



GMDC/CS/BSE/NSE/2022

Dt. 02<sup>nd</sup> May, 2022

To, <b>National Stock Exchange Limited</b> Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051 Code: GMDCLTD	To, <b>Bombay Stock Exchange Limited</b> 25th Floor, P.J. Towers, Dala Street, Fort Mumbai – 400 001. Code : 532181
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Dear Sir,

**Subject : Transcript of Earnings Call of Q4 FY 22 Results**

We had vide our letter dated 26th March, 2022 intimated the Stock Exchanges about the schedule of Earnings Call of Q4 FY 22 Results on Wednesday, 27th April, 2022 at 4.00 PM IST through audio conference call.

We send herewith the transcript of the same. The transcript along with audio is also made available on the website of the company, i.e. [www.gmdcltd.com](http://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 Ltd.

  
Company Secretary

Encl : As above

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## Gujarat Mineral Development Corporation Limited

(A Government of Gujarat Enterprise)

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**Gujarat Mineral Development Corporation Limited**  
**Q4 & FY22 Earnings Conference Call**  
**April 27, 2022**

**Management:**

1. Shri. Roopwant Singh, IAS – Managing Director
2. Shri. L Kulshreshtha - Chief General Manager & Chief Financial Officer
3. Shri. H.K Joshi – Sr. 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 & Sales)
7. Shri Janardan Dave, General Manager (Power)
8. Shri P R Shah, I/c General Manager (Geology)
9. Shri. Joel Evans – Company Secretary



**Gujarat Mineral Development Corporation Limited**  
**Q4 & FY22 Earnings Conference Call**  
**April 27, 2022**

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**Moderator:** Good afternoon, ladies and gentlemen am Rituja Moderator for this conference. Welcome to the conference call of Gujarat Mineral Development Corporation Limited arranged by concept investor relations to discuss its fourth quarter and fiscal year ended March 31<sup>st</sup> 2021. We have with us today Shri. Roopwant Singh IAS Managing Director, Shri. L. Kulshrestha – Chief General Manager and Chief Financial Officer, Shri. H. K. Joshi – Senior General Manager Technical, Shri. Swagat S Ray – General Manager Project Planning and Development, Shrimati. A. K. Iyer – General Manager (Accounts), Shri. Joel Evans – Company Secretary and Shri. Rajat Das – General Manager Marketing and Sales.

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 this conference is recorded. I would now like to hand over the floor to Shri. Roopwant Singh – Chairman and Managing Director. Thank you and over to you, Sir.

**Roopwant Singh:** I would request Mr. Joel Evans to begin opening remarks.

**Joel Evans:** A very good afternoon friends on behalf of Gujarat Mineral Development Corporation Limited I extend a very warm welcome to all the participants to this earnings call to discuss our quarter four and fiscal 22 results. We are happy to announce that the industry has delivered its best ever annual results over the last five years and is the best second in the company entire life so far. I am sure all of you have gained the information from the results that we have put in our public domain I would like to reiterate some of the key financials the company has put forward remarkable performance in Quarter 4 with a reported profit after tax of Rs. 176 crores and has crossed revenue of Rs. 1,097 crore. We have experienced yet another dynamic quarter we are happy to answer all the queries from our investor community of the top management who is sitting here to answer all clarifications, questions and queries that you might have. We keep this floor open for your queries. Thank you.

**Moderator:** Thank you very much. We will now begin the question and answer session. The first question is from the line of Amit Dixit from Edelweiss. Please go ahead.



**Amit Dixit:**

I have three questions the first one is on the receivable so if I look at the receivable for FY22 they have gone up sharply compared to FY21 so just wanted to understand the reason why they have gone up, is there a particular customer I mean where the receivables are stuck or something like that, the second question is on the bauxite profile that we have mentioned, so did we sell some part of it in Q4 and what are the plans for selling I mean in FY23 and what would be the approximate realization for the same, the third question is essentially on the organizational front as we see on the website there are number of positions that we have put forth for including the geologist for base metal so just wanted to understand the interest in base metal is there any opportunity there that you are to drive for this, these are the three questions?

