



ALWAYS STRIVING FOR ALL-ROUND GROWTH

## 48<sup>th</sup> Annual General Meeting

Thursday, 23<sup>rd</sup> September, 2021

**Gujarat Alkalies and Chemicals Limited**

(An ISO Certified Company)

(Promoted by Govt. of Gujarat)

CIN : L24110GJ1973PLC002247

### CORPORATE PARTICIPANTS:

**Shri Pankaj Kumar, IAS**  
*Chairman of the Company*

**Shri Milind Torawane, IAS**  
*Managing Director*

**Shri Pankaj Joshi, IAS**  
*Director*

**Shri Tapan Ray, IAS (Retd.)**  
*Independent Director*

**Smt. Vasuben Trivedi**  
*Independent Director*

**Shri Rajiv Lochan Jain**  
*Independent Director*

**Shri S. B. Dangayach**  
*Independent Director*

**Shri Sanjay Bhatt**  
*Company Secretary & Chief General Manager (Legal & CC)*

**M/s. K C Mehta & Co.**  
*Chartered Accountants, Auditors*

**Shri Niraj Trivedi,**  
*Practicing Company Secretary, Scrutinizer*

**M/s. Samdani Shah & Kabra**  
*Practicing Company Secretary, Secretarial Auditors*

**Other key executives and senior management team, Promoters and Shareholders.**

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**Welcome Address:**

**Shri Milind Torawane, IAS Managing Director**

*Sir, with your permission.*

*Good morning to all of you. On behalf of GACL, I am MD Milind Torawane, I warmly welcome all the members to this 48<sup>th</sup> Annual General Meeting of Gujarat Alkalies and Chemicals Limited on behalf of the Company.*

*At present 35 members have joined the AGM through video conference facility. Thus, there is sufficient quorum for the 48<sup>th</sup> Annual General Meeting.*

*I also welcome GACL Chairman Shri Pankaj Kumar Sir, I welcome other members of the Board, Shri Tapan Ray sir, Madam Vasuben, Shri Pankaj Joshi sir who is joining through Video Conference facility, Shri Rajiv Jainji and Shri Dangayach saheb. I welcome all the members and I request the Chairman GACL Shri Pankaj Kumar who is also Chief Secretary of Gujarat to kindly start the proceeding of the AGM. Sir.*

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**Shri Pankaj Kumar, IAS, Chairman of the Company**

*Namaskar. I welcome you all to this 48<sup>th</sup> Annual General Meeting. Looking to the Covid-19 pandemic situation in the country, this 48<sup>th</sup> Annual General Meeting of the Company is being held through video conference in accordance with the provisions of the Companies Act, 2013 and provisions of SEBI Regulations. I have joined this Meeting from Gandhinagar. I would like to introduce the Directors of our Company who have joined with me from Gandhinagar.*

*On my left-hand side,*

- (1) *Shri Tapan Ray, IAS (Retd.) is an Independent Director of our Company. He has served for thirty-five years as IAS. He is presently working as Managing Director and Group CEO of Gujarat International Finance Tec-City Company Limited, Gandhinagar.*
- (2) *Smt. Vasuben Trivedi is Independent Director of our Company. She was Member of Legislative Assembly of Gujarat. She was Minister of State Education, Women and Child Welfare (Independent Charge) Higher and Technical Education. Her contribution in the field of education is notable.*

*On my right-hand side,*

- (3) *Shri Milind Torawane, Managing Director of our Company. He is an IAS Officer of 2000 batch. He is Managing Director of Gujarat State Investment Limited. He has held various important positions in Government of Gujarat. Presently, he is Secretary (Economic Affairs, Finance Department), Government of Gujarat.*

*Now I would like to introduce the Directors who have joined this AGM through video conference facility: -*

- (4) *Shri Pankaj Joshi, IAS is Director of the Company. He is senior IAS Officer of 1989 batch. He is Additional Chief Secretary to Hon'ble Chief Minister. He is attending this AGM from Gandhinagar through video conference facility.*
- (5) *Shri Rajiv Lochan Jain has been serving as an Independent Director of our Company since 2016. He is Chairman and Member of the Company's Audit Committee, Stakeholders' Relationship-Cum-Investors' Grievance Committee, Nomination -Cum-Remuneration Committee and other Committees. He served as CEO and Managing Director of AkzoNobel India Limited. He is attending this AGM from Gurgaon, Delhi through video conference facility.*

(6) *Shri S. B. Dangayach is Independent Director of our Company. He was Managing Director of Sintex Industries Limited. He is Independent Director on the Boards of GMDC and GIPCL. He is attending this AGM from Ahmedabad through video conference facility.*

*Due to unavoidable circumstances, Shri M K Das, IAS, Director of the Company is not able to attend this meeting.*

*The Statutory Auditors of the Company M/s. K. C. Mehta & Co., Chartered Accountants, Secretarial Auditors M/s. Samdani Shah & Kabra, Practicing Company Secretary and Shri. Neeraj Trivedi, Practicing Company Secretary appointed for E-voting monitoring are present in this 48<sup>th</sup> Annual General Meeting through video conference facility from Vadodara.*

