



Promoting Green Technology

Rising **Higher**, Growing **Stronger**

40<sup>th</sup> Annual Report **2012-13**

**Gujarat Alkalies and Chemicals Limited**

(Promoted by Govt. of Gujarat)

## MAIN PRODUCTS AND PRINCIPAL USES

SR. NO.	PRODUCTS	PRODUCTION (MT)		PRINCIPAL USES
		2012 - 2013	2011 - 2012	
1.	Caustic Soda Lye	3,64,733	3,83,690	Soaps and Detergents, Rayon, Textiles, Pulp and Paper, Chemicals.
2.	Caustic Soda Flakes / Prills	1,52,934	1,60,556	
3.	Potassium Hydroxide	15,906	23,722	
4.	Potassium Carbonate	6,476	10,553	
5.	Caustic Potash Flakes	7,867	11,891	
6.	Chlorine Gas	3,33,206	3,54,942	Plastics (including PVC), Chlorinated Paraffins, Pesticides and other chemicals, Hydrochloric Acid, Chloromethanes and Water Treatment.
7.	Hydrochloric Acid (30%)	3,03,920	2,73,522	Chemicals, Fertilizers, Water Treatment and Phosphoric Acid.
8.	Chloromethanes	34,417	36,026	Solvent, Fluro-Carbon refrigerants, Pharmaceuticals, Aerosol Propellants.
9.	Sodium Cyanide	1,844	2,644	Metal and mineral extraction, Dyes, Electroplating, Metal Cleaning and Hardening and Insecticides.
10.	Phosphoric Acid (85%)	24,125	23,191	Phosphate salts and phosphating of metals, Pharmaceuticals, Sugar refining and Fine Chemicals.
11.	Hydrogen Peroxide (100%)	31,329	27,465	Textiles, Pulp and Paper, Chemicals, Pharmaceuticals, Pesticides, Dyes and Effluent Treatment.
12.	Aluminium Chloride	23,823	25,542	Pesticides and Pharmaceuticals, Aromatic Chemicals, Reforming Hydrocarbons, Electrolysis Production of Aluminium.
13.	Calcium Chloride	8,204	8,822	Oil well drilling, Ice melter, Road stabilizer and Dust suppressant.
14.	Poly Aluminium Chloride	25,903	28,638	Water Treatment, Separation of slurry, Sizing in Paper Industry, Decolorisation & Decontamination of Dyes in Textile Industry and Sewage Water Treatment.
15.	Chlorinated Paraffin Wax	8,577	7,862	Secondary Plasticiser in PVC compounding for Pipes, Hoses, Cables, etc., Additive in Lubricating Oils and Paints.
16.	Chloro Toluene Products	4,821	4,107	As general solvent for inks, paints, lacquers and epoxyresin, medication solution as preservative and photography industries, Vat Dyes, Pharmaceuticals.
17.	Stable Bleaching Powder	6,456	3,304	Bleaching agent in paper, textiles and soap industry, Household Bleaching / cleaning applications, Waste Water Treatment and Sewage disposal, Oxidising Agent and Disinfecting Agent.
	<b>TOTAL (1) to (17)</b>	<b>13,54,541</b>	<b>13,86,477</b>	
18.	Power (KWH) (MU)	659.84	797.27	Captive consumption for production of (1 to 14 & 17)

## BOARD OF DIRECTORS

**Dr. Varesh Sinha, IAS** ..... *Chairman*  
(From 01.03.2013)

**Shri A. K. Joti, IAS (Retd.)**  
(Up to 28.02.2013)

**Shri D. J. Pandian, IAS**

**Dr. Hasmukh Adhia, IAS**  
(From 16.05.2013)

**Shri G. C. Murmu, IAS**

**Shri G. M. Yadwadkar**

**Dr. Sukh Dev, Padma Bhushan**

**Shri J. N. Godbole**

**Shri M. S. Dagur, IAS** ..... *Managing Director*

## COMPANY SECRETARY

Shri V. L. Vyas

### AUDITORS

Messrs Prakash  
Chandra Jain & Co.  
Chartered Accountants  
Vadodara

### SOLICITORS

Messrs Amarchand  
& Mangaldas &  
Suresh A. Shroff & Co.  
Mumbai

### COST AUDITORS

Messrs R. K. Patel & Co.  
Cost Accountants  
Vadodara

### BANKERS

State Bank of India  
IDBI Bank Ltd.  
HDFC Bank Ltd.  
Central Bank of India  
AXIS Bank Ltd.  
UCO Bank  
Indian Bank

### REGISTERED OFFICE AND VADODARA COMPLEX :

P.O. : Petrochemicals : 391 346  
Dist. : Vadodara,  
GUJARAT (INDIA)  
Phone : (0265) – 2232681-82/2232981-82/2232701  
E-Mail : investor\_relations@gacl.co.in

### DAHEJ COMPLEX :

Village : Dahej : 392 130  
Tal. : Vagra, Dist. : Bharuch,  
GUJARAT (INDIA)  
Phone : (02641) – 256315-16-17/256235

### REGISTRAR & SHARE TRANSFER AGENTS :

MCS Limited (Unit : GACL)  
Neelam Apartment, 1<sup>st</sup> Floor  
88, Sampatrao Colony, Productivity Road, Vadodara : 390 007  
GUJARAT (INDIA)  
Phone : (0265)-2339397, 2314757, 2350490  
E-mail : mcsLtdbaroda@yahoo.com, mcsvadodara@rediffmail.com  
**Company's Website : [www.gacl.com](http://www.gacl.com)**

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

Date : 12<sup>th</sup> September, 2013

Day : Thursday

Time : 1.00 p.m.

#### Place

In the premises of the Company at  
P.O. : Petrochemicals : 391 346  
Dist. : Vadodara

### Vision

To continue to be identified and recognized as a dynamic, modern and eco-friendly chemical company with enduring ethics and values.

### Mission

- To manage our business responsibly and sensitively, in order to address the needs of our Customers and Stakeholders.
- To strive for continuous improvement in performance, measuring results precisely, and ensuring GACL's growth and profitability through innovations.
- To demand from ourselves and others the highest ethical standards and to ensure products and processes to be of the highest quality.

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## NOTICE

**NOTICE IS HEREBY** given that the Fortieth Annual General Meeting of the Shareholders of **GUJARAT ALKALIES AND CHEMICALS LIMITED** will be held in the premises of the Company at P.O. : Petrochemicals : 391 346, Dist. : Vadodara on Thursday, the 12<sup>th</sup> September, 2013 at 1.00 p.m. to transact the following Ordinary and Special Business :

### ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2013, Statement of Profit & Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare a Dividend for the Financial Year ended on 31<sup>st</sup> March, 2013.
3. To appoint a Director in place of *Padma Bhushan* Dr. Sukh Dev, who retires by rotation at this Meeting and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri J N Godbole, who retires by rotation at this Meeting and being eligible, offers himself for reappointment.
5. To appoint Statutory Auditors of the Company to hold office up to the conclusion of the next Annual General Meeting and to fix their remuneration and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution** :

**“RESOLVED THAT** M/s. Prakash Chandra Jain & Co., Chartered Accountants, Vadodara, F.R.No. 002438C, be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting

until the conclusion of the next Annual General Meeting of the Company on such remuneration and service tax, travelling, lodging & boarding and other out-of-pocket expenses actually incurred by them as may be recommended by the Audit Committee and approved by the Board of Directors of the Company in connection with the audit of Accounts of the Company for the year ending 31<sup>st</sup> March, 2014.”

### SPECIAL BUSINESS :

6. To appoint Dr. Hasmukh Adhia, IAS as a Director of the Company who was appointed as an Additional Director by the Board of Directors on 16<sup>th</sup> May, 2013 pursuant to Section 260 of the Companies Act, 1956 and holds office up to this Annual General Meeting and to pass following resolution as an **Ordinary Resolution** of which the prescribed Notice in writing under Section 257 of the Companies Act, 1956 has been received by the Company from a Member :  
**“RESOLVED THAT** Dr. Hasmukh Adhia, IAS be and is hereby appointed as a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation pursuant to the provisions of Sections 255 and 256 of the Companies Act, 1956.”

**By Order of the Board  
for GUJARAT ALKALIES AND CHEMICALS LIMITED**

**V L VYAS**  
Company Secretary &  
Chief General Manager (Legal)

Place : Gandhinagar  
Date : 5<sup>th</sup> August, 2013

## ANNEXURE TO THE NOTICE OF THE 40<sup>TH</sup> ANNUAL GENERAL MEETING

### EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173 OF THE COMPANIES ACT, 1956

#### Item No. 5

As per the provisions of Sections 224 and 224 A of the Companies Act, 1956, the shareholders of the Company shall be required to pass a Special Resolution at the Annual General Meeting (AGM) as set out at Item No.5 of the Notice to appoint Statutory Auditors to hold office from the conclusion of this meeting until the conclusion of the next AGM, since not less than 25% of the Subscribed Share Capital is held by the Government of Gujarat, Government Companies or Boards, Public Financial Institutions and Nationalised Banks.

None of the Directors of the Company is concerned or interested in the said Resolution.

#### Item No. 6

Dr. Hasmukh Adhia, IAS was appointed as an Additional Director by the Board of Directors of the Company on 16<sup>th</sup> May, 2013 pursuant to Section 260 of the Companies Act, 1956 ("the Act") and he holds office up to the date of this Annual General Meeting. The Company has received a Notice in writing under Section 257 of the Act alongwith deposit of Rs.500/- from a Member signifying his intention to propose the appointment of Dr. Hasmukh Adhia, IAS as Rotational Director. Dr. Hasmukh Adhia, IAS is a Senior IAS Officer and Principal Secretary, Finance Department, Government of Gujarat. He has considerable experience of Finance, Industries, Education and various Departments in the Government of Gujarat. He had also worked as Director in the Ministry of Industry, Government of India, New Delhi. His additional information in respect

of qualifications, experience etc. are shown in the annexure attached.