**Roopwant Singh:**

I would be requesting my team members to take these questions one by one. We will begin with the last one first regarding the advertisement for geologist for base metal I would request our general manager for geology and for land recourse to kindly take these questions.

**Management:**

Is it base metal deposit is situated in Banaskantha district of Gujarat and the Northern part of the Gujarat and GMDC is holding a mining lease over an area of 184 hectare and we are having the best base metal deposit of the world having 1.5% copper and we are planning to start the geological study of this area followed by geophysical mapping and drilling so for that purpose we have planned to hire a senior geologist for that post.

**Roopwant Singh:**

For the next question on the development of on what we have been doing with our bauxite resources I would request our General Manager Marketing & Sales Mr. RK Das.

**RK. Das:**

Good evening Amit this is RK Das and I suppose you are asking the question is about bauxite and prospects of bauxite mining and sales in future days to come. Yes of course there was certain deadlock and however we are able to sale our cream grade bauxite that is called plant grade bauxite and we are unable to supply as per demand, but yes there are certain slackness in this NPG grade bauxite, but we have started the process of intensely we are aggressively engaged to sale this inventories which are lying at the various stacks since long and for that on Pan India Advertisement regarding the tender notice has been published. It is midway and we are getting responses at the same time we are trying to analyze what are the issues that why this bauxite what are the issues by which we can attract the end users or customer there were few engagements in that as regard as well.

So, we have engaged BCG and we are also chalking out the plan to actually increase the the sale of bauxite in a big way. So, these are the deliverables which are already in some cases we are already in progress and in some cases that is in card. Thank you.

**Roopwant Singh:**

And for the question on receivables, I would request Mr. A. K. Iyer General Manager Accounts.



**A. K. Iyer:** This is Anupama Iyer our receivable has gone up because of our bills for our renewable energy we had some issues with GUVNL the matter went up to judge, but not that matter has been resolved and we have received this payments in the month of April and at the end of March the bills were pending from the side of GUVNL, but now that we have received so outstanding is clear from GUVNL part. So, as on 31<sup>st</sup> March we have shown the higher receivables, but at the month of April the dues has been clear.

**Amit Dixit:** Just very quick follow up actually on the receivable side how much receivable was pending, how much did you receive that is the first thing then on the base metal thing this seems to be exciting in 1.5% copper is there, is there some other base metal such as zinc over there and if you can throw some light on the possible business plan for extracting them only high level plan will do?

**A. K. Iyer:** You are asking about the receivable or you are asking about the base metals.

**Amit Dixit:** No both actually receivable was for you.

**A. K. Iyer:** Receivable this was pending from the June itself that we have received.

**Amit Dixit:** How much was it, the amount?

**A. K. Iyer:** It was around Rs. 80 crore.

**Amit Dixit:** Now for base metal thing I mean what all base metal clearance?

**Management:** Lead, copper and zinc and total metal contain is around 10% copper 1.5, lead is around 3.5 and rest zinc and we are planning to explore that area in details through magnetic survey and followed by drilling and geochemical mapping. So, soon we will highlight some techno feasibility study and results of that and then we will follow up that thing.

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

**Bajrang Bafna:** So my first question pertains to the overall the demand environment in the Gujarat region, so if you could just tell us obviously we are seeing the volume is more or less in line with our expectation of 2.5 million tons during the quarter, but going into this in the next quarter how is the demand environment and you know the pricing that we are seeing because after so many fortnights we were constantly taking price hikes and in the last fortnight I think we hold that and we did not take any price hike and the international prices are still ruling high and going unabatedly on the higher side, so if you could just tell us both the demand environment and the pricing scenario that we are anticipating in the near future so that is my first question



and my second question pertains to the development on the other projects you got a fair idea of base metal project, but the other projects like the Fluorspar and the rare metals and any updates that the management wants to share will be really helpful for us to understand the future prospects on those grounds?

