorded in the books of accounts on the basis of Test Certificate received from the laboratory. (Please note that we are not technical experts).	No impact
4	How much share of free power was due to the State Government and whether the same was calculated as per the agreed terms and depicted in the accounts as per accepted accounting norms?	The power is sold to Government controlled entity and the same is calculated as per terms agreed in PPA (Power Purchase Agreement).	No impact
5	In the case of Hydroelectric Projects the water discharge is as per policy /guidelines issued by the State Government to maintain biodiversity. For not maintaining it penalty paid/ payable may be reported.	As informed to us, No hydroelectric Project is carried out by Company.	Not Applicable

Place: Ahmedabad
Date: 26/05/2016

For, S.C. Ajmera & Co.
Chartered Accountants
FRN: 0029086


S.C. Ajmera - Partner
M. No. 081398

Independent Auditor's Report

To,
The Members of
Gujarat Mineral Development Corporation Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Gujarat Mineral Development Corporation Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the



S.C. AJMERA & CO
Chartered Accountants

Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit/loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

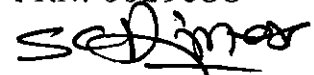
1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. In terms of Section 143(5) of the Act, we give in Annexure '2(i) & 2(ii)' a statement on the directions issued under the aforesaid section by the Comptroller and Auditor General of India.
3. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016, from being appointed as a director in terms of Section 164 (2) of the Act.



S.C. AJMERA & CO
Chartered Accountants

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note 2.23 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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



(S.C. Ajmera – Partner)
M. No. 081398

Place:- Ahmedabad
Date:- 26.05.2016

ANNEXURE TO THE AUDITORS' REPORT

(Referred to Para (1) our Report of even date)

The Annexure referred to in our report to the members of Gujarat Mineral Development Corporation Limited ("the Company") for the year ended 31 March, 2016.

We report that:

- i. In respect of Fixed Assets
 - a. The company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
 - b. The Company has a program of physical verification of its fixed assets by which fixed assets are verified at reasonable intervals. In accordance with this program, fixed assets were verified during the year and discrepancies which were noticed on such verification were properly dealt with in the books of accounts.
 - c. The title deeds of immovable properties are held in the name of the company.
- ii. In respect of Inventory
 - a. The physical verification of inventory has been conducted at reasonable intervals by the Management.
 - b. The procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of company and the nature of its business.
 - c. The company has maintained proper records of inventory. The discrepancies noticed on such verification between the physical stock and book stock was not material and the same have been properly dealt with in the books of accounts.
- iii. The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore requirement of clauses (iii) of the paragraph 3 of the order is not applicable to the company.
- iv. In respect of loans, investments, guarantees, and security, provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
- v. The company has not accepted any deposits during the year as per the directives issued by the Reserve Bank of India and within the meeting of the provisions of sections 73 to 76 and other relevant provisions of the Companies Act and the rules framed there under, where applicable. Thus, the clause (v) of paragraph 3 of the order is not applicable to the company.

S.C. AJMERA & CO
Chartered Accountants

- vi. In pursuant to the order made by the Central Government for the maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013, the company has made and maintained the prescribed accounts and records.
- vii. In respect of statutory dues
- a. According to the information and explanations given to us, and on the basis of our examination, the company is generally regular in depositing undisputed statutory due including provident fund, Investor Education and Protection Fund, Employee's State Insurance, Income tax, sales tax, wealth tax, service tax, duty of excise, value added tax and cess and any other statutory dues with appropriate authorities.
- b. The details of excise duty, income tax and sales tax not deposited on account of dispute are as under:

Name of Statute	Nature of the Dues	Period to which the amount relates	Amount (Rs. In Lakh)	Forum where dispute is pending
Commercial tax	Sales tax/VAT	1993-94	21.78	Hon. High Court
		1995-96	98.92	Appellate Tribunal
		1997-98	2.45	Appellate Tribunal
Commercial tax	CST	1997-98	4.26	Appellate Tribunal
Central Excise Act, 1944	Excise duty	2015-16	504.39	Commissioner of Central Excise

- viii. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year.
- ix. Based on our audit procedures and according to the information given by the management, the company has not raised any money by way of initial public offer or further public offer (including debt instruments) or taken any term loan during the year.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations give to us, the Company has not paid/provided for managerial remuneration during the year.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company.



S.C. AJMERA & CO
Chartered Accountants

- xiii. According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where ever applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xv. According to the information and explanations give to us and based on our examination of the records of the Company, the company has not entered into non-cash transactions with directors or persons connected with him during the year.
- xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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



(S.C. Ajmera - Partner)
M. No. 081398

Place:- Ahmedabad
Date:- 26.05.2016

Annexure 'B' to the Auditors' Report

Report on Internal Financial Controls over Financial Reporting

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Gujarat Development Mineral Corporation Limited** ("the Company") as of March 31, 2016, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating



S.C. AJMERA & CO
Chartered Accountants

effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



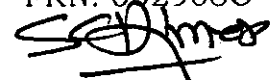
S.C. AJMERA & CO
Chartered Accountants

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place:- Ahmedabad
Date:- 26.05.2016

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



(S.C. Ajmera – Partner)
M. No. 081398

S.C. AJMERA & CO

Chartered Accountants

Annexure to the Independent Auditors' Report of Gujarat Mineral Development Corporation Ltd

To
The Members
Gujarat Mineral Development Corporation Ltd.

