



No. GMDC/CS/ BSE/NSE/731/2023

Dt. 21.02.2023

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
---	--

Dear Sir,

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

We had vide our letter dated 15th February, 2023 intimated the Stock Exchanges about the schedule of Analysts/ Institutional Investors Meet on 16th February, 2023 at 4.00 PM IST through audio Conference Call.

We send herewith a copy of Transcript of the said conference call which took place on 16th February, 2023. 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 3501

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



**Gujarat Mineral Development Corporation Ltd.
Q3 & 9MFY23 Earnings Conference Call
February 16th, 2023**

- Shri. Roopwant Singh, IAS, Managing Director
- Shri L Kulshrestha, CGM CFO
- Shri H K Joshi, Sr. Gen. Manager (Tech)
- Shri A K Makadia, Sr. Gen. Manager (Tech)
- Shri R K Dash, Gen. Manager (Marketing & Sales)
- Shri Swagat Ray, Gen. Manager (Project Planning & Development)
- Smt. A K Iyer, Gen. Manager (Accounts)
- Shri J N Dave, General Manager (Power)
- Shri Arun Sharma, Advisor Silica
- Shri Joel Evans, Company Secretary



Gujarat Mineral Development Corporation Ltd. Q3 & 9MFY23 Earnings Conference Call February 16th, 2023

- Moderator:** Good afternoon, Ladies and Gentlemen. I'm Yashashree, the moderator for this conference, Welcome to the Conference call of Gujarat Mineral Development Corporation Limited arranged by Concept Investor Relations to discuss its third quarter and nine months ended December 31st, 2022. We have with us today, Shri. Roopwant Singh, IAS, Managing Director, Shri L Kulshrestha, CGM CFO, Shri H K Joshi, Sr. Gen. Manager (Tech), Shri A K Makadia, Sr. Gen. Manager (Tech), Shri R K Dash, Gen. Manager (Marketing & Sales), Shri Swagat Ray, Gen. Manager (Project Planning & Development), Smt. A K Iyer, Gen. Manager (Accounts), Shri J N Dave, General Manager (Power), Shri Arun Sharma, Advisor Silica and Shri Joel Evans, Company Secretary. At this moment, all participants are in 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 handover the floor to Shri. Roopwant Singh, Chairman & Managing Director. Thank you and over to you sir.
- Roopwant Singh:** Thank you so much. We thank Concept Investor Relations and we thank all the guests who joined in for this on call. GMDC has shared the results for its third quarter for the current financial year. We're open to questions. We welcome you all.
- Moderator:** Thank you very much. We will now begin the question and answer session. We have our first question from the line of Amit Dixit from ICICI Securities. Please go ahead.
- Amit Dixit:** I have two questions. The first one is essentially on for volume. So given the nine months' performance and January month operating performance factor, what kind of volumes are we looking for in and about the three-year target for FY24, that is the first question. The second one is if you can update us on the progress with respect to the study being conducted by GMDC for various projects and rare earth projects too.
- Roopwant Singh:** On which projects Amit would you like to focus on?
- Amit Dixit:** The Rare Earth and multi metal primary



Roopwant Singh:

Amit, we will reply with the first question. We had begun this financial year with an ambitious target of trying to reach 10 million tonnes. But three unforeseen things have hit us this year. One was a very, very good monsoon across the state, affecting all our three geographical areas where our mines are located. So you must have seen quarter two was subdued and some of its effect also overflowed into Q3. Number 2 In December, for the past one year, we have been facing issues with our Tadkeshwar project that is in Surat. The project used to make a lot of money for the company and used to cater to our most voluminous and active customer base. That is the Surat customer base. That project has not been doing well, and there it is closed for the past few months because of safety issues. There has been a major sliding there. There is no loss of light. The issue has to be solved on a technical level and we hope it will take us 1.5 to 2 quarters to probably resolve it but still we are unsure of what production we will achieve so that has been the second hit. Third challenge has been exhaustion of quantity in the Bhavnagar project. But that is a solution in progress. The new RFP has divided the mine into two packages. So the work will hence will be given to two contractors. We are in the final stages of award of the project and you should see the results of increased production in the first quarter of next financial year. And we would like to again plan and touch 10 million tons in the coming years. And as far as the update on projects related to critical minerals, as regards the multi metal project. The year was spent in doing geological studies and the results have been very encouraging. The resource base, which was in excess of 10.5% has gone up by significantly by 1.5%. And next stage of exploration is planned now, the work is in an avoid stage. Once the geological data is solidified, we will move forward towards the other aspects of the project. As far as the rare earth is concerned. I'm not at liberty to share because it is in the critical minerals category. We are awaiting some approvals if and when they come, we will share in full detail.

Moderator:

Thank you. We have our next question from the line of Shubham Agarwal from Aequitas. Please go ahead.