**Roopwant Singh:** For the first question demand and outlook currently and in the future lignite I would request senior General Manager Technical Shri. H. K. Joshi to give you a perspective on that.

**H. K. Joshi:** The demand in project field in Gujarat is almost 25 million tonnes to 28 million tonnes and we are producing 8.5 million tonnes; so there is a huge gap. So, there is no worry of sales that is the demand environment we are very much comfortable in Gujarat. Second is pricing scenario the pricing of GMDC jury dynamics and it is related to imported coal, landed price at the customer's doorsteps.

**Bajrang Bafna:** What was the average price during the last quarter for the lignite mining the weighted average price?

**RK Das:** Time-to-time we used to publish all these updates in our website, but I can recall you that the average weighted price based on any of components, but roughly I can say that it will be around Rs. 4,000 to 4,200.

**Bajrang Bafna:** And the update on the other project?

**H.K Joshi:** We are having very good property as well as abundant plant at Kadipani for Fluorspar Mineral recently we had quoted an RFP for PMC of the plant we are going to start this plant probably in this fiscal year and let us see how good we can do there. Your next question is regarding RE recently our board of directors has been authorized GMDC to make a strategy document on behalf of government of Gujarat; and the board is ready to hire a very renowned international consultant within couple of months or three months. We will brief you in detail.

**Bajrang Bafna:** Any update on the Fluorspar project also and in development on that side?

**HK Joshi:** That was my first answer we are having a good mines there in Kadipani of Fluorspar Mineral and we are having an abundant plant for which we have given an RFC on net and for PMC of this plant and very soon we will onboard an EPC player and in this year for starting of this plant again.

**Bajrang Bafna:** Can we expect this in FY23 the commercial production?

**HK Joshi:** I can answer as soon as PMC will be on boarded.



**Moderator:** Thank you. The next question is from the line of Vaibhav Badjatya from Honesty and Integrity Investment. Please go ahead.

**Vaibhav Badjatya:** So I will ask two questions first is you know so in Q4 actually we have achieved is it EBITDA per ton of around 1,600 per ton as per the data given in the presentation in the financial results and you have an estimate of 10 MT sales in FY23 so that itself kind of give us around 1,600 crore kind of number in terms of EBIT and I am sure the Q4 numbers in terms of realization will not have a full impact on price hike taken during the quarter so that will play out going forward and then there will be further possibility of prices as we have already increase the prices in April, so in that context I just wanted to ask that in the TV interview you earlier said that near about Rs. 1,200 - 1,300 crore EBITDA is kind of ambitious target for us we just wanted to understand why it is ambitious and why it is not realistic and are there any kind of extra cost that is expected to come up for any kind of surprise that is there on the cost side which can stop us from achieving this kind of result?

**HK Joshi:** As I understand your question is regarding the expectation that the realization in next financial year will be to the tune of Rs. 1,200 to 1,300 crores that is your question.

**Vaibhav Badjatya:** Basically you know given that the achievement that we have done in Q4 which is EBITDA per ton basis we have achieved Rs. 1,600 per ton of EBITDA I am not talking about the gross realization I am talking about the profit which is EBITDA so if I take Rs.1,600 per ton of EBITDA and you have target of 10 MT of sales in FY23 so that translates to Rs.1,600 crore of EBITDA in FY23 from lignite operation itself and in one of the CNBC interview I think it has been mentioned that Rs.1,200 to Rs.1,300 crore would be ambitious target, so I just wanted to match both the things that why it is a ambitious target and why it cannot be achieved easily because are there any surprises on the cost front which is leading you to believe that we cannot do Rs.1,600 crore of EBITDA?

