



No. GMDC/CS/ BSE/NSE/756/2023

Dt. 30.05.2023

To, National Stock Exchange of India, Exchange Plaza, Bandra Kurla Complex Bandra (East) , Mumbai – 400 051 Code : GMDCLTD	To, Bombay Stock Exchange Ltd. 25th Floor, P.J. Towers Dalal Street Fort, Mumbai-400 001 Code : 532181
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Dear Sirs,

- Sub : (i) Audited annual financial results (standalone and consolidated) of GMDC together with auditors' report for the quarter/year ended on 31<sup>st</sup> March, 2023.
- (ii) Recommendation of Dividend by the Board for the year FY 2022-23.

We would like to inform that the Board of Directors of GMDC Ltd. in its Meeting held on 30/05/2023 has approved the Audited Financial Results (standalone and consolidated) for quarter/year ended 31<sup>st</sup> March, 2023.

Further the Board has also approved audited Annual Financial Statements (standalone consolidated) for the year ended 31<sup>st</sup> March, 2022.

We would further like to inform that the Board has also recommended dividend of Rs. 9.10 per equity share of Rs. 2 each for financial year ended on 31<sup>st</sup> March, 2023.

Pursuant to the above approval, we are submitting the following documents in compliance with requirements of SEBI (LODR) Regulation, 2015 :

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Gujarat Mineral Development Corporation Limited

(A Government of Gujarat Enterprise)

CIN : L14100GJ1963SGC001206

"Khanij Bhavan", 132 Ft. Ring Road, Near University Ground, Vastrapur, Ahmedabad 52

Phone: 2791 3200/2791 3501

e-mail:[cosec@gmdcltd.com](mailto:cosec@gmdcltd.com), website:[www.gmdcltd.com](http://www.gmdcltd.com)



1. Audited financial results (standalone and consolidated) for quarter/year ended 31<sup>st</sup> March, 2023.
2. Independent Auditors reports (standalone and consolidated) on audited financial results.
3. Declaration of unmodified opinion in the auditors report for financial year 31<sup>st</sup> March, 2023 pursuant to Regulation 33 of SEBI (LODR) Regulation , 2015.

The Meeting commenced at 4.00 PM and concluded at 10.20 PM.

You are requested to kindly take note of the same.

Thanking you,  
Yours faithfully,  
For Gujarat Mineral Development Corporation Limited,

Company Secretary

Encl : As above

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Gujarat Mineral Development Corporation Limited

(A Government of Gujarat Enterprise)

CIN : L14100GJ1963SGC001206

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**GUJARAT MINERAL DEVELOPMENT CORPORATION LIMITED**

**AUDITED STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER / YEAR ENDED ON MARCH 31, 2023**

(₹ in Lakh)

Particulars	STANDALONE				
	Quarter ended on			Year ended on	
	31-03-2023 <sup>#</sup>	31-12-2022	31-03-2022	31-03-2023 <sup>#</sup>	31-03-2022
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
<b>INCOME</b>					
Revenue from Operations	95,175.55	85,541.08	1,05,728.00	3,50,144.75	2,73,207.94
Other Income	23,617.33	5,606.56	3,931.84	39,240.05	15,517.82
<b>Total Income (A)</b>	<b>1,18,792.88</b>	<b>91,147.64</b>	<b>1,09,659.84</b>	<b>3,89,384.80</b>	<b>2,88,725.76</b>
<b>EXPENSES</b>					
Changes in inventories	76.22	(975.38)	54.92	(1,028.78)	605.80
Employee Benefit Expenses	4,775.86	3,577.24	3,711.85	15,845.39	13,289.05
Finance Costs	58.30	56.28	172.06	228.04	329.72
Depreciation and Amortisation Expenses	2,039.16	2,050.70	3,587.92	8,116.45	9,798.34
Other Expenses	50,224.54	49,383.30	55,754.24	2,00,506.52	1,87,007.69
<b>Total Expenses (B)</b>	<b>57,174.08</b>	<b>54,092.14</b>	<b>63,280.99</b>	<b>2,23,667.62</b>	<b>2,11,030.60</b>
<b>Profit Before Tax (A-B)</b>	<b>61,618.80</b>	<b>37,055.50</b>	<b>46,378.85</b>	<b>1,65,717.18</b>	<b>77,695.16</b>
<b>Tax Expenses</b>					
Current Tax	16,048.84	9,197.85	10,439.86	43,249.14	19,584.41
Deferred Tax	483.29	(416.64)	13,591.79	(443.48)	12,913.71
Short provision of earlier years	16.59	1,647.40	675.96	1,663.99	675.96
<b>Profit for the Period / Year</b>	<b>45,070.08</b>	<b>26,626.89</b>	<b>21,671.24</b>	<b>1,21,247.53</b>	<b>44,521.08</b>
<b>Other Comprehensive Income</b>					
Items that will not be reclassified to profit or loss					
Changes in fair value of equity instruments measured at fair value through other comprehensive income (FVOCI)	(4,645.12)	(2,689.88)	14,369.11	(10,788.25)	29,508.28
Remeasurement of post-employment benefit obligations	489.33	6.15	707.78	1,154.02	1,153.55
Income tax relating to these items	(766.70)	351.44	(405.83)	(596.15)	(599.17)
<b>Other Comprehensive Income for the Period, net of tax</b>	<b>(4,922.49)</b>	<b>(2,332.29)</b>	<b>14,671.06</b>	<b>(10,230.38)</b>	<b>30,062.66</b>
<b>Total Comprehensive Income for the Period (Comprising profit and other Comprehensive Income for the period)</b>	<b>40,147.59</b>	<b>24,294.60</b>	<b>36,342.30</b>	<b>1,11,017.15</b>	<b>74,583.74</b>
<b>Earning per Equity Share (EPS) (Face Value of ₹ 2)</b>					
Basic (₹)	14.17	8.37	6.81	38.13	14.00
Diluted (₹)	14.17	8.37	6.81	38.13	14.00

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



**GUJARAT MINERAL DEVELOPMENT CORPORATION LIMITED**

AUDITED STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER / YEAR ENDED ON MARCH 31, 2023

(₹ in Lakh)

Particulars	CONSOLIDATED				
	Quarter ended on			Year ended on	
	31-03-2023 <sup>#</sup> (Audited)	31-12-2022 (Unaudited)	31-03-2022 (Audited)	31-03-2023 <sup>#</sup> (Audited)	31-03-2022 (Audited)
<b>INCOME</b>					
Revenue from Operations	95,175.55	85,541.08	1,05,728.00	3,50,144.75	2,73,207.94
Other Income	23,676.59	5,656.67	3,936.36	39,356.53	15,646.09
<b>Total Income (A)</b>	<b>1,18,852.14</b>	<b>91,197.75</b>	<b>1,09,664.36</b>	<b>3,89,501.28</b>	<b>2,88,854.03</b>
<b>EXPENSES</b>					
Changes in inventories	76.22	(975.38)	54.93	(1,028.78)	605.80
Employee Benefit Expenses	4,775.87	3,577.22	3,712.14	15,845.47	13,289.35
Finance Costs	58.30	56.16	172.07	228.06	329.74
Depreciation and Amortisation Expenses	2,039.16	2,050.66	3,587.92	8,116.45	9,798.34
Other Expenses	50,265.90	49,383.11	55,723.49	2,00,541.06	1,87,214.75
<b>Total Expenses (B)</b>	<b>57,215.45</b>	<b>54,091.77</b>	<b>63,250.55</b>	<b>2,23,702.26</b>	<b>2,11,237.98</b>
<b>Profit Before Tax (A-B)</b>	<b>61,636.69</b>	<b>37,105.98</b>	<b>46,413.81</b>	<b>1,65,799.02</b>	<b>77,616.05</b>
Share of Profit (Loss) of joint ventures and associates using equity method (net of taxes)	140.73	50.74	85.66	244.09	148.20
<b>Tax Expenses</b>					
Current Tax	16,048.84	9,197.85	10,439.86	43,249.14	19,584.41
Deferred Tax	483.29	(416.64)	13,591.74	(443.48)	12,913.71
Short provision of earlier years	16.59	1,647.40	675.96	1,663.99	675.96
<b>Profit for the Period / Year</b>	<b>45,228.70</b>	<b>26,728.11</b>	<b>21,791.91</b>	<b>1,21,573.46</b>	<b>44,590.17</b>
<b>Other Comprehensive Income</b>					
Items that will not be reclassified to profit or loss					
Changes in fair value of equity instruments measured at fair value through other comprehensive income (FVOCI)	(4,645.12)	(2,689.88)	14,438.37	(10,788.25)	29,577.54
Remeasurement of post-employment benefit obligations	489.33	6.15	707.78	1,154.02	1,153.55
Income tax relating to these items	(766.70)	351.44	(405.83)	(596.15)	(599.17)
<b>Other Comprehensive Income for the Period, net of tax</b>	<b>(4,922.49)</b>	<b>(2,332.29)</b>	<b>14,740.32</b>	<b>(10,230.38)</b>	<b>30,131.92</b>
<b>Total Comprehensive Income for the Period (Comprising profit and other Comprehensive Income for the period)</b>	<b>40,306.21</b>	<b>24,395.82</b>	<b>36,532.23</b>	<b>1,11,343.08</b>	<b>74,722.09</b>
<b>Earning per Equity Share (EPS) (Face Value of ₹ 2)</b>					
Basic (₹)	14.22	8.41	6.85	38.23	14.02
Diluted (₹)	14.22	8.41	6.85	38.23	14.02