*We have the requisite quorum present through video conference for this AGM and therefore, I call this meeting to order. Notice of Annual General Meeting was already sent in advance to the Members through electronic mode whose email addresses are registered with Company / Depositories. Notices of AGM, E-voting Information and Book Closure were also published in newspapers on 17<sup>th</sup> August, 2021 and 26<sup>th</sup> August, 2021. As the Notice is already circulated, I shall take the Notice convening the meeting as read.*

*Now, I request Company Secretary to read the Auditors' Report.*

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**Shri Sanjay Bhatt, Company Secretary & CGM (Legal & CC)**

*I would like to inform that the Auditors' Reports on Financial Statements of the Company audited by M/s. K C Mehta & Co., Chartered Accountants as per the Indian Accounting Standard (IND AS) for the Financial Year 2020-21 dated May 18, 2021 are available on page numbers 97 to 103 and on page numbers 158 to 163 of the*

*48<sup>th</sup> Annual Report. The Secretarial Audit Report of the Secretarial Auditors is available on page numbers 39 and 40 of 48<sup>th</sup> Annual Report. The Auditors have not given any Qualification or Modified Opinion i.e. they have not given any adverse remark in their reports. Therefore, as per the provisions of the Secretarial Standards and provisions of the Companies Act, 2013, the said Auditors' Reports may be taken as read.*

*Now, I request the Chairman Sir to address the members for today's Annual General Meeting.*

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### **Chairman Speech:**

**Shri Pankaj Kumar, IAS, Chairman of the Company**

*Dear Shareholders,*

*I extend a warm welcome to all of you at the 48<sup>th</sup> Annual General Meeting of your Company. The Board's Report, the Standalone and the Consolidated Audited Financial Statements of the Company for the Financial Year 2020-21 are already with you and with your permission, I shall take them as read.*

*Worldwide COVID-19 pandemic led to global economic downturn, the most severe one since the Global Financial Crisis. The global economy contracted by 3.3% in year 2020. All the major economies except China slipped into recession due to Covid-19 lockdowns. India imposed a stringent nation-wide lockdown during the initial phase of the pandemic in March-April 2020, followed by gradual unlocking and phasing out of the containment measures.*

*With additional fiscal support in a few large economies, the anticipated vaccine-powered recovery and continued adaptation of economic activity to subdued mobility, International Monetary Fund is expecting global growth at approx. 6.0% in 2021.*

*Measures taken by the Government on the fronts of Foreign Direct Investment policy reforms, investment facilitation and ease of doing business have resulted in increased FDI inflows into the Country. India has attracted highest ever total FDI inflow of US\$ 81.72 billion during the Financial Year 2020-21 which is 10.0% higher as compared to the last Financial Year 2019-20 which was US\$ 74.39 billion. FDI equity inflow grew by 19.0% in the Financial Year 2020-21 i.e.US\$ 59.64 billion compared to the previous Financial Year 2019-20 which was US\$ 49.98 billion.*

*Covid-19 pandemic accelerated adoption of digital solutions in India. India has witnessed one of the highest adoptions of digital technologies by health and human services organizations. On innovation front, India entered the top-50 innovating countries for the first time in 2020 since the inception of the Global Innovation Index in 2007 and ranking first in Central and South Asia, and third amongst lower middle-income group economies.*

*The stimulus package announced by the Governments backed by the Reserve Bank of India's rate cut and liquidity measures provided critical support to the economy. RBI maintained the liquidity surplus through various monetary measures to ease the funding in the markets.*

*The impact during the second wave has been more pronounced on consumer sentiment and mobility rather than economic activity. The rebound in consumer spending would henceforth be more gradual than the first wave with vaccination being the key driver.*

*As per the data of Ministry of Health and Family Welfare, Government of India, the cumulative COVID-19 Vaccination Coverage in India has crossed 79 crores of landmark milestone by third week of September. Such continuous pace of vaccination*

*coverage in India shall certainly help the nation to heal and regain the momentum of economic recovery.*

*Over the years the Gujarat model of all round development, success, growth and inclusive progress has been appreciated all over the Country. Gujarat is recognized for its vibrancy and entrepreneurial spirit. Investors' confidence for investment in Gujarat has grown manifold. Everyone at national and international level has recognized this. The State has been providing adequate power and infrastructure for the industry and agriculture, which is the key to economic progress. Gujarat houses an impressive industrial belt including a hub of chemical and petrochemical industries that makes Gujarat a major contributor to the national economy. The significant contribution of Gujarat to Indian Economy has made India visible to a competitive market in spite of the downturn in World Economy. Inferring from the present scenario where our economy has begun to rebound, Gujarat assumes a pivotal role in the fast-changing business dynamics of India. Gujarat's Industrial Policy is geared for catalyzing robust, sustainable and inclusive growth. I am sure with all these efforts; Gujarat will guide others in achieving the "Atma Nirbhar Bharat" vision of our Hon'ble Prime Minister.*