**Management:** Actually, I was part of that interview I was in sideline so I think that there is a mistake in interpretation and that was somebody asked and our MD sir was answering that question. So, while answering to that question it was mentioned that some of the analyst quoted that GMDC's potential will be this much and responding to that there was a answer from our end yes, that will be our objective and that we will cherish to. In no case there is any denial from our side so we are targeting, but we are working in a very variable environment. So, whereas you are targeting it so that we cannot disclose that it will be the ultimate target and go beyond. So, we will try to go beyond as well so in that case actually that was our that was the answer to the question; so the context was very clear. For the next question actually I am passing on the mike to Mr. HK Joshi.



- Vaibhav Badjatya:** Yes that actually answered my first question the next question is on the current differential which is there in terms of cost per KKL for lignite and for imported coal for any customer in Surat, if you can just highlight what is the differential currently that would be helpful?
- HK Joshi:** These are all internal calculations so we are now and this again it is actually very complex calculations because our mindset at various graphical locations so I can say that still we are at a discount. So, we are quite competitive in comparison to the imported coal landed at the Surat demand interest so that is what I can answer as of now.
- Moderator:** Thank you. The next question is from the line of Subham Agarwal from Aequitas India. Please go ahead.
- Subham Agarwal:** Sir my first question would be a data point so I wanted what is the total external sale of lignite this quarter and last quarter and secondly on the demand part as all of us know that the demand of coal is very strong if there is a possibility of surpassing our target of 10 million ton for FY23?
- HK Joshi:** The demand of lignite as I stated earlier demand of project for Gujarat is very high and as we have planned to increase our production to 10% to 15% per annum. So, we are facing this target accordingly however every goal has to be set and let us see after one, two, three quarters what is the next target. At present, I merely cannot say it will be increased by 10% to 15%.
- Subham Agarwal:** And what was the total external sale of lignite this quarter and last quarter?
- Management:** In the Q4 the external sale of lignite was around 2.5 million tons and in Q3 it was around 2.2 million ton.
- Subham Agarwal:** So our production and external sale both are same we must be using some part in our power plant?
- Management:** Our production figure is very much similar to that of that sale.
- Subham Agarwal:** So where are we procuring the coal for our power plant then?
- Management:** It is an indigenous production which is in supply to the power plant. Let me answer actually during Quarter 3 it was 2.2 million metric ton altogether including the captive consumption and as well as supply to a independent power plant of Government of Gujarat that is





**[Inaudible 25:48]** and again 25 lakh for 2.5 million during Quarter 4 is again inclusive of the fact that the supply to the power plant one power plant was factored in this figure as well.

**Subham Agarwal:**

So I just want the excluded number?

**HK Joshi:**

So roughly we used to supply to them at a rate of 1.5 lakh metric ton per month that is an average.

**Subham Agarwal:**

And lastly this is the confirmation on tax adjustment so as we have moved to the new regime from next quarter onwards our tax will come back to 25% that is the right assumption?

**AK Iyer:**

It will be slightly higher than 25% because we have to make some adjustment for deferred tax, but the normal tax which we will going to deposit as advance tax that will be 25% only because we have opted for the new regime. Slightly it will be higher because of deferred tax adjustment.

**Moderator:**

Thank you. The next question is from the line of Rajshree, an Individual Investor.

**Rajshree:**

What is the outlook on lignite prices sir?

**Roopwant Singh:**

I will take that as the first question.

**Rajshree:**

Like is it possible that significant ramp up given the scenario of demand all time they are hearing about coal shortage in the country, so both as a national duty plus as a profitable possibility do not think if you can significantly ramp up the production these are the two questions sir?

**HK Joshi:**

Last year, we have total 6 million tonnes this year we have total 8.5 million tonnes and most probably we will continue the trend.

**Roopwant Singh:**

And for lignite pricing how whether you will sustain it or not and market is full-fledged and again the Mr. Das will answer this question.