Shubham Agarwal:

My first question is I wanted to understand what was our total volume of lignite sales externally for the quarter? And secondly, broadly, I wanted to understand if you can elaborate on our new capital budget, how are we planning to deploy the Rs. 2500 crore and if you can broadly explain what will be the timeline of various projects and the amount that will be helpful for us.

Roopwant Singh:

OK, for the first question, I would request our general manager, marketing and sales, Mr. Rajat Dash, he will fairly elaborately for you for the second one, I'll answer it myself.

Rajat Dash:

Good afternoon, Shubham. So in quarter three, actually the total fare to open market and our power plants is to the 555.78 lakh metric tons out of this 55.78 lakh metric tons 42.49 was sold to



the open market. And 13.29 was supplied to our own power plant as well as the power plant of GUVNL. So that is the split up 42 and 13 total 55.78.

Shubham Agarwal: And one for the capital budget.

Roopwant Singh: You must have seen compared to last year, the company has done well over the past three, four quarters, our reserves have gone up and hence we have come up with a very ambitious capital budget which is four times the capital budget which was planned last year. The majority of this amount in excess of Rs. 1500 crores goes towards land acquisition, one towards the Tarkeshwar asset two towards Bhavnagar asset where we are planning expansion and the resolution of certain issues and the rest would go in the new projects, besides this we have had small victories for GMDC. We have got permission for a Rs. 300 crore CapEx pass through for the thermal power plant which has been underperforming. So that is another important CapEx item. Besides this, there are CapEx items which are not such large numbers in the range of growth, which are essentially beneficiation plants spread over our lignite projects and metal projects. So that is the plan.

Shubham Agarwal: But broadly if you can help us also understand the timeline of various projects that would be very helpful.

Roopwant Singh: OK. Land acquisition, yes, work would start as soon as we would get board approval for land acquisition. We have already started preparatory activities at quarter back. Now we would go for final go ahead for that. As far as the new project is concerned, again preparatory activities have started, but the expenditure would be slightly would kick in quarter or two later compared to our existing. Projects for the Kamal Power plant turn around. We have an aggressive timeline of turning around the asset in 12 months. So you should see a lot of RFP's in two to three months from now and we should see a lot of work happening in Q2 and Q3 at the power plant and as far as the smaller beneficiation plants are concerned, we are going to time it along with the engagement of new contractors, we're going to time it along with that. So that the fund is spent at the appropriate time.

Moderator: Thank you. We have our next question from the line of Shreyas Gathani from SG Securities. Please go ahead.

Shreyas Gathani: I had a couple of questions. The first one is on the coal mines that GMDC has bid for so last call you said that. If we win certain mines then it would change the target outputs by a very different number. So in the press release also, you mentioned that there have been certain mines that GMDC has bid for, so just wanted to get some input from you on that. The second question is I'm a little confused on the Bhavnagar project. So is there some issue that's going on which caused exhaustion. Or that sudden exhaustion has come into the project, It was not pre-planned or I'm not



understanding why it would come to a standstill like Tadkeshwar. There's some sort of issue is something that I understand, but Bhavnagar is something that I wanted to know more about.

Roopwant Singh:

OK, just let me answer the first question. As far as the coal mines auction is concerned, we are currently midway. The bidding is to start and if we are successful we will need to change ourselves in so many ways on the project execution side, on production side, on the marketing and sales side, we would need to change considerably. Not that work is not going on there. A lot of thought is going into it, but if we win we will be taking these projects very aggressively. In a very time bound manner, because significant security will be at stake and any failure or delay, we will treat it as a reputational loss. So you should expect swift movement if you're successful in coal mines auction. Bhavnagar project it is kind of the current pressure is linked to the crisis at Tadkeshwar. Bhavnagar and Tadkeshwar they essentially service South Gujarat and South Gujarat to the major portion is Surat. So Tadkeshwar. was taking care of Surat, so we thought we had time to ramp up. But because of this, Tadkeshwar. collapse, the pressure came on Bhavnagar immediately to ramp up. Thankfully, we had put work in action. There is still time and quantity remaining for the existing contractor, but because of Tadkeshwar it looks more like a crisis, but we'll resolve it.

Shreyas Gathani:

Got it. So when do we expect any Results out of the auctions.

Roopwant Singh:

We should know in March, I believe.

Shreyas Gathani:

And is there any size of output that if we blocks there any what kind of output are we looking at

Roopwant Singh:

Can't say at this moment, it's a great thing we can't really say. But we have a marketing strategy. We have indicative list of customers which we will be targeting. We have done our homework. The point is if we win, it will be implementing, it will be the challenge.

Shreyas Gathani:

OK. OK, sorry. Just one more question on the RE project. So just on the timeline, so since the last few quarters, we've been mentioning that there is work going on over there. So just wanted to know when. We should expect something more concrete on that? I know that you already mentioned that there's a lot of progress that happened.