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



**GUJARAT MINERAL DEVELOPMENT CORPORATION LIMITED**

**AUDITED BALANCE SHEET AS AT MARCH 31, 2023 AND MARCH 31, 2022**

(₹ in Lakh)

Particulars	STANDALONE		CONSOLIDATED	
	31-03-2023 <sup>#</sup>	31-03-2022	31-03-2023 <sup>#</sup>	31-03-2022
	(Audited)	(Audited)	(Audited)	(Audited)
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
(a) Property, Plant and Equipment	1,03,993.49	1,08,286.08	1,04,191.55	1,08,484.17
(b) Right of Use Assets	862.62	915.41	862.62	915.41
(c) Capital Work-In-Progress	1,156.49	1,159.97	1,156.49	1,159.97
(d) Investment Properties	8,687.53	8,811.31	8,687.53	8,811.31
(e) Other Intangible Assets	31,544.39	32,824.23	31,544.39	32,824.23
(f) Intangible assets under development	1,145.34	1,132.70	1,145.34	1,132.70
(g) Financial Assets				
(i) Investments in Associates and Joint Ventures	891.37	891.37	2,045.15	1,801.06
(ii) Other Investments	47,026.17	57,814.42	47,026.17	57,814.42
(iii) Loans	573.99	637.78	573.99	637.78
(iv) Other Financial Assets	2,24,426.83	1,59,156.50	2,24,426.83	1,59,156.50
(h) Other Non-Current Assets	68,440.68	49,625.98	68,575.52	49,758.07
<b>Total Non-Current Assets</b>	<b>4,88,748.90</b>	<b>4,21,255.75</b>	<b>4,90,235.58</b>	<b>4,22,495.62</b>
<b>Current Assets</b>				
(a) Inventories	10,698.12	8,980.81	10,698.12	8,980.81
(b) Financial Assets				
(i) Trade Receivables	18,897.98	20,491.97	18,897.98	20,491.97
(ii) Cash and Cash Equivalents	5,102.01	4,263.48	5,107.44	4,263.70
(iii) Bank balances other than (ii) above	2,460.17	2,352.65	4,700.42	4,713.90
(iv) Loans	299.58	302.95	299.58	302.95
(v) Other Financial Assets	1,41,435.76	1,13,334.10	1,41,611.30	1,13,398.02
(c) Other Current Assets	20,547.36	13,563.16	20,547.36	13,563.15
<b>Total Current Assets</b>	<b>1,99,440.98</b>	<b>1,63,289.12</b>	<b>2,01,862.20</b>	<b>1,65,714.50</b>
<b>Assets classified as held for sale</b>	<b>4.67</b>	<b>4.95</b>	<b>4.67</b>	<b>4.95</b>
<b>Total Assets</b>	<b>6,88,194.55</b>	<b>5,84,549.82</b>	<b>6,92,102.45</b>	<b>5,88,215.07</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share Capital	6,360.00	6,360.00	6,360.00	6,360.00
(b) Other Equity	5,69,581.18	4,72,238.03	5,73,468.11	4,75,799.03
<b>Total Equity</b>	<b>5,75,941.18</b>	<b>4,78,598.03</b>	<b>5,79,828.11</b>	<b>4,82,159.03</b>
<b>Liabilities</b>				
<b>Non-Current Liabilities</b>				
(a) Financial Liabilities				
(i) Lease Liabilities	48.71	27.01	48.71	27.01
(ii) Other Financial Liabilities	294.74	167.78	296.36	211.12
(b) Provisions	56,178.10	57,123.56	56,178.10	57,123.56
(c) Deferred Tax Liabilities (Net)	5,071.46	4,918.84	5,071.46	4,918.84
(d) Other Non-Current Liabilities	1,284.19	1,531.07	1,284.19	1,531.07
<b>Total Non-Current Liabilities</b>	<b>62,877.20</b>	<b>63,768.26</b>	<b>62,878.82</b>	<b>63,811.60</b>
<b>Current Liabilities</b>				
(a) Financial Liabilities				
(i) Lease Liabilities	0.77	28.18	0.77	28.18
(ii) Trade Payables	-	-	-	-
(A) Total outstanding dues of Small Enterprises and Micro enterprises	-	-	-	-
(B) Total outstanding dues of creditors other than small enterprises and micro enterprises	20,328.79	20,891.06	20,331.76	20,894.56
(iii) Other Financial Liabilities	16,536.34	15,628.18	16,543.35	15,642.35
(b) Provisions	2,548.54	1,192.83	2,548.54	1,192.83
(c) Other Current Liabilities	9,961.73	4,443.28	9,971.10	4,486.52
<b>Total Current Liabilities</b>	<b>49,376.17</b>	<b>42,183.53</b>	<b>49,395.52</b>	<b>42,244.44</b>
<b>Total Liabilities</b>	<b>1,12,253.37</b>	<b>1,05,951.79</b>	<b>1,12,274.34</b>	<b>1,06,056.04</b>
<b>Total Equity and Liabilities</b>	<b>6,88,194.55</b>	<b>5,84,549.82</b>	<b>6,92,102.45</b>	<b>5,88,215.07</b>

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



**GUJARAT MINERAL DEVELOPMENT CORPORATION LIMITED**

**AUDITED STATEMENT OF CASH FLOW FOR THE YEAR ENDED ON MARCH 31, 2023 AND MARCH 31, 2022**

(₹ in Lakh)

Particulars	STANDALONE		CONSOLIDATED	
	31-03-2023 <sup>#</sup>	31-03-2022	31-03-2023 <sup>#</sup>	31-03-2022
	(Audited)	(Audited)	(Audited)	(Audited)
<b>Cash Flow from Operating Activities</b>				
Net Profit before tax	1,65,717.18	77,695.16	1,65,799.02	77,616.05
Adjustments for:				
Depreciation and Amortisation Expenses	8,116.45	9,798.34	8,116.45	9,798.34
Finance Cost	227.91	213.21	227.91	213.21
Interest from Banks and Corporates	(13,871.57)	(8,850.67)	(13,987.47)	(8,977.96)
Dividend Income	(1,092.43)	(991.88)	(1,092.43)	(991.88)
Net gain on Sale of Fixed Assets	(16.34)	(33.94)	(16.34)	(33.94)
Excess Provision of Earlier Years Written Back	(201.40)	(171.61)	(201.40)	(171.61)
Assets /sundry balance/ stores written off/(written back)	(163.17)	(160.13)	(163.17)	(160.13)
Prior Period Adjustments	-	1,391.78	-	1,391.78
Interest on Income Tax	(18,147.02)	-	(18,147.02)	-
<b>Operating profit before working capital changes:</b>	<b>1,40,569.61</b>	<b>78,890.26</b>	<b>1,40,535.55</b>	<b>78,683.86</b>
Adjustments for:				
Trade and Other Receivable	(7,142.85)	(20,219.08)	(7,254.47)	(20,233.64)
Inventories	(1,554.35)	1,028.40	(1,554.35)	1,028.40
Trade and Other Payable	6,168.95	10,857.13	6,085.67	10,902.07
<b>Cash generated from Operations</b>	<b>1,38,041.36</b>	<b>70,556.71</b>	<b>1,37,812.40</b>	<b>70,380.69</b>
Taxes Paid	(44,651.73)	(22,226.50)	(44,654.49)	(22,235.67)
<b>Net Cash Flow from Operating Activities (A)</b>	<b>93,389.63</b>	<b>48,330.21</b>	<b>93,157.91</b>	<b>48,145.02</b>
<b>Cash Flow from Investing Activities</b>				
Purchase Of Items Of Property, Plant And Equipment, Investment Properties And Intangible Items	(2,387.55)	(3,910.55)	(2,387.52)	(3,910.55)
Proceeds from Sale / Retirement of Property, Plant and Equipment	33.79	47.72	33.79	47.72
Deposits (placed) / matured (Net)	(86,942.74)	(72,069.76)	(86,821.74)	(72,011.64)
Interest from Banks and Corporates	9,379.59	7,404.08	9,495.49	7,531.37
Dividend Income	1,092.43	991.88	1,092.43	991.88
<b>Net Cash Flow from Investing Activities (B)</b>	<b>(78,824.48)</b>	<b>(67,536.63)</b>	<b>(78,587.55)</b>	<b>(67,351.22)</b>
<b>Cash Flow from Financing Activities</b>				
Repayment of Lease Liabilities	(52.62)	(32.14)	(52.62)	(32.14)
Dividend Paid	(13,674.00)	(636.00)	(13,674.00)	(636.00)
<b>Net Cash Flow from Financing Activities (C)</b>	<b>(13,726.62)</b>	<b>(668.14)</b>	<b>(13,726.62)</b>	<b>(668.14)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+ B+ C)</b>	<b>838.53</b>	<b>(19,874.56)</b>	<b>843.74</b>	<b>(19,874.34)</b>
<b>Cash and Cash Equivalents at the beginning of the period</b>	<b>4,263.48</b>	<b>24,138.04</b>	<b>4,263.70</b>	<b>24,138.04</b>
<b>Cash and Cash Equivalents at the end of the period</b>	<b>5,102.01</b>	<b>4,263.48</b>	<b>5,107.44</b>	<b>4,263.70</b>
<b>Notes to Statement of Cash Flow</b>				
<b>Cash and cash equivalent includes-</b>				
Cash and Cheques on Hand	-	-	-	-
Balances with Scheduled Banks				
in Current Accounts	1,502.01	1,398.48	1,507.44	1,398.70
in Deposit Accounts (original maturity for less than three months)	-	65.00	-	65.00
Fixed Deposits as Security against guarantees	3,600.00	2,800.00	3,600.00	2,800.00
	<b>5,102.01</b>	<b>4,263.48</b>	<b>5,107.44</b>	<b>4,263.70</b>