*Almost 3.96 crores of eligible beneficiaries in Gujarat have been given the first dose of COVID-19 vaccine while people receiving both the doses stand at more than 1.63 crores by the third week of September, as per the data of Ministry of Health and Family Welfare, Government of India. Such swift coverage of vaccination in the State will play a pivotal role for safeguarding the people and will improve economic activities in the State.*

*Our Company was established in 1973 and over a period of time, it has emerged as one of the largest producers of Caustic Soda in India with presently installed production capacity of 4,12,500 Metric Ton*

*Per Annum of Caustic Soda as on 31<sup>st</sup> March, 2021 and enjoys economies of scale. The Company has about 11% share in the domestic Caustic Soda market.*

*Since its inception, the Company has from time to time, expanded its operations in Chlor-Alkali Sector and also diversified into several high end products, through forward integration. GACL was the first Indian Company to replace the Mercury Cell Technology with environment friendly and energy efficient Membrane Technology way back in the year 1989. The Company's products basket comprises of more than 36 products. The Company's products are used by various diverse industries in India and abroad.*

*GACL has always ensured upgrading and adapting to eco-friendly and green technologies while ensuring optimum capacity utilization during the Financial Year 2020-21 at its Vadodara and Dahej Complexes. The Company has achieved capacity utilization of more than 100% in some of the products viz. Caustic Soda Lye, Chloromethanes, Caustic Potash Flakes and Hydrogen Peroxide.*

*Production of Caustic Soda by electrolysis process is highly power intensive and the Company devised a sustainable strategy to meet its growing energy demands. Besides 90 MW Gas based Captive Co-generation Power Plant and participation in a 145 MW Joint Captive Gas based Power Plant at GIPCL, your Company has taken major initiative for green energy by setting up Wind Farms for a total installed capacity of 171.45 MW as on 31<sup>st</sup> March, 2021. Your Company has also installed 35 MW of Solar Power Plant. With this, the aggregate renewable energy capacity is 206.45 MW. Your Company has also installed floating solar installation having capacity of 732 KW at Dahej Complex for captive consumption and Renewable Purchase Obligation requirement, which also conserves water by minimizing the losses through evaporation.*

*Despite the interruption in the Operations and the Supply Chain during the year, your Company has achieved External Sales Turnover of Rs. 2,344 Crores, Profit Before Tax of Rs. 236 Crores and Profit After Tax of Rs. 167 Crores. Your Company has been consistently striving towards cost reduction. Your Company has been able to maintain production levels and sell its quality products at very competitive rates.*

*In the F.Y. 2020-21, the Earning Per Share was Rs. 22.72 for the year as against Rs. 45.32 per share in the previous year. The Book value of share increased to Rs. 557 per share as on 31<sup>st</sup> March, 2021 as against Rs. 541 per share at the end of previous year, registering a growth of Rs. 16 per share.*

*During the First Quarter of current Financial Year, your Company has achieved External Sales Turnover of Rs. 702 Crores. Your Company has achieved Profit Before Tax of Rs. 93 Crores and Profit After Tax of Rs. 64 Crores.*

*Now, the Board of Directors of the Company is glad to recommend a Dividend of Rs. 8.00 per share i.e. 80% on Equity Shares for the Financial Year ended 31<sup>st</sup> March, 2021.*

*Your Company's product profile includes a wide range of products. The Caustic Soda group remained a major revenue earner. Therefore, Caustic Soda and Chlorine market scenario have a wide impact on the Company's performance.*

*Your Company takes various innovative measures to reduce the cost of procurement and to improve the profitability.*

*The Company has taken following measures during the Financial Year:*

1. *Despite all the challenges in Supply Chain in local & international market due to COVID-19 pandemic your Company has efficiently managed all required Raw Materials, Chemicals, Equipment & Spares etc. and ensured that all plants are operated at full capacity. Certain raw materials which are useful for manufacturing of disinfectant & sanitizing agents are supplied by small scale industry. With the support of local authority, during the challenging period, your Company could get its plants restarted to ensure the availability of required raw materials.*

2. *Your Company has started availing services of Indian Railway for transportation of Salt from Maliya area to Dahej & Baroda Complexes which was usually done by road transportation. This has improved the logistics and bulk transportation has been done in a short duration. It would help in reducing the Carbon emissions while supporting the Company's Philosophy viz. "Promoting Green Technology."*

3. *Your Company has continued to follow Reverse Auction process for procurement of materials. Reverse Auction encourages healthy competition, transparency in the procurement and ensures the best price.*

4. *Your Company has procured raw material, Aluminium Ingots under Advance License scheme with zero custom duty, thereby reducing the cost of procurement. To fulfil export obligations under this scheme, your Company has exported finished products and earned foreign currency also.*

5. *Your Company always explores innovative measures in procurement to reduce the cost, to improve quality & to ensure timely availability of materials. Your Company has undertaken Vendor*

*Managed Inventory and long term contracts for certain raw materials & consumables.*

