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To,

BSE Limited PJ. Towers, Dalal Street Mumbai-400001 Script Code:532181	National Stock Exchange of India Ltd, Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai -400051 Script Code: GMDCLTD
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Dear Sir,

Subject : **Transcript of Analysts/ Institutional Investors Meet through Conference call**

We had vide our letter dated 18th October, 2022 intimated the Stock Exchanges about the schedule of Analysts/ Institutional Investors Meet on 19th October, 2022 at 3.30 PM IST through audio Conference Call.

We send herewith a copy of Transcript of the said conference call which took place on 19th October, 2022. The said transcript, along with the audio file link, is also uploaded on the Company's website i.e. www.gmdcltd.com.

You are requested to kindly take note of the same on your record.

Thanking you,

Yours faithfully,
For Gujarat Mineral Development Corporation Limited

Joel Evans
Company Secretary

Encl : As above

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: 27913200 /2791 3201

e-mail:cosec@gmdcltd.com, website:www.gmdcltd.com



Gujarat Mineral Development Corporation Limited
Q2 & H1FY23 Earnings Conference Call
Oct 19th, 2022

Management:

1. Shri Roopwant Singh, IAS, Managing Director
2. Shri L. Kulshrestha -- Chief General Manager & Chief Financial Officer
3. Shri H. K. Joshi, Senior General Manager, Technical
4. Shri Swagat Ray -- General Manager, Project Planning & Development
5. Smt A.K. Iyer -- General Manager, Accounts
6. Shri Rajat Das -- General Manager, Marketing and Sales
7. Shri J.N. Dave -- General Manager, Power
8. Shri P.R. Shah -- General Manager, Geology and
9. Shri Joel Evans -- Company Secretary



Gujarat Mineral Development Corporation Limited
Q2 & H1FY23 Earnings Conference Call
Oct 19th, 2022

Moderator: Good afternoon, ladies and gentlemen. I am Michelle, the moderator of today's call. Welcome to the conference call of Gujarat Mineral Development Corporation Limited, arranged by concept investor Relations to discuss its second quarter and half year ended September 30th, 2022. We have with us today, Shri Roopwant Singh, IAS, Managing Director; Shri L. Kulshrestha -- Chief General Manager & Chief Financial Officer; Shri H. K. Joshi, Senior General Manager, Technical; Shri Swagat Ray -- General Manager, Project Planning & Development; Shrimati. A.K. Iyer -- General Manager, Accounts; Shri Rajat Das -- General Manager, Marketing and Sales; Shri J.N. Dave -- General Manager, Power; Shri P.R. Shah -- General Manager, Geology and Shri Joel Evans -- Company Secretary. At this moment, all participants are in the listen-only mode. Later, we will conduct a question-and-answer session. At that time, if you have a question, please press '*' and '1' on your telephone keypad. Please note that this conference is being recorded. I would now like to hand the floor to Shri Roopwant Singh -- Managing Director. Thank you and over to you, sir.

Roopwant Singh: Thank you so much. We welcome all the participants whom we would be interacting with, we thank you for the interest in the second quarter earnings and the results shared so far. May I request to the moderator we may begin or do we need a round of introductions from all those who are in the room?



Moderator: Sir as you say if you want, we can begin with the Q and. A session.

Roopwant Singh: Let us begin please.

Moderator: OK Sir, thank you very much. We will now begin the question and answer session. The first question is from the line of Amit Dixit from ICI-CI Securities. Please go ahead.

Amit Dixit: I have three questions if I may. The first one is, is with respect to the production stroke sales guidance now given that Q2 was a little bit subdued quarter because of heavy rainfall. Would you be interested in revising your guidance downward for the year? So, that was the first question. The second question is essentially on the other expenses part. So, since now the prices of growth and derivatives are moderating, so do we expect that this cost on per term basis has peaked out? Number 3 on the rare Earth opportunity, if you could shed some light on where we are. I mean, regarding these, we floated RFP. So what is the progress on that? That's it.

Roopwant Singh: Amit, could you repeat the second question, please?

Amit Dixit: So the second question was on other expenses essentially. So given that now prices are crude and derivatives are coming down and our other expenses are dependent on these prices. So, do you see that the other expenses person has peaked out, I mean this is the protocol that we even.

