

“GMDC Targets Revenue Lift and Margin Revival”



GMDC
Gujarat Mineral
Development
Corporation Ltd.
(A Government of Gujarat Enterprise)



Roopwant Singh (IAS)
Managing Director, GMDC Ltd.

GMDC has reported mid-double-digit sales growth and low-double-digit profit growth in FY25. In this interview, **Roopwant Singh (IAS), Managing Director of GMDC Ltd.**, shares how the company expects revenue growth to accelerate in FY26, driven by increased lignite production and the launch of coal mining operations at Baitarni West in Odisha.

Company Information

Gujarat Mineral Development Corporation Ltd (GMDC) is a leading state-owned enterprise engaged in the exploration and development of mineral resources in Gujarat. Established in 1963, GMDC operates in lignite, bauxite, fluorspar, and

base metals, with a growing focus on value-added projects. It plays a vital role in supplying lignite to various industrial sectors. With strategic assets like the Bhavnagar lignite mine and Baitarni West coal block, GMDC is aligning its operations with India's self-reliance goals. The company is also investing in sustainable practices and infrastructure modernization to drive long-term growth.

GMDC has reported mid-double-digit sales growth and low-double-digit profit growth in FY25. How does the company view its growth trajectory in FY26, both in terms of revenue and profitability?

FY25 was a year of steady growth and operational realignment. Sales momentum was driven by strong market demand, while profit expansion was moderated by input costs and planned asset transitions for long-term goals.

In FY26, we expect revenue growth to accelerate, supported by higher lignite production from the Bhavnagar mine and the commencement of coal mining at Baitarni West in Odisha. Together, these are expected to increase total income significantly on a year-on-year basis. Profitability is also projected to improve as scale efficiencies kick in and asset utilization increases. Our approach remains balanced, focused on building long-term earnings while ensuring operational discipline.

While FY25 marked the second-highest revenue from operations in GMDC's history, EBITDA margins were compressed by 300 bps YoY. What factors contributed to this decline? Is there scope for margin recovery in FY26 and beyond?

Margin pressures were largely due to higher imported coal prices, the temporary shutdown of the Rajpari mine, and the revamp of ATPS. Additionally, pre-operational costs at key sites impacted short-term margins.

In FY26, we anticipate margin stabilization with increased production from Bhavnagar and Mata-no-Madh, and cost optimization as Baitarni West ramps up. The planned restart of ATPS will further add to our margins. While global market volatility remains a factor, GMDC is structurally better placed for gradual margin recovery.

In February 2024, the Board approved a capital outlay of ₹3,041 crore for FY25. How much of this has been deployed so far, and when will we see its impact on the P&L?

As of now, around ₹707 crore has been deployed, with a focus on land acquisition at Bhavnagar and Baitarni, and overhauling works at ATPS. These investments will begin contributing to the topline from Q3–Q4 FY26, especially as Bhavnagar lignite output increases and Baitarni West coal operations commence.

The full financial impact, including improved cost efficiency and production volume, will be more visible in FY27. Each investment has been milestone-linked to ensure timely execution and capital productivity.

Could you elaborate on the long-term supply agreement signed with JK Cement Ltd.? What are the key commercial terms, and how will this partnership contribute to GMDC's topline or offtake visibility?

The 40-year supply agreement with JK Cement Ltd. covers the delivery of 250 million tonnes of limestone from our Lakhpat

Punrajpur Mine. This partnership ensures consistent offtake while enabling JK Cement to develop a greenfield plant in Kutch. The agreement features indexed pricing for revenue stability and long-term volume assurance. It also unlocks regional economic benefits—employment, port-led logistics, and increased royalty and tax contributions. Strategically, this marks GMDC's shift towards structured industrial linkages that improve topline predictability.

GMDC has earmarked ₹462 crore towards the expansion and modernization of its metal projects. Could you elaborate on the strategic rationale behind this investment and the long-term vision for this segment?

This investment supports the Ambaji Copper Project, a high-grade deposit of copper, zinc, and lead in Gujarat. With copper demand rising globally—especially in EVs, renewables, and electronics—this project is critical to GMDC's diversification plan.

The project is designed for both extraction and beneficiation, moving GMDC into value-added mineral processing. It also aligns with India's self-reliance goals, as we currently import over 90 per cent of our copper. Over time, this will position GMDC as a multi-mineral enterprise contributing to both economic growth and strategic resource security. ■