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

## AUDITED STANDALONE SEGMENT INFORMATION FOR THE QUARTER / YEAR ENDED ON MARCH 31, 2023

(₹ in Lakh)

Sr.No	Particulars	STANDALONE				
		Quarter ended on			Year Ended	
		31-03-2023 <sup>#</sup>	31-12-2022	31-03-2022	31-03-2023 <sup>#</sup>	31-03-2022
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)	
1	<b>Segment Revenue :</b>					
	(Net Sales / Revenue from Operations)					
	1 Mining	91,799.68	81,452.95	1,00,383.11	3,31,053.14	2,54,387.69
	2 Power	9,102.44	7,933.96	8,513.30	34,644.85	27,704.46
		<b>1,00,902.12</b>	<b>89,386.91</b>	<b>1,08,896.41</b>	<b>3,65,697.99</b>	<b>2,82,092.15</b>
	Less: Inter Segment Revenue	5,726.56	3,845.83	3,168.41	15,553.23	8,884.21
	<b>Net Sales/Income From Operations</b>	<b>95,175.56</b>	<b>85,541.08</b>	<b>1,05,728.00</b>	<b>3,50,144.76</b>	<b>2,73,207.94</b>
2	<b>Segment Results (Operating Results):</b>					
	1 Mining	45,291.38	35,113.70	43,562.77	1,41,092.20	66,654.12
	2 Power	(2,810.97)	(706.49)	284.52	(1,755.18)	2,126.14
	<b>Total Segment Operating Results</b>	<b>42,480.41</b>	<b>34,407.21</b>	<b>43,847.29</b>	<b>1,39,337.02</b>	<b>68,780.26</b>
	Un-allocable Corporate Results	(5,543.10)	(2,582.18)	(2,524.99)	(12,859.89)	(6,602.92)
	<b>Total Results</b>	<b>36,937.31</b>	<b>31,825.03</b>	<b>41,322.30</b>	<b>1,26,477.13</b>	<b>62,177.34</b>
	Add : Interest and Dividend Income	24,267.57	4,598.38	3,544.18	37,381.98	13,508.91
	Add : Un-allocable income net of un-allocable expenses	413.92	632.09	1,512.37	1,858.07	2,008.91
	<b>Net Profit Before Tax and Exceptional Items</b>	<b>61,618.80</b>	<b>37,055.50</b>	<b>46,378.85</b>	<b>1,65,717.18</b>	<b>77,695.16</b>
3	<b>Segment Assets :</b>					
	1 Mining	1,55,749.19	1,45,264.34	1,48,748.42	1,55,749.19	1,48,748.42
	2 Power	92,312.34	94,076.52	96,374.40	92,312.34	96,374.40
	3 Unallocated	4,40,133.02	4,17,155.22	3,39,427.00	4,40,133.02	3,39,427.00
		<b>6,88,194.55</b>	<b>6,56,496.08</b>	<b>5,84,549.82</b>	<b>6,88,194.55</b>	<b>5,84,549.82</b>
4	<b>Segment Liabilities :</b>					
	1 Mining	83,115.17	90,197.11	84,135.92	83,115.17	84,135.92
	2 Power	5,555.00	6,030.17	5,898.60	5,555.00	5,898.60
	3 Unallocated	23,583.19	25,887.72	15,917.27	23,583.19	15,917.27
		<b>1,12,253.37</b>	<b>1,22,115.00</b>	<b>1,05,951.79</b>	<b>1,12,253.37</b>	<b>1,05,951.79</b>

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

**AUDITED CONSOLIDATED SEGMENT INFORMATION FOR THE QUARTER / YEAR ENDED ON MARCH 31, 2023**

(₹ in Lakh)

Sr. No	Particulars	CONSOLIDATED				
		Quarter ended on			Year Ended	
		31-03-2023 <sup>#</sup> (Audited)	31-12-2022 (Unaudited)	31-03-2022 (Audited)	31-03-2023 <sup>#</sup> (Audited)	31-03-2022 (Audited)
1	<b>Segment Revenue :</b> (Net Sales / Revenue from Operations)					
	1 Mining	91,799.68	81,452.95	1,00,383.11	3,31,053.14	2,54,387.69
	2 Power	9,102.44	7,933.96	8,513.30	34,644.85	27,704.46
		<b>1,00,902.12</b>	<b>89,386.91</b>	<b>1,08,896.41</b>	<b>3,65,697.99</b>	<b>2,82,092.15</b>
	Less: Inter Segment Revenue	5,726.56	3,845.83	3,168.41	15,553.23	8,884.21
	<b>Net Sales/Income From Operations</b>	<b>95,175.56</b>	<b>85,541.08</b>	<b>1,05,728.00</b>	<b>3,50,144.76</b>	<b>2,73,207.94</b>
2	<b>Segment Results (Operating Results):</b>					
	1 Mining	45,291.38	35,113.70	43,562.77	1,41,092.20	66,654.12
	2 Power	(2,810.97)	(706.49)	284.52	(1,755.18)	2,126.14
	<b>Total Segment Operating Results</b>	<b>42,480.41</b>	<b>34,407.21</b>	<b>43,847.29</b>	<b>1,39,337.02</b>	<b>68,780.26</b>
	Un-allocable Corporate Results	(5,584.47)	(2,581.84)	(2,494.55)	(12,894.53)	(6,810.30)
	<b>Total Results</b>	<b>36,895.94</b>	<b>31,825.37</b>	<b>41,352.74</b>	<b>1,26,442.49</b>	<b>61,969.96</b>
	Add : Interest and Dividend Income	24,326.83	4,648.48	3,549.49	37,498.46	13,637.18
	Add : Un-allocable income net of un-allocable expenses	413.92	632.13	1,511.58	1,858.07	2,008.91
	<b>Net Profit Before Tax and Exceptional Items</b>	<b>61,636.69</b>	<b>37,105.98</b>	<b>46,413.81</b>	<b>1,65,799.02</b>	<b>77,616.05</b>
3	<b>Segment Assets :</b>					
	1 Mining	1,55,749.19	1,45,264.34	1,48,748.42	1,55,749.19	1,48,748.42
	2 Power	92,312.34	94,076.52	96,374.40	92,312.34	96,374.40
	3 Unallocated	4,44,040.93	4,20,898.53	3,43,092.25	4,44,040.93	3,43,092.25
		<b>6,92,102.45</b>	<b>6,60,239.39</b>	<b>5,88,215.07</b>	<b>6,92,102.45</b>	<b>5,88,215.07</b>
4	<b>Segment Liabilities :</b>					
	1 Mining	83,115.17	90,197.11	84,135.92	83,115.17	84,135.92
	2 Power	5,555.00	6,030.17	5,898.60	5,555.00	5,898.60
	3 Unallocated	23,604.17	25,903.77	16,021.52	23,604.17	16,021.52
		<b>1,12,274.34</b>	<b>1,22,131.05</b>	<b>1,06,056.04</b>	<b>1,12,274.34</b>	<b>1,06,056.02</b>

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

**Notes:**

- The above results have been reviewed by the Audit Committee of the Board of Directors in its meeting held on 30th May 2023 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 has recommended 455 % dividend (₹ 9.10) per equity share of ₹ 2 each for the financial year ended March 2023 subject to the approval of the shareholders in the annual general meeting.
- For the quarter ended March 2023 Other Income includes Interest on Income Tax amounting ₹ 18,147.02 Lakh.
- The following Subsidiaries, Joint Ventures, Associates are considered in consolidated financial results:

Name of Entity	Relationship
GMDC Science and Research Centre	100% Controlled Entity
Naini Coal Company Limited	Joint Venture
Swarnim Gujarat Flourspar Private Limited	Joint Venture
Gujarat Foundation for Entrepreneurial Excellence	Joint Venture
Gujarat Jaypee Cement Infrastructure Limited	Associate
Gujarat Credo Mineral Industries Limited	Associate
Aikya Chemicals Private Limited	Associate

- The Figures for quarter ended 31st March 2023 and 31st March 2022 are the balancing figures between audited figures in respect of full financial year ended 31st March 2023 and 31st March 2022 and the published unaudited year-to-date figures up to third quarter of the respective financial years.
- Corresponding figures of the previous periods / year's have been re-grouped / re-arranged / re-classified / restated and revised, wherever necessary, for rounding off to nearest lakh rupee and / or to make them comparable with the figures of the current year.