Roopwant Singh: Thank you. Well, Amit, thank you for the interest. I would not like to repeat what we have already said and what is already known regarding the muted second quarter because of the monsoon. Yes, it has add an effect on an ambitious plans to touch 10 million tons this year.



There would be a downward revision, but you should expect something in excess of 9 million tonnes, very comfortably. Number two as far as the other expenses are concerned, the fixed expenses do remain the same, but there is a positive correction in the variable expenses because of the easing of the crude prices and that has had a beneficial effect. Production continues to remain high. Prices continue to remain stable. So that works in our advantage and to the advantage of customers and our contractors also. As far as the REE opportunity is concerned. We had engaged M/s Mackenzie to prepare a strategic road map for taking this opportunity and that strategic road map is ready. It is an internal document I would not be able to share so much, but whatever the finding, the prognosis, the strategy, everything is very heartening and very positive. At the same time, the modality needs to be fine-tuned and approved by government, and we still need to secure the asset in the name of the SPV which we seek to further it with, and at the same time, the third development there is we are working on a scoping study, which is essentially a technical examination and evaluation of how this asset would be able to capture most value for us. We would have seen that RFP out in the open. It is on our website. The idea is to get one of the best international firms who does this kind of a scoping study. So, that is in the final stages of being awarded, but we would be able to conclusively say something on this once we are able to get a strategy through from the government, hopefully in this financial year.

Moderator:

Thank you. The next question is from the line of Venkatesh Subramanian from Logic Tree investment. Please go ahead.



Venkatesh Subramanian: Thank you for the, nice performance actually despite a subdued quarter. And what is happening is to hear that you actually have a road map in place and we're on course. So two questions, Sir. Or actually the moderator says one question, so I'll ask one. It's a big picture question, Sir, which is if GMDC is to perform at the same level where we are doing currently. With all things being in the same place, what kind of road map or what kind of vision do we have over a three to five year period? And if this rare earth opportunity materializes and the lignite production also goes up according to the plans. What kind of scenario are we expecting? Basically, what kind of alpha are we generating from the current situations? Broad numbers, I'm not going to hold you to this, but just to understand what the management thinking is in terms of the next three to five years

Roopwant Singh: Let me answer your question. Come up by putting the REE opportunity at the back. Please judge us on what we are currently best at and our ambitious plans regarding that which is lignite, please also. (Inaudible) Other opportunities in the mineral space beyond lignite, and I'm not talking of REE, will enable us to take a better view on this and to evolve a strategy. The management has embarked on a special project. The project name is **Project Shikhar**. It's an internal strategic transformation initiative. For the organization under this project, we have engaged methods Boston Consulting Group. The idea is to help us optimize our current lignite operations through processes cut costs. And improve the customer experience. At the same time, plan to significantly expand our lignite production capacity in the coming three to five years. We plan to do groundbreaking in six mines in the coming two years and in the three to five years, we expect them to reach a sustainable rate of production, probably not the peak rate,



but at sustainable rate of production and at the same time. There are a lot of missed or dormant opportunities which were there in the company. We have assets in manganese, we have assets in copper. We have an underperforming bauxite asset, we have huge reserves of limestone and silica sand all these opportunities. We want them to reach the logical conclusion and if you watch us in the coming three quarters you would see a lot of RFP on awarding new work to contractors for different minerals and you would also see a lot of activity where the company is looking at the right kind of partners to help capture value in these minerals. Our resources that are at hand at for some minerals are modest and for some minerals they are immense. So, that is our vision in five to seven years from now, we would be significantly larger lignite plate and we would have a bouquet of other minerals also which will be contributing significantly to our top line and bottom line, bottom line probably will take slightly more, because a lot of capex will have to be pumped in these three to five years. In seven years, the ambition is to ensure that besides lignite, we get at least 40% to 50% of our revenues from other opportunities. So, have I answered your question Venkatesh.

Venkatesh Subramanian: Yes, Sir. I did. In fact, I was looking forward to a quantification in terms of numbers, but I will skip that for a later point, but one supplementary question is that as GMDC, I know that there's a lot of potential under the Earth as an organization. So considering that you have taken up the mantle as an organization, do you think you have the human potential and the culture within the organization to take it to the next level?