**RK Das:**

Regarding the lignite pricing we have linked our lignite pricing with international coal prices and that is not the sole factor apart from that we used to also factor almost quantity is being delivered at the port side and what are the demand situation and there are certain internal calculations as well. So, based on that we used to device our pricing mechanism and so that will be the trend for future days we will be linking it with foreign coal, imported coal and we will be also adjusting with so many internal factors.

**Rajshree:**

The question was not about the process of how you arrive at the price? It was your outlook on the price if you can comment on that like do you expect these kind of prices to sustain?



**RK Das**

So till time it is sustaining given to the international pricing of the imported coal still time it is sustaining and we hope that we will sustain because we are having our own sound analysis.

**Moderator:**

Thank you. The next question is from the line of Falguni Dutta from Jet Age Securities. Please go ahead.

**Falguni Dutta:**

Sir I just wanted to know this 4,000 per ton of realization that you mentioned is it net to you without royalty and all and secondly I just wanted to know other than lignite the other minerals that you are talking of by which year should we expect them to contribute significantly to our top line?

**RK Das:**

The 4,000 to 4,200 would be realization is excluding of all the pass through that is royalty, DMF and etcetera. So, these are all basic **inaudible**

**Falguni Dutta:**

And what was it same time last year the same number this is the Q4 average you said?

**RK Das:**

If I can recall it was around Rs.3,200, but again these are based on my memory.

**Falguni Dutta:**

Sir, never mind if you can also I mean in other way if you can give Q3 number will also do how much was it in Q3 of FY23?

**RK Das:**

Again during Q3 it will be again Rs. 3,000 to 3,200 approximately.

**AK. Iyer:**

For lignite we charge royalty, DMF and NMET and we have to charge Rs. 400 as GST compensatory set all these are pass through on actual basis.

**Falguni Dutta:**

They are over and above Rs.4,000 right?

**AK. Iyer:**

Yes and this Rs.4,000 is average price it depends on mine to mine it varies.

**Falguni Dutta:**

Yeah I understand, but it is all these charges are over and above this price hike?

**AK. Iyer:**

Over and above and this is pass through in actual basis.

**Falguni Dutta:**

And on the mineral other than lignite when do we expect significant contribution from other minerals?

**Swagat S Ray:**

I hope you have got your answer you are satisfied now and regarding the other minerals first I would like to convey with that we have obtained 6 new lignite blocks that will add to our reserves in the existing operating mines. So, we have around 540 million ton of lignite reserves in these 6 blocks. Apart from that there are certain associated minerals in over



burden in these blocks. So, the major is the limestone deposit which is in the tune of around 2,000 million ton and in one of the gross we are also getting silica sand. So, hopefully these thoughts will be the developed one by one within the couple of years and for Fluorspar, multi-metal, bauxite already in the previous questions our officers have answered and I think you have also heard about it.

**Moderator:** Thank you. The next question is from the line of Riken Gopani from Capri Global. Please go ahead.

**Riken Gopani:** My question is regarding the outlook on the fixed and the variable cost for the lignite division if you could outline what are the factors that would influence it do you expect them to broadly be steady or what are the factors that could lead to a material up side or down side on the fixed and variable cost for the mining division in FY22?

**L. Kulshrestha:** We are having two components in case of lignite one is variable expenditure and another is fixed expenditure. Variable expenditure includes consumption of stores, mining expenses, royalty, transportation expense and GST compensatory tax and in case of fixed expenditure we have salary and **(Inaudible)35:43** benefit, retirement scheme and plant operating references, rents, **(Inaudible)35:45** insurance handling, stationary interest and financial charges product environment, manpower expenditure, administrative expenditure, legal and professional expenditure.

**Riken Gopani:** Basically, just to put it the other way in Q4 if I put the numbers then your total cost per ton is about Rs. 2,000 per ton of fixed plus variable cost, how do you see this cost panning out in FY23 what is the outlook on that?