Place: Ahmedabad  
Date: May 30, 2023

For and on behalf of the Board of Directors

**Roopwanti Singh, IAS**  
Managing Director



**GUJARAT MINERAL DEVELOPMENT CORPORATION LIMITED**

(See Regulation 47(1) (b) of the SEBI (LODR) Regulations, 2015)  
**AUDITED FINANCIAL RESULTS FOR THE QUARTER / YEAR ENDED ON MARCH 31, 2023**

(₹ in Lakh)

Sr No	Particulars	STANDALONE				
		Quarter ended on			Year ended on	
		31-03-2023 <sup>#</sup> (Audited)	31-12-2022 (Unaudited)	31-03-2022 (Audited)	31-03-2023 <sup>#</sup> (Audited)	31-03-2022 (Audited)
1	Total Income from Operations (net)	95,175.55	85,541.08	1,05,728.00	3,50,144.75	2,73,207.94
2	Net Profit for the period (before Tax and Exceptional items)	61,618.80	37,055.50	46,378.85	1,65,717.18	77,695.16
3	Net Profit for the period before tax (after Exceptional items)	61,618.80	37,055.50	46,378.85	1,65,717.18	77,695.16
4	Net Profit for the period after tax (after Exceptional items)	45,070.08	26,626.89	21,671.24	1,21,247.53	44,521.08
5	Total Comprehensive Income for the period [Comprising Profit for the period after tax and Other Comprehensive Income (after tax)]	40,147.59	24,294.60	36,342.30	1,11,017.15	74,583.74
6	Equity Share Capital	6,360.00	6,360.00	6,360.00	6,360.00	6,360.00
7	Reserves (excluding Revaluation Reserve as shown in the Balance Sheet)				5,69,581.18	4,72,238.03
8	Earning Per Share (of ₹ 2/- each) (for continuing and discontinued operations) (not annualised)-					
	1. Basic: (₹)	14.17	8.37	6.81	38.13	14.00
	2. Diluted (₹)	14.17	8.37	6.81	38.13	14.00

(₹ in Lakh)

Sr No	Particulars	CONSOLIDATED				
		Quarter ended on			Year ended on	
		31-03-2023 <sup>#</sup> (Audited)	31-12-2022 (Unaudited)	31-03-2022 (Audited)	31-03-2023 <sup>#</sup> (Audited)	31-03-2022 (Audited)
1	Total Income from Operations (net)	95,175.55	85,541.08	1,05,728.00	3,50,144.75	2,73,207.94
2	Net Profit for the period (before Tax and Exceptional items)	61,636.69	37,105.98	46,413.81	1,65,799.02	77,616.05
3	Net Profit for the period before tax (after Exceptional items)	61,636.69	37,105.98	46,413.81	1,65,799.02	77,616.05
4	Net Profit for the period after tax (after Exceptional items)	45,228.70	26,728.11	21,791.91	1,21,573.46	44,590.17
5	Total Comprehensive Income for the period [Comprising Profit for the period after tax and Other Comprehensive Income (after tax)]	40,306.21	24,395.82	36,532.23	1,11,343.08	74,722.09
6	Equity Share Capital	6,360.00	6,360.00	6,360.00	6,360.00	6,360.00
7	Reserves (excluding Revaluation Reserve as shown in the Balance Sheet)				5,73,468.11	4,75,799.03
8	Earning Per Share (of ₹ 2/- each) (for continuing and discontinued operations) (not annualised)-					
	1. Basic: (₹)	14.22	8.41	6.85	38.23	14.02
	2. Diluted (₹)	14.22	8.41	6.85	38.23	14.02

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

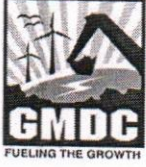
**Note:**

The above is an extract of the detailed format of Financial Results for the quarter / year ended on 31st March 2023 filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015 and SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5th July 2016. The full format of the Financial Results for the quarter / year ended on 31st March 2023 alongwith Explanatory Notes is available on the Stock Exchange websites. ([www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com)).

Place: Ahmedabad  
 Date: May 30, 2023

For and on behalf of the Board of Directors

Roopwánt Singh, IAS  
 Managing Director



**GUJARAT MINERAL DEVELOPMENT CORPORATION LIMITED**

**( A Government of Gujarat Enterprise)**

**CIN: L14100GJ1963SGC001206**

Khanij Bhavan, Univ.Ground, 132 ft.Ring Road, Opp.Manav Mandir,Vastrapur, Ahmedabad 380 052  
Tel No. 27912747, 27913200, 27913501, 27911340, 27911680, 27910665 Fax no. (079) 27911454

**Declaration on Unmodified Opinion in the Auditor Report(s) for  
financial year ended on 31.03.2023**

It is hereby declared that the Independent Auditors appointed by the Comptroller and Auditor General of India have issued audit reports with unmodified opinion on the standalone and consolidated audited annual financial results of Gujarat Mineral Development Corporation Limited for the year ended on 31<sup>st</sup> March, 2023.

This declaration is provided pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

Date : 30/05/2023

(Anupma Iyer)  
General Manager (Accounts)



## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF GUJARAT MINERAL DEVELOPMENT CORPORATION LIMITED

#### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of **Gujarat Mineral Development Corporation Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2023 and its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### Emphasis of Matter

- i. We draw kind attention to Note No. 2.33.01 of the Standalone Financial Statements wherein, during the current year the company has charged the difference between the provision for income tax as per books of account and income tax payable on taxable income as per income tax returns filed for earlier years amounting to ₹ 1,663.99 Lakh and



the same has been disclosed in the Statement of Profit and Loss Account as Short Provision for Tax of Earlier years.

- ii. We draw kind attention to Note 2.27.01 of the Standalone Financial Statements, whereby the company earned an interest of ₹ 4,178.73 Lakh on the fixed deposit of ₹ 76,595.09 Lakh held in the escrow accounts for mine closure expenses and recognized such interest as income in the Statement of Profit and Loss. The interest income so earned is a part of escrow account over which the company has no hold until the provisions of mine closure plan are complied.
- iii. We draw kind attention to Note 2.48 (a) of the Standalone Financial Statements, whereby the company has accounted for material prior period errors discovered during the current period, retrospectively by restating the comparative amounts to which the same relate.
- iv. We draw kind attention to Note 2.48 (b) (i): Till F.Y. 2021-22 in respect of Employee benefits of Provident Fund, it was stated in the accounting policy that 'The Company pays provident fund contributions to GMDC Employees Provident Fund Trust. The Company has no further payment obligations once the contributions have been paid.' It was also stated that 'Reimbursement of losses and other related expenses to Provident Fund Trust are charged to the Statement of Profit and Loss as and when crystallized' Thus the company reimburses the loss and other related expenses also to the Trust in addition to the provident fund contributions. Further during the year, the trust informed the company that the finalization of its accounts for F.Y. 2022-23 is in progress and it is going to provide for the principal and interest on its stressed investments and requested the company to reimburse the above loss in addition to any other loss that the trust may incur on the finalization of accounts for the F.Y. 2022-23. The change is made in the policy with a view to remove the anomaly as stated above and also to provide for the known loss to the trust on the stressed investments in F.Y. 2022-23.

On account of the change in the accounting policy profit for the year is decreased by ₹ 1,587.13 lakh (Previous Year ₹ Nil) and Provisions / Other current liabilities under the head Current Liabilities has increased by the like amount.

- v. We draw kind attention to Note 2.48 (b) (ii): In respect of Insurance claims the accounting policy of revenue recognition it is added that, they are recognized as and when received, as the final amount of such claims to be settled cannot be measured reliably. The company is consistently following the above policy from year to year. But this fact was not disclosed in the accounting policy. For the sake of proper disclosure, the change in policy has been made.

However, the above change has not resulted in any change in profit or loss and/or asset or liability.

- vi. We draw kind attention to Note 2.48 (b) (iii): Earlier the Company revised its Accounting Policy in respect of Leases in F.Y. 2019-20 wherein 'Adoption of Ind AS 116 and Transition' was referred to. The mention of its accounting treatment on adoption of Ind AS 116 during transition was also made therein. As the Company has already adopted Ind AS 116 since 01st April, 2019, reference of 'transition' in significant accounting policy is redundant. Accordingly, the policy on leases is revised deleting the reference pertaining to transition therein. For the sake of proper disclosure, the change in policy has been made.

However, the above change has not resulted in any change in profit or loss and/or asset or liability.



- vii. We draw kind attention to Note 2.50 of the Standalone Financial Statements, whereby it has been disclosed that the company witnessed a ransomware attack on Information Technology System(s) on 21<sup>st</sup> March, 2023. As per the information and explanations provided to us and on the basis of our examination, the incident has not impacted the company's core IT systems and as per verification no loss of financial data due to this incident was identified.

Our opinion on the standalone financial statements, and our Report on Other Legal and Regulatory Requirements, is not modified in respect of matters described above.

### Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No	Key Audit Matter	Auditor's Response
1.	<p><b>Mine Closure Obligation</b> (Refer Note No. 2.07.01, 2.07.02, 2.19)</p> <p>The company estimates its obligation for Mine Closure, Site Restoration and Decommissioning based upon detailed calculation and technical assessment. Mine Closure expenditure is provided as per approved Mine Closure Plan. As the provision for mine closure involves estimate and Management judgement, the same is considered as a Key Audit Matter.</p>	<p>Our Audit procedure included the following:</p> <ul style="list-style-type: none"> <li>• Identification and understanding of the reasonableness of the principal assumption used by the management to judge the need for its basis of estimate as it has been explained to us that the provision made is in accordance with the technical evaluation.</li> <li>• We have verified the arithmetical accuracy of the mine closure obligation provision.</li> </ul> <p>Based on the above procedures performed, we did not identify any significant exceptions in the management's assessment in Mine closure obligation provision.</p>
2.	<p><b>Contingent liabilities relating to Income tax (as described in Note 2.37 of the financial statements)</b></p> <p>The company has uncertain tax position including matters under dispute which involve significant judgment relating to the possible outcome of these disputes in estimation of the provision of income tax. In view of this, the area has been considered as a Key Audit Matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• As part of our audit procedures, we have assessed management's processes to identify new possible obligations and changes in existing obligations for compliance with Company's policy and Ind AS 37 requirements.</li> <li>• We have analyzed significant changes from prior periods and obtain a detailed understanding of these items and assumptions applied.</li> <li>• We have obtained details of completed tax assessments and outstanding</li> </ul>