Roopwanti Singh: Yes Sir, you have touched a very sensitive point and most of my colleagues who are sitting here, very senior general manager, all of them have a smile on their face. This will be a challenge as we expand to



newer minerals where we do not have expertise. So that is our challenge. In this coming quarter. We are going to develop this opportunity and look at partners. In the coming two years we will build internal capacity so that we are able to handle these assets. So this is the plan, people don't grow on trees. People have to be recruited and nurtured. And partners, yes, relatively, they grow on trees. We have to find the right partner, so one thing we will do early on and the second thing is an initiative which we should be kicking in in the next financial year, we are focusing on growth. At the moment. And the next financial year, we're going to focus on our core that is our people who we are. I think there are more smiles in the room.

Venkatesh Subramanian: So thanks. I think it's a. It's a good thing that I'm bringing up a. Smile during Diwali. So we. Should the best I will be in touch, Sir. And will join the queue. Thank you, Sir.

Moderator: Thank you. The next question is from the line of Bajrang Bafna from Sunidhi Securities. Please go ahead.

Bajrang Bafna: Congratulations to the company for the good performance despite a monsoon headwinds and hope that in next two quarters will cover the most what we lost in the last quarter. So Sir my first question pertains to you have already tried to answer the long term strategy for next 5-7 years how the company is going to look like but so to say, if we try to understand from let's say next two years perspective apart from lignite where you are going to expand in terms of next six mines which are the low hanging fruits where some work has already been done and we can see some sort of revenue flowing in or kicking in like your multi metal project or the limestone project or maybe bauxite or silica. So which could give us some sort of Philip for the revenue as well as the bottom line may not be a FY24, but if we can send something that we are confident enough to get something on FY25 basis



will be really helpful. And my second question, Sir, pertains to a we off late have seen that some sort of softening in the coal prices also where the NLC and few of the companies have indicated that reaction volume had not been picked up which has been done at the higher prices earlier. So how are you seeing that particular thing going precisely into next 2-3 quarters where we are seeing some sort of softening in the crude also. So some sense on that will be really helpful Sir.

Roopwant Singh:

Thank you Bajrang. Let me answer your second question first. Yes, there has been a soft link, but can I rephrase it? I think there is more maturity now compared to the highly volatile months in the previous financial year, even there was a dip in prices in August, but which has this slight correction and I think there is maturity. So that is why we have not taken a price rise in this financial year, but at the same time what we have done is we have focused on better targeting the pricing structure to the needs of our customers from a simple two stage small and large classification, we have moved to a M, medium, micro, small, medium and large and super large category. Right. So that we are able to pass on the advantage or differential pricing to the right kind of enterprise and the micro units, most of them are very small players. We have introduced a system of discount below the base price, so we have moved on to a consolidation phase with regards to the relationship with our customers. And even if there is a further correction in an old international coal prices, we are mindful of that. We routinely track them. We would not be averse to tweaking our prices, depending on the production and the consumption centers and answering your first question. We are a mining company. We don't have any low hanging fruits. We do not have any short term remedies. We generally do not have quick fixes up off the kind when it comes to looking at larger projects, but even if you say that the low hanging fruits would be disposing the stock of box site that we have, disposing the huge



stock of limestone that we have and disposing the immensely large stocks of silica that we have. To enable this, we have undertaken studies first, then extend this sampling and testing at international labs and now we are going to roll out an exploratory a method of beneficiation. If this works out, this will be rolled out at a better state so that we are able to customize their product to the requirements of the customers. So, this would be the low hanging fruits. But in the coming two years, you would see the benchmarks being laid for the strategy that I spoke to Mr. Venkatesh. In the previous call and please watch out for RFP's for awarding work and looking for partners in the coming two to four quarters.

Moderator: The next question is from the line of Ashish Kejriwal from Nuvama Wealth Management. Please go ahead.