*6. Your Company is a responsible and caring business house and emphasizes sustainable sourcing. As a result of sustainable sourcing improved quality Salt was used for manufacturing of Caustic Soda. Improved quality Salt has the benefit of low sludge generation in the process and leads to reduction in chemical consumption. This has a direct impact on reducing the cost of manufacturing and increasing the life of the Membrane which is a critical part in the process of Caustic Soda manufacturing. With this initiative of your Company, majority of the salt manufacturers in the surrounding areas have installed salt washeries which have benefitted both.*

*7. Your Company has reviewed certain long term service contracts and outsourced the services in Materials Management Department, substantially reducing the cost.*

### **EXPANSION AND NEW PROJECTS**

*As a part of its ambitious growth plan, the Company has taken up various projects, which include adding a new product in the product portfolio as well as expanding the current product lines by putting up additional capacities through new plants.*

*Two of the major projects, viz. Hydrazine Hydrate & Chloromethanes, being put up at two different locations at Dahej, are expected to be operational by the third quarter of 2021-22. Hydrazine hydrate is a new, import substitute product, whereas in case of Chloromethanes, it is a capacity addition to the similar products being manufactured at Vadodara. The other two major Projects viz. Purified Phosphoric Acid and Caustic Soda Expansion are expected to be operative during the first quarter of 2022-23.*

*COVID-19 pandemic continued posing huge challenges in the implementation of ongoing projects. The Company took several proactive steps for overcoming the hurdles and, thereby, minimizing the adverse impact. The completion schedules of the projects, however, have been delayed by about 3-4 months. All efforts are being made to minimize the delays.*

*Your Company looks forward to significant progress towards its goal of achieving a quantum leap in its revenues and earnings with the commissioning of its new projects during the period starting from the third quarter of the current financial year to the first quarter of the next financial year.*

*Your Company has further reinforced its commitment towards promoting green technology, your Company has installed 35 MW of Solar Power Plant and 171.45 MW of Wind Power Plants, with an aggregate renewable energy capacity of 206.45 MW. Your Company has also installed floating solar installation having capacity of 732 KW at Dahej Complex for captive consumption. The captive use of the power from these installations has been providing benefits in terms of incurring lower power cost to the Company for its power intensive operations in addition to helping the Company in meeting its Renewable Purchase Obligation requirement.*

*The project for establishment of 800 TPD Caustic Soda Plant integrated with 130 MW Coal based Power Plant at Dahej, as a Joint Venture with NALCO, is also well underway at the new Complex, D-II/9. The plant is expected to be operational during the third quarter of 2021-22.*

*During the year under review, a Patent on Vanillin Process for which an application was filed earlier, was granted by Indian Patent office. We have also developed a product viz. crystalline Calcium Nitrate*

*Tetrahydrate from liquid waste generated from Phosphoric Acid Plant, and have filed the Patent on the same. The R&D Department of the Company is working on waste utilization projects like, regeneration of Spent Alumina Catalyst generated from Hydrogen Peroxide Plant, Spent Alumina generated from Phosphoric Acid Plant to get dual benefits in terms of environment protection as well as cost reduction. The R&D Department of the Company is also working on the development of indigenous raw materials to replace imported materials in order to have better control on the business processes.*

*All our projects are implemented in the communities we operate in, with stringent Due Diligence, displaying a sense of responsibility and offering support to a diverse segment of the community, which we believe brings positive impact in their lives.*

*HR focuses on developing new skillsets like critical thinking and problem solving, taking new initiatives, resilience, soft skills and analytical skills. During the Financial Year 2020-21, all the training programs were conducted online. Renowned medical experts were invited to educate the employees and spread awareness on the precautions to be taken during the COVID-19 Pandemic. The Company achieved remarkable record of 12,125 training hours during the year under review.*

*I would like to take this opportunity to welcome Shri Tapan Ray, IAS (Retd.) as Director and Shri Milind Torawane, IAS as Managing Director of the Company. On behalf of the Board of Directors, I would like to thank Shri Anil Mukim, IAS (Retd.), Chairman and Shri P K Gera, IAS (Retd.), Managing Director of the Company, whose rich experience benefited the Company in its development and growth.*

*With a sad note, I express deepest condolences on the untimely sad demise of Shri Rohitbhai J Patel, Independent Director of the*

*Company on 10<sup>th</sup> November, 2020. The Board placed on record a deep appreciation for the valuable services rendered by Shri Rohitbhai Patel during his tenure and conveyed deep sympathy, sorrow and condolences to his family members.*

*I express my sincere gratitude to my colleagues on the Board for their valuable guidance and contribution in the management of the Company.*

*I also thank all the Shareholders of the Company for the confidence reposed in us. I would like to acknowledge the valuable contribution of the employees of the Company through their dedication and commitment.*

*On behalf of the Board of Directors and on my personal behalf, I extend sincere thanks to the Central Government and the Government of Gujarat, in particular the Department of Energy & Petrochemicals, Promoters, Bankers, Auditors, Customers, Agents, Dealers, Suppliers and other Stakeholders who have continued to extend their precious support and co-operation to the Company at all times.*

**JAI HIND**

*Now, I will request the Company Secretary to inform the Members about the Resolutions of the Annual General Meeting process and process of E-voting.*