		<p>demands as at the year ended 31<sup>st</sup> March, 2023 from management. We involved our internal experts to discuss with the management regarding estimates used to ascertain the tax provision of disputed cases.</p> <ul style="list-style-type: none"> <li>• We have held regular meetings with management and legal counsels.</li> <li>• We have assessed the appropriateness of presentation of the most significant contingent liabilities in the Standalone Financial Statements.</li> </ul>
3.	<p><b>Revenue Recognition (as disclosed in Note No. 1(p))</b></p> <p>Revenue recognition is considered as a key audit matter because revenues are a key financial performance measure which could create an incentive for revenues to be recognized prematurely. Relevant areas from the revenue recognition perspective are accuracy of the recognized amounts and timing of revenue recognition.</p> <p>The company reported the revenue from operations ₹ 350,144.75 Lakh in comparison to previous year ₹ 273,207.94 Lakh. The Increase is in revenue from operations is mainly due to better realization on account of increase in price of lignite.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Assessment of GMDC's accounting policies over revenue recognition from Ind AS 115 perspectives.</li> <li>• Performed walkthroughs and test of controls, assisted by IT specialists, of the revenue recognition processes and assessed the design and operating effectiveness of key controls.</li> <li>• Analytical procedures over revenue transactions throughout the financial year to identify potential abnormal entries.</li> <li>• Effectiveness testing of revenue recognition related application controls in the enterprise resource planning system used by GMDC.</li> <li>• Effectiveness testing of management's internal controls in sales process as well as analysis of identified control exceptions and their root cause.</li> <li>• On a sample basis an analysis of current sales contracts and evaluation of appropriateness of recognized revenue and its timing.</li> <li>• Examined invoice samples with various shipping terms to ensure that revenue has been recognized appropriately.</li> </ul>
4	<p><b>Carrying value of Property, Plant and Equipment, Right of use assets, Other Intangible assets (including Capital work-in-progress and Intangible Assets under Development)</b> (Refer Note No. 2.01A, 2.01B, 2.01C, 2.03)</p> <p>Property, plant and equipment, right of use assets, capital work-in-progress (CWIP), other intangible assets and</p>	<p>Our audit procedures relating to the carrying value of property, plant and equipment, right of use assets, other intangible assets (including and capital work-in-progress and intangible assets under development) included the following:</p> <ul style="list-style-type: none"> <li>• We evaluated the assumptions made by management in the determination of carrying values and useful lives to ensure that these are consistent with the</li> </ul>



<p><i>Intangible assets under development represent significant balances recorded in the statement of financial position in the Standalone Financial Statements.</i></p> <p><i>The evaluation of the recoverable amount of these assets requires significant judgement in determining the key assumptions supporting the expected future cash flows of the business and the utilization of the relevant assets including impairment provisions related to the assets.</i></p> <p><i>There are a number of areas where management judgement impacts the carrying value of property, plant and equipment, intangible assets and their respective depreciation profiles. These include the decision to capitalise or expense costs; the asset life review including the impact of changes in the Company's strategy; and the timeliness of capitalisation, determination or the measurement and recognition criteria for assets retired from active use.</i></p>	<p><i>principles of Indian Accounting Standards (Ind AS) 16 Property, Plant and Equipment and Ind AS 38 Intangible Assets.</i></p> <ul style="list-style-type: none"> <li>• <i>We compared the useful lives of each class of asset in the current year to the previous year to determine whether there were any significant changes in the useful lives of assets, and considered the reasonableness of changes based on our knowledge of the business and the industry.</i></li> <li>• <i>We assessed whether indicators of impairment existed as at 31st March, 2023 based on our knowledge of the business and the industry and wherever required the provision of impairment of assets/ CWIP were reviewed.</i></li> <li>• <i>We tested the controls in place over the property, plant and equipment and intangible assets, evaluated the appropriateness of capitalisation policies, performed tests of details on costs capitalised and assessed the timeliness of capitalisation including de-capitalisation of assets retired from active use and the application of the asset life.</i></li> </ul> <p><i>Based on the above procedures, we found management's assessment in determining the carrying value of the property, plant and equipment and intangible assets are to be reasonable.</i></p>
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**Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility and Sustainability Report, Report on CSR Activities, Corporate Governance and Shareholders Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.



When we read the other information, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action, if required. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance 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, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with relevant rules issued thereunder and accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with Standards on Auditing ("SAs"), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the



Companies Act, 2013, we give in the **Annexure 'A'**, 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 Companies Act, 2013, we give in **Annexure 'B'** 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 Companies Act, 2013 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 standalone financial statements;
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid standalone financial statements 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 (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of the standalone financial statements;
- d) In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e) Being a Government Company, pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs, Government of India, provisions of sub-section (2) of Section 164 of the Companies Act, 2013, are not applicable to the Company.
- f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure C**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

The provision of Section 197 read with Schedule V of the Act, relating to managerial remuneration is not applicable to the Company by virtue of Notification No. G.S.R. 463(E) dated 05.06.2015 issued by the Ministry of Corporate Affairs, Govt. of India; and

- h) 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 standalone financial statements- Refer Note 2.37 to the Standalone financial statements.
  - ii. As explained to us, 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.
- iv. [a] The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether,
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- [b] The management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether,
- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or
  - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and
- [c] Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (i) and (ii) of Rule 11(e), as provided under(a)and (b) above, contain any material misstatement.
- v. The dividend declared / paid during the year by the company is in compliance with Section 123 of the Companies Act, 2013.



**For J N Gupta & Co LLP**  
**Chartered Accountants**  
**FRN: 006569C/W100892**

A handwritten signature in blue ink, appearing to read "Devendra Upadhyay".

**CA. Devendra Upadhyay**  
**Partner**  
**M. No. 076727**

UDIN: 23076727BHANLJ4907

**Date: 30/05/2023**  
**Place: Ahmedabad**



## ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in Para 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Gujarat Mineral Development Corporation Limited of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i. In respect of the Company's property, plant and equipment (PPE), right-of-use (ROU) assets and intangible assets:

- a. (A) The company has maintained proper records showing full particulars, including quantitative details and situation of its PPE and relevant details of ROU assets.  
(B) The company has maintained proper records showing full particulars of its intangible assets.
- b. The Company has a program of physical verification of its PPE by which PPE are verified once every three years, the frequency of which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, PPE were verified as on 31<sup>st</sup> March, 2021.

During the FY 2022-23 the physical verification of PPE of its Akrimota Thermal Power Project had been conducted only. Discrepancies which were noticed on such verification were properly dealt with in the books of accounts. As per information and explanations given to us physical verification of remaining PPEs will be conducted in next financial year.

- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under PPE are held in the name of the Company as at the balance sheet date.
- d. According to the information and explanations given to us and on the basis of our examination of the record of the company, the company has not revalued its PPE (including ROU assets) or intangible assets or both during the year.
- e. According to the information and explanations given to us and on the basis of our examination of the record of the company, any proceedings have not been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. In respect of Inventory and Working Capital Limits

- a. (i) The physical verification of inventory has been conducted at reasonable intervals by the Management.



- (ii) The coverage and procedure of physical verification of inventory followed by the management is reasonable, adequate and appropriate in relation to the size of company and the nature of its business.
- (iii) The company has maintained proper records of inventory. The discrepancies noticed on such verification between the physical stocks and book stocks were not material for each class of inventory and the same have been properly dealt with in the books of accounts.
- b. The company has been sanctioned working capital limits in excess of five crore rupees but the company has not availed the said limit during the year, in aggregate, from banks or financial institutions on the basis of security of current assets.
- iii. According to the information and explanations given to us and on the basis of our examination of the record of the company during the year, the company has not made investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, requirement of paragraph 3 (iii) 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 as applicable.
- v. The company has not accepted any deposits or amounts which are deemed to be deposits during the year as per the directives issued by the Reserve Bank of India and within the meaning of the provisions of sections 73 to 76 and other relevant provisions of the Companies Act, 2013 and the rules framed there under, where applicable. Thus, of paragraph 3(v) of the order is not applicable to the company.
- 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 dues including provident fund, Investor Education and Protection Fund, Employee's State Insurance, Income Tax, Goods and Service Tax, Sales Tax/ Central Sales Tax, Service Tax, Duty of Excise, Duty of Customs, Value Added Tax, Cess and any other statutory dues with appropriate authorities.
- b. The details of excise duty, service tax, income tax and Central Sales Tax/VAT not deposited on account of dispute are as under:

Name of Statute	Nature of the Dues	Period to which the amount related	Amount (₹ In Lakh)	Forum where dispute is pending
Commercial Tax	Sales Tax/ VAT	1995-96	98.92	Decided by Appellate Tribunal, effect giving order pending
Commercial Tax	Sales Tax/ VAT	1997-98	2.45	Decided by Appellate Tribunal, effect giving order pending
Commercial	Central Sales	1997-98	4.26	Decided by Appellate



Tax	Tax			Tribunal, effect giving order pending
Central Excise Act, 1944	Excise	2011-12	450.46	Appellate Authority / Adjudicating Level
Service Tax	Service Tax	Dec -15 to Aug - 16	0.32	Appellate Tribunal
Service Tax	Service Tax	2018-19	621.08	Appellate Authority / Adjudicating Level
Service Tax	Service Tax	2018-19 & 2019-20	509.78	Appellate Authority / Adjudicating Level
Income Tax Act, 1961	Income Tax	A.Y 2012-13	189.71	CIT (A) & Rectification Request u/s 154 filed
Income Tax Act, 1961	Income Tax	A.Y 2013-14	1,457.06	Gujarat High Court
Income Tax Act, 1961	Income Tax	A.Y 2015-16	1,707.49	CIT (A) & Rectification Request u/s 154 filed
Income Tax Act, 1961	Income Tax	A.Y 2018-19	1,929.03	CIT (A)
Income Tax Act, 1961	Income Tax	A.Y 2020-21	4,024.97	CIT (A)

- viii. According to the information and explanations given to us, and on the basis of our examination of the records of the company, no transactions were recorded in the books of accounts that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. There is no previously unrecorded income which has been properly recorded in the books of account during the year.
- ix. The Company does not have any loans or borrowings from any financial institutions, banks, government or debenture holders during the year. Thus, the paragraph 3(ix) of the order is not applicable to the company.
- x. a. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under paragraph 3(x)(a) of the Order is not applicable.
- b. 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 convertible debentures (fully or partly or optionally) and hence reporting under paragraph 3(x)(b) of the Order is not applicable.
- xi. a. 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.
- b. There is no Audit Report in form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 has been filed by the auditors with Central Government in terms of provisions of sub section 12 of Section 143 of the Companies Act with the Central Government during the year and up to the date of this report.