Ashish Kejriwal: So, my question is related lignite, what we understand is our volume from I think 2 mines Rajpardi & Tarkeshwar they are going to be exhausted in next two years and I don't know whether that time any new mines will come into operation or not. So my question is where we are going to peak out in terms of volumes for next two years and five years. Second question is I think in your previous question you said that no, if global coal prices falls, we can tweak prices. So are we at parity to landed cost of imports or still we are at a discount which normally is on the higher side as compared to earlier one and lastly, we have seen lots of two info in lignite power plant in terms of PML, in terms of consistent profit making, we are not seeing that for last decade or so. So what are the plans which we are having where we can give some confidence that it will be a consistent profit making in future?



Roopwant Singh:

OK. So, the power plant; Things have improved daily cash burn has gone down, but the kind of improvement that we have envisioned is going to take four to six quarters. Because, there has been a total lack of investment over the life period of the plant till now. So if we have to look at better performance, it needs a major overhaul, a significant Capex and a change in the way the electricity regulator deals with us. Thankfully, there has been positive movement on all of these fronts as we get a permission on capital infusion and a better relationship with the bar regulator. You should see things happening and at the same time efforts to reduce the cash burn are underway. As far as the parity issue is concerned, we are not at parity. We are in calorific value, we are an inferior product compared to. But at the same time a lignite with its physical formation and the way it is mined and directly delivered to the consumer, it has a lot of acceptance in the set of our consumers. So, we maintain a parity and we currently are holding onto that parity and as far as Rajpardi and Tarkeshwar concerned that Tarkeshwar is not going to exhaust that Tarkeshwar has safety issues because there was sliding in the mine in the month of December last year. So we have at the moment we are going to engage the best of line consultants to ensure that we are able to take care of whatever happened. And resume production to a higher level there, this mine was not going to get exhausted soon. As far as Rajpardi is concerned, yes, volumes are low. This mine would go towards closure, but at the same time, by the time it goes in closure, there is going to be a project which goes by the name of Damlai which is going to come up adjoining to this project so we should not see an expression or a cessation of supplies from that place. The project will evolve from one into another. These are our plans and our ambitious plans are incoming three to five years. We seek to supply to satisfy the needs of solid food requirements of the state of Gujarat.



- Ashish Kejriwal:** So there any number which you can provide that what the maximum reach we can do keeping in mine aggression of Rajpardi and coming off the mine number.
- Roopwant Singh:** An ambition for the company and the coming three to five years is to reach the production of 13 to 15 million tons.
- Ashish Kejriwal:** And sir lastly, is it possible to write what kind of Capex we have done in the first half and the total estimated Capex in FY 23?
- Roopwant Singh:** Planned Capex or which we have already incurred.
- Ashish Kejriwal:** Total Capex which will come to our cash flow in FY23 and first half work they have done it.
- Roopwant Singh:** Approximately slightly in excess of Rs.600 crores, which will primarily be used for land acquisition and two lignite beneficiation plants coming year if a condition to our aggressive pursuing of the new lignite projects. This capex would go up significantly, can double also and can go beyond that also.
- Ashish Kejriwal:** My question was what we have already done in first half of it.
- Roopwant Singh:** Nothing much has been done because we are waiting to do hopefully in the 3rd to 4th quarter. Hopefully this land acquisition issues would come to a head and it would get clogged in there.
- Moderator:** Thank you. The next question is from the line of Shubham Agarwal from Equitas investment. Please go ahead.
- Shubham Agarwal:** Thank you for the opportunity. So my first question is with respect to the volume. So the on the basis of various operational and statutory constraints that you mentioned, I wanted to understand what is the maximum that we can produce per month currently? And secondly



again you touched on Damlai, coming up once Rajpardi goes out. So what's the rated capacity of that and what will be the next line after Damlai that is expected to come up? And if you can also mention the time when it will happen? Thank you.

Roopwant Singh: The first thing that you should see happening is capacity ramp up in Bhavnagar, those RFP's are live and we would go up to 5 million tons in a year from Bhavnagar. So this is a significant production raise, number one. Second, you should look at which would come into production is. Lakhpat mine in Kutch. Thereafter, you should expect Damlai to come into production, thereafter two more projects in South Gujarat, we are yet to stagger their operationalization, and this is how it is going to roll out. And then after that two more projects in Kutch District. I would not be able to do justice to your question of per month, because mine to mine. The way the geology is, the way the mineral gets exposed there are challenges and changes. But please look at our annual figures. We shall be exceeding what we did last year and like I said earlier, we please look at us in excess of 09 million tons this year.