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**Shri Sanjay Bhatt, Company Secretary & CGM (Legal & CC)**

*Thank you, Sir. The Company had provided the facility of remote E-voting from 20<sup>th</sup> September, 2021 to 22<sup>nd</sup> September, 2021. The Members who have not cast their votes through remote E-voting and who are participating in this meeting are eligible to cast their votes during this AGM through the E-voting system provided by CDSL. All*

*the members who have joined this AGM through video conference may take note that the E-voting process will continue for 20 minutes after the completion of the meeting. All members present are requested to complete E-voting within stipulated time.*

*Now, I would like to give the details of Resolutions, which are put-up for your kind approval.*

**RESOLUTION NO: 1**

*“Is an ORDINARY RESOLUTION to consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2021 together with the Reports of the Board of Directors and Auditors thereon and to consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2021 and the Report of Auditors thereon.”*

**RESOLUTION NO: 2**

*“Is an ORDINARY RESOLUTION to declare a dividend at the rate of Rs. 8.00 per Equity Share of Rs. 10/- each fully paid-up Equity Share i.e. @80% for the Financial Year 31<sup>st</sup> March, 2021.*

**RESOLUTION NO: 3**

*“Is an ORDINARY RESOLUTION to re-appoint Shri Pankaj Joshi, Sir as Director who retires by rotation and eligible for re-appointment.”*

**RESOLUTION NO: 4**

*“Is an ORDINARY RESOLUTION to appoint Shri Tapan Ray, Sir as Independent Director w.e.f. 30<sup>th</sup> December, 2020 for a term of five consecutive years not liable to retire by rotation.”*

## **RESOLUTION NO: 5**

*“Is an ORDINARY RESOLUTION to appoint Shri Milind Torawane, sir as Managing Director of the Company w.e.f 1<sup>st</sup> December, 2020 and approve the remuneration payable to him.”*

## **RESOLUTION NO: 6**

*“Is an ORDINARY RESOLUTION to approve the remuneration payable to M/s. R K Patel & Co., Cost Accountants, as Cost Auditors of the Company for the Financial Year 2021-2022 at a total fee of Rs. 4,95,000/- plus applicable GST.”*

*Now, I request the Hon’ble Chairman Sir to kindly takeover further proceedings of this Annual General Meeting.*

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### **Questions:**

**Shri Pankaj Kumar, IAS, Chairman of the Company.**

*The Members who have registered themselves as speakers can now ask questions regarding operations of the Company. The Members who have not registered themselves as speakers and have any question, they may submit the same to the Company Secretary. We shall send suitable replies to the questions in due course. I would like to request the members that questions relating to financial statements & operations of the Company or proposed resolutions may be asked. Please don’t repeat question which has already been asked by other member. After getting questions from the members, we will answer the questions.*

*Now, members may ask the questions.*

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**Shri Sanjay Bhatt, Company Secretary & CGM (Legal & CC)**

*Moderator kindly unmute Shri Deveshbhai A. Pathak, who has joined us from Vadodara.*

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**Shri Deveshbhai Pathak**

*Good morning, Sir.*

*First of all, I would like to greet Mr. Pankaj Kumar as a newly appointed chairman of the company and also as a Chief Secretary of Gujarat. I would also like to congratulate the Management in this turbulent conditions to maintain the rate of the dividend. I would also like to thank management because I mean Company has been fully compliant and has discharged its CSR obligation in letters and sprits. I am sure that company would defiantly come out from this situation especially because now, it is expected that the third wave would not be there. The Company has history of bouncing back like a kingfisher bird and not like any other.*

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**Shri Sanjay Bhatt, Company Secretary & CGM (Legal & CC)**

*Thank you, Deveshbhai. Moderator kindly unmute Shri Jagdishbhai Thakkar who has join from Vadodara.*

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**Shri Jagdisbhai Thakkar**

*Hello, Hello.*

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**Shri Sanjay Bhatt, Company Secretary & CGM**

*Yes Sir. Yes Sir. You are audible sir.*

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**Shri Jagdisbhai Thakkar**

*Ok. Thank you very much, sir. At the outset I would like to congratulate the Chairman Sir and the entire Board of Directors for the fantastic results they have presented and the very good dividend they have given for the year 2020-2021. Sir, I would also like to take*

*this opportunity to congratulate you for reported consolidated quarterly numbers for the Gujarat Alkalies and Chemicals for the first quarter 2021-22 which is really very stupendous. The sales have gone up by 52%, the net profit has gone up almost by 98% and the EBITDA also has gone up by 55% and the EPS gone from 8.62 from 4.32 to 8.60. Sir, I would also like to say very good thing because just now one minute before the speech started sir, the price of the Gujarat Alkalies shares touched 571.70, which is the highest in the last 12 months and I am sure that it is going to be a stupendous year for 21-22. Sir, you have already narrated quite a few things which are in progress for particular the Company for this previous year and the projects which are likely to be completed or some of them are little bit delayed.*