- c. According to the information and explanations given to us, there is no whistle blower complaint has been received by the company during the year.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3 (xii) (a), (b) and (c) of the Order is not applicable to the Company.
- 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 Standalone Financial Statements etc. as required by the applicable Indian Accounting Standards.
- xiv. a. In our opinion the Company has an Internal Audit system commensurate with the size and nature of its business.
- b. We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. According to the information and explanations given to us and based on our examination of the records, the Company has not entered into any non-cash transactions with any director or persons connected with him as specified in Section 192 of the Act.
- xvi. According to the information and explanation given to us, the Company is not required to be registered u/s 45-IA of Reserve Bank of India Act, 1934. Accordingly, provision of paragraph 3(xvi) of the Order is not applicable to the Company.
- xvii. According to the information and explanations given to us, the company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- xviii. There has not been any resignation of the statutory auditors during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, Plans of the Board of Directors and management, we are of the opinion that no material uncertainty exists as on the date of the audit report, that the company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. a. According to information and explanation given to us, the company has spent the entire amount hence there is no unspent amount which is required to be transferred to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act. Accordingly, reporting under paragraph 3(xx)(a) of the Order is not applicable for the year.
- b. There is no such amount remaining unspent under sub-section (5) of section 135 of the Companies Act, pursuant to any ongoing project, which has been required to be transferred to special account in compliance with the provision of sub-section (6) of section 135 of the said Act;



For J N Gupta & Co LLP  
Chartered Accountants  
FRN: 006569C/W100892



Date: 30/05/2023  
Place: Ahmedabad

A handwritten signature in blue ink, appearing to read "Devendra Upadhyay".

CA. Devendra Upadhyay  
Partner  
M. No. 076727

UDIN: 23076727BHANI4907



## ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in Para '2' under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Gujarat Mineral Development Corporation Limited of even date)

In continuation of our Independent Auditor's Report on Standalone Financial Statements of Gujarat Mineral Development Corporation Ltd ("The Company") dated 30<sup>th</sup> May 2023, we have reported on the Directions and Sub-directions under section 143(5) of the Companies Act, 2013 applicable for the year 2022-23 as under:

### PART-I

#### Directions under Section 143(5) of Companies Act 2013 Applicable for the year 2022-23

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 system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes, the Company has Oracle based composite ERP System covering all the departments of the company from where accounting transactions are processed. We have not come across any case, where accounting transactions are processed outside ERP. Therefore, there is no financial implication on the integrity of the accounts.	No impact
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government Company, then this direction is also applicable for statutory auditor of lender Company).	The company has no borrowing. Therefore, there is no restructuring of an existing loan or cases of waiver/write off of debts/loans/ interest etc., made by a lender to the company due to company's inability to repay the loan.	No impact
3	Whether funds (grants/subsidy etc.) received /receivable for	Yes, funds (grants/subsidy etc.) received/ receivable for specific	No impact



specific schemes from Central/State Government or its agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	scheme from Central/ State Government or its agencies were properly accounted for/ utilized as per its terms and conditions.	
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For J N Gupta & Co LLP  
Chartered Accountants  
FRN: 006569C/W100892



A handwritten signature in blue ink, appearing to read "Devendra Upadhyay".

CA. Devendra Upadhyay  
Partner  
M. No. 076727

UDIN: 23076727 BHANLJ4907

Date: 30/05/2023  
Place: Ahmedabad

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

Sr. No.	Sub Directions issued/Questions u/s 143(5)	Action Taken by Gujarat Mineral Development Corporation Ltd.	Impact on Accounts and Financials
<b>Manufacturing Sector</b>			
<b>Mining</b>			
1	Whether the company has taken adequate measures to reduce the adverse effect 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 environmental pollution monitoring report periodically from outside agency for each project to reduce/monitor the adverse effect on environment.  No Major Displacement/Rehabilitation has been taken at any project of the company for the year 2022-23. (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 the 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 submitted/approved/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 discontinued its Panandhro mine due to exhaust of lignite. Dead rent of ₹68.76 lakh paid during the year for above mine.	No Impact
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
<b>Power Sector</b>			
<b>Generation</b>			



1	In the cases of Thermal Power Projects, compliance of the various Pollution Control Acts and the impact thereof including utilisation and disposal of ash and the policy of the company in this regard, may be checked and commented upon.	As per the information and explanation provided to us, the Company has made compliance of various Pollution Control Acts.  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 account 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 Power Purchase Agreement (PPA ).	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



For J N Gupta & Co LLP  
Chartered Accountants  
FRN: 006569C/W100892



A handwritten signature in blue ink, appearing to read "Devendra Upadhyay".

CA. Devendra Upadhyay  
Partner  
M. No. 076727

UDIN: 23076727BHANLJ4907

Date: 30/05/2023  
Place: Ahmedabad



## ANNEXURE 'C' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in Para '3(f)' under 'Report on Other Legal and Regulatory Requirements' section of our report to the Member of Gujarat Mineral Development Corporation Limited of even date)

### Report on the Internal Financial Controls with reference to Standalone Financial Statements 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 Mineral Development Corporation Limited** ("the Company") as of 31<sup>st</sup> March, 2023, 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 with reference to standalone financial statements 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 (the "ICAI"). 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 Act.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements 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") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. 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 with reference to standalone financial statements 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 with reference to Standalone Financial Statements and their operating effectiveness.

Our audit of Internal Financial Controls with reference to Standalone Financial Statements included obtaining an understanding of such Internal Financial Controls, 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 Standalone 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 standalone 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 standalone 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.

### **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 31<sup>st</sup> March, 2023, 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.

**Date: 30/05/2023**  
**Place: Ahmedabad**



**For J N Gupta & Co LLP**  
**Chartered Accountants**  
**FRN: 006569C/W100892**

A handwritten signature in blue ink, appearing to read "Devendra Upadhyay".

**CA. Devendra Upadhyay**  
**Partner**  
**M. No. 076727**



## Declaration regarding adherence to the Code of Ethics of the Comptroller and Auditor General of India

I, Shri Devendra Upadhyay in the capacity of Partner of M/s J N Gupta & Co hereby declare that:

- We have read and understood the SAI India's Code of Ethics
- We will uphold and abide by the SAI India's Code of Ethics
- I do not have any personal or professional interest in the audited entity.

As a representative of the SAI India, I undertake to adhere to the following:

- I will conduct the audit assigned to me in a fair, honest, timely and competent manner.
- I will maintain strict confidentiality of all information gathered in the course of audit.
- I will not behave or conduct myself in an inappropriate manner with any official of the audited entity.
- I will not accept any kind of inducements, including gifts and hospitality, directly or indirectly from the audited entity.

Place: Ahmedabad



For J N Gupta & Co. LLP  
Chartered Accountants  
FRN: 006569C/W100892

CA. Devendra Upadhyay  
Partner  
M. No. 076727

# J N Gupta & Co. LLP

Chartered Accountants

621, Satyamev Eminence, Science City Road, Sola, Ahmedabad -380060  
Contact No. 079-46037895, 9001893895, 8866323988  
Email: jnguptaca@icai.org



## Compliance Certificate

We have conducted the audit of annual accounts of Gujarat Mineral Development Corporation Limited for the year ended 31<sup>st</sup> March 2023 in accordance with the directions/sub-directions issued by the C&AG of India under Section 143(5) of the Companies Act, 2013 and certify that we have complied with all the Directions/Sub-directions issued to us.

Date: 30/05/2023  
Place: Ahmedabad



For J N Gupta & Co. LLP  
Chartered Accountants  
FRN: 006569C/W100892

CA. Devendra Upadhyay  
Partner  
M. No. 076727



## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF GUJARAT MINERAL DEVELOPMENT CORPORATION LIMITED

#### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of **Gujarat Mineral Development Corporation Limited** ("the Company"), and its control entities, its associates and jointly controlled entities (the Company, its controlled entity, its associates and jointly controlled entities referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "consolidated financial statements").

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 Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31<sup>st</sup> March, 2023 and its consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### Emphasis of Matter

- i. We draw kind attention to Note No. 2.33.01 of the Consolidated Financial Statements wherein, during the current year the company has charged the difference between the provision for income tax as per books of account and income tax payable on taxable



income as per income tax returns filed for earlier years amounting to ₹ 1,663.99 Lakh and the same has been disclosed in the Consolidated Statement of Profit and Loss Account as Short Provision for Tax of Earlier years.

