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GMDC net up by 18%, pays 125% dividend

Lignite output at Tadkeshwar and Mata no Madh was a record

DNA Money Correspondent. Ahmedabad



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Gujarat Mineral Development Corporation Ltd (GMDC), a PSU of Gujarat government, has announced better working results for the quarter and year ended March 31, 2010. Declaring the results after the board meeting on Wednesday, managing director V S Gadhavi said the company has reported a net profit of Rs279.86 crore for the year, showing a rise of 18% over the profit of Rs236.30 crore for the previous year. Sales of the company also increased to Rs1,023.8 crore as against Rs1,101.56 crore for the previous year. The company has recommended a dividend at 125% for FY10, same as in the previous year.

Gadhavi further said that in spite of stiff competition from alternate fuel such as imported coal and pet coke, GMDC's lignite sales sustained its growth. Since inception, the lignite-fed power plant of the company has generated a profit of Rs44 crore. Moreover, in its efforts to capitalize on the synergies available in alternative non-conventional energy segment, the corporation has set up a 19.5 mw wind farm near Rajkot, which also brought in sales income of Rs3.5 crore over a period of two quarters since commissioning. He added that during the current fiscal, the corporation plans to install in phases more wind power generation units, taking the total to 100 mw.

He said that during the year under review, two mines of GMDC viz. Tadkeshwar near Surat and Mata no Madh in Kutch produced record high lignite since their commissioning. The corporation has also fared very well in other mineral segments such as bauxite and manganese. During the year, bauxite sales generated a revenue of Rs27 crore, which was a whopping 400 % increase over the previous year's sales. Similarly, on the manganese front, the corporation generated a revenue of Rs0.8 crore by sale of manganese waste dumps from its Shivrajpur mine in Panchmahal.