*Sir, I have got three questions to you:*

- 1. How many projects as you just now have narrated are under the implementation currently? Please also give their status and when they are intended to be completed?*
- 2. Please let us know the projects commissioned during the current financial year that is, 21-22 and the next financial year 22-23?*
- 3. Sir, I would also like to know when these all projects of this particular financial year and next one are commissioned. what would be the likely revenue of the company upon the completion of all these projects and the likely impact about the shape of the Gujarat Alkalies? Just now you have said that you have been having highest production in the major share in the Caustic Soda. Sir, I would like to know that what are going to be future of next 3 years down after the all these projects fully implemented.*

*Thank you very much, sir for giving me this opportunity.*

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## **Shri Sanjay Bhatt, Company Secretary & CGM**

*Moderator, kindly unmute Shri Saket Kapoor from Kolkata.*

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### **Shri Saket Kapoor, Kolkata**

*Namaskar Sir. Dhanyavad Sir, aap ne mujhe ye moka diya. Sarva pratham mai pure team ko congratulate karta hu, headed by our newly elected chairman also that the Company has perform exceedingly well in this testing time and operationally we have maintained the plant utilisation level at closure to 100% as been articulated by you Hon'ble Chairman Shahab in your opening remark. I truly thank the secretarial team headed by Sanjay Sir ji and Kamleshbhai for addressing to shareholders' request and queries in orderly manner and Sir, I have three questions which I would like to ask.*

*Firstly sir, about this raw material, power and fuel, salt and electricity are the major component. So, what steps are being taken for increasing the captive production of the same and Sir, do the Company expect to its power cost to move up significantly from the level of say closure to 6 rupees it was for FY 2021? Sir, what is the expected debt level post the expansion for the year ended 31<sup>st</sup> March, 2022 and 2023? and what is the expected outgo on account of finance cost for these years? and as been articulated by the proper earlier speaker also and I resonate to the point the company has posted stupendous good set of numbers and with the buoyancy in the caustic soda prices internationally the outlook does looks brighter going forward. So, if some insight on the outlook on the realisation of our major products, being articulated and explained to us would be really helpful and I thank the Board for the 80% dividend pay-out, 8 rupees Per share and maintaining the dividend even in at this tough time is really a commendable job and we investors whole heartedly support the management and look forward for wealth creation as the*

*projects are accomplished and they give the desired result. We hope for good of the Company and its employees and with these remarks, I would like to conclude. I hope, wish to God that this Pandemic gets over and we get to meet physically also.*

*Namaskar to the entire team.*

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**Shri Sanjay Bhatt, Company Secretary & CGM**

*Thank you Saketji. Moderator, kindly unmute Shri Jindal Doshiji who is from Vadodara.*

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**Jindalbhai Doshi**

*Hello. Good morning, everyone. First of all, I would like to congratulate and appreciate the Board of Directors for achieving the exceptional results in spite of having the supply chain disruptions across the globe and pandemic conditions. So, I have couple of questions for the Board. My first question is, what is the overall scenario of Caustic Soda flakes and the Chlorine market in India? The second is, what is scenario of chlorine derivatives? and also, I mean if is there any threat of importers in Indian Chlor-Alkali market? and if it is which is the mitigation actions are taken by the Indian Chlor-Alkali Industry?*

*Thank you very much. Thanks for giving me an opportunity.*

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**Shri Sanjay Bhatt, Company Secretary & CGM**

*Thank you. Moderator, kindly unmute Kaushik Shahukarji, who is from Mumbai.*

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**Kaushik Shahukar**

*Hello.*

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**Shri Sanjay Bhatt, Company Secretary & CGM**

*Yes sir.*

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**Kaushik Shahukar**

*Am I audible?*

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**Shri Sanjay Bhatt, Company Secretary & CGM**

*Yes sir. Yes, sir you are audible.*

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**Kaushik Shahukar**

*At the outset let me introduce myself as Kaushik Shahukar from Mumbai. Good morning to all. I hope I am properly audible.*

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**Shri Sanjay Bhatt, Company Secretary & CGM**

*Yes, you are audible.*

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**Kaushik Shahukar**

*Ya. Sir, it gives immense joy to see our beloved Chairman and all our directors in good health. It reminds me of the saying that our grandparents told us "Health is a wealth and money is immaterial." The saying holds good when we see all of our directors in fine, feet and fine condition. I also feel envy of all the directors and prey to all mighty that if I can get even 1% of your health that will real wealth for me. Anyways, professionally I am a Chartered Accountant. Medically I suffered from dystonia. In simple terms 55% of my body is paralyzed and this has impacted my right hand, my right leg and speech. I have not however treated this as a hindrance. As, I have mentioned before despite my medical condition, I have successfully completed my Chartered Accountancy course. As I strongly believe that I am self-reliant and self-dependent. I admire virtues of Gujarat Alkalies that set as principal of making people self-reliant through your ongoing*