In continuation of our Independent Audit Report on Standalone Financial Statement of Gujarat Mineral Development Corporation Ltd. ("The Company") dated 26.05.2016 we have reported on Directions and Sub-direction under section 143(5) of the Companies Act, 2013 applicable for the year 2015-16, as under:

ANNEXURE-2(i)

Directions under Section 143(5) of Companies Act, 2013 Applicable for the year 2015-16

Sr. No.	Directions/ Questions u/s 143(5)	Action Taken	Impact on Accounts and Financials
1	Whether the Company has clear title/lease deeds for freehold and leasehold respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available?	Yes, the Company has clear title/lease deeds for freehold and leasehold respectively.	No impact
2	Whether there are any cases of waiver/ write off of debts/loans/interest etc. If yes, the reasons there for and the amount involved.	As informed to us, there was one case of write off amounting to Rs. 96,282/- being loan given to a deceased employee. As per the staff welfare policy of the company, the same is to be waived in case of death.	No impact
3	Whether proper records are maintained for inventories lying with third parties and assets received as gift/grant(s) from the Government or other authorities.	Yes, proper records are maintained by the company for inventory lying with third parties. And no asset is received as gift from Government or other authority, as informed to us.	No impact

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



(S.C. Ajmera - Partner)
M. No. 081398

Place: Ahmedabad
Date : 26.05.2016

S.C. AJMERA & CO
Chartered Accountants

ANNEXURE-2(ii)

Sector Specific Sub-directions under section 143(5) of Companies Act, 2013

Sr. No.	Sub Directions issued/Questions u/s 143(5)	Action Taken	Impact on financials
Manufacturing Sector			
Mining			
1	Whether the company has taken adequate measures to reduce the adverse affect on environment as per established norms and taken up adequate measures for the relief and rehabilitation of displaced people.	According to the information and explanation given to us, the Company is obtaining monthly environmental pollution monitoring report from outside agency for each project to reduce/monitor the adverse effect on environment. No Displacement/ Rehabilitation has been taken at any project of the corporation for the year 2015 -16. (Please note that we are not technical expert)	No impact
2	Whether the Company had obtained the requisite statutory compliances that was required under mining and environmental rules and regulations?	As per information and explanation given to us, the Company has obtained necessary consents from GPCB for mining projects.	No impact.
3	Whether overburden removal from mines and backfilling of mines are commensurate with the mining activity?	As informed to us, in respect of lignite projects overburden removal from mines and backfilling of mines are commensurate with the mining activity as per approved/ submitted/ prepared mine closure plan. (Please note that we are not technical expert)	No Impact
4	Whether the Company has disbanded and discontinued mines, if so, the payment of corresponding dead rent there against may be verified.	As informed to us, the Company has not disbanded nor discontinued any of its mines.	Not Applicable
5	Whether the Company's financial statements had properly accounted for the effect of Rehabilitation Activity and Mine Closure Plan?	The expenditure on Rehabilitation Activity' and for Mine Closure is properly accounted in the books of account of the Company, as per the policy adopted on this behalf.	No impact



S.C. AJMERA & CO
Chartered Accountants

Power Sector			
Generation			
1	In the cases of Thermal Power Projects, compliance of the various Pollution Control Acts and the impact thereof including utilization and disposal of ash and the policy of the company in this regard, may be checked and commented upon.	As per information and explanation provided to us, the Company has made compliance of various pollution control Act. In respect of utilization and disposal of ash, generally the Company is using it in backfilling of mine in Panandhro project.	No impact
2	Has the company entered into revenue sharing agreements with private parties for extraction of coal at pitheads and it adequately protects the financial interest of the Company?	As informed to us, the Company has not entered into revenue sharing agreements with private parties for extraction of coal at pitheads.	Not Applicable
3	Does the company have a proper system for reconciliation of quantity/ quality of coal ordered and received and whether grade of coal/ moisture and demurrage etc., are properly recorded in the books of accounts?	Company does not purchase coal from the outside parties. However, as informed to us, the Company is having a system in ERP for reconciliation of quantity ordered and received and Grade of coal/ moisture and demurrage etc., are recorded in the books of accounts on the basis of Test Certificate received from the laboratory. (Please note that we are not technical experts).	No impact
4	How much share of free power was due to the State Government and whether the same was calculated as per the agreed terms and depicted in the accounts as per accepted accounting norms?	The power is sold to Government controlled entity and the same is calculated as per terms agreed in PPA (Power Purchase Agreement).	No impact



S.C. AJMERA & CO**Chartered Accountants**

5	In the case of Hydroelectric Projects the water discharge is as per policy /guidelines issued by the State Government to maintain biodiversity. For not maintaining it penalty paid/ payable may be reported.	As informed to us, No hydroelectric Project is carried out by Company.	Not Applicable
---	---	--	----------------

Place: Ahmedabad
Date: 26.05.2016

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



(S.C. Ajmera - Partner)
M. No. 081398