**L. Kulshrestha:** In April 22 and 23 we expect the fixed expenditure improved by 8% to 10% and variable cost that will remain same because you can look in proposition for total turnover or total production we are expected 10 million tons and previous year 8.5 million tons that is why it will increase accordingly.

**AK. Iyer:** Our variable cost increase is mainly due to increase in prices of diesel because our 50% cost is diesel only so it is the diesel prices gone up our variable cost is going to go up. So, it depends on the diesel prices how it moves.

**Moderator:** Thank you. The next question is from the line of Rabindranath Nayak from Sunidhi Securities. Please go ahead.

**Rabindranath Nayak:** So, I have a question regarding the corporate in your presentation there is in the corporate segment the cash profit has gone down from last quarter if I calculated correctly it was Rs.12



crore this has gone to Rs.6 crore, so why it is so why the expenses during the corporate segment has gone up can you please give me some reasons for this?

**Roopwant Singh:**

Your second question please?

**Rabindranath Nayak:**

Second question regarding what is the status of our discussion with GVNL for the tariff because with the lignite prices has gone up to around 3,700 and it is not reflecting in the tariff

we are still selling the power at around Rs. 2.90 paise per minute since I am not calculating it correctly so it is not reflecting because variable cost is hardly Rs.50-48 crore in this plant and the lignite price is not getting reflecting so what is the discussion, how we are going ahead with the plant and if at all any third party which picks up the plant whether the lignite whatever lignite we will be using it will be transferred at a market price and the tariff will be higher and the beneficiary will not get the right price or the cost for the power for them it will be higher, so is it the reason is it one of the reasons that we are not able to sell or take any decision on selling the power plant or what is the discussion in tariff side or divestment of the power plant can you please update on that?

**Roopwant Singh:**

Decision to dispose off the power plant has been withdrawn GMDC negotiation with GUVNL on a number of aspects I would request General Manager Power to Janardan Dave to take this question.

**Janardan Dave:**

As far as thermal power is concerned we have taken two actual for the short term and long term. For the short term we have corrected our major equipment defect like boilers and turbines as a trade auxiliary and we found improvement in availability from the last year it was 19% and this year we achieved 24%. So, our short term show the result as a part of long term we have on board the strategic partner AT Kearny was done the technical study of the plant, financial assessment of the plant and now we are on the review of this report. So, we will soon finalize the action to improve these assets

**Rabindranath Nayak:**

So is there any chance that our variable cost will get some uplift because of the prices of lignite has gone up or we will be selling at a lower rate as compared to the market rate lignite to the power plant?

**Janardan Dave:**

If you see the merit order of the SLDC we are in the third position at present PPA even we increase our variable we will remain as per our analysis we will remain up to the 10. So, we up to 10 there is no issue for the breaking down our technical minimum. We have an issue related to the technical minimum with SLDC or our discom there is no worry about it.

**Rabindranath Nayak:**

I am just asking what is the lignite price because our tariff is Rs. 4.9 because for one unit we have power you require 1 kilo of lignite so that is not reflecting any prices so that is what I am asking, but again increase the lignite prices for transport price for the power plant?