- ii. We draw kind attention to Note 2.27.01 of the Consolidated Financial Statements, whereby the company earned an interest of ₹ 4,178.73 Lakh on the fixed deposit of ₹ 76,595.09 Lakh held in the escrow accounts for mine closure expenses and recognized such interest as income in the Consolidated Statement of Profit and Loss. The interest income so earned is a part of escrow account over which the company has no hold until the provisions of mine closure plan are complied.
- iii. We draw kind attention to Note 2.48 (a) of the Consolidated Financial Statements, whereby the company has accounted for material prior period errors discovered during the current period, retrospectively by restating the comparative amounts to which the same relate.
- iv. We draw kind attention to Note 2.48 (b) (i): Till F.Y. 2021-22 in respect of Employee benefits of Provident Fund, it was stated in the accounting policy that 'The Company pays provident fund contributions to GMDC Employees Provident Fund Trust. The Company has no further payment obligations once the contributions have been paid.' It was also stated that 'Reimbursement of losses and other related expenses to Provident Fund Trust are charged to the Statement of Profit and Loss as and when crystallized' Thus the company reimburses the loss and other related expenses also to the Trust in addition to the provident fund contributions. Further during the year, the trust informed the company that the finalization of its accounts for F.Y. 2022-23 is in progress and it is going to provide for the principal and interest on its stressed investments and requested the company to reimburse the above loss in addition to any other loss that the trust may incur on the finalization of accounts for the F.Y. 2022-23. The change is made in the policy with a view to remove the anomaly as stated above and also to provide for the known loss to the trust on the stressed investments in F.Y. 2022-23.

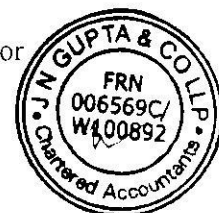
On account of the change in the accounting policy profit for the year is decreased by ₹ 1,587.13 lakh (Previous Year ₹ Nil) and Provisions / Other current liabilities under the head Current Liabilities has increased by the like amount.

- v. We draw kind attention to Note 2.48 (b) (ii): In respect of Insurance claims the accounting policy of revenue recognition it is added that, they are recognized as and when received, as the final amount of such claims to be settled cannot be measured reliably. The company is consistently following the above policy from year to year. But this fact was not disclosed in the accounting policy. For the sake of proper disclosure, the change in policy has been made.

However, the above change has not resulted in any change in profit or loss and/or asset or liability.

- vi. We draw kind attention to Note 2.48 (b) (iii): Earlier the Company revised its Accounting Policy in respect of Leases in F.Y. 2019-20 wherein 'Adoption of Ind AS 116 and Transition' was referred to. The mention of its accounting treatment on adoption of Ind AS 116 during transition was also made therein. As the Company has already adopted Ind AS 116 since 01st April, 2019, reference of 'transition' in significant accounting policy is redundant. accordingly, the policy on leases is revised deleting the reference pertaining to transition therein. For the sake of proper disclosure, the change in policy has been made.

However, the above change has not resulted in any change in profit or loss and/or asset or liability.



- vii. We draw kind attention to Note 2.49 of the Consolidated Financial Statements whereby it has been disclosed that the company witnessed a ransomware attack on Information Technology System(s) on 21st March, 2023. As per the information and explanations provided to us and on the basis of our examination, the incident has not impacted the company's core IT systems and as per verification no loss of financial data due to this incident was identified.
- viii. We draw the attention to Note No 2.51.01 of Consolidated Financial Statements wherein Gujarat Mineral Research and Industrial Consultancy Society (GMRICS), a controlled entity of the company has not been considered in preparation of consolidated financial statements, as GMRICS has not prepared its annual accounts since 2012-13 due to no financial transactions.

Our opinion on the consolidated financial statements, and our Report on Other Legal and Regulatory Requirements, is not modified in respect of matters described above.

### **Key Audit Matter**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No	Key Audit Matter	Auditor's Response
1.	<p><b>Mine Closure Obligation</b> (Refer Note No. 2.07.01, 2.07.02, 2.19)</p> <p>The company estimates its obligation for Mine Closure, Site Restoration and Decommissioning based upon detailed calculation and technical assessment. Mine Closure expenditure is provided as per approved Mine Closure Plan. As the provision for mine closure involves estimate and Management judgement, the same is considered as a Key Audit Matter.</p>	<p>Our Audit procedure included the following:</p> <ul style="list-style-type: none"> <li>• Identification and understanding of the reasonableness of the principal assumption used by the management to judge the need for its basis of estimate as it has been explained to us that the provision made is in accordance with the technical evaluation.</li> <li>• We have verified the arithmetical accuracy of the mine closure obligation provision.</li> </ul> <p>Based on the above procedures performed, we did not identify any significant exceptions in the management's assessment in Mine closure obligation provision.</p>
2.	<p><b>Contingent liabilities relating to Income tax (as described in Note 2.37 of the financial statements)</b></p> <p>The company has uncertain tax position including matters under dispute which involve significant judgment relating to the possible outcome of these disputes in estimation of the provision of income</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• As part of our audit procedures, we have assessed management's processes to identify new possible obligations and changes in existing obligations for compliance with group's policy and Ind AS 37 requirements.</li> </ul>



	<p>tax. In view of this, the area has been considered as a Key Audit Matter.</p>	<ul style="list-style-type: none"> <li>• We have analyzed significant changes from prior periods and obtain a detailed understanding of these items and assumptions applied.</li> <li>• We have obtained details of completed tax assessments and outstanding demands as at the year ended 31<sup>st</sup> March, 2023 from management. We involved our internal experts to discuss with the management regarding estimates used to ascertain the tax provision of disputed cases.</li> <li>• We have held regular meetings with management and legal counsels.</li> <li>• We have assessed the appropriateness of presentation of the most significant contingent liabilities in the Consolidated Financial Statements.</li> </ul>
<p>3.</p>	<p><b>Revenue Recognition (as disclosed in Note No. 1(q))</b>  Revenue recognition is considered as a key audit matter because revenues are a key financial performance measure which could create an incentive for revenues to be recognized prematurely. Relevant areas from the revenue recognition perspective are accuracy of the recognized amounts and timing of revenue recognition.</p> <p>The company reported the revenue from operations ₹ 350,144.75 Lakh in comparison to previous year ₹ 273,207.94 Lakh. The Increase is in revenue from operations is mainly due to better realization on account of increase in price of lignite.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Assessment of GMDC's accounting policies over revenue recognition from Ind AS 115 perspectives.</li> <li>• Performed walkthroughs and test of controls, assisted by IT specialists, of the revenue recognition processes and assessed the design and operating effectiveness of key controls.</li> <li>• Analytical procedures over revenue transactions throughout the financial year to identify potential abnormal entries.</li> <li>• Effectiveness testing of revenue recognition related application controls in the enterprise resource planning system used by GMDC.</li> <li>• Effectiveness testing of management's internal controls in sales process as well as analysis of identified control exceptions and their root cause.</li> <li>• On a sample basis an analysis of current sales contracts and evaluation of appropriateness of recognized revenue and its timing.</li> <li>• Examined invoice samples with various shipping terms to ensure that revenue has been recognized appropriately.</li> </ul>
<p>4</p>	<p><b>Carrying value of Property, Plant and Equipment, Right of use assets, Other Intangible assets (including Capital work-in-progress and Intangible Assets under Development)</b></p>	<p>Our audit procedures relating to the carrying value of property, plant and equipment, right of use assets, other intangible assets (including and capital work-in-progress and intangible assets</p>



<p><i>(Refer Note No. 2.01A, 2.01B, 2.01C, 2.03)</i></p> <p><i>Property, plant and equipment, right of use assets, capital work-in-progress (CWIP), other intangible assets and Intangible assets under development represent significant balances recorded in the statement of financial position in the Consolidated Financial Statements.</i></p> <p><i>The evaluation of the recoverable amount of these assets requires significant judgement in determining the key assumptions supporting the expected future cash flows of the business and the utilization of the relevant assets including impairment provisions related to the assets.</i></p> <p><i>There are a number of areas where management judgement impacts the carrying value of property, plant and equipment, intangible assets and their respective depreciation profiles. These include the decision to capitalise or expense costs; the asset life review including the impact of changes in the Company's strategy; and the timeliness of capitalisation, determination or the measurement and recognition criteria for assets retired from active use.</i></p>	<p><i>under development) included the following:</i></p> <ul style="list-style-type: none"> <li><i>• We evaluated the assumptions made by management in the determination of carrying values and useful lives to ensure that these are consistent with the principles of Indian Accounting Standards (Ind AS) 16 Property, Plant and Equipment and Ind AS 38 Intangible Assets.</i></li> <li><i>• We compared the useful lives of each class of asset in the current year to the previous year to determine whether there were any significant changes in the useful lives of assets, and considered the reasonableness of changes based on our knowledge of the business and the industry.</i></li> <li><i>• We assessed whether indicators of impairment existed as at 31<sup>st</sup> March, 2023 based on our knowledge of the business and the industry and wherever required the provision of impairment of assets/ CWIP were reviewed.</i></li> <li><i>• We tested the controls in place over the property, plant and equipment and intangible assets, evaluated the appropriateness of capitalisation policies, performed tests of details on costs capitalised and assessed the timeliness of capitalisation including de-capitalisation of assets retired from active use and the application of the asset life.</i></li> </ul> <p><i>Based on the above procedures, we found management's assessment in determining the carrying value of the property, plant and equipment and intangible assets are to be reasonable.</i></p>
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**Information Other than the Consolidated Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility and Sustainability Report, Report on CSR Activities, Corporate Governance and Shareholders Information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action, if required. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated 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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act, read with relevant rules issued thereunder and accounting principles generally accepted in India.