Roopwant Singh:

I'll have to repeat the same answer. Apologies on that.

Moderator:

Thank you. We have our next question from the line of Ashish Kejriwal from Nuvama institutional equities. Please go ahead.

Ashish Kejriwal:

A couple of questions. When we are talking about 10 million ton in next year which are the mines where we can see incremental output in a major mine because Bhavnagar is the only mine which



we think that can give more output. But I'm not sure whether we can achieve that in next year. So if you can throw some light on that. That's the first question. Second question is, besides this operating mines we were looking to open the new mind, which I think Lakhpat was the first one. So was the target or was the estimate for opening in that and two bookkeeping questions. What is the cash and cash equivalent as of third quarter end? And CapEx, what we have done in nine months and our target for FY23 and 24.

Roopwant Singh:

The thrust in production will come from Bhavnagar. The ramp up is looking very easy. We should see ourselves crossing. We have planned for 3.3 million tonnes just from Bhavnagar. So we should see these volumes being achieved. And we hope to solve the Tadkeshwar issue also and profligate decent production from that project also. As far as new minds are concerned, the first one to roll off you should see Lakhpat and you should see one more project, say groundbreaking again in Kutch and we are aggressive on for two projects in South Gujarat. Also, you should see award of all these projects in the coming financial year and ground breaking in three to four of them. And production for the rest, in the coming financial year, we are going to move very aggressively there. As far as the cash reserves on Q3 and current CapEx, its status and what is our plan, I would request Mrs. Anupama Ayer, General Manager - Accounts to please engage.

Anupama Ayer:

As on 31st December, you have cash of around Rs. 2500 Crore with us, free cash reserves with us. And next, during the current financial year CapEx we have not spent too much because major CapEx was planned for land only when that work is going on details and everything is being prepared, so we have taken that to the next year's budget and next year's CapEx budget around Rs. 2500 crores. Out of that major is towards land and renovation of our Akrimota Thermal Power Station.

Ashish Kejriwal:

So how much we have spent in FY23?

Anupama Ayer:

FY23, no major CapEx is planned.

Ashish Kejriwal:

OK, so entire Rs. 2500 crore, you are seeing that we can spend in FY24.

Anupama Ayer:

In FY24, it is the major CapEx is planned because delivery work of the CapEx has been done in FY23. So we'll be able to spend during that year.

Ashish Kejriwal:

So again, to take it forward, so is it the main reason because of which our dividend distribution is low compared to other PSUs that is one. And when Sir, you talked about Bhavnagar 3.3 million ton. Are we targeting that in FY24 itself or in FY25.

Roopwant Singh:

Yes, and we give good dividend, you know that, we have given record dividend last year.



- Ashish Kejriwal:** Sir. Actually, when we are talking about from the face value it looks good but when we are comparing with the yield it looks very low especially when we have Rs. 2500 crore cash.
- Roopwant Singh:** I believe the investor community should have faith in us and allow us to support us in this CapEx expenditure so that the company goes to newer levels. And the entire way the investor community sees us, that totally changes. That is what our aspiration is.
- Ashish Kejriwal:** So Sir, just on tapping on the Bhavnagar thing, now we are doing 1.3-1.4 million ton. So from 1.4 to 3.3 in a particular year, we have to do something really different then only we can do it in a year's time. I don't know when we are going to achieve that kind of run rate, at least for a particular month. So how confident we are for 3.3 million ton in FY24.
- Roopwant Singh:** So I will give you two or three things the way we are doing things differently. There one instead of one mining contractor there are two mining contractors who will be doing the job. So there are two packages. So two parties will hit the ground production should be better. Number two for the current projects, the major CapEx is going towards Bhavnagar. And three, we will also explore now this is a work in progress. We will explore newer ways of evacuation from Bhavnagar to South Gujarat. That is a work in progress and we will hopefully let you know. Because the object would not be just to produce that object would be ensure that it is consumed.
- Ashish Kejriwal:** So, Sir, just to get into more sense and Bhavnagar, is it just mining contractor issue or we have to acquire further land also in order to increase our mining limit over there?
- Roopwant Singh:** There is no issue. Acquisition of land is conditional because if you have to set two packages and two contractors there large number of areas would have to be. There is no issue there. We had planned for expansion slightly later, but Tadkeshwar collapsed, so the thing has to be fast tracked. That's it.
- Moderator:** Thank you. We move on to the next question from the line of Pritesh Chheda from Lucky investment managers. Please go ahead.
- Pritesh Chheda:** So there was a realization of 15-16 hundred that we were getting and there was no price increase controller for FY23. So that realization continues or there is any changes in realization. And what is your call on realization for FY24 when you would have your next round of price circular?
- Roopwant Singh:** OK. I would like to request General Manager marketing and sales Mr. Rajat Dash to answer the first question on our current realizations.



