



NO. GMDC/CS/NSE-BSE/2020

Dt. 11.8.2020

To, The National Stock Exchange Limited Investor Services Cell Exchange Plaza, Plot No. C/1, G-Block, Bandra Kurla Complex, Bandra (E), Mumbai 400051	To, Bombay Stock Exchange Ltd. 25th Floor, P.J. Towers Dalal Street Fort, Mumbai-400 001
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Dear Sir,

Subject : Disclosure of Covid 19 impact on business

Ref : SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20.5.2020

With reference to the subject mentioned above, we are submitting herewith the disclosure of Covid 19 impact on business of GMDC. This is being submitted as per Regulation 30 of SEBI (LODR) Regulations, 2015.

Thanking you,

Yours faithfully,

For Gujarat Mineral Development Corporation Limited,

(Joel Evans)

Company Secretary

Encl : As above

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Gujarat Mineral Development Corporation Limited

(A Government of Gujarat Enterprise)

CIN : L14100GJ1963SGC001206

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2.50 Covid-19 impact on business

Due to outbreak of COVID-19 globally and in India, the company has made initial assessment of likely adverse impact on its business in general and financial risks on account of COVID-19 in particular and believes that the impact is likely to be short term in nature. The company is in the business of mining of Lignite, Bauxite and other minerals as well as generation of electricity by wind, solar and also lignite based thermal power projects, which are essential services as emphasized by the Government.

In the case of generation of electricity the availability of power plant to generate electricity as per the demand of the customers is important. Therefore, GMDC has ensured not only the availability of its power plant to generate power but has also continued to supply power during the period of lockdown, considering essential service as declared by the Government. The company has entered into power purchase agreements with Gujarat Urja Vikas Nigam Ltd. for sale of electricity generated by it. Therefore, reduction in the demand of power in the short term will have no effect on the sale of Power by the company.

In respect of Mining, lignite mining continues to be the main operation of the company which has its maximum share in its total turnover. GMDC currently operates in 5 operational lignite mines located in Kutch, South Gujarat and Bhavnagar region. Company is a critical supplier of lignite in the industrial units operating in Gujarat. Lignite is supplied not only to its own power plants for captive consumption but also to other power plants and other industries. Company is supplying lignite to its customers only against advance receipt for sale of lignite except in the case of state government PSUs. Therefore, company does not have any credit risk for the same. Company expects that considering the steps taken by the Central and the State Government for the revival of economy, the impact on the demand of lignite due to lock-down may be for short duration only. The management does not expect any medium to long term risks at this stage in company's ability to continue as a going concern and meeting its liabilities as and when they fall due.