Considering his vast experience, it will be beneficial for the Company to continue to avail the services of Dr. Hasmukh Adhia, IAS and therefore, your Directors recommend his appointment as a Rotational Director pursuant to Sections 255 and 256 of the Act and the Resolution at Item No. 6 of the Notice for your approval.

None of the Directors of the Company except Dr. Hasmukh Adhia, IAS is concerned or interested in the said Resolution.

#### Inspection of documents :

All documents referred to in this Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company between 9.30 a.m. and 12.30 p.m. and between 2.30 p.m. and 4.30 p.m. on any working day of the Company prior to the date of the Meeting.

**By Order of the Board  
for GUJARAT ALKALIES AND CHEMICALS LIMITED**

**V L VYAS**  
*Company Secretary &  
Chief General Manager (Legal)*

Place : Gandhinagar

Date : 5<sup>th</sup> August, 2013

#### NOTES :

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.**

Please bring your copy of Annual Report and attendance slip at the Meeting. Persons other than Members or Proxy will not be allowed to attend the Meeting.

- Arrangement of buses from & to Vadodara city to the place of the Meeting will be made by the

Company on the day of the Meeting. The starting places and timing of buses will be published in local vernacular newspapers on or before the date of Annual General Meeting.

- The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of business under Item Nos.: 5 and 6 is annexed hereto.

The particulars of qualification, experience and other Directorships etc. of the Directors proposed to be appointed / reappointed are given in the Annexure forming part of this Notice.

4. The Register of Members and Share Transfer Books of the Company shall remain closed from Monday, the 2<sup>nd</sup> September, 2013 to Thursday, the 12<sup>th</sup> September, 2013 (both days inclusive).
5. The dividend declared at the Annual General Meeting, will be paid on equity shares of the Company on or after 16<sup>th</sup> September, 2013 to those shareholders holding shares in physical form and whose names appear on the Register of Members of the Company on 12<sup>th</sup> September, 2013. In respect of shares held in electronic form, the dividend will be payable to those who are the beneficial owners of shares after close of business hours on 30<sup>th</sup> August, 2013 as per details to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The dividend warrants will be dispatched from 16<sup>th</sup> September, 2013 onwards.
6.
  - a) Members holding shares in electronic form may please note that their bank details as may be furnished to the Company by respective Depositories will only be considered for remittance of dividend through NECS at RBI clearing centers or through Dividend Warrants. Beneficial holders holding Shares in demat form are requested to get in touch with their Depository Participants (D.P.) to update / correct their NECS/ECS details – Bank Code (9 digits) and Bank Account No. (12 to 16 digits) to avoid any rejections and also give instructions regarding change of address, if any, to their D.P. It is advisable to attach a photocopy of a cancelled cheque with your instructions to your D.P.
  - b) Members holding shares in physical mode are requested to notify immediately any change in their addresses, the Bank mandate or Bank details along with photocopy of the cancelled cheque to the Company's Registrar & Share Transfer Agents, M/s. MCS Limited, Neelam Apartment, 88, Sampatrao Colony, R. C. Dutt Road, Vadodara : 390 007.
7. The Shareholders are advised to encash their dividend warrants within validity period. Thereafter the payment of unencashed dividend warrants shall be made after receipt of final list of unclaimed dividend warrants and reconciliation of Dividend Account from Bank. The payment of unclaimed dividend will be made by DDs / Cheques payable at par upon furnishing Indemnity-cum-Request letter by the Shareholder and verification by the Company.
8.
  - a) Pursuant to the provisions of Section 205A (5) of the Companies Act, 1956, the Company has

transferred the unclaimed dividend for a period of seven years to Investors Education and Protection Fund (IEPF) as detailed below :

Financial Year	Date of			Amount Transferred (Rs.)
	Declaration of Dividend	Transferred to Un-paid Dividend A/c.	Transferred to IEP Fund	
2003-04	17.09.2004	21.10.2004	14.11.2011	3,50,388/-
2004-05	23.09.2005	28.10.2005	21.11.2012	6,73,205/-

- b) The Shareholders who have not encashed dividend warrant(s) for the years 2005-06, interim and final dividend of 2006-07, dividend of 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12 are requested to claim payment immediately by presenting dividend warrant(s) or by writing to the Company's Registrar & Share Transfer Agents, M/s. MCS Limited at the address given above. After seven years, no claims can be entertained by the Company or the Investors Education and Protection Fund (IEPF) in respect of the Dividend amounts, which remain unclaimed and unpaid for a period of seven years from the dates they first became due for payment and no payment can be made by the Company in respect of any such claims.

List of Shareholders who have not claimed their dividend is placed at the website of the Company at [www.gacl.com](http://www.gacl.com).

9. As on 31.03.2013, Share Certificates for 8,365 shares of 272 shareholders / allottees returned undelivered by Post are lying with the Company. The Company has sent several reminders to the said shareholders / allottees and they are requested to write to the Registrar & Share Transfer Agents, M/s. MCS Limited for getting delivery of their Share Certificates.
10. Pursuant to the provisions of Section 109A of the Companies Act, 1956, Shareholders are entitled to make nomination in respect of the shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form 2B (which is available on the Company's website 'www.gacl.com') to the Registrar & Share Transfer Agents, M/s. MCS Limited at the address given above.
11. Relevance of question/s and the order of speakers at the Meeting will be decided by the Chairman. Proxy can attend and vote on poll, if any, but can not speak at the Meeting.

**DETAILS OF DIRECTORS SEEKING APPOINTMENT / REAPPOINTMENT BY THE SHAREHOLDERS OF THE COMPANY AT THE ENSUING ANNUAL GENERAL MEETING (IN PURSUANCE OF CLAUSE 49 OF THE LISTING AGREEMENT)**

Name of Director	<b>Padma Bhushan Dr. Sukh Dev</b>	<b>Shri J N Godbole</b>	<b>Dr. Hasmukh Adhia, IAS</b>
Date of Birth	17.06.1924	17.02.1945	03.11.1958
Date of appointment	11.06.2005	04.03.2009	16.05.2013
Qualifications	M.Sc. Ph.D. D.Sc.	B. Tech. (Hons.) from IIT, Pawai, Bombay in Chem. Engg. Certificate in Finance Management from Jamnalal Bajaj Institute of Management Studies.	M. Com. (Adv. Busi. Mangt.) P. G. Diploma in Public Policy & Management (IIM) (Gold Medalist), Ph.D. in Yoga.
Nature of Expertise/ Experience	He is a veteran Scientist. He has been honored with the "PADMA BHUSHAN" award by the Government of India in the field of Science and Engineering. He has fifty-four patents registered in his name covering a range of products and processes in the fields of drugs, aroma chemicals, pesticides etc. His wide ranging researches have resulted in significant contribution in the field of Organic Chemistry. He has also served Chemical and Technological Institute in several key positions. He has authored various research publications, books and articles.	He has 37 years of wide active experience which includes 5 years in SSI Sector as Production In-charge and 27 years in IDBI in various positions and departments such as Project Financing, Rehabilitation, Business Development etc. For 5 years, he was in Sabah, Malaysia as Advisor for a mega Pulp and Paper / timber complex (\$ 0.7 Billion) and Project Coordinator for mega gas utilization project of USD 1 Billion. He was Executive Director of IDBI for 6 years during which period, he was Chairman of CDR Empowered Group, which was instrumental in preventing formation of NPA and correcting NPA in the Banking Sector. At the time of retirement, he functioned as Chairman and Managing Director of IDBI.	He is a Principal Secretary, Finance Department, Government of Gujarat. He had worked as Principal Secretary in Education Department from April, 2008 to January, 2013, as Principal Secretary to Chief Minister, Gujarat from May, 2003 to June, 2006. He was also Director General of Sardar Patel Institute of Public Administration (SPIPA) and Managing Director, Gujarat State Financial Services Ltd. (GSFSL). He had also worked as Director in the Ministry of Industry, Government of India, New Delhi, Secretary, Finance Department, Government of Gujarat and Industries Commissioner, Gujarat as well as Vice Chairman and Managing Director, Gujarat Industrial Development Corporation. He had traveled widely around the world for promotion of Industrial and Infrastructure Investment in India.



**DETAILS OF DIRECTORS SEEKING APPOINTMENT / REAPPOINTMENT BY THE SHAREHOLDERS OF THE COMPANY AT THE ENSUING ANNUAL GENERAL MEETING (IN PURSUANCE OF CLAUSE 49 OF THE LISTING AGREEMENT)**

(Contd.)