Rajat Dash: The current realization per metric ton is around ₹4200. And for next year's realization, that depends, actually because we are operating in an environment where our immediate competitor is imported coal from Indonesian origin. So real time actually we are able to penetrate the market and. And the price and I think that that will be a question to answer in future just to come.

Pritesh Chheda: Is there any change in this 4200 since the last two quarters or it's a similar number?

Rajat Dash: By and large, it is similar because we are maintaining the prices since April, there is a minor correction during the first fortnight of February, but that's a very minor correction.

And on the volume side now, what kind of volumes would you do in FY 23? Will you do eight million or less than that?

Rajat Dash: We are targeting to match the production what was achieved during last year. So it will be beyond eight million. We're targeting beyond eight million.

Pritesh Chheda: Last year we did 8.5, so you'll try and match that that figure, you have stock to sell that extra stock. That's why you will be able to watch it or you like to mine it.

Rajat Dash: No, actually here we don't have any stock actually because we produce and we used to sell. So in that case, so there are there are capacities and we are changing to a match the production to the tune of last year's production. That's our ambition.

Pritesh Chheda: And lastly, is Rs. 2400 crore CapEx that we are calling out. Where are we spending is Rs. 2400. So I heard land and renovation of the power plant. If you could give some drive sufficient.

Roopwant Singh: These broad numbers Rs. 2500 crores, Rs. 1500 crores goes into land acquisition. Out of this 40% goes into Brownfield projects, 60% goes into Greenfield. Beyond that, there is a significant CapEx of 600 crores in capital machinery. Out of that, 50% goes into the thermal power plant. Rest goes into small beneficiation plants. Besides, whatever is left is developing new colonies for assets, refurbishing, old assets, refurbishing dead assets, debt cost centers, every penny that is going to be sales spent has to get some return. So that is the ambition.

Pritesh Chheda: And any progress on the rare earth

Roopwant Singh: I'll have to repeat my same answer which is a critical mineral. There is certain secrecy involved and when we have clarification we will give full details.



Pritesh Chheda: And lastly, when will the Pardi mine start decelerating in volume and have, we taken enough care that whenever for the Pardi mine stuff resulting in volume, there is some other mine, which will pick up.

Roopwant Singh: Rajpardi is the mine which is you can say it is on its deathbed you may see production for an year or we may see a closure earlier also. So we're not betting big there but the intention is to squeeze the last bit of water out the ring. The last drop of water out of the cloth layer.

Pritesh Chheda: And how much volumes comes from there?

Roopwant Singh: Marginal, a few lakh tonnes. It is very good that the ambition there is Damlai new project which is adjacent to Rajpardi. So you would have seen the RFP which has been floated for Damlai that is what we need to close soon. And we expect ground breaking in FY24, that again is product which is as good as Rajpardi and Rajpardi is our best product but limited at the moment. So, bet on Damlai which is adjacent to Rajpardi.

Pritesh Chheda: Groundbreaking means start producing and selling right or just.

Roopwant Singh: Ground breaking means lot of mobilization expenditure and very minimal production.

Pritesh Chheda: Bhavnagar is already in ground-broke and all that is done?

Roopwant Singh: That is the Brownfield project.

Moderator: Thank you. We have our next question from the line of Jiten Parmar from Aurum Capital. Please go ahead.

Jiten Parmar: My question is regarding that cash, Rs. 2500 crore cash which we have talked about. End of last financial year, I think it was around Rs.1400 crores and obviously we have done well in the nine months. So it is. Around Rs. 2500 crore. Can you give a break up? Of you know. How the cash, how that particular cash is deployed and what is the yield on that?

Roopwant Singh: Well, our cash reserves are with our banker, which is the state government banker also for these kind of reserve which is GSFS which is a non-banking finance company. The yield is pretty good. I would request our CFO Mr. Kulshrestha to shed light there.

L Kulshrestha: We have deposited other cash surplus in GSFS where we are getting interest at the rate of 6.5%. So you can say our yield is 6.5% on cash surplus.



Jiten Parmar: OK, now there was one particular entry about balance sheet, government authorities about Rs.122 crores or something. Now, what could that be and is it interest bearing?

L Kulshrestha: That is not interest bearing.

Jiten Parmar: OK. So balance with government authorities, I mean what is that and why we have kept that in?

Anupama Ayer: Balance in the government authority is the royalty advance which you have paid to the CGM office because royalty, we have to pay in the advance that we show as a balance with the government authorities.

Moderator: Thank you. We have our next question from the line of Rahul Jain from Systematix. Please go ahead.

Rahul Jain: So I just want to get a more clearer picture. So we are doing this massive CapEx in Bhavnagar. So what is the road map on what probably ending up with 7 to 8 million tons and how do you see shaping up over the next few years and five years, so first is that. Secondly, on the whole prices, so this year was quite unusual. Obviously we see in a very large price range. So you may not have a similar kind of price increase prevailing that's what probably you know some correction happens. So how do we see our cash flow mismatch so we actually tend to continue with it or we have visionary.