- Janardan Dave:** It is parallel with the coal price also increase so the variable cost of all the power plant will increase.
- Rabindranath Nayak:** What the corporate segment performance?
- AK. Iyer:** In the last quarter we have boarded by very high value consultant in our team. So, we have booked that expenditure in the corporate segment so due to that profit has gone down
- Moderator:** Thank you. The next question is from the line of Devendra from Mahindra Manulife Mutual Fund. Please go ahead.
- Devendra:** Just one clarity on this trade receivables which was Rs.1,452 crore last year has gone to Rs.2,049 crore this year ending so that is a Rs.600 crore increase so up to Rs.600 crore increase I think one of your management person has told some you have received back in April so how much was that quantity we had received back and where are these receivable currently why it has increased by Rs.600 crore any particular you have told renewable how much portion of that renewable if you can quantify?
- L. Kulshrestha:** Last year is Rs.145 crore and this year trade receivable was Rs.204 crore and AK Iyer had already given the answer that we have recovered around Rs.80 crore from GUVNL we both of them have happily recovered from GUVNL. Difference is only Rs.60 crore not Rs.600 crore. I will repeat again Rs.145 crore last year this year Rs. 204 crore.
- Devendra:** Followed in your cash flows also like if you look the adjustment for trade and other receivable if you look at the cash flow so there is last year it was Rs.127 crore increase and this year it is Rs.913 crore increase in trade and other receivable both on your cash flow statement consolidated?
- L. Kulshrestha:** Actually Rs.700 crore is related which we have invested in GSFS if you exclude that amount then it will be positive sir Gujarat State Financial Services.
- Participant:** Okay we have invested Rs.700, but how can that come in the trade and other receivable I did not get?
- AK. Iyer:** We have classified as investing activity, but as the discussion the we are doing it in the operating activities and next year we can discuss it and transfer it in the investing activities, but nearly in GSFS only Rs.700 crore investment with GSFS which has increased.
- Moderator:** Thank you. The next question is from the line of Mohammed Patel from Care Portfolio Managers. Please go ahead.



**Mohammed Patel:**

My first question is you are going to give more details on your association with **BCG** in this quarter so you please throw some light on that, second question is what is the potential for non lignite business going ahead and if you could summarize it?

**Management:**

Any other question please or is this the only one.

**Mohammed Patel:**

Second question is the association with BCG second is the potential of non lignite business going ahead?

**Swagat S Ray:**

As far as the engagement of BCG with GMDC strategic transformation is concerned I would like to inform you that BCG activities is two months is old activity and in the initial stage they are collecting or gathering the information they are trying to understand the basic work culture system of GMDC and hopefully in the next week we will have some concrete deliverables from their end as far as this part one is concerned. So, part one is basically about understanding of our system and different ways of working methodology and other opportunities that we can explore. So, in the next one week we would be able to understand their views and their deliverables and based on that we will proceed further is that good enough.

**HK Joshi:**

BCG has been on boarded by GMDC for strategic transformation it is related to three parts. The first part - two months of the first part has been completed and they have made some reports these are confidential reports, but they are good enough for company and after one week they are going to give us a presentation of all the scenario and very next meeting we will be able to explain to what type of transformation we are doing to take for the company. So, non-lignite business, as far vision of our company and honorable MD at present we are defining our lignite mining and lignite business, but as an associated minerals we are having lots of portfolio like silica sand, Fluorspar, multi metal, limestone and we are making strategy for all the minerals with the help of BCG and at present we can say only at 50% of the business in coming years will be from non-lignite.

**Mohammed Patel:**

Which will be the major part in the non lignite business which metal will be major part?

**HK Joshi:**

We are having a precious metals, multi metal project we are having manganese, we are having limestone so we are having a good portfolio for non lignite also.

**Moderator:**

Thank you. The next question is from the line of Ashish Agarwal from Centrum Capital. Please go ahead.

**Ashish Agarwal:**

Two questions one is when you are talking about the expansion that is from 8.5 million ton to 10 million tons next year from which mines we can get this kind of volume I think this is from the existing mines only and from which mine you can say and secondly we have been allocated lot of mines earlier also like Lakhpatt, but we have not seen anything coming out



from there so when can we expect some output from any mines and which year that is first question and second question is on lignite price is it possible to share what could be the exit Q4 lignite weighted average lignite price versus four quarter average?

**Management:** As far as concern to ratios of the lignite we have a very good reserve in Bhavnagar so we will concentrate on in coming weeks. Along with that we are also planning to increase our production from our Tadkeshwar mine and as far as concern to new lignite block Lakhpat is in the emerging stage which will be followed by Walia where we have a huge reserve around 300 million to 400 million ton and that will be targeted soon.