*and continuous philanthropic work. You have made and a making positive change in society. Sir, you appreciate that in spite of my medical concur condition, I still preferred to work to support me and my family. Sir, if a company can show some generosity and shower some blessing to me it could change my life too. I believe supporting specially abled person is the CSR activities in our Company eyes and our company will be doing such selfless act. Due to aforesaid, I had previously approached our company to work in certification area. Unfortunately, that has not progressed. I would therefore like to use this forum to reach out to you and explore avenues where we could work together. I am confident that you would find my personal recommendation to add value to our esteemed organization. I am empathies my condition and will support me with certification work. I would like to thank Board of Directors for giving me an opportunity to speak and also patiently hearing me. Before I end my speech, I would like to special thanks to entire secretarial team including Mr. Kamlesh Mundra. It was only their efforts which have made event possible for me. Please accept big thanks and it is from bottom of my heart. I also hopeful that Company will empathies with my condition and will support me. Can I expect positive response from the Company? At end I support all the resolutions and have voted all in favour. I have been always will be proud shareholder for the Company. I am sure I am properly audible. Thank you. Thank you so much.*

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**Shri Sanjay Bhatt, Company Secretary & CGM**

*Thank you Shahukarji. Moderator, kindly unmute Shri Santosh Chopra from Ghaziabad.*

*(After few moments)*

*I think he has not joined.*

Moderator, kindly unmute Shri Yusuf Yunus Rangwalaji from Mumbai.

(After few moments)

I think he has also not joined sir.

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**Shri Milind Torawane, IAS Managing Director**

Thank you all of you. All the shareholders for putting in confidence on GACL and on behalf of team GACL let me express my gratitude and thanks to Hon'ble Chairman Sir Shri Pankaj Kumar Sir and the members of the Board. We are also thankful to the previous Chairman Shri Anil Mukim Sir.

I will take the questions one by one. The first one is by Shri Jagdishbhai.

The question which was asked was How many projects are under implementation currently? and to give the status.

There are five major projects currently under implementation that includes one in joint venture with NALCO and following are the details of the current projects which are under implementation:

First one is 800 TPD Caustic Soda Plant along with 130 MW Coal based Power Plant at Dahej i.e., in joint venture with NALCO.

Status is this project is a joint venture Project with NALCO. GACL's equity participation is 60% while NALCO holds the equity of 40%. It is being implemented at plot D-II/9, a new complex at Dahej. The construction of this project is about 92% completed. It is almost ready and it is expected to be going on stream in next Quarter.

The second major project is 105,000 TPA Chloromethanes Project. This project is being implemented at plot D-II/9 of Dahej complex, where the joint venture project of GACL and NALCO is already in

*implementation. The JV is called as GNAL. The chlorine from GNAL Caustic Soda Plant would be used for this plant. The construction of this project is also completed to the tune of 90% and this project is also expected to be commissioned in the next quarter.*

*The third major and important project which is unique project of its kind that is 10,000 TPA Hydrazine Hydrate Project. This project is a forward integration of Hydrogen Peroxide, for the manufacturing of an import substitute product. This is the uniqueness of this project that its a import substitute product producing project. This is being implemented at existing complex at Dahej. The process technology has been developed by GACL indigenously and jointly with the Indian Institute of Chemical Technology of Hyderabad. Hydrazine Hydrate is at present 100% imported product in India. Therefore, in a way as import substitute manufacturing of Hydrazine Hydrate by GACL with indigenous technology will be a major contribution towards “Atmanirbhar Bharat” – which is a vision and dream of our Hon’ble Prime Minister for making India as a self-reliant nation. The construction of this project is almost 88% completed and it is expected to be commissioned in the next quarter.*

*Fourth important and major project is 34,000 TPA Food Grade Phosphoric Acid Project. This project is forward integration of Hydrochloric Acid. It is being implemented at existing complex at Dahej. The construction of this project is about 53% completed. It is expected to go on stream in the Second Quarter of next Financial Year i.e. Year 2022-23.*

*Fifth Important and major project is Expansion of present Caustic Soda Plant at Dahej from 785 Tons Per Day to 1,310 Ton Per Day. This project, for expanding the capacity of existing Caustic Soda Plant, is being implemented at existing complex at Dahej. The construction of this project is about 70% completed. It is expected to*

*be commissioned in the Second Quarter of next Financial Year i.e. Year 2022-23.*

*The other question as a sub question of the same speaker was to know about the commissioning of these projects. All these Five projects under implementation currently, three projects i.e., Chloromethanes, Hydrazine Hydrate and the JV GNAL of Caustic Soda with captive Power Plant are expected to be commissioned in the next quarter of the current Financial Year. So, from this financial year we are going get the benefits. The other two projects i.e., Food Grade Phosphoric Acid and Caustic Soda expansion are expected to be commissioned in the 2<sup>nd</sup> quarter of next Financial Year i.e., 2022-23.*

*Now, important is that what would be the revenue of the Company upon completion of all these projects. These are the major expansion projects and the Company is surely going to touch the target of Rs. 5,000 crores aggregate annual revenue in the financial year 2022-23.*

*Now I will take on the questions from Saket Kapoorji.*

*It was asked about the raw material, power, fuel, salt and electricity being the major components what steps are being taken for increasing captive production of the same.*