Roopwanti Singh: I'll answer the second question first. Price increases were needed because certain projects were bleeding and we wanted to prevent black marketing and at the same time ensure better realization for the company. So price corrections were done with that intention now. And while we were doing those price corrections, we were mindful that this the entire marketing and sales strategy would be dynamic and from taking cues from the market we will soften the prices if there is softening with the imported coal price. At the same time, our booking amounts have improved since January since we have ensured better customer engagement, you would have to visit our website. We have launched a new initiative whereby we grade our customers and it is known as customer engagement index. It is a public index where. Customers are graded on their interaction with the company and the better engaged customers are there. It is a dynamic score and the ones who do better are given additional allocation. This one initiative has ensured 10% more booking in the month of January, so from crude implements like price rises in the previous quarters, we are moving towards minor implements and we are open to price corrections, but at the same time sustaining sales and avoid any build up at the inventory. So that would be our goal.

Rahul Jain: But on the volume outlook like for this year and two years, three years and five years beyond.



Roopwanti Singh: This year you should look at above 8 million say 8.5 million and next year we would have a target of touching 10 million and a few years from now the number should be much, much better.

Rahul Jain: And also, the expansion that Rs. 2500 crores and the capital allocation, we're doing. So what kind do you what kind of numbers are we going to see from that because see in the past where I'm coming from a lot of our investments have been below par. For example in the past, our projects haven't really been to the market. So I'm just want to measure what kind of longevity and numbers are we seeing for this new expansion that we're doing?

Roopwanti Singh: Rahul, when we are spending money this time besides land acquisition that I believe is the most straightforward exercise besides that, whatever CapEx is going to be happening now is going to be more sure footed and would have a better governance system than in the past, as you would know, we have got permission for a Rs. 300 crore CapEx pass through from Gujarat Energy Regulatory Commission. Now that is a big confidence booster for GMDC along with that pass through. Our controller juvenile has also agreed to relook the PPA terms, so these are big victories and they are all conditional to better governance and better deployment of capital. And you shall see that in the coming financial year.

Rahul Jain: I'm just trying to get the praise. So, you are spending Rs. 2500 crores for how much additional lignite should be expected in three years or five years whenever the project is complete?

Roopwanti Singh: So, the expansion is gradual in two to three years from now. You should see us standing at 30 to 50 million tonnes.

Moderator: Thank you. We have our next question from the line of Falguni Dutta from Jet Age Securities pvt ltd. Please go ahead.

Falguni Dutta: I just had one question, just wanted to confirm the sales volume to external sales volume for the Q3 is it 1.65 million ton and how much is the decline versus same time last year?

Rajat Dash: Yes, of course there is a decline, this time actually we produced around 19.38 lakh metric ton that translates into 1.93 million metric tons and during the corresponding period of last year, the production was. 2.2 million Metric tons. So of course there is a decline. There is a decline to the tune of 13%.

Falguni Dutta: And is this number of mine correct, the external sales 1.65 million tonne for the quarter. I mean sales excluding the sales to our own power plant, I just wanted to clarify that's how we would get



our realization, no, if we need to exclude this from the sales volume, the sales to our own captive power plant and correspondingly remove the sales value also to get the realization that's how we would do it, right.

Rajat Dash: Yeah, of course. Again, the supply to our own power plant and to the summit, one power plant is to the tune of 3 lakh to 4 lakh. So you can minus it from 19.38.

Falguni Dutta: how much did you say 3 point?

Rajat Dash: 3 lakh to 4 lakh.

Falguni Dutta: And Sir, one more question that's on the power plant. When do we expect things to improve there and what is the big hindrance there in terms of performance improvement.

Rajat Dash: Ma'am, no hindrance. All hindrances have been removed. We just need one year to put things back in order, so please expect improvements from February'24 onwards.

Moderator: Thank you. We have a next question from the line of Nalin Shah from NVS Brokerage Pvt. Ltd. Please go ahead.

Nalin Shah: I have a few questions. First is that current year looking to the nine months figure and the last year performance, I feel that we are going to be somewhere close to Rs. 3700 to 4000 crores on top line. On the top of that, we are incurring the CapEx of another Rs. 2400-2500 of rupees over next 12 to 18 months. So my question is that when do you see the company's going to a Billion dollar kind of top line. In next whether 2-3-4-5 years. Here's my first question. Second question is, Sir, that you are saying that you know you are declaring a very good dividend, but in terms of shareholders reward policy, are we going to have some kind of this thing distribution policy that OK, whatever the profits, we realize we will distribute 20% or 25% or 30% of the profits for the shareholders and balance, will be for whatever growth and expansion etc.