**Ashish Agarwal:** When can we expect production to come from any other mines this year?

**Management:** It will be in the range of 1.5 to 2 years.

**Ashish Agarwal:** My pricing question was that what was the weighted average of lignite price at the end of four quarter versus fourth quarter average because we have been taking price for the quarter so for weighted average price will be higher than the average price and typically what kind of discount we offer to client as compared to imported coal?

**Management:** As far as my understanding is concerned you are asking about the average weighted lignite price of Quarter 4 am I right?

**Ashish Agarwal:** No sir Quarter 4 you mentioned it was I think Rs.4,000 to Rs. 4,200 or you can say as of now what would be in April what is the price?

**Management:** He is asking about last part of Quarter 4 that is precisely during the month of calendar month March 2022 the calendar month April. April pertains to the financial year 2022-2023. Yeah that will be again in three year the prices will be around Rs.3,800 and in another mines it is Rs.4,400 and in next mine it is Rs.5,400 so these are the figure and again there are so many segmentation this is a broad lever to actually answer your question.

**Moderator:** Thank you. The next question is from the line of Chirag H from CMO. Please go ahead.

**Chirag H:** Just regarding the rare earth mineral; I mean whenever you apply for the mining height of rare earth how much confident are you in terms of securing the mining right or do you see any risk of these mining rights being allotted to other companies by Uranium Corporation of India or Coal India like that?

**Management:** As far as concern to mining increase of REE we have to wait for certain things, certain amendment in the act and we can reply properly after three to four months.

**Chirag H:** And do you feel that mining **inaudible** could be allotted to the other companies like Uranium Corporation of India or maybe Coal India like that?



- Management:** Recently in the amendment in the atomic mineral and state government corporation has allowed for the mineral concession of the RE and heavy metal I think we have to look into that.
- Moderator:** Thank you. The next question is from the line of Akshay Kothari from Envision Capital. Please go ahead.
- Akshay Kothari:** I just wanted to know the potential of your joint venture in your investment in Gujarat Credo, can you give light on that and secondly my second question was related to that investment in GSFS, so can you give light on that as well?
- AK. Iyer:** GSFC Gujarat State Financial Services is a wholly owned venture of government of India and as far as Government of Gujarat here we are required to invest our surplus fund with them. At present for our entire fund except escrow our players with GSFS and at present we are getting rate of interest for 5.25% for one year to three year at least.
- Management:** Regarding this joint venture with Credo, GMDC has entered in a joint venture is Credo they are basically producing zeolite from low grade bauxite and they are placed close to our mine sites this is the mine's location Gadhsisa and they are sourcing bauxite by virtue of this joint venture conditions they are sourcing bauxite from various mines where your projects have Gadhsisa group of bauxite mines and they are into the value addition of this low grade bauxite and they are the only player in these field to hop this value addition of low grade bauxite. So, GMDC is a minority partner in this JV.
- Akshay Kothari:** Can you give some light on the uses of zeolite what are the potentials which this can generate?
- Management:** These zeolites are basically detergent based zeolite and India I think we used to produce these kind of zeolites and there is encouraging market space in India so there is a demand for this zeolite and the application is very in detergent sector I presume.
- Moderator:** Thank you. Ladies and gentlemen this was the last question for today. I would now like to hand the conference over to the management for closing comments.
- Joel Evans:** Good afternoon again to everyone. We express our sincere gratitude and thanks to every participant who participated in this conference call. We believe that all your questions and queries have been answered to your satisfaction and we thank our top management our managing director for sparing their valuable time to join this earnings call and we also thank our all stakeholders who have continued interest in the working operations and official outlook of the company. Thank you.





**Moderator:**

Thank you all for being a part of the conference call. For any further information or clarification please email [gaurav.g@conceptpr.com](mailto:gaurav.g@conceptpr.com). Ladies and gentlemen this concludes your conference call for today. Thank you for joining using ChorusCall Conferencing Services you may now disconnect your lines. Thank you and have a present day.