This responsibility of Board of Directors of the companies/entities included in the Group also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Standards on Auditing ("SAs"), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:



- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, mis-representations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group, its joint ventures and associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all



relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Other Matters**

We did not audit the financial statements of 100% controlled entities and three joint ventures and three associates, whose financial statements reflect total assets of ₹ 21,704.56 Lakh as at 31<sup>st</sup> March, 2023, total revenues of ₹ 11,987.84 Lakh and net cash flows amounting to ₹ 5.43 Lakh of a 100% controlled entity for the year ended on that date, as considered in the consolidated financial statements.

Financial statements of a 100% controlled entity, three joint ventures and three associates are unaudited. These consolidated 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 disclosures included in respect of these controlled entity, jointly controlled entities and associates, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid controlled entity, 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 consolidated 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 the reports of other auditors and financial statements certified by the Management.

### **Report on Other Legal and Regulatory Requirements**

1. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, the financial statements of the associate and joint venture companies are un-audited and hence there have been no question of qualifications or adverse remarks of the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements.
2. In terms of Section 143(5) of the Companies Act, 2013, we give in **Annexure 'A'** 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 Companies Act, 2013 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 (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity 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 Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e) Being a Government Company, pursuant to the Notification No. GSR 463(E) dated 5th June, 2015 issued by Ministry of Corporate Affairs, Government of India, provisions of sub-section (2) of Section 164 of the Companies Act, 2013, are not applicable to the Company and its controlled entities. Further, on the basis of the representation received from the management, none of the directors of the associates and joint ventures, incorporated in India are disqualified as on 31st March, 2023, 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 with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate Report in “**Annexure B**”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Group’s internal financial controls with reference to consolidated financial statements.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of Section 197(16) of the Act, as amended: Being a Government Company, pursuant to the Notification No. GSR 463(E) dated 5th June, 2015 issued by Ministry of Corporate Affairs, Government of India, provisions of Section 197 of the Act, are not applicable to the Company and its controlled entities. Further, on the basis of the representation received from the management, the remuneration paid, if any, by the associates and joint ventures, incorporated in India to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) 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 consolidated financial statements- Refer Note 2.37 to the Consolidated Financial Statements.
  - ii. As explained to us, the Group 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.
  - iv. [a] The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or



any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether,

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

[b] The management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether,

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and

[c] Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. The dividend declared / paid during the year by the company is in compliance with Section 123 of the Companies Act, 2013.



**For J N Gupta & Co LLP**  
**Chartered Accountants**  
**FRN: 006569C/W100892**

*Devendra Upadhyay*  
**CA. Devendra Upadhyay**  
**Partner**  
**M. No. 076727**

UDIN: 230967278HANL71163

**Date: 30/05/2023**  
**Place: Ahmedabad**



## ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in Para '2' under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Gujarat Mineral Development Corporation Limited of even date)

In continuation of our Independent Auditor's Report on Consolidated Financial Statements of Gujarat Mineral Development Corporation Limited ("The Company") dated 30<sup>th</sup> May 2023, we have reported on the Directions and Sub-directions under section 143(5) of the Companies Act, 2013 applicable for the year 2022-23 as under:

As per the information and explanation given to us, directions under section 143(5) of the Companies Act, 2013 are not applicable on the Controlled entity, Joint Ventures and Associates of the company except Naini Coal Company Ltd. for which report on directions under section 143(5) of the Companies Act, 2013 has not been received yet. Hence, we are unable to offer any comment on the same.

### PART-I

#### Directions under Section 143(5) of Companies Act 2013 Applicable for the year 2022-23


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 system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes, the Company has Oracle based composite ERP System covering all the departments of the company from where accounting transactions are processed. We have not come across any case, where accounting transactions are processed outside ERP. Therefore, there is no financial implication on the integrity of the accounts.	No impact
2	Whether there is any restructuring of an existing loan or cases of waiver/ write off of debts/loans/ interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a government company, then this direction is also applicable for statutory auditor of lender company).	The company has no borrowing. Therefore, there is no restructuring of an existing loan or cases of waiver/ write off of debts/loans/ interest etc. made by a lender to the company due to company's inability to repay the loan.	No impact
3	Whether funds (grants/subsidy	Yes, funds (grants/subsidy etc.)	No impact



etc.) received/ receivable for specific schemes from Central/ State Government or its agencies were properly accounted for / utilized as per its term and conditions? List the cases of deviation.	received/ receivable for specific scheme from Central/ State Government or its agencies were properly accounted for/ utilized as per its terms and conditions.	
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For J N Gupta & Co LLP  
Chartered Accountants  
FRN: 006569C/W100892

  
CA. Devendra Upadhyay  
Partner  
M. No. 076727

UDIN: 23076727 BHANLI1163

Date: 30/05/2023  
Place: Ahmedabad

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


Sr. No.	Sub Directions issued/Questions u/s 143(5)	Action Taken by Gujarat Mineral Development Corporation Ltd.	Impact on Accounts and Financials
<b>Manufacturing Sector</b>			
<b>Mining</b>			
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 environmental pollution monitoring report periodically from outside agency for each project to reduce/monitor the adverse effect on environment.  No Major Displacement/ Rehabilitation has been taken at any project of the company for the year 2022-23. (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 the 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 submitted/ approved/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 discontinued its Panandhro mine due to exhaust of lignite. Dead rent of Rs. 68.76 Lakh paid for above mine during the year.	No Impact
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
<b>Power Sector</b>			
<b>Generation</b>			
1	In the cases of Thermal Power Projects, compliance of the various Pollution Control Acts and the impact thereof including utilisation and disposal of ash and the policy of the company in this regard, may be checked and	As per the information and explanation provided to us, the Company has made compliance of various Pollution Control Acts.  In respect of utilization and disposal of ash, generally the Company is using it in backfilling of mine in Panandhro	No impact



	commented upon.	project.	
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 account 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 Power Purchase Agreement (PPA ).	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



For J N Gupta & Co LLP  
Chartered Accountants  
FRN: 006569C/W100892

  
CA. Devendra Upadhyay  
Partner  
M. No. 076727

UDIN: 23076727KHANLE1163

Date: 30/05/2023  
Place: Ahmedabad

**ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in Para '3(f)' under 'Report on Other Legal and Regulatory Requirements' section of our report to the Member of Gujarat Mineral Development Corporation Limited of even date)

**Report on the Internal Financial Controls with reference to Consolidated Financial Statements 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 Mineral Development Corporation Limited** ("the Company") and its controlled entities, its associates and jointly controlled entities, (the Company, its controlled entities, its associates and jointly controlled entities referred to as "the Group") as of 31<sup>st</sup> March, 2023, in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the companies/entities included in the Group are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the internal control over financial reporting criteria established by the Company/entities 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 (the "ICAI"). 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 Act.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Group's internal financial controls with reference to consolidated financial statements 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") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. 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 with reference to consolidated financial statements 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 with reference to Consolidated Financial Statements and their



operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to consolidated financial statements, 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 group'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.

### **Emphasis of Matter**

We draw attention to Note No. 2.51.01 of the consolidated financial statements where in Gujarat Mineral Research and Industrial Consultancy Society, controlled entity of the company has not been considered in preparation of consolidated financial statements as GMRICS has not prepared its annual accounts since 2012-13 due to no financial transactions.

Our opinion on an adequate internal financial controls system over financial reporting, is not modified in respect of the above matter.



## **Opinion**

In our opinion, the Group 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 31<sup>st</sup> March, 2023, based on the internal control over financial reporting criteria established by the Group 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 100% controlled entity, three associates and three joint venture entities is based on Management Representation as these were not audited.

Our opinion on an adequate internal financial controls system over financial reporting, is not modified in respect of the above matters.



**For J N Gupta & Co LLP  
Chartered Accountants  
FRN: 006569C/W100892**

  
**CA. Devendra Upadhyay  
Partner  
M. No. 076727**

**Date: 30/05/2023  
Place: Ahmedabad**



## Declaration regarding adherence to the Code of Ethics of the Comptroller and Auditor General of India

I, Shri Devendra Upadhyay in the capacity of Partner of M/s J N Gupta & Co hereby declare that:

- We have read and understood the SAI India's Code of Ethics
- We will uphold and abide by the SAI India's Code of Ethics
- I do not have any personal or professional interest in the audited entity.

As a representative of the SAI India, I undertake to adhere to the following:

- I will conduct the audit assigned to me in a fair, honest, timely and competent manner.
- I will maintain strict confidentiality of all information gathered in the course of audit.
- I will not behave or conduct myself in an inappropriate manner with any official of the audited entity.
- I will not accept any kind of inducements, including gifts and hospitality, directly or indirectly from the audited entity.

Place: Ahmedabad



For J N Gupta & Co. LLP  
Chartered Accountants  
FRN: 006569C/W100892

CA. Devendra Upadhyay  
Partner  
M. No. 076727

UDIN: 23076727BHANNLI163

# J N Gupta & Co. LLP

Chartered Accountants

621, Satyamev Eminence, Science City Road, Sola, Ahmedabad -380060  
Contact No. 079-46037895, 9001893895, 8866323988  
Email: jnguptaca@icai.org



## Compliance Certificate

We have conducted the audit of consolidated annual accounts of Gujarat Mineral Development Corporation Limited for the year ended 31<sup>st</sup> March 2023 in accordance with the directions/sub-directions issued by the C&AG of India under Section 143(5) of the Companies Act, 2013 and certify that we have complied with all the Directions/Sub-directions issued to us.

Date: 30/05/2023  
Place: Ahmedabad



For J N Gupta & Co. LLP  
Chartered Accountants  
FRN: 006569C/W100892

CA. Devendra Upadhyay  
Partner  
M. No. 076727

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