Roopwanti Singh: Nalin, second question first, I'll answer both together. If we need to be a billion dollar company we need to plough back every piece of money at our hand, at the same time, budgets that we are ploughing back into have phenomenally good IRR ratios. So investors should feel rest assured and have faith in company for the coming two to three financial year's where the company would be in an expansion mode and new things would be opening up. And you should see a lot of award of a lot of work and lot of ground breaking in the coming financial year.

Nalin Shah: But Sir, can you give some idea about a billion dollar top line kind of this thing position?

Roopwanti Singh: We never knew we had such good friends like you who have so much faith in us.



Nalin Shah: You created that faith during, in last about 2.5-3 years performance that it has done wonderfully well.

Roopwant Singh: Nalin, please have faith in this company. This company should be three or four times itself provided it goes on the same trajectory in the coming 5-6 years.

Nalin Shah: My next question is. Sir, that what is the is anything other than lignite is going to be, any other items of mining products which are going to add lot of value to our company like Bauxite or any other things which are there because in your annual report I see lot many items which are listed down maybe these are not very significant in terms of volume and value. But are we expecting something big to come up.

Roopwant Singh: Our aspiration is to have at least half our revenues coming from beyond lignite. Now this is easier said than done. Yes, it is a very difficult task to open a coal or lignite mine and to run it open and run a metal mine or a non-lignite mine is even tougher. So we have big tasks on our hand and hopefully in the coming two to three years we expect to move on it. But we expect to move on it more sure footedly, better estimation of reserves. That is the plan.

Nalin Shah: And the last question is you have already said something, but I just want to put it differently on these rare earth elements, what we want to understand is, this is the product or item which is like in a normal mining operations is comes out or whether some kind of identification, some kind of R&D lab testing, etc. Needs to be done to find out whether it is a rare items or not. And what kind of a potential, because we have heard in the past that rare Earth has something very, very unimaginable kind of advantages and in terms of consumption or pricing, whether it is in domestic market or export market, if you can just give us some idea about this entire segment.

Roopwant Singh: We will not give you some idea. We'll give you a detailed idea, but not at this time.

Moderator: Thank you. Thank you. We have our next question from the line of Keshav Garg from Counter-Cyclical PMS. Please go ahead.

Keshav Garg: Just wanted to understand that it was mentioned sometime back that we have some amount of Bauxite and Fluorspar that we can see the Bauxite that we can just auction after some benefaction etcetera. Sir, so. So when can the basically revenues from the disposal of Bauxite can be expected, can be expected in next financial year?



- Roopwanti Singh:** Our team, our metals technical division led by Mr. Makadia is on the job. He is here at the moment and we are going to come in the pilot project on beneficiation, Mr. Makadia.
- A K Makadia:** Disposal of the stock has already begun. We plan to commence our pilot by end of this February and you will see a lot of improvement in case of Bauxite very soon maybe probably in this financial year as a proof of concept and next financial. You will see the boom in the Bauxite division.
- Keshav Garg:** And if you could just quantify, give us some idea that in next financial year, Sir, can it be like 1 million ton of Bauxite or can it be any, any rough idea?
- A K Makadia:** Probably we will be targeting around 0.88 million ton of the Bauxite displays during next financial year.
- Keshav Garg:** So that is very encouraging to know. And Sir, any movement on the fluorspar side?
- Roopwanti Singh:** Certainly we have started our refurbishing our plant. And hopefully we want to make a trial run by 15th of August 2023 and commence the production by Q4.
- Keshav Garg:** And lastly just wanted your judgment for the next financial year, what kind of lignite volumes you think that we can achieve in FY 24?
- Roopwanti Singh:** So the lignite volume expected in net financially is 10 million tons.
- Moderator:** Thank you. We have a next question from the line of Vinayak Anawalikar, a retail investor. Please go ahead.
- Vinayak Anawalikar:** This is follow up question which has been already asked. Now I'm not going to ask you about the timeline. But in the last concall you had mentioned about two initiatives. One was the project Shikhar wherein you had engaged Boston Consulting Group for opportunities beyond lignite and rare earth elements. And the second one was of course, Mackenzie. Which was to prepare a strategic road map for REE opportunity. Now I just wanted to know. If these reports have been submitted to you, what is the status of these initiatives? I'm not talking in terms of actual mining or actual finding. What is the content? But have these consulting groups submitted the report and are you going as per their side? That's my first question. My second question would be you said that out of 6.28 million tons of IHMS deposits, 10% approximately would be the metal content and just a while ago you also said that you are expecting 1.5% growth in metal content. As per the revised estimate, so should we consider it as 11.5% metal content in high HMS disk deposits at Ambadongar?



