

**Speech of Shri D J Pandian, IAS
Chairman and Managing Director
Gujarat Mineral Development Corporation Ltd**

Dear Shareholders and my Colleagues on the Board,

I feel immense pleasure to welcome you all to the 51st Annual General meeting of your Company.

The audited financial statements and the report of directors for the year 2013-14 have been circulated to you. I consider them as read.

Tracking the Past

It was in May 1963 that GMDC commenced its journey of fueling the growth of Gujarat. This year, your company completed 51 glorious years. Your company has been efficaciously fulfilling its vision of collaborated growth and success. It has set high benchmarks for productivity and operations. Last year though we faced a minor setback. Despite majority of our mining operations being interrupted by long and heavy rains, your company was able to meet most of its targets. Your company has embarked on a mission of future expansions and inclusive growth.

Current Scenario of Mineral Sector

Globally, mineral sector has been facing challenge of lower profit realization due to increased mining costs and decreased commodity prices. Since many of the mining operations in India are undertaken by captive consumers and public sector undertakings, the domestic mining industry has been less affected by the prevailing conditions in global industry. The slow progress in the domestic mining sector has more to do with the problems related to the delays in getting clearances, investment scenario, fluctuating demand and electricity prices. However, robust growth of the consumer sectors has been increasing the demand for fuel and minerals in the country. Your company, a key player in domestic mining industry, has successfully assimilated itself in the changing scenario and efficiently positioned to reap future benefits. This has opened immense growth opportunities for your company.

Setting High Standards

GMDC's strategic thrust is outlined by expansion of activities on three fronts, namely, venturing into value added services; increasing the geographical reach, and expanding operations in other sectors such as power generation. With each passing year, your company has been consistently setting new benchmarks for financial performance. The profitability of your company had steadily increased to 26%, 31% and 33% in 2010-11, 2011-12 and 2012-13 respectively. This year has been a little difficult for us. Due to long and heavy monsoon our company's lignite and other mining divisions faced minor setback. We managed total sales of Rs 1289.66 crores with profitability of nearly 31%. The Profit after Tax stood at Rs. 439.13 crores. I would like to thank our employees for their unflinching devotion and efficiency.

Looking into the segment wise performance of your company, the revenue from Lignite and Bauxite segments were Rs 1058 and 18 crores respectively. Revenue from power segment stood at Rs 175, 115 and 12 crores from thermal, wind and solar power stations respectively.

As you are aware, increasing stakeholders' value has been the prime purpose of GMDC. This year as well, your directors have recommended 150% dividend i.e. Rs 3 per share.

Segment Review