Name of Director	<b>Padma Bhushan Dr. Sukh Dev</b>	<b>Shri J N Godbole</b>	<b>Dr. Hasmukh Adhia, IAS</b>
Names of other Companies in which Directorship is held	NIL	1. EMBIO Ltd. 2. J K Cements Ltd. 3. Gillander Arbhutnot & Co. Ltd. 4. I.M.P. Powers Ltd. 5. Emami Paper Mills Ltd. 6. Kesar Terminals & Infrastructure Ltd. 7. The Oudh Sugar Mills Ltd. 8. Madhya Bharat Papers Ltd. 9. Zuari Global Ltd. 10. Zuari Agro Chemicals Ltd. 11. Saurashtra Cement Ltd. 12. IDBI Asset Management Ltd. 13. Kesar Multimodal Logistics Ltd. 14. IITL Projects Ltd.	1. Gujarat State Investment Ltd. - Chairman 2. Gujarat State Financial Services Ltd. – Managing Director 3. Gujarat State Financial Services (CAPS) Ltd. – Managing Director 4. GSF Capital And Securities Ltd. 5. Gujarat State Fertilizers & Chemicals Ltd. 6. Gujarat Narmada Valley Fertilizers & Chemicals Ltd. 7. Gujarat State Petroleum Corporation Ltd. 8. Sardar Sarovar Narmada Nigam Ltd. 9. Gujarat International Finance-Tech. City Ltd. (GIFTCL) 10. Gujarat State Petronet Ltd. 11. Goods & Service Tax Network
Names of the Committees of the Board of Companies in which Membership / Chairmanship is held	<b>Gujarat Alkalies and Chemicals Ltd.</b> 1. Remuneration Committee 2. Audit Committee 3. Project Committee	<b>Gujarat Alkalies and Chemicals Ltd.</b> 1. Audit Committee - Chairman 2. Project Committee 3. Personnel Committee <b>EMBIO Ltd.</b> 1. Audit Committee 2. Remuneration Committee <b>Gillander Arbhutnot &amp; Co. Ltd.</b> 1. Audit Committee <b>Emami Paper Mills Ltd.</b> 1. Audit Committee - Chairman 2. Remuneration Committee <b>Madhya Bharat Papers Ltd.</b> 1. Audit Committee <b>Zuari Global Ltd.</b> 1. Audit Committee <b>Kesar Terminals &amp; Infrastructure Ltd.</b> 1. Audit Committee 2. Share Transfer Committee 3. Remuneration Committee <b>IDBI Asset Management Ltd.</b> 1. Audit Committee <b>Zuari Agro Chemicals Ltd.</b> 1. Audit Committee 2. Investors Grievance Committee – Chairman 3. Remuneration Committee 4. Banking & Finance Committee	<b>Gujarat State Fertilizers &amp; Chemicals Ltd.</b> 1. Audit Committee <b>Gujarat State Petroleum Corporation Ltd.</b> 1. Audit Committee <b>Gujarat State Petronet Ltd.</b> 1. Audit Committee

## DIRECTORS' REPORT

To

The Members,

Your Directors present this 40<sup>th</sup> Annual Report on the business and operations of the Company together with Audited Balance Sheet and Statement of Profit & Loss for the Financial Year ended 31<sup>st</sup> March, 2013 and the report of the Auditors thereon.

The performance of the Company in Financial Year 2012-13 has been as follows :

### FINANCIAL RESULTS :

Particulars	(Rs. in Lakhs)	
	2012-13	2011-12
<b>Sales (excluding Excise Duty and Other Income)</b>	<b>1,83,330</b>	1,72,274
<b>Profit before Interest, Depreciation and Taxation (PBIDT)</b>	<b>51,402</b>	41,129
<b>Profit before Taxation (PBT)</b>	<b>33,683</b>	22,342
Less: Provision for Taxation	<b>10,148</b>	6,981
<b>Profit after Taxation (PAT)</b>	<b>23,535</b>	15,361
Add: P&L A/c Balance brought forward from Previous Year	<b>43,399</b>	38,279
<b>Amount available for appropriations</b>	<b>66,934</b>	53,640
<b>Your Directors recommend the following Appropriations:</b>		
<b>Proposed Dividend</b>	<b>2,570</b>	2,203
<b>Tax on Proposed Dividend</b>	<b>437</b>	357
<b>Transfer to General Reserve</b>	<b>11,768</b>	7,681
<b>Balance Carried to Balance Sheet</b>	<b>52,159</b>	43,399
<b>Earning per Share</b>	<b>Rs.32</b>	Rs.21
<b>Dividend per Share</b>	<b>Rs.3.50</b>	Rs.3.00
<b>Book Value per Share</b>	<b>Rs.242</b>	Rs.214

### DIVIDEND:

Your Directors are glad to recommend a Dividend @ Rs.3.50 per share for the year ended 31<sup>st</sup> March, 2013 on 7,34,36,928 Equity Shares of Rs.10/- each fully paid up.

### ENERGY CONSERVATION AND TECHNOLOGY ABSORPTION:

Information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the report of the Board of Directors) Rules, 1988 is given in the **Annexure - 1** to this report.

### INSURANCE:

The Company has taken adequate insurance for all its properties. The Company has also taken necessary insurance cover as required under the Public Liability Insurance Act, 1991.

### PUBLIC DEPOSITS:

During the Financial Year 2012-13, the Company has not accepted or renewed any Fixed Deposits and there is no Fixed Deposit outstanding.

### VOLUNTARY DELISTING OF COMPANY'S SECURITIES FROM VADODARA STOCK EXCHANGE LTD. (VSE) :

The Board of Directors of the Company at its Meeting held on 21<sup>st</sup> September, 2012 have accorded their approval for Voluntary Delisting of Company's Equity Shares from Vadodara Stock Exchange Ltd. (VSE).

The Company has submitted the application on 5<sup>th</sup> November, 2012 to VSE for Voluntary Delisting of Company's Securities viz. : 7,34,36,928 Equity Shares of Rs.10/- each.

The Company has received a Letter No. : VSE/DELISTING/2013/002 dated 11<sup>th</sup> January, 2013 from VSE confirming the Delisting of Securities of the Company from VSE w.e.f. 10<sup>th</sup> January, 2013.

### LISTING AGREEMENT COMPLIANCE:

Your Company's Equity Shares are listed on Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE) and their listing fees for the Financial Year 2013-14 has been paid and the conditions of Listing Agreement have been complied with.

### DIRECTORS' RESPONSIBILITY STATEMENT:

The Board of Directors of the Company confirms:

- i) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to any material departure;
- ii) that the selected accounting policies were applied consistently and the Directors made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2013 and of the profit of the Company for the year ended on that date;
- iii) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

- iv) that the annual accounts have been prepared on a going concern basis.

#### **CORPORATE GOVERNANCE :**

The Company has been following the principles and practices of good Corporate Governance and has ensured compliance of the requirements stipulated under Clause – 49 of the Listing Agreement with the Stock Exchanges.

A detailed report on Corporate Governance along with Certificate dated 4<sup>th</sup> July, 2013 issued by Practicing Company Secretary in terms of Clause – 49 of the Listing Agreement is attached which forms part of this Report.

#### **MANAGEMENT DISCUSSION AND ANALYSIS:**

A report on Management Discussion and Analysis forms part of this Report and it deals with the Business, Operations and Financial Performance, Expansion & Diversification, Research & Development, Marketing Strategy, Safety & Environment, Corporate Social Responsibility, Human Resources Development etc.

#### **DIRECTORS:**

Dr. Varesh Sinha, IAS was appointed as a Director by the Board of Directors of the Company at its Meeting held on 21<sup>st</sup> September, 2012 pursuant to Section 262 of the Companies Act, 1956 vice Shri M M Srivastava, IAS (Retd.). Upon his transfer and appointment as Chief Secretary to Government of Gujarat, he has tendered his resignation as a Director from the Board of Directors of the Company w.e.f. 28<sup>th</sup> February, 2013 and the Government of Gujarat has appointed Dr. Varesh Sinha, IAS, as Government Nominee Director and Chairman on the Board of Directors of the Company w.e.f. 1<sup>st</sup> March, 2013 vice Shri A K Joti, IAS (Retd.).

The Board places on record their appreciation of the valuable services rendered to the Company by Shri A K Joti, IAS (Retd.) during his tenure as Chairman of the Company.

Dr. Hasmukh Adhia, IAS has been appointed as an Additional Director by the Board of Directors of the Company on 16<sup>th</sup> May, 2013 and he holds office as Director up to the ensuing Annual General Meeting. The Company has received a notice in writing from a Member u/s. 257 of the Companies Act, 1956 proposing appointment of Dr. Hasmukh Adhia, IAS as a Director of the Company at the ensuing Annual General Meeting.

*Padma Bhushan* Dr. Sukh Dev and Shri J N Godbole, Directors will retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

The Directors recommend for your approval the appointment of Dr. Hasmukh Adhia, IAS and reappointment of *Padma Bhushan* Dr. Sukh Dev and Shri J N Godbole as Directors at the ensuing Annual General Meeting.

#### **PARTICULARS OF EMPLOYEES :**

The information, as required under Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules 1975, as amended, forms part of this Report. Any Shareholder interested in seeking this information may write to the Company Secretary at the Registered Office of the Company. Further, there was no employee holding 2% or more of the equity shares of the Company during the Financial Year 2012-13.

#### **INTERNAL AUDITORS :**

M/s. Chandulal M Shah & Co., Chartered Accountants, Ahmedabad have been appointed as Internal Auditors for conducting Internal Audit of the Company for Vadodara and Dahej Complexes for the Financial Year 2012-13.

The Internal Auditors independently evaluate the internal controls, adherence to and compliance with the procedures, guidelines and statutory requirements. The Audit Committee of Directors periodically reviews the reports of the internal auditors and corrective actions taken by the Management with regard thereto.

#### **STATUTORY AUDITORS :**

The Company's Statutory Auditors, M/s. Prakash Chandra Jain & Co., Chartered Accountants, Vadodara, retire and are eligible for reappointment. You are requested to appoint Statutory Auditors and authorise your Directors to fix their remuneration.

#### **COST AUDITORS :**

The Board of Directors has appointed M/s. R K Patel & Co., Cost Accountants, Vadodara as Cost Auditors for the Financial Year 2012-13 to conduct the Cost Audit of all products manufactured by the Company falling under Chapters 28, 29 & 38 of Central Excise Tariff Act, 1985 as per Notification No. 52/26/CAB-2010 dated 24<sup>th</sup> January, 2012 issued by Ministry of Corporate Affairs, Government of India.

#### **ACKNOWLEDGEMENTS :**

The Board expresses its gratitude and appreciation to the Government of India, Government of Gujarat, Financial Institutions, Insurance Companies, Banks, other business associates, Promoters, Shareholders and employees of the Company for their continued support.