Shubham Agarwal: OK. So sir and my second question was on realization. So you have already tested briefly, but I further wanted to understand so basis the current availability of coals from various international and domestic market in your addressable sector, how do you view or what's your view on the realization for rest of the year.

Roopwant Singh: Supposing things stay as it is. This current delta continued so the realization. A better benchmark would not be the second quarter but judge us on how we performed during the first quarter. So that is the kind of performance we should be looking at.



- Moderator:** The next question is from the line of Hitesh Chheda from Lucky Investment managers. Please go ahead.
- Hitesh Chheda:** Sir one clarification and one question to one of the participants. Did you mention the vision 4-5 year of 13 to 15 million ton or 30 to 50?
- Roopwant Singh:** 13 to 15
- Hitesh Chheda:** My second question is could you give us the trend in realizations on lignite blended realization for quarter one and quarter two and what are they running at now and the slope versus the imported coal for the same calorific value, how much discount we are still running at?
- Roopwant Singh:** So for the discount and delta there is no straightforward answer because production center and consumption centers are different, but it raises in the range of almost One point, If you look at a kilo calorie wise, so the imported coal landed price would be in excess of rupees 2 Kg calorie and our product would be in the range of 1.5 to 1.7. This is landed costs, so this is not the realization that is to us, but this is what ultimately the customer pays. But if we look at only fuel, the delta would further increase by 20-25 basis points.
- Hitesh Chheda:** And the realization gradient, if you could just tell us quarter one, quarter two and now.
- Roopwant Singh:** So it is the same, the realization is broadly in the same range. It is in the range of around ₹1500.
- Hitesh Chheda:** So you haven't taken any price increase. What was the last price circular that you had sent?



- Roopwant Singh:** This was in the last financial year. This year what we have focused on is not price rises. We have focused on better customer segmentation and improving our relations for a long term.
- Hitesh Chheda:** But that circular segment customer segmentation did not result in any realization benefit.
- Roopwant Singh:** No, that was not the intention. We have to on board the customers to the new regime while some people would have gotten advantage of moving to a lower bracket, many others move to the higher brackets. So we did not fiddle with the price at that time.
- Hitesh Chheda:** So all price increases taken in FY22, the realization is about 1500 to 1600 per ton. And this 13 to 15 million ton production target that factors. The production rise from Bhavnagar, Lakhpat, Damlai, any of those mines coming in and production picking out at Pardi, right?
- Roopwant Singh:** Yes.
- Hitesh Chheda:** And this is a three-year number, right, or five year number.
- Roopwant Singh:** Three to five years.
- Moderator:** Thank you. The next question is from the line of Vaibhav Barjatya from honesty and integrity investments. Please go ahead.
- Vaibhav Barjatya:** So just two questions that I have. One is that there will be elections in Gujarat very soon, so just wanted to understand if the model code of conduct will be applicable to price hike that we take or the price changes that we take or it will not be applied. That is the first question. Second would be just wanted understand that on the supply of lignin side which is pathetic mines are were impacted a lot last quar-



ter basically the quarter ending September. So just wanted to understand these two things.

Roopwant Singh: Second question, there was some disturbance, could you please repeat the second question.

Vaibhav Barjatya: So the second question was the, I just wanted to understand due to the excessive rain, which specific mines were impacted due to rain?

Roopwant Singh: Well, Vaibhav all mines all through the three months. Some more, some less, but all the degrees of more and less are, when compared with severely affected. So, all mines are affected. And yes, ours is a listed company, but still 74% is sent by the Government of Gujarat. It is a PSU and it is owned by the government of Gujarat. We will not only will the model code of conduct apply on us, we will be mindful of the code during the elections. But as it is prices are more or less stabilized and we are operating at a comfortable differential. So this exercise would last for four weeks. And this model code does not affect operations in any way at all.

Vaibhav Barjatya: Right. So, just a small follow up. So as you said you to rate the most of the mines were infected but if you see the percentage wise fall in the mine wise sales volume, it's been excessive for the Surat clusters, so the mines which supply to Surat cluster there has been excessive. A very hard downfall there. So, do you think that there is a demand issue as well that the Surat cluster is facing or otherwise why there would be very sharp decline in Surat cluster and not the Morbi cluster.