Roopwant Singh:

OK, let me answer your first question first. As far as BCG work is concerned, Project Shikhar is under implementation. The consulting firm has done a commendable job of assessing the opportunities big tickets all ticket where gains have to be made and it is a work in progress. They have critically analyzed all our business streams and the result has been good and has been able to direct our efforts in the direction where significant gain is there and as per the question on fluorspar, I would request Mr. Makadia again to respond to that.

A K Makadia:

I think there was some confusion in our understanding or answering the question I'm trying to answer the questions. The 1.5% increase we were talking about was in a multi metal project merging. The initial resources was expected to get the metal content of 10.5, but after the desktop studies being carried out and in the words of computation within 3-4 months, we see an improvement in the metal content in the Ore and that is 1.5 is at Ambaji multi metal project.

Vinayak Anawalikar:

I have another question you had said talked about Rs. 300 crores CapEx for thermal power plant. So, sorry if I missed this, is this a Greenfield project or a brownfield expansion or refurbishment of the existing thermal power plant?

A K Makadia:

The power plant is a brownfield project is already in the operations with 300 crore CapEx pass through approved by inaudible and is will be deployed maybe from the three and you will see the result from February 24

Vinayak Anawalikar:

OK, thanks. And one last question from my side Sir. Are you doing anything to streamline your operations? Like if you have so much of reserves? Even considering extended monsoon extended what you can say strikes or agitations. Can you not have a sustained growth year on year basis or quarter on quarter basis for as far as production is concerned, I'm specifically talking of lignite. Like this year, you are actually doing almost less than what you did last year. Can't you put in some things in place, improvements in place wherein you can show year on year growth?

Roopwant Singh:

We had two things. One. Natural disasters beyond control of the company. These are unfortunate incidents and we cannot plan, number 2 natural phenomena like excessive heavy rain. These are things which we again cannot control, number 3 as far as. Production of lignite is concerned. We produce and sell it directly. We do not stock, stocking leads to additional costs and diminishing the returns from the offset. While I have said all these three things, I would also like to say we are going to embark on a process of digitizing. Our minds to ensure greater efficiency of mining operations and which would result in a national saving of resources where we seek, through digitization, of operations and use of Internet devices, IOT devices, we would seek to control our variable costs,



which would be significant. So in the coming year, you should see action on that and we'll be sharing details of that.

Moderator: Thank you. We have a next question from the line of Govindlal Gilada, an individual investor. Please go ahead.

Govindlal Gilada: I've got two suggestions and two data point questions, so one thing is this Tadkeshwar and this landslide all that I request you to give timely announcement to exchange, so we should not know from other sources. This information was circulated in WhatsApp group. I don't know where the funding got this information. Second, the suggestion is this. Sir, press release. We should have some uniformity in giving the data points of production all that. So this time you have given nine months production, sometimes you give quarterly production data also this time we have not given so we can keep track. Now coming to. My data point question, Sir. Tadkeshwar I want to know, Sir. December launch. Right. So how much production we have last in December? Otherwise, what is the regular possibly capacity of purchase? That is one thing then last question is on this 8.5 million we are guiding service so nine months we have done 5.73. So in one quarter 2.77 million, is it possible, Sir? Because Tadkeshwar you told that the whole this quarter will not be available. It will take one and half to two quarters. So Tadkeshwar, we're totally going out. There. So how this match time is 2.77 million ten doing in. This three month last question is on realization set. Again, the last question, this coal imported prices have gone down something like. 25%-30% and how, with just minor correction in separately we are holding prices that's also from my side. Thank you very much.

Roopwant Singh: Thank you suggestions are noted as far as the volume is concerned, we are chasing 8.5. Hopefully we should get there. So these are ambitions, yes, corrections upward and downward. When we spoke of dynamic prices, when the price is soften we will make tactical changes. The idea is to offload and ensure continuous flow of resource and continuity of operations. As far as Tadkeshwar is concerned, I would request Mr. Swagat Ray to share what they were producing.

Swagat Ray: In Tadkeshwar because of this land sliding unfortunately in the month of December and prior to that in the last quarter also it occurred previously. So for the two consecutive sliding production has gone down by around 35%. That would have been better if we would be able to continue the production in Tadkeshwar. And our overall and target could have been achieved.

Govindlal Gilada: So this data point of nine months 5.73 production figure we have given first quarter was 2.33 third quarter you told 1.93 is it right?

Swagat Ray: Yes.

Govindlal Gilada: So second quarter, it means 1.47 second numbers.



Swagat Ray:

Yes.

Moderator:

Thank you. We have our next question from the line of Somnath Paul, an individual investor. Please go ahead.

Somnath Paul:

So a couple of questions. One, that given the great team that you have with you who are driving the company to next growth, so I see key management personnel as a major risk given the growth trajectory you're planning. So do you echo with his thoughts, and I mean, has there been some thought on? How shall it proceed? And secondly, Sir, I wanted to know versus the lignite the industry whom we serve vis a vis the propane and the natural gas consumers in the sense of there's a trust for green energy usage and a lot of them are converting to propane based. So in terms of cost per Calorific value or availability so some broader light on that and do we see that as a threat in terms of compressing?