**For and on behalf of the Board**

**DR. VARESH SINHA, IAS**  
CHAIRMAN

Place : Gandhinagar  
Date : 5<sup>th</sup> August, 2013

## ANNEXURE – 1 TO DIRECTORS' REPORT

### PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

#### A. CONSERVATION OF ENERGY:

##### (a) ENERGY CONSERVATION MEASURES TAKEN:

1. VFD provided in NaCl clarified brine pump B, Chlorine compressor No.5, Process water pump at Vadodara for optimizing power consumption.
2. VFD provided at Oxidiser feed pump & Extractor feed pump of H<sub>2</sub>O<sub>2</sub> plant at Vadodara Complex for optimizing power consumption.
3. 7 No. of electrolyser cell rack modification in MC II & 6 No. of cell rack modification in MC I to reduce power consumption.
4. Recoating of 200 No. of elements & remembraning 300 No. of elements done.
5. Provision of improved steam chest to recover superheated steam. Use of superheated steam from anhydrous separator for Pre concentration of Caustic Soda Lye in PCU and thereby reduction in consumption of steam.
6. EEF & ECBC Unit installed to replace old centrifugal compressor for chilled water service.
7. Replaced Chlorine Compressor No.7 & No.4 for plant No. 1 & 2 respectively with lower capacity compressor.
8. Replaced R<sub>A</sub> Rectifier for MC II & R<sub>2</sub> Rectifier for MC I.
9. 5<sup>th</sup> generation elements installed for load balance in single electrolyser in MC I for better performance.
10. As common Instrument system established and the same commissioned at CLM with latest energy efficient screw compressor.

##### (b) ADDITIONAL INVESTMENT AND PROPOSAL, IF ANY, BEING IMPLEMENTED FOR REDUCTION OF CONSUMPTION OF ENERGY :

1. Procurement of VFDs at different applications and locations to optimize power consumption.
2. Installation of Chilled water cooler in liquid Freon system of CL<sub>2</sub> liquification Freon compressors.
3. Recoating and Remembraning of 244 elements of Electrolysers and Remembraning of 250 elements of Electrolysers in Caustic Soda Plant to reduce power consumption.
4. Existing CCU's to be made energy efficient at Vadodara.
5. Installation of Cell Voltage Monitoring System (CVMS) for MC-II at Vadodara & Dahej Plants.
6. Chlorine and Hydrogen Gas supply to regular consumers in vicinity through pipe line to recover energy from Liquid Chlorine & assure consumer network. Also Hydrogen Gas supply to NIA consumers through pipe line to save fuels and also reduction in Carbon footprint.
7. Waste heat recovery is planned by installing Condensate economizer in Boiler No.1.
8. Installation of HCl transferring pipe line to our Calcium Chloride Plant to save fuel.
9. Up-gradation of 2<sup>nd</sup> generation elements with energy efficient, in phase manner at Vadodara & Dahej Complexes.
10. Installation of Air Pre-Heater in CCU-I & II to reduce Hydrogen Gas consumption.
11. Conversion of existing CEU No. 4 into Triple Effect Evaporator from Double Effect to save steam.
12. Procurement of energy efficient equipment like vacuum pump, compressors etc.
13. De-bottlenecking of existing Caustic Soda Plant to reduce power consumption.

**(c) IMPACT OF THE MEASURES AT (A) AND (B) ABOVE AND ON CONSEQUENT IMPACT ON THE COST OF PRODUCTION OF GOODS :**

As all the above items are consuming energy round the clock, the above measures aimed at saving in large quantity. Also installation of higher efficiency equipments as planned above will result in reduced power consumption and hence, reduction in cost of production of goods besides indirectly reducing carbon emission.

**(d) TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION :**

As per **Form-A** annexed.

**B. TECHNOLOGY ABSORPTION :**

**(e) EFFORTS MADE IN TECHNOLOGY ABSORPTION :**

As per **Form-B** annexed.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO :**

**(f) ACTIVITIES RELATING TO EXPORTS, INITIATIVES TAKEN TO INCREASE EXPORTS, DEVELOPMENT OF NEW EXPORT MARKETS FOR PRODUCTS AND SERVICES AND EXPORT PLANS.**

The Company exported Caustic Soda Flakes, Caustic Soda Prills, Caustic Potash Flakes, Potassium Carbonate, Phosphoric Acid, Hydrogen Peroxide, Aluminum Chloride, Calcium Chloride Powder, Chloriated Paraffin, PAC (30) Benzyl Chloride, Benzyl Alcohol, Sodium Cyanide and Hydrochloric Acid to various countries during the year. In the current Financial Year, the Company targets at wider markets for export of various products. With Company's accreditation as in ISO 9001:2008, 14001:2004 and IS 18001:2007, the exports are likely to improve further.

**(g) TOTAL FOREIGN EXCHANGE USED AND EARNED :**

- i. Foreign Exchange used - Rs. 15,505.12 Lakhs  
 ii. Foreign Exchange earned - Rs. 22,589.52 Lakhs

**FORM-A (See Rule - 2)**

**Form for disclosure of particulars with respect to conservation of energy**

No.	Particulars	2012-13	2011-12
<b>(A) Power and Fuel Consumption :</b>			
<b>1 Electricity :</b>			
a)	1) Purchased unit (kwh) (in Lakhs)	<b>1064.779</b>	829.431
	from state grid		
	Total Amount in Rs. (in Lakhs)	<b>7426.06</b>	5895.6305
	Rate / Unit - Rs. including demand charges	<b>6.9743</b>	7.108
	2) Purchased unit (kwh) (in Lakhs)		
	as participating unit.	<b>3013.8258</b>	2632.516
	Total Amount in Rs. (in Lakhs)	<b>13960.033</b>	12831.638
	Rate / Unit - Rs.	<b>4.6320</b>	4.8743
b)	Own Generation		
	i) Through Wind Farm		
	Wind Farm Power Receipt		
	(Units in Lakhs)	<b>1391.775</b>	1397.852
	Cost per Unit - Rs./kwh	<b>2.6898</b>	2.6022
	ii) Through GT/STG:		
	Units (kwh) (in Lakhs)	<b>4753.314</b>	6331.392
	Natural Gas (SM <sup>3</sup> in Lakhs)	<b>1303.185</b>	1630.631
	Unit per SM <sup>3</sup> (kwh / sm <sup>3</sup> ) Gas	<b>3.6475</b>	3.8828
	Cost per unit in Rs.	<b>6.4536</b>	6.606
<b>2 Coal :</b>			
	Quantity (Tonnes)	<b>NIL</b>	NIL
	Total Cost	<b>NIL</b>	NIL
	Average Rate Rs.	<b>NIL</b>	NIL
<b>3 Fuel oil &amp; LDO/HSD :</b>			
	Total Quantity (K. Ltrs.)	<b>59.978</b>	63.5
	Total Amount Rs.	<b>2406000</b>	2689000
	Average Rate Rs. per KL	<b>40114.71</b>	42436.45
<b>4 Other - Natural Gas :</b>			
	(Gas used other than Power Plant)		
	Total Quantity (SM <sup>3</sup> )	<b>42165911</b>	42096000
	Total Cost	<b>628527000</b>	494744000
	Rate per SM <sup>3</sup> in Rs.	<b>14.9060</b>	11.7528
<b>(B) Consumption per unit of production :</b>			
	Caustic Soda Lye	<b>Kwh per MT</b>	Kwh per MT
	Electricity	<b>2337</b>	2458
	Standards	<b>2499</b>	2502
	Furnace Oil (Standard)	<b>NIL</b>	NIL
	Coal (Standard)	<b>NIL</b>	NIL
	Others (Standard)	<b>NIL</b>	NIL

\* The rate of NG based on actual calorific value available.

**FORM - B (See Rule - 2)**

**Form for disclosure of particulars with respect to Technology Absorption in 2012-13**

**A. Research & Development (R&D)**

**1. Specific Areas in which R&D carried out by Company**

- (i) Active support & collaborative work with IICT, Hyderabad and Project Deptt. for the scale up and commercialization of Hydrazine Hydrate Process.

- (ii) Standardization & process optimization of Guaiacol in the Pilot Plant.
- (iii) Standardization & Process optimization of Vanillin (from Guaiacol) in the Pilot Plant.
- (iv) Development of process for Catechol.
- (v) Development of process for Hydroquinone.
- (vi) Development of process for Mandelonitrile.
- (vii) Basic design & cost estimates for 100 MT / month capacity Pilot Plant for Sodium Percarbonate – an important inorganic derivative of Hydrogen Peroxide.
- (viii) Further improvements in the quality of the cleaning formulations based on Sodium Hypochlorite & Hydrochloric Acid.
- (ix) Developmental work on process improvement.
- (x) Studies on imported raw material used in the different plants with an objective to search the viable alternatives.
- (xi) Cooling water treatment including the development of new formulations & monitoring of the treatment in terms of corrosion measurement and microbiological parameters.
- (xii) Studies on waste / effluent, process related problems etc.
- (xiii) Technical support to the Operations, Marketing & Purchase.

## 2. Benefits derived as a result of above R&D

- i) Total estimated savings of Rs.80.00 Lakhs have been achieved with the R & D efforts listed below :
  - (a) Saving of chemicals in the Sodium Cyanide Plant, which would have been required for cyanide destruction.
  - (b) Cooling water treatment with in-house developed formulations to control the corrosion, scale & microbiological growth.
  - (c) Use of R & D developed antifoaming formulation in the Phosphoric Acid Plant.
  - (d) Preparation & use of stabilizer for chloroform using the R & D developed process.
  - (e) Specialized analysis of plant samples & corrosion and microbiological growth monitoring in the cooling water systems.
  - (f) Successful use of in-house developed cleaning formulations.
- ii) Successful standardization & optimization of the processes for Guaiacol & Vanillin in the Pilot Plant.
- iii) Successful exploratory work to develop the process for Catechol, Hydroquinone & Mandelonitrile.
- iv) Basic design and cost estimates for 100 MT/month capacity Pilot Plant for Sodium Percarbonate has been worked out.
- v) Successful development of the new variations of our scale, corrosion & microbiological growth inhibition formulations.