Roopwant Singh: Yes. Surat was affected the most critically because 50% of the product goes there, and if you look at Surat and its vicinity, the percentage



goes beyond 60%. So whatever happens, we'll have an overwhelming effect from Surat. So that is how it was, things were pretty great, the production was very low and it mines and I now speak with the heart on where I seek the welfare and safety of my staff, my officers and my contractors. Things were very unsafe during these three months, but we have passed them with the acceptable rate of production

Moderator: Thank you. The next question is from the line of Aman Madrecha from Augmenta Research Pvt. Ltd. Please go ahead.

Aman Madrecha: As you mentioned that you have moving to create giants applying to large in micro level organization and you mentioned that you introduced the discount below the base price. So just can you help us understand like what percentage of the lignite goes at discount Group three base price and like what percentage goes to the large or the larger organization if you have that break up.

Roopwant Singh: Yes it is there a can I request to my general manager marketing and sales to give you a perspective on what goes to the micro sector and what goes to the two large categories, Mr. Rajat Das.

Rajat Das: Actually by working of this segmentation maximum volume goes to the micro sector and thereafter that that will be followed by small and medium and Large1 and Large2 or are the top brackets and they are actually the industries which is having higher lignite consumption capacities. So, these classification was basically followed with respect to the government guideline of MSME segmentation. So that's why it was a long pending reforms and that was undertaken during last few months. So, I think I can able to answer your question.

Aman Madrecha: And then in addition to this, I just wanted to understand like what level difference in the relation which we are applying to larger player



as compared to a micro player? Because if you're looking at the dependence relation for like in quarter one with the realization on ground level of around 4600 to 4700 rupees per ton and this quarterly relations down to around 3700 rupees per ton. So it might be a factor of monsoon the prices softening down, but can it be a factor because we are supplying to medium and micro level organization at a discount below the base, right?

Rajat Das: So actually there is a difference of around 120 rupees between micro and the largest segment that is L2 customers and a small, medium and large ones fall in between. So the difference is around 120 rupees for metric ton.

Moderator: Thank you. There is a follow up question from the line of Venkatesh Subramanian from Logictree Investment Advisors. Please go ahead.

Venkatesh Subramanian: Yeah, Sir, just taking off from a previous participant question on the realization. So is it fair to assume, Sir, if I only take the current lignite volumes and the other minerals as it comes along, it's a bonus if I peg it at a 10 million tons and the realization at 1500 rupees per ton. So are we expected to continue to post similar kind of operating profits over the next few quarters and that's my first question. And second out of this, how much capex would you need Sir for the next 2-3 years? I'm just trying to figure out whether we will be able to maintain the same dividend.

Roopwant Singh: At the moment, lignite is a hot commodity, so whatever you produce gets sold. Our challenge with Bauxite is slightly different. What we were producing was not getting sold. So we will start producing that which gets sold. So that could also contribute to volume. Capex, whatever estimation we made this year is very modest because many of the preparatory activities, the lion share would go to land acqui-



tion. The, as you know the entire process is fairly long run out and the process was initiated during these financial years only. So you should see, it's clocking in towards the end of this year and a lot of it in the next financial year. So it would easily be double of what we asked and it also depends on our progress w.r.t on-boarding new contractors and hitting ground in the other projects. So that is another positive uncertainty to which we would have an answer by the end of fourth quarter. We have ample reserves and other, we have our own planning, but we have on boarded BCG to help us to vet our capital plans and to prioritize them also. So you have a competent team of experienced general managers from GMDC who do this capital planning and you have a team from the best consulting firm in the world, one of the best consulting firms to weight it and help that team prioritize it.

Moderator: Thank you. The next question is from the line of Falguni Dutta from Jet Age Securities, please go ahead.

Falguni Dutta: Sir, I have two questions. First is on the realization which you mentioned is around Rs.1500 per ton. But if we divide the value of lignite with the volumes we come at an excluding this captive sales to the thermal power plant, we come to a realization of about Rs.4300 per ton. So why this difference in their number?

Roopwant Singh: Ma'am, I think what we have quoted was the margin. This is the total realization, I believe that that is what is the understanding gap that we have between us. So you are right and what we quoted was the realization for the company and your second question was?