Roopwant Singh:

For the key management personnel. I can say this with a lot of pride that the second rung of leadership just below the general manager level is very good. And as we open new projects, we have very good people who can be moved into leadership positions. So it is a sense of pride. For me, as managing director and for the top management, that very good people have been groomed in the second rung and when the company expands, they will take over more tricky responsibilities. As far as the propane is concerned, at the moment that is not an issue we factor in while making our marketing and sales decisions, but thank you for the suggestion we will take note of it and we will be mindful of it.

Somnath Paul:

So could you throw some light on the general industries we serve compared to some clusters which suppose Morbi another clusters which use propane and natural gas based input fuels and in some broader sense of kind of industries consumption was these?

Rajat Dash:

Basically, we used to sort three to four clusters. One is Surat and they are basically having textile industries. And they account for around 41% of our total sales volume, apart from that there is a major cluster at Morbi and they used to produce. They're having ceramic industries. And another cluster is close to Ahmedabad and it is a mixed kind of industry and predominantly textile and some other industries are also they are close to Ahmedabad cluster, so in terms of the use of solid fuels or fuels in these kind of clusters and in particular kind of industries. So as far as our knowledge is concerned, in the extent that they use lignite and imported coal mix to cater their fuel rates and at Ahmedabad, the trend is the same, but at Morbi actually there are two processes because they used to have two kind of process to produce this ceramic tiles or ceramic products. So in the initial process they used lignite as well as imported coal as a mix. And in the downstream process they



use gas. So this is the kind of fuel that have been used in different clusters and different type of industries.

Somnath Paul: OK. So the risk I thought of making your team aware was that there could be a regulatory notice and probably the demand might get affected in terms of shifting some part of consumption to cleaner fuels.

Rajat Dash: Because of those regulatory restrictions gases in the downstream processes in ceramic clusters.

Moderator: Thank you. We have our next question from the line of Alpesh Sheth from Mphasis. Please go ahead.

Alpesh Sheth: So my questions are a little bit related to the earlier participants. So we are taking many new and bold steps towards the growth of the company, which are totally understood. And like they are positive, but everything is skewed towards fossil fuels generation, correct now situation is very dynamic and agile. Nobody knows what's in the future. So any due diligence, are we parallelly doing if there are ban on some fossil fuels or there are some regulatory like moving towards Greece? The second thing was on, I think we have some partnership with I create. That is more towards like a good solutions or some EV related solutions or moving towards green. So just wanted to know something more about it because I saw like we are a partner to that.

Roopwant Singh: Yes, we are extremely concerned and mindful of the fact that we are a leader in fossil fuel production and at the same time, we are mindful of the finite life of this fuel and that is the reason why you would have seen we have engaged the best advice. To take us forward on developing our efforts which are beyond Ignite. But at the same time. While we are developing these assets and it could take some time. We would be capitalizing on the assets that lie with us and ensure that they give full gain to the company and fuel our needs of capital, which would be needed to take us towards the next stage in the growth of the company. That is beyond fossil fuel. As far as I create is concerned, it's an autonomous body. Our relationship is broadly limited to our contribution in setting it up, it is run by an autonomous board. I think we're not the right people to comment there, but since I'm personally on the board. I see very good work being done there.

Alpesh Sheth: OK. So on continuation of the same thing means can we also derive some value from them in the future for the EV side or some towards green?

Roopwant Singh: At the same time, we have our own institute which goes by the name of ISAM Institution for Center for Excellence in mining. We want to develop it so that it is. Besides the training institute, it emerges as solution provider to many of our needs. Hopefully in the coming 2-3 quarters we should see



movement there. At the moment we're looking for a good CEO. If you have a good CV, please ask him to contact us. We'll definitely look at it.

Alpesh Sheth: The only worry for that fossil fuel was something happened somewhere in 2018-19 in Morbi. And we had suffered a huge production somewhere in the past.

Roopwant Singh: Yes, we are mindful we will not go mindlessly expanding. We will produce only that much what we can sell. We will expand our capacity but produce only what is required.

Moderator: Thank you. As there are no more questions, I now hand over the call to management for closing comments. Over to you Sir.

Roopwant Singh: I would like to thank all the participants for their insightful questions, and as always, it is a pleasure to know that there are people who know us so much better than us, and I mean in a way of complement, which helps us towards newer levels of awareness in improving and forming the company, yes. This year till now has been very good and. Point to be noted is we have our PBT figures have crossed the best ever results for an entire year in the history of the company, so this is a moment of great pride for the team working at the corporate office and each project which are currently running and towards those projects which are going to be set up and finally those projects which were left for the dead they are going to also be revived. So compliments to all of them and thanks to all of you.

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