- vi) Quality improvements of the R & D developed cleaning formulations.
- vii) Successful commissioning & standardization of the three steps of Hydrazine Hydrate process in the Pilot Plant.

## 3. Future plan of action

- (i) To provide active support & work with IICT, Hyderabad and Project Deptt. for the scale up and commercialization of Hydrazine Hydrate Process.
- (ii) Commercialization of in-house developed cleaning formulations.
- (iii) Standardization of the process for preparing Hydroquinone, Catechol & Mandelonitrile.
- (iv) Developmental work on the existing products and indigenous substitutes of the imported raw materials used in the different plants.
- (v) Technical support to the Operations, Marketing & Purchase.
- (vi) Strengthening of the scientific manpower and upgradation of laboratory, pilot plant & library facilities.

## 4. Expenditure on R&D

(Rs. in Lakhs)

a. Capital	–
b. Recurring	601.98
c. Total	<u>601.98</u>
d. Total R&D Expenditure as a percentage of turnover.	0.30%

## B. Technology absorption, adaptation and Innovation

### 1. Efforts in brief made towards technology absorption, adaptation and innovation :

- (a) Regular monitoring of metals in the process streams of various plants like Phosphoric Acid, Caustic – Chlorine & Hydrogen Peroxide.
- (b) Regular monitoring of heavy metals in the finished products.
- (c) Regular monitoring of Heavy Metals in the liquid & solid effluents.
- (d) Studies on the imported raw material like Rock Phosphate, Potassium Chloride & catalyst used in the different plants.

### 2. Benefits derived as a result of the above efforts :

Better management of technology in terms of process and quality of final product.

### 3. In case of imported technology (imported during the last five years reckoned from the beginning of the financial year) following information is furnished.

- Technology Imported – Hydrogen Peroxide expansion
- Year of import – 2010
- Has technology absorbed ? - Yes

## MANAGEMENT DISCUSSION AND ANALYSIS

### INTRODUCTION:

The 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 present installed production capacity of 429050 MT of Caustic Soda as on 31<sup>st</sup> March, 2013 and enjoys the economies of scale. The Company has about 14% share in the domestic Chlor-Alkali market.

Your Company has achieved ISO 9001:2008, ISO 14001:2004, BS/OHSAS 18001:2007 in its pursuit for excellence and sustainable growth. The Quality Policy of the Company reflects its emphasis and commitments. Since inception, the Company has from time to time expanded its operations in Chlor-Alkali Sector and also diversified into several higher end products, through forward / backward integration.

GACL has always ensured upgrading and adapting eco-friendly and green technologies while it outpaced the industry average capacity utilization of 81.9% with its 85% capacity utilization (Source : *AMAI Report*). Being a chemical manufacturing company, GACL carries its passion for protecting the environment at every stage of its operations, keeping interest of Customers, Shareholders, Employees, Society, Stakeholders and Mother Nature.

The Company's products basket comprises total 36 products including Caustic Soda, Chlorine, Hydrochloric Acid, Hydrogen, Chloromethanes, Potassium Hydroxide, Potassium Carbonate, Phosphoric Acid (85%), Sodium Cyanide, Sodium Ferro Cyanide, Hydrogen Peroxide, Calcium Chloride, Stable Bleaching Powder, Poly Aluminium Chloride, Anhydrous Aluminium Chloride, Toluene based chemicals and Chlorinated Paraffin Wax etc. The major revenues are derived from Caustic Soda Group and therefore, Caustic Soda and Chlorine market scenario has a wide impact on the Company's performance.

The Company's products are used by various industries viz. Textiles, Pulp & Paper, Soaps & Detergents, Alumina, Water Treatment, Petroleum, Plastics, Fertilizers, Pharmaceuticals, Agrochemicals, Plant Protection, Dyes & Dyes Intermediates, refrigeration gases, epoxy etc. and it has marked its presence across the globe even against stiff international competition by exporting its World class products viz. Aluminium Chloride, Hydrogen Peroxide, Caustic Soda Flakes and Prills, Caustic Potash Flakes, Sodium Cyanide, Benzyl Alcohol, Calcium Chloride Powder, Methylene Chloride, Poly Aluminium Chloride

(30%), Potassium Carbonate and Chlorinated Paraffin Wax to various Countries.

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 Power Plant and participation in a 140 MW Joint Captive Co-generation Power Plant, the Company has taken major initiative for green energy by setting up Wind Farms for a total installed capacity of 94.25 MW. The Company is aiming to meet substantial part of its power requirements through alternative environment friendly sustainable renewable energy sources.

### AN OVERVIEW OF INDIAN ECONOMY:

There has been slow-down across the board in the year 2012-13 affecting almost all sectors of the economy. The world economy has been badly affected due to financial crisis in Europe and general slowdown in developed countries including United State. According to the first advance estimates of national income for the year 2012-13 of the Central Statistics Office (CSO), the Indian economy is expected to grow at its slowest pace in a decade at a mere 5 per cent in 2012-13, on the back of dismal performance by the farm, manufacturing and services sectors.

However, inflation has begun to show some signs of moderation. The headline wholesale price index in Financial Year 2012-13 averaged to 7.4%. The Reserve Bank of India (RBI), in order to control inflation and support growth and to improve liquidity, has reduced repo rate by 100 basis points. It has also reduced cash reserve ratio by 75 basis points.

The fiscal deficit was 5.2% of GDP in Financial Year 2012-13 compared to 5.7% in the previous year. The current account deficit reached a record high of 6.7% of the GDP in the third quarter of 2012-13 which continued thereafter. The exchange rate of Rupees vis-à-vis US dollar has been worsening and had seen all time high level of Rs.62/- per USD, adversely affecting the Indian Industry at large.

### BUSINESS, OPERATIONS AND FINANCIAL PERFORMANCE:

The production of Caustic Soda Lye, Flakes / Prills and Liquid Chlorine had been lower during Financial Year 2012-13 compared to the previous year, mainly due to market demand-supply conditions. Production of the

Phosphoric Acid, PAC - Powder and Hydrogen Peroxide was higher than previous year. Record production was achieved in Hydrogen Peroxide which shows an increase of 34.25% compared with the previous year. With the concerted efforts, your Company has improved operational efficiency of Hydrogen Peroxide Plant, Phosphoric Acid Plant, Aluminium Chloride Plant and Stable Bleaching Powder Plant and exercised adequate cost control measures.

Your Company delivered superior financial performance with improvements across key parameters. During the year 2012-13, despite competitive market conditions and depressed economic scenario, your Company has achieved highest ever sales in respect of Caustic Soda Group, Hydrogen Peroxide, Phosphoric Acid Group, Poly Aluminium Chloride, Calcium Chloride, Chlorinated Paraffin Wax, Chloro Toluene Group and Stable Bleaching Powder products. The sales realisation of Caustic Soda Group, Sodium Cyanide Group, Phosphoric Acid, Poly Aluminium Chloride Group, KOH Group and Chloro Toluene Products have improved.

For the Financial Year 2012-13, your Company has achieved a sales turnover (including Excise duty) of Rs.1,992.61 crore, as against Rs.1,862.57 crore in the previous year registering a growth of 7%. The other operating income, for the Financial Year 2012-13 had been Rs.20.29 crore, as against Rs.12.75 crore for the previous year. The other income increased to Rs.18.70 crore as compared with Rs.11.77 crore for the previous year. The other income includes Rs.9.04 crore towards receipt of Dividend and Rs.9.59 crore towards interest income.

The highest ever Earning Per Share of Rs.32.05 for the Financial Year 2012-13 has been achieved, as compared to Rs.20.92 for the Financial Year 2011-12. Cash Earning of Rs.66.50 per share for the Financial Year 2012-13 has been achieved as compared to Rs.51.01 per share for the Financial Year 2011-12. Book value of Share has improved to Rs.241.93 per share as on 31.03.2013, as compared to Rs.213.83 per share as on 31.03.2012. The Return on Capital Employed is achieved at 12.26% as on 31.03.2013, as compared to 9.25% as on 31.03.2012. Despite increase in the value of external commercial borrowings, due to depreciation of rupee currency during the year, the Company has decreased its total debts level to Rs.210.65 crore as on 31.03.2013 as compared to Rs.311.44 crore as on 31.03.2012, resulting into decrease in the Debt-Equity ratio to 0.12 : 1 as on 31.03.2013, as compared to 0.20 : 1 as on 31.03.2012. The Debt Service Coverage ratio has improved to 6.23 times as on 31.03.2013, as compared to 2.74 times as on 31.03.2012. The Interest

Coverage ratio has increased to 61.66 times as on 31.03.2013, as compared to 20.04 times as on 31.03.2012.

The Raw Material expenses could be contained at Rs.714.75 crore compared to Rs.720.80 crore for the previous year, mainly due to marginal reduction in production and general increase in the procurement cost of various raw materials like Common Salt, Aluminium Ingots, Sodium Bi-sulphate, Sulphuric Acid, Rock Phosphate, KCL Salt, Barium Carbonate, Heavy Normal Paraffin, ISO Amyl Alcohol, Alfa-cellulose, other auxiliary chemicals and Natural Gas etc. Electricity charges have increased by 10.26% to Rs.238.26 crore in the current Financial Year from Rs.216.09 crore during the previous year mainly due to increase in fuel cost adjustment charges, increase in prices of natural gas and reduction in Plant Load Factor of Captive Power Plant at Dahej Complex. Employees' remuneration has remained at Rs.118.89 crore as compared to Rs.118.13 crore for previous year. Depreciation and amortization expense has remained at Rs.151.52 crore in the current Financial Year as compared to Rs.151.15 crore for the previous year. Other expenses (excluding power, fuel, natural gas and water charges) have decreased by 18.86% to Rs.185.70 crore in the current Financial Year from Rs.228.86 crore for the previous year. The Finance costs have reduced by 59.38% to Rs.8.34 crore from Rs.20.53 crore in the previous year.