Falguni Dutta: No. So Rs.4300 is the realization, right? What is this number of Rs.1500?



- Roopwant Singh:** It is our margin per ton. This is not flat, which we have said it is approximately 1500 depending on mine, but only one center it very.
- Falguni Dutta:** OK, Sir. And the second question is on your rare earth opportunity by when would you be able to give a broad quantitative number of the top line that you could be doing from this rare opportunity of yours.
- Roopwant Singh:** Ma'am, I can only say at this moment our strategy report confirms very good numbers, very impressive numbers, but it is conditional to a slew of privileges or permissions that we need from the government in securing the passage and taking it forward, so I would not like to present in a rosy picture of a mirage which is too far away. We think it is in our grasp and. But allow me some time to share those numbers. We have those numbers. They are very good.
- Falguni Dutta:** Fine, Sir, one final question is on the pricing of coal that we follow to set our price for our lignite. So how has that behaved over the last one month? Our benchmark against which we benchmark our lignite.
- Roopwant Singh:** Our benchmark ma'am, what we are following is a landed cost approach because the production center and the consumption centers are spread over the entire state of Gujarat. So among the rationalizations that we did in the previous quarters was to ensure that the landed cost goes down by ensuring better allocation from the nearest mine. So, that was one of which worked to the advantage of both the customer and the company, most of started getting lifted. So, that was what we did this year. We started focusing on. Better targeting, so that in future if we have to take corrections and prices, it can be upwards, it can be downward and we have to sustain or generate revenues for our future growth strategy. We have used this quarter of lull, in production to for better segmentation.



- Falguni Dutta:** This realization that we have Rs.4300 odd which is the value which we show for a across mine. So that excludes transportation costs, right? That is the X mine realization, I presume.
- Roopwant Singh:** Yes.
- Falguni Dutta:** And Sir please if you could permit me one more question which is on the do we have a plan or in mind that we would be giving to end so percentage discount to the micro customers of ours. I mean do we have a particular percentage number in mind or how does it?
- Roopwant Singh:** Ma'am we don't have percentage but it is at ₹10 to the base price.
- Moderator:** Thank you. The next question is from the line of Riken Gopani from Capri Global, please go ahead.
- Riken Gopani:** I have two questions. That first one is on the existing realizations that we have discussed. I see that the volatility in realizations of the Mata no Madh mine is over the last two quarters is very different compared to the other mine. Can you help understand that why is it, seeing that kind of a swing in realization and what is the way forward for that?
- Roopwant Singh:** Please allow me to. To share this question, forward this question to Mrs. Anupama Iyer, general manager accounts.
- Anupama Iyer:** Actually Mata no Madh mine is slightly part of power GUVNL plant also depending on their requirement our and we supplied them on unconventional basis that their requirements are more our realizations come down from Mata no Madh mine and if the requirement is less than be supplying the market more, the relaxations are better. There is a change in realization of Mata no Madh mine project.



- Riken Gopani:** OK. So this quarter basically there would have been less supply to the power plant, which is why the realization is improved. But on an overall annualized basis of that, I mean last year we did about 3.5 million tons from this mine which is external supplies. Is there a number that you can share as to how much can it go up? Or down for the power plant supplies.
- Anupama Iyer:** Depends on the how much power plant runs, because our power plant is also in this one and the other is.
- Roopwant Singh:** Can I answer that, well the plant hopefully in the coming quarters would be taking periodic breaks for getting healthy and ready so that it could run at sprinting speeds in five to six quarters from now, so. That would affect that would that is in fact an opportunity to realize capture value from customers.
- Riken Gopani:** OK. Just one follow up question to the comment you made in the earlier section about the Capex that might need to be done for the power plant, which you said that could be significant. If you could outline what this could be and by when would you be sort of ready to spend this cap ex on the power plant?
- Roopwant Singh:** To spend money on the plant we need to seek permission of the electricity regulator. We have submitted a petition for a capex in the range of Rs.300 crores. Most of it will be a pass through for the company, so once their petition gets approved that capital infusion would start. But it would not have an effect on our bottom line because it would be a. Pass through for us.
- Riken Gopani:** Understood, Sir. And just one last question or with regards to the mines that you've mentioned will come up in the next few years which is Bhavnagar, lakhpat and Damlai mine would. I mean I see that



you have very differentiated quality of coal and therefore realization vary significantly between Mata no Madh to Rajpardi to all. So the newer mines which are coming up, what, what is your assessment of the quality and therefore how does it influence our overall realization over the Next three years.