*I would like to give the details that the Company has tied up supply of salt for the entire year with a number of producers in different regions for balancing and mitigating the risks. The Company already has about 206 MW of renewable power installations for captive use. The Company plans to source power from the joint venture Company, GNAL as captive power as it was mentioned in the last details. The recent rising trend in the price of fuels i.e., natural gas and coal is expected to have some impact on the overall cost of power during the*

*current Financial Year. The Company is taking various necessary actions to avail cheaper power from various sources.*

*The debt level post the expansion for the year ending 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2023 and what will be the outgo on account of Finance cost for these years was the query.*

*In response to that, the Company has, in order to part finance the ongoing projects, the company has entered into the loan arrangements with the State Bank of India and Gujarat State Financial Services Limited (GSFS) to the tune of 70 million USD by way of External Commercial Borrowing i.e., ECB and Rs. 1,400 Crores from the GSFS. Particulars of the subject loan agreements have been submitted to the BSE and the NSE from time to time and the same are available on their websites as well as Company's website.*

*The withdrawal of the amount will depend upon the fund requirement of the Projects from time to time. The Finance cost will depend upon the prevailing rate of interest at a relevant point of withdrawal.*

*Shri Jindal Doshiji also asked some queries about the overall scenario of Caustic Soda and Chlorine market in India. About the Caustic Soda Market, the overall caustic soda market in current financial year has improved significantly as compared to the last year and has witnessed the consumption and prices to the pre-Covid level. As all of us know it was a Covid year last year and because of that there was a low consumption that also affected our caustic soda market but for current year the market scenario the demand has been lead by Alumina sector. The demand forecast for current financial year is strong and shall further improve from Textile & Paper Industry segment as markets are being opened up post vaccination and we are coming back to the normalcy.*

*During the current financial year, the overall exports from Chlor-Alkali industries is higher compared to the last year. It is also heartening to note this, Chlorine market scenario in India is volatile and the chlorine derivatives such as CPW being the largest consumer sector is not doing well. However, we expect that downstream chlorine consuming products as well as CPW would do well in coming days. The demand is expected to grow in near future and it is also expected that the CAGR would remain 5%. The Chlorine derivatives such as EDC, Chloro toluene, Chloro Benzene, TDI, Chloromethanes etc. are doing well and should fuel the demand for Chlorine in coming days.*

*For the threat of imports on Indian Chlor-Alkali segment. The Chlor-Alkali sector in India has always been challenged with import threats from cheap energy origins and integrated EDC, PVC, Chlor-Alkali units from global markets. To counter the same, industries has filed various Anti-dumping duties petitions before the DGTR towards the protection and the same has been appropriately reviewed from time to time.*

*GACL has always been party to this kind of proactive proceedings. Industry has also made representations to the Government to increase the basic Customs Duty on imports on Caustic Soda and also to bring Electricity under GST.*

*BIS certification has also been made compulsory against various dumping countries to counter the import threat as also for availability of quality products by ensuring compliance of environmental Regulations.*

*Next query was from Shri Kaushik Shahukarji.*

*Shri Kaushikbhai, we deeply highly appreciate your presence in this AGM. You took out time to talk about GACL. It is very laudable and considering your experience and a commitment to GACL, we are*

*thankful to you. You mentioned about the various humanitarian works. GACL is also committed to various humanitarian works. Through CSR fund, we are taking up many educational and social activities and the activities and the list of the activities are published from time to time and these are also part of the 48<sup>th</sup> Annual Report of the Company.*

*I again am thankful to all the shareholders who took out time to for post some queries. Shri Santosh Chopraji could not joined and Shri Yusuf Yunus Rangwala also could not joined. We will try to respond them as and when possible. As Hon'ble Chairman Sir said for the questions which we will be receiving after this, we will try to respond them through various means immediately and again thankful to all the shareholders, to Hon'ble Chairman Sir to Shri Tapan Ray Sir, Smt. Vasuben, Shri Pankaj Joshi Sir, Shri Rajiv Jain Sir, Shri Dangayach Sahab and all the shareholders for support and commitment to the Company. Thank you.*

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**Shri Pankaj Kumar, IAS, Chairman of the Company**

*The Members may kindly note that, E-voting by Members on the above resolutions is open. E-voting platform will also continue to be available for 20 minutes after the completion of the meeting. Therefore, members who have not cast their votes yet are requested to complete their E-voting within the prescribed time limit. The Board of Directors have appointed Shri Niraj Trivedi, Practicing Company Secretary, as the scrutinizer to supervise the E-voting process. The results of today's E-voting and remote E-voting will be placed on the Company's website, on the Company's notice board, on the CDSL's website and on the website of BSE and NSE within stipulated time.*

*I now declare this 48<sup>th</sup> AGM as concluded. I would like to thank all the members for spending their valuable time for participating in the 48<sup>th</sup> AGM of the Company through video conference.*

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**Shri Sanjay Bhatt, Company Secretary & CGM**

*Thank you very much, Sir. On behalf of the Company, I express my sincere vote of thanks to the Hon'ble Chairman Sir, Managing Director Sir, Directors who have joined, Auditors and all the members for joining this meeting through video conference facility.*

*Thank you very much Sir.*