Gross profit has increased to Rs.514.02 crore in Financial Year 2012-13 from Rs.411.29 crore in the previous year. The Profit after finance costs but before depreciation and amortization (Cash Profit) has increased to Rs.505.68 crore in Financial Year 2012-13 from Rs.390.76 crore in the previous year. Your Company has achieved highest ever Profit Before Tax of Rs.336.83 crore for the Financial Year 2012-13, which has increased by 50.76% as compared to Rs.223.42 crore of the previous year. Similarly, it has achieved the highest ever Profit After Tax of Rs.235.35 crore for the Financial Year 2012-13, which has increased by 53.21% as compared to Rs.153.61 crore of the previous year.

#### RESEARCH AND DEVELOPMENT:

Your Company has been continually striving to achieve its objectives in terms of both, immediate and long term need of the business segment. The R & D activities are carried out in different disciplines namely new product development and new process development with specific focus on speciality chemicals, cooling water treatment, process improvement, cost reduction, import substitutes, technical backup to operations and to facilitate the absorption of new technologies.



Your Company has initiated the exploratory work on the products based on Hydrogen Peroxide, Sodium Cyanide, Benzyldehyde and Phenol. Your Company is also working jointly with IICT, Hyderabad to scale up the process for a very valuable product, which can be added to our product line.

The work on development of basic design of 100 MT / month capacity Pilot plant for Sodium Percarbonate and the cost estimates has been worked out. The quality of R & D developed cleaning formulations based on Sodium Hypochlorite & Hydrochloric Acid has been further improved and are being successfully used in Vadodara & Dahej complexes. The process developed for Guaiacol and Vanillin - high value speciality chemicals has been successfully standardized & optimized at Pilot plant scale.

The cooling water treatment was carried out successfully with in-house developed formulations supported by the technical services on the regular basis, which included corrosion and microbiological growth monitoring. The technical support has been extended to the Operations, Marketing & Purchase Departments. The regular studies were carried out on the imported raw material, process samples and final products in order to have better management of the process & quality of the final products.

#### **EXPANSION AND DIVERSIFICATION:**

The Company has been continuously expanding its product portfolio through forward integration and accordingly, the Company has taken up projects to manufacture Sodium Chlorate and Hydrazine Hydrate to take advantage of synergy with its existing product lines and to substitute imports of these products in the country. The Company also exploring to expand capacities for its existing products.

The Projects planned to be commissioned during the Financial Year 2013-14 are as under:

#### **Phase – V - 10.5 MW Wind Farm Project**

In order to promote Green technology, the Company has been taking up Wind Farm Projects since 2008. The total Wind Farm capacity has been increased to 94.25 MW by the end of Financial Year 2012-13. One more Wind Farm project, Phase V with the capacity of 10.5 MW has been commissioned on 17<sup>th</sup> July, 2013. The total wind energy generation capacity of the Company after implementation of this project is 104.75 MW. Feasibility of installing additional 21.0 MW wind power capacity in the next two years is being evaluated.

#### **Sodium Chlorate Project**

The Company has taken up project for manufacturing 20000 MTPA Sodium Chlorate Project at its Dahej Complex. The Project is at an advanced stage of completion and is expected to be commissioned in September, 2013.

#### **Other Projects**

The Company is also considering putting up projects for manufacturing Hydrazine Hydrate, Caustic Soda, Chloromethanes and other value added products having their applications in foams, polyester resins, pharmaceuticals, cosmetics & personal care, liquid detergent, epoxy resins etc., over the next 3-4 years.

To further diversify its business portfolio, the Company has also joined hands with GNFC, another Government of Gujarat promoted company, for exploring the possibilities of taking up projects and doing business jointly in the areas of synergy by optimum utilization of available resources.

#### **RISK MANAGEMENT:**

Risk Management is the identification and measurement of risks, which can affect the Organisation and implementation of strategy for monitoring, controlling and mitigation of these risks by systematic actions in a planned manner. Continuous risk management is a pre-requisite for a sustainable growth and has to be integrated in day to day activities and decisions.

Adequate policy, procedures, checks and balances are put in place and steps are taken for earlier recognition and corrective measures to overcome the same. In case of external drivers, a continuous cost benefit analysis is done to take a proactive approach and safeguard the business outcome on a substantial basis. The Board reviews the Risk Management Reports on quarterly basis.

#### **STRENGTHS, OPPORTUNITIES & THREATS / RISKS & CONCERNS:**

The strengths of the Company are economies of scale, state of the art eco-friendly technologies, economical and reliable power supply, extensive usage of renewable energy, integrated down stream plants, strong network for Marketing and Distribution, In-house Research and Development facilities, Proximity to major raw material source and markets etc. However, new capacities coming up in Chlor-Alkali industry in Gujarat, Chlorine and HCL remains the major area of concern.

The Company has followed a business plan for growth and sustained performance. The Company has adopted a strategy to concentrate both on top and bottom lines. The contributing factors to Company's success are optimizing of operations, better marketing, close monitoring and control of financial cost, increase in efficiency of plants, timely and successful completion of expansion projects, addition of new products etc. The manpower of the Company with high morale and motivation always endeavours to bring better results. Keeping in view, the current trends of Indian and global economy, the time ahead may prop-up newer hurdles. To overcome such hurdles, the Company has planned new projects during next 3 to 4 years, to diversify, add new products, enlarge portfolio and expand its existing capacities. The Company is also considering various Chlorine / HCL based projects so that the production of Caustic Soda can be optimized. It will also enable us to consolidate and maintain our prime position in Chlor-Alkali and other integrated downstream products. Our continuous efforts to upgrade the technology has enabled us to optimize the cost of production and increasing revenues. Our commitment to deliver quality products to the customers has ensured that our products are well accepted, both in India and abroad. The customers are assured of timely delivery of quality products through its well-established marketing network.

The Company is operating in a competitive market both in domestic and international sector. However, the increasing cost of gas and power, and impact of appreciation of USD on the cost of imported materials such as Rock Phosphate and Potassium Chloride etc. are the areas of concern. The Company's total Wind Energy Generation Capacity has now gone up to 104.75 MW in Gujarat, to augment its power requirement with eco-friendly renewable energy. Further, the Company has also taken actions to source power from IPPs on bilateral arrangements. In the international market, the Company competes with manufacturers in China and Middle East, who have their own typical location advantages with respect to energy cost and size of operations. Domestically, the Import of several items is becoming cheaper with reduction in custom duty.

Globally for Chlor-Alkali Industry, Chlorine is the driving product whereas in India, Caustic Soda is the driving product. Hence, Indian Industry faces competition from cheaper imports with reduction in custom duty. To protect against unfair competition in products like Caustic Soda Lye / Flakes and Potassium Carbonate, the Indian manufacturers had approached the Designated Authority to impose Anti-dumping duty against such imports and Anti-dumping duty has been imposed on imports of these products from various countries.

All Chemical products generally pass through cyclic phase. While some products are in short supply, some others do not move satisfactorily. Owing to availability of 36 products in its basket, the products in short supplies provide some leverage against slow moving products.

Your Company's products viz. Phosphoric Acid, Potassium Hydroxide, Potassium Flakes, Potassium Carbonate- $K_2CO_3$  are under threat of rise in raw material prices due to its scarcity in the global market as well as fluctuation in exchange rate. The Company has only single source procurements for the raw materials for the above finished goods, namely Rock Phosphate from Jordan and Potassium Chloride from Canada. The Company has successfully started using Rock Phosphate of Morocco origin blending with the Rock Phosphate from Jordan. Efforts are on to search for other suppliers of these materials of technical suitability for the designed plant at present, through domestic dealers / foreign suppliers.

#### **INDIAN CHLOR-ALKALI INDUSTRY AT A GLANCE:**

There are 33 Chlor-Alkali Units in India. The products from the alkali industry are the basic raw materials for industries like Alumina, Paper & Pulp, Soaps & Detergents, Pharmaceuticals, Dyes, Pesticides & Water Treatment etc.

Due to fall in price of Ethylene Dichloride (EDC) globally, many of Indian producers have opted to import EDC and thus, Chlorine demand has remained depressed during the entire Fiscal Year, with some revival in the 3rd & 4th Quarter. On the other hand, there was excess supply of Chlorine due to coming up of additional capacity of Chlor-Alkali during the year. Thus, depressed Chlorine demand & uneconomical pricing of Chlorine in the market has impacted overall capacity utilizations during 2012-13.

#### **THE CAUSTIC SODA MARKET SCENARIO:**

We are a multi-product Company, having more than 36 products in our basket, yet the major revenues are coming from Caustic Soda Group and therefore, Caustic Soda and Chlorine market scenario are of utmost important to us.

The installed capacity of Caustic Soda in the Country is about 3100510 MTPA as compared to 3122900 MTPA as on 31.03.2012. Out of the installed capacity of 3100510 MTPA, about 47300 MTPA on Mercury Cells and remaining 3053210 MTPA on Membrane Cells. The Membrane Cell process is energy efficient as the power requirement is much less compared to Mercury Cell. GACL has the advantage of having its entire production from Membrane Cells.

## MARKETING STRATEGY:

The Company deals in marketing of Caustic Soda (Lye, Flakes & Prills), Liquid Chlorine, Hydrochloric Acid, Chloromethane, Hydrogen Peroxide, Sodium Cyanide, Sodium Ferrocyanide, Caustic Potash Lye & Flakes, Potassium Carbonate, Aluminum Chloride, Phosphoric Acid, Calcium Chloride Powder, CPW, Poly Aluminum Chloride, Chloro Toluene etc.