Roopwant Singh: I can't have my view on quality. So this is geology and whatever quality. I probably will. Bhavnagar is not a new project, but has been working for a major expansion. So there is no new asset there. We are going to work on the quality of that lignite. It is fairly good calorific value, but it has the infusion of pyrite which we will seek to do. As far as the assets which are going to come up in Kutch so the calorific value is more or less at par with the existing projects that is Mata no Madh The ones which are going to come up in South Gujarat are bordering the existing mines so they would be in that quality. So it is a heartening news that one is adjacent to Rajpardi which is at rest product and 2nd is adjacent to Tarkeshwar which is again a good product and there's another product there which is between the two so you will get good quality there.

Moderator: Thank you. The next question is from the line of Shreyansh from SG Securities. Please go ahead.

Shreyansh: I had a few questions. So, the first one was in the power plant. So I actually see the concessional coal lignite that is supplied to the power plant. Now we want to reduce the cash burn to 0 like you said, but if I see the opportunity cost lost it is much higher than the fixed cost, so even if we on a single project basis, if we look at 0 cash burn, but we're losing more money by not selling it into the market at this kind of realizations. So just wanted your view on that. The second question was in the annual report you mentioned about, in your letter to shareholders that we're in the process of bidding for commercial coal



and lignite blocks outside the home state. So just wanted any clarification on that because we have not heard anything on that area and also your mention of downstream integration areas, next cement, I remember in the previous calls you mentioned that we won't be directly involved in manufacturing of cement, but just supplying limestone to a partner or something like that and the last was any update on the floursparfar beneficiation plant that add another be a while ago.

Roopwant Singh: So, a very valid question on opportunity cost. So this issue we are trying to resolve with the electricity regulator and the Energy Department. Hopefully, you should see some positivity there. We have asked to move much simpler formula which allows GMDC to do sustainable operations and the regulator also to get cheaper power there. So once this is done, you would see the realizations improve in the coming quarter. Coal auctions, yes we bid at a few places, yes, auctions for Ministry of Coal did not go so well. I believe they're going to be re-auctioning them and with our knowledge and experience that we have gathered now, I believe we should be in a better position to again capture value there. At some places ours is the only bidding, hence the blocker cancelled, and at other places the blocks that we examined, they I believe would go under significant redesigning because there were no takers there. And downstream integration, cement a Please wait for our expression of interest. Looking for partners in the coming quarters, you should see a sizable movement. Yeah, that is all I had to say.

Shreyansh: 13 to 15 million ton targets. So that does not involve any of these blocks that you would be bidding for and potentially winning those, right?

Roopwant Singh: 13 to 15 is based on our existing resources and the blocks that we were allotted a few years ago, which we're going to operationalize



now. If that comes. In these numbers change, our customer mix also changes and our strategy would go undergo a radical change.

Shreyansh: OK. And just the fluorspar beneficiation plant, any progress on that?

Roopwant Singh: No, we will update you in the coming quarters.

Moderator: Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to the management for closing comments.

Roopwant Singh: Thank you so much. I would like to close this conference with a deep sense of gratitude towards all the participants and their incisive and deep questions we have been having this conference for say above in year now. And I believe the questions and answers have all matured and move to the next level. Hopefully we continue this exercise and the questions and answers moved to a further refined level and the company moves towards greater professionalism. I again thank Shri Amit, Shri Venkatesh, Shri Bajrang, Shri Ashish, Shri Shubham, Shri Hitesh, Shri Vaibhav, Shri Aman, Miss Falguni, Shri Riken and Shri-Shreyansh. Thank you.

Moderator: Thank you all for being a part of the conference call. If you need any further information or clarification, please e-mail gaurav.g@conceptpr.com. Ladies and gentlemen, this concludes your conference for today. Thank you for joining us. Thank you for using Chorus call conferencing services. You may now disconnect your lines. Thank you and have a pleasant day.