

Dear Shareowners, my colleagues on the Board, Ladies and Gentleman...

It gives me immense pleasure to extend all of you a very warm welcome to the 54th AGM of your Company. The annual report and the notice for the meeting have been sent to you and hence I consider them as read.

Global and Indian Economic Scenario

The year gone by has been a year of challenges and opportunities for the Indian Economy as a whole. Mining sector was no exception. During the year under review, your company continued to have the state support as far as the mining and allied matters are concerned.

The Indian Economy is passing through a great phase of challenge as far as mining sector is concerned. Global trends are creating their impact on the performance of the mining sector in India as well. Reformative changes in the mining legal framework of India has also thrown open opportunities for public sector mineral players like your company. The company is gearing up for the same.

Financial Snapshot

All of you have fairly analyzed the financial performance of the year that went by. During the year 2016-17, amidst challenges, the company could sustain its profitable performance. The total lignite production was 76.52 lac MT and the total power generation was 1392 MUs having 63.6% PLF. The total revenue was Rs. 1582 crore. The company booked a profit after tax of Rs. 324.23 crore against Rs. 224.57 crore of the year 2015-16. This was an impressive increase of 44%. The performance of the company as compared to previous fiscal has been stupendous. The first quarter results i.e. for June 2017 has already been announced and I expect that the success story of the year 2016-17 will continue in the year 2017-18 as well.

As you have noted, your company has smoothly transited to Indian Accounting Standard for financial reporting.

Your directors have pleasure to recommend a dividend of Rs. 3 per share i.e. 150%.

Progressive Path

In order to harness the mineral wealth from limestone, which occurs as overburden, your company is exploring to collaborate with a private sector partner for setting up value addition projects based on limestone in Kutch District.

As you are aware, your company has already forayed into the renewable energy sector. During the year, your company has completed setting up of wind power of

50.9 MW and with this the total wind power capacity of the company has reached 200.9 MW which itself is a benchmark.

Exciting Opportunities

It gives me great pleasure in informing this meeting that Ministry of Coal, Govt. of India has allotted two lignite blocks, namely, Panandhro Extension and Bharkandam in Kutch to your company for power generation and general mining under the auction by competitive bidding of coal mines Rules.

As per the extant legal framework in the sector, the grant of mineral concession is governed by the Mines and Minerals (Development and Regulation) Act, 1957 and The Mines and Minerals (Development and Regulation) Amendment Act, 2015. As per the scheme provided under these Acts, the State Government may with the approval of the Central Government, reserve any area not already held under mining lease for undertaking mining operations through a Government Company owned or controlled by it.

Looking to the requirement of opening of new lignite mines in the state, Government of Gujarat has submitted following proposal to Ministry of Coal – New Delhi for reservation in favour of GMDC under section 17A (A) of MMDR Act :

- (1) 1400 Hect area of Village Damlai, Padala Ta: Jhagadiya, Dist : Bharuch
- (2) 3015 Hect area of village Sodgam, Vithhalgam, etc Ta: Valia Dist : Bharuch
- (3) 1600 Hect area of village Ghala & Bodhan Ta: Mandvi Dist: Surat
- (4) 2973 Hect area of Village Lakhpat & Punrajpar Ta: Lakhpat Dist: Kutch

In response, MOC had taken prompt action and already issued letter for reservation of all these lignite blocks in favour of GMDC. With this reservation about 250 million Tonnes of lignite and about 2500 million Tonnes of limestone resources are increased in the mineral treasure of GMDC.

Your company is also evaluating opportunities in Limestone. In this context, it held some series of meetings with some Cement producing companies of India for exploring the possibility of having a long term supply agreement of Limestone by your company for their upcoming Cement Projects in Kutch.

Your company is also exploring various business opportunities in the secondary mineral market.

Sustainable & Sensitive Mining

Your company is continuously aware about the environment impacts its operations have. In order to mitigate these environment impacts, your company has an in-house facility of environment laboratories at each of its mines with qualified environment engineers. There is a constant monitoring of the levels of pollution in air, water and noise. In order to suppress dust arising out of mining operations,

there is water sprinkling mechanism in the mining area. Not only this, your company has made special efforts to afforest the overburden dumps and slopes by planting native species. The company also carries out environment audit periodically. These green initiatives of the Company have been appreciated at various forums.

Safe Mining

Safety is always a priority area of concern at your company. The Company has made positive attempts to inculcate the culture of safety amongst its people. Regular safety awareness programmes at mine sites are organized. Strong emphasis on safety has fetched various national level recognitions to your company in the form of Presidential Safety Awards.

It was a moment of pride for GMDC once again as her excellence in Safety and Safe Mining Practices was recognized as national level. GMDC has been awarded National Mines Safety Awards for its different lignite and bauxite mines in various categories. Panandhro Lignite Mines was awarded in the category of Lowest Injury Frequency Rate Output (Type – 3A) for the year 2013. Amod Lignite Mine was awarded in the in the category of Lowest Injury Frequency Rate Output (Type – 3B) for the year 2014. Daban Wamoti Bauxite Mine was awarded in the category of Longest Accident free period (Type 5) for the year 2014.

Your company is committed towards better safety of its employees and is continuously pursuing several safety measures and initiatives apart from compliances of statutory requirements.

The award comes as a recognition of GMDC's continuous efforts to inculcate a culture of safety not only amongst its employees but also amongst the stakeholders who come into direct interaction with mining operations. Stringent standards are maintained and observed for safe mining at all its locations in the State of Gujarat.

Corporate Social Responsibility

Your company has remained socially responsible towards the community within which it operates. Even before the statutory norms of CSR were mandated, your company continually strived to address the concerns of the rural community in some of the remotest regions of the State and continuously tried to bring these marginalized sections of the society in to the mainstream of the development. One can see the fruits of this labour today. In villages around the project areas of your company, people have received road connectivity, rural infrastructure, education and health facilities, micro irrigation systems etc. The CSR initiatives of your company have been detailed in the Annual Report. The company has also supported the relief work during the heavy flood situation encountered recently in the northern region of Gujarat.

When India is bestowed with immense demographic dividend in the form of its energetic youth, your company has been a channelizing agency for these young minds to provide them an avenue for exploring their potential through a unique institutional set up called, iCreate. This International Centre of Excellence has been established with a mission to provide an eco system to the budding entrepreneurs of the country a one stop solution for realizing their entrepreneurial dreams. The Centre's Campus has been completed in all respects and we expect it to be dedicated to the nation. This Centre will pave a way for youths of India to carve out their niche in the entrepreneurial map of the world. This Centre has also been recognized by the Government of India as a nodal agency for the Start Up India programme.

Similarly, in order to provide educational opportunities in the field of Mining, your company has set up a unique Centre of Excellence, namely, International Centre of Excellence in Mining Safety and Automation. iCEM happens to be a one-of-its-kind Centre in India in mining sector and has elicited special interest from institutions like IIT Kharagpur and University of Wollongong, Sydney, Australia. This Centre aims at providing Skill Development and Training, Demonstration of Technology and Best Practices, Education and Training, Research and development through continued innovation and excellence.

Acknowledgement

I appreciate the cooperation that company has received from Ministry of Coal and Ministry of Mines, Government of India, Industries & Mines Department, Environment and Forest Department, Energy and Petrochemicals Department, Revenue Department, Finance Department, Office of the Commissioner (Geology and Mining), Labour Department of Government of Gujarat, Director General of Mines Safety and various District Authorities of the state.

I sincerely hope that with your continued co-operation, the year 2017-18 will also see astounding success.

Thank you.