Most of the plants are integrated in such a way that part of finished product of one plant is consumed as a raw material for the other plant.

The Company thus enjoys some leverage over its competitors due to its integration philosophy.

As a value addition to Hydrochloric Acid, we had commissioned Poly Aluminum Chloride and are able to capture sizable domestic market for various grades of Poly Aluminum Chloride. We have also put up a Calcium Chloride facility at Vadodara Complex, as a value addition to Hydrochloric Acid.

The Company has also put up Stable Bleaching Powder facility as a value addition to Chlorine at Dahej Complex.

Further, the Company is putting up Sodium Chlorate facility, which finds applications primarily in Paper and Pulp Industry.

Gujarat is predominantly an industrial state, which contains a number of large businesses in the Chemical, Petrochemical, Plastics, Textile and Fertilizer Industries. Keeping in view the hazardous nature of some of the Company's products, it is able to service Gujarat based customers, more effectively than others.

As a part of market development, the emphasis is to interact with customers and develop new market potential for the products. After sales services are provided as and when required as part of this strategy and this helps the Company to increase the volume especially for new products.

GACL is also exporting some of its products viz. Caustic Soda Flakes, Caustic Soda Prills, Caustic Potash Flakes, Calcium Chloride Powder, Potassium Carbonate, Potassium Hydroxide Flakes, Hydrogen Peroxide, Liquid Chlorine, Phosphoric Acid, Aluminum Chloride, Benzyl Alcohol, PAC and CP to Europe, West Asia, South East Asia, Africa, Middle East / Far East, SAARC etc.

## SAFETY & ENVIRONMENT:

Our commitment to safety and preservation of environment has been encompassed in our "Quality Health, Safety and Environment (QHSE) Policy". The Company has achieved

3537 Accident Free Days at Vadodara and 439 Accident Free Days at Dahej as on 31.03.2013.

The Company has implemented elaborate Environment Management System (EMS) and Occupational Health & Safety (OH & S) plan and has embarked on continual improvement. TUV (India) Pvt. Ltd. has granted ISO 9001:2008, ISO 14001: 2004 and BS/OHSAS 18001: 2007 Integrated Management System certificates to the Company. The Company has continued its emphasis on safety awareness for its employees, contract labourers, Truck drivers handling our products and among villagers in neighbourhood of our plants. The Company regularly organizes Safety Exhibition and audio-visual safety awareness programme for the employees.

Adequate steps have been taken for Pollution Control, Green Belt Development besides due compliance with statutory requirements for the protection of environment. In Vadodara Complex, green belt has been developed and maintained in 29 acres of land having about 28,000 plus trees of various varieties. The Company has also developed and maintained 30,000 sq. mts. area of green lawns inside the Complex.

A recharge bore-well has been constructed for harvesting rainwater to effectively recharge ground water table and raising the ground water level.

In the Dahej Complex of the Company, large area has been covered by development and maintenance of green belt, landscaping, Flora & fauna, rainwater harvesting and natural ponds. The Company has undertaken water conservation by channelizing cooling tower blow down, treated sewage and drip irrigation. Nearly 70,000 plus trees of wide variety have been grown and maintained approximately in 65,000 sq. mts. of green lawn and Garden at Dahej Complex.

The canteen and garden waste is being converted in to the best organic manure through in-house vermi-composting facility on regular basis at both the complexes.

The product Carbon Tetrachloride (CTC) comes under Ozone Depletion Substance (ODS) Rules, 2000 as per the guidelines of Montreal Protocol framed by Government of India. Under these Rules, production of CTC for non-feed stock application has been phased out while production of CTC only for feed stock application is continued.

The Company has registered three Clean Development Mechanism Projects (CDM Projects) under Kyoto Protocol and one Wind Mill Project is under registration process with UNFCCC.

### **CORPORATE SOCIAL RESPONSIBILITY:**

Your Company, during the year under review, has continued to fulfil its Corporate Social Responsibilities to enhance Human Development Index (HDI) by undertaking various thematic activities in various areas. Promoting inclusive growth has been a priority area for GACL from both a social and business perspective. The Company strives to make a difference to its customers, to the society and to the nation's development directly through its products and services, as well as through its development initiatives and community outreach. We have set-up 'GACL Foundation Trust' with the objective of implementing various CSR activities as well as we have also set-up 'GACL Education Society' with the objective of promoting educational activities.

Your Company has also taken an initiative for upgrading two lane tar asphalt road to four lane CC road from Ranoli N.H. No. 8 Junction to Ranoli railway overbridge and the work is about to be completed. The Company has constructed & renovated the Public Health Centre and Maternity Home at the Village Ranoli.

With a view to provide nutritive and hygienic Mid Day Meal to more than 1 lac children of Government schools and Government aided schools of Vadodara District, the Company has formed a consortium along with GSFC, GIPCL and Vadodara Mahanagar Seva Sadan (VMSS) and sponsored the establishment of modern kitchen and food distribution set-up. The project is implemented and monitored by "The Akshaya Patra Foundation".

Efforts to uphold the cultural legacy and encouraging sports activities were also embarked upon during the year under review.

### **HUMAN RESOURCES DEVELOPMENT:**

GACL has a vast human potential to enhance its productivity and a sustainable growth. To modernize the skill and capabilities of the manpower, GACL has implemented 195 training programmes during the Financial Year 2012-13. GACL has also initiated recruitment drive to infuse fresh talent and maintain the pool of human resource for various strategic positions. Amidst all pressure of growing business and changing market scenario, industrial relations continued to remain harmonious.

### **AWARDS AND RECOGNITIONS:**

The Company is a proud recipient of the following recognitions and awards during the year:

1. National Safety Award – 2010 awarded to our Dahej Complex by Ministry for Labour & Employment, Government of India in September, 2012.
2. Award for Excellence in the field of Export Performance and Promotion – 2011 awarded by Federation of Gujarat Industries, Vadodara in September, 2012.
3. Social and Corporate Governance Award (SCGA) – 2013 for Best Corporate Social Responsibility Practice awarded by Bombay Stock Exchange Ltd. (BSE), Mumbai in February, 2013.
4. 1st & 2nd Runners up Awards by Baroda Productivity Council's GreEnv (Green Environment) 2011-12 and Good Housekeeping 2012-13 for Dahej and Vadodara Plants.

### **INFORMATION TECHNOLOGY:**

GACL considers the effective use of Information Technology (IT) and business analytics to be essential in raising productivity and achieving excellence in its business operations.

GACL believes that IT is an important enabler for integration of all activities, ensuring transaction efficiency, integrity, transparency and control. The Company has implanted its IT initiatives to corroborate its vision and business plan.

The Company has Enterprise Resource Planning (ERP) in place, which is backbone for its information base. The Vadodara and Dahej Complexes of the Company are connected through reliable WAN with solution implemented to get almost 100% uptime. A Decision Support System (DSS) is also implemented in addition to ERP, which helps top management in taking strategic and timely business decisions. Management has adopted a total transparent system of business with optimal use of the state of art technologies and IT tools. It also provides information required by its business partners through website.

The Company has its own mail server to achieve fast and reliable messaging solutions.

### **CAUTIONARY STATEMENT:**

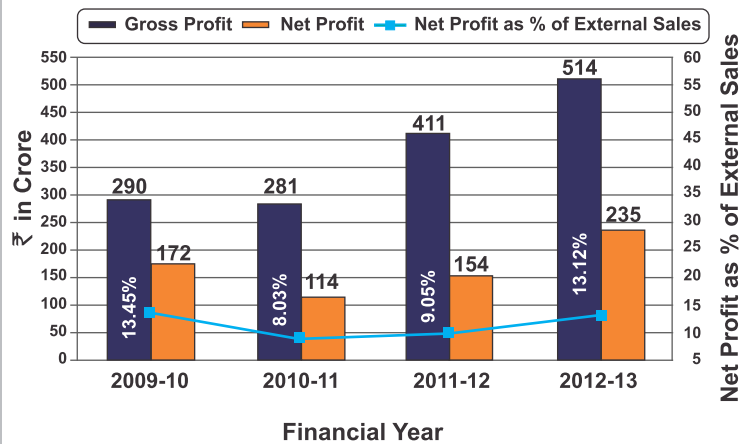
*The Company assumes no responsibility in respect of forward looking statements, expectations and assumptions herein which may undergo changes in future on the basis of subsequent development, information, or unforeseen circumstances or force majeure events. This shall not be considered as investment guidance or advise or invitation. The readers are advised to make their own independent assessment and judgment.*



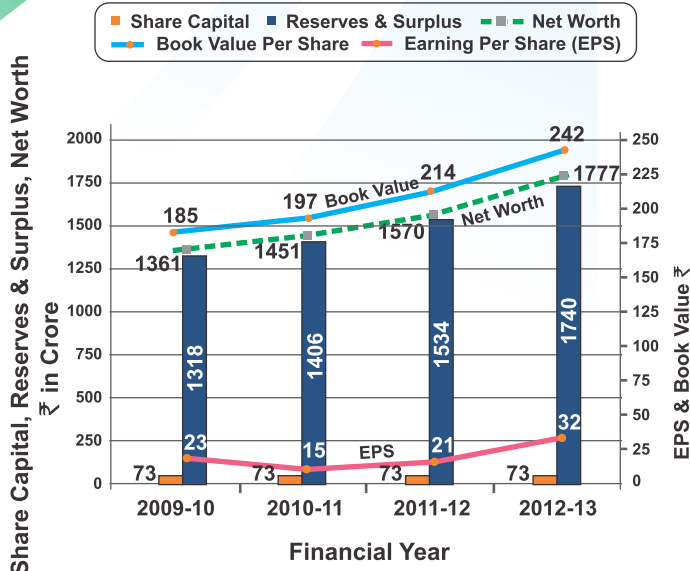
## Setting new benchmarks of progress

With the power of research and development, we are charting new paths to prosper and progress. With newer technologies and management practices, we are continuously reinforcing our capabilities.

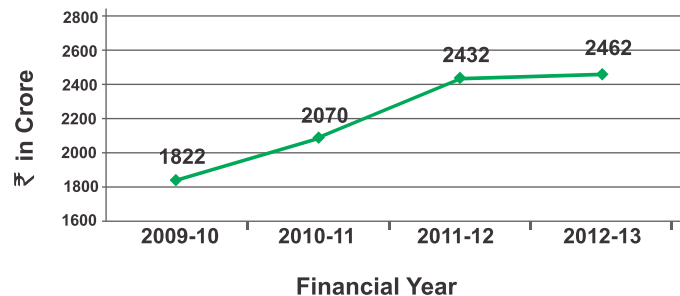
### Gross Profit - Net Profit (NP) and NP as % of External Sales



### Share Capital, Reserves & Surplus, Net Worth, Book Value and EPS



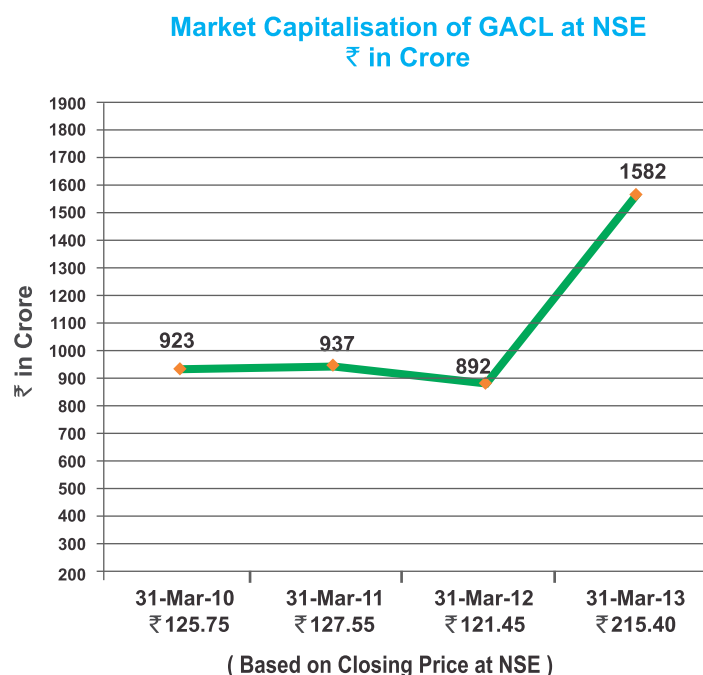
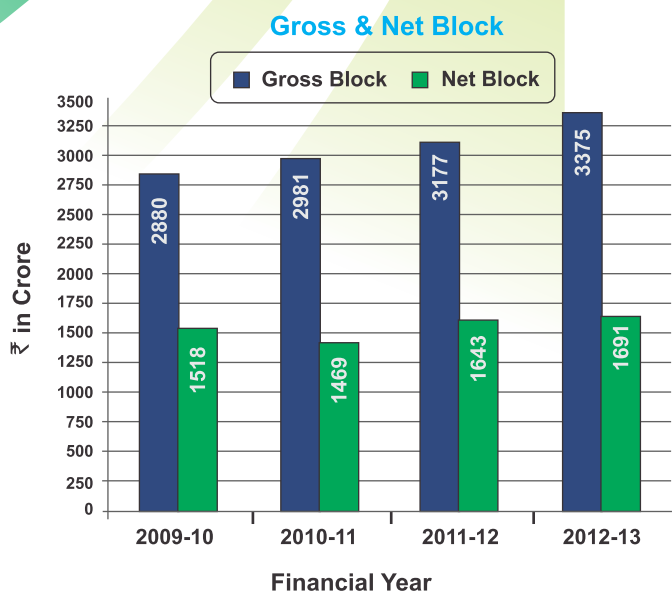
### Gross Income





## Growing with the environment

At GACL, we believe in promoting sustainable practices. With emphasis on better and environment friendly technologies, matching green actions we are adding more life into our surroundings and lives.

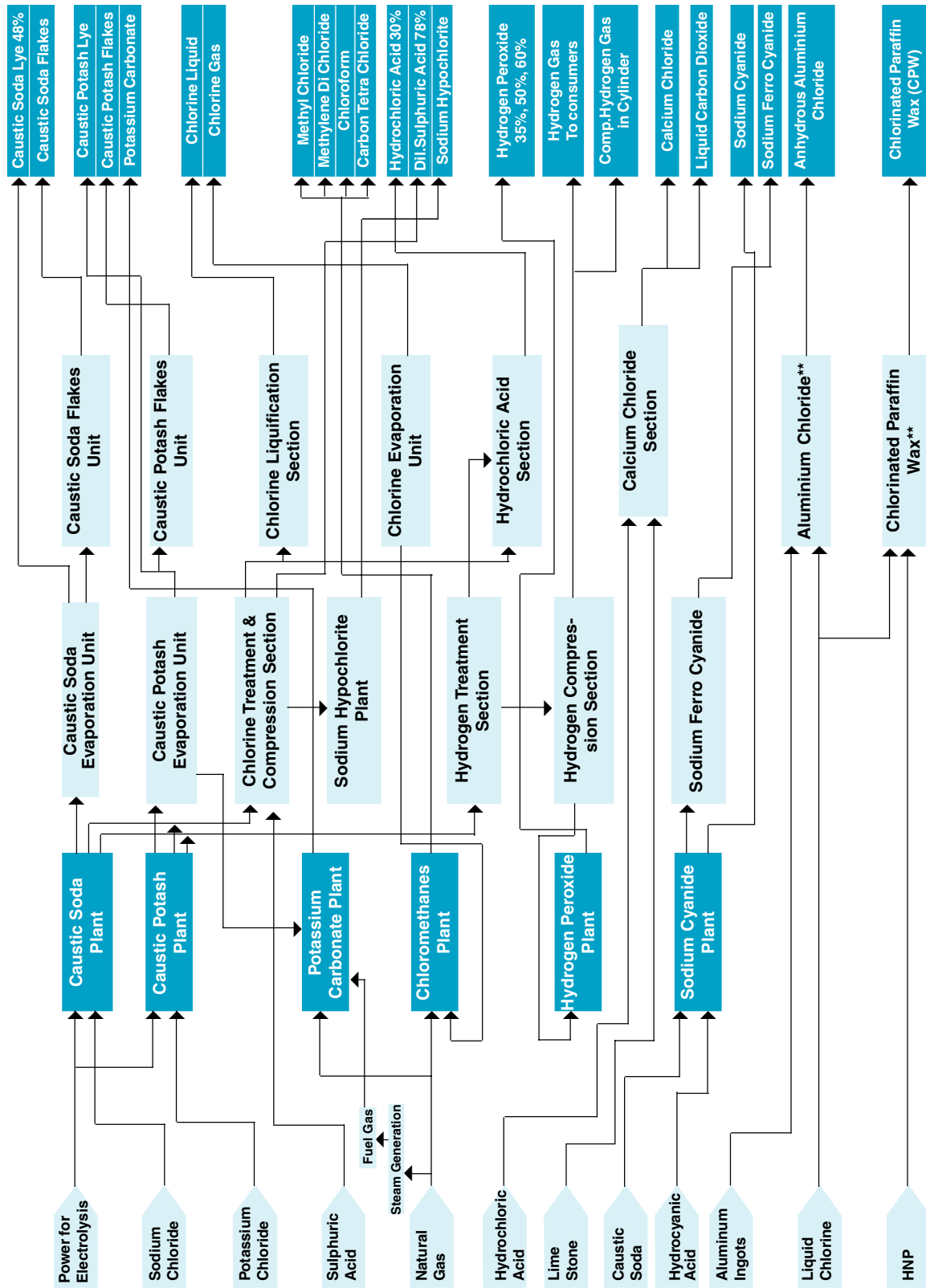


## QUANTITATIVE DATA FOR TEN YEARS :

PARTICULARS	UNIT	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04
<b>PRODUCTION :</b>											
CAUSTIC SODA LYE	MT	<b>364733</b>	383690	415124	414094	378276	398499	354266	310470	305930	280850
CAUSTIC SODA FLAKES	MT	<b>137958</b>	143809	166705	169594	137012	151761	135061	134346	121461	115270
CAUSTIC SODA PRILLS	MT	<b>14976</b>	16747	20822	18204	18902	13760	15118	11629	9788	9927
CHLORINE GAS / LIQUID	MT	<b>333206</b>	354942	382713	380236	346027	363911	325893	286995	283062	260509
HYDROCHLORIC ACID (30%)	MT	<b>303920</b>	273522	293329	313810	325379	331295	322009	303674	283290	267457
CAUSTIC POTASH LYE	MT	<b>15906</b>	23722	23596	21121	17206	17153	19008	18858	19000	18475
POTASSIUM CARBONATE	MT	<b>6476</b>	10553	11945	11002	6297	6546	9925	11046	13010	14285
CAUSTIC POTASH FLAKES	MT	<b>7867</b>	11891	11841	10315	10900	9940	9598	7066	6090	4825
CHLOROMETHANES	MT	<b>34417</b>	36026	35626	34558	31773	30914	27268	26166	25844	25734
SODIUM CYANIDE	MT	<b>1844</b>	2644	2635	2802	2039	2271	2457	2318	2512	2340
PHOSPHORIC ACID (85%)	MT	<b>24125</b>	23191	23645	21386	24160	28286	25928	24730	23900	23030
HYDROGEN PEROXIDE (100%)	MT	<b>31329</b>	27465	26304	26804	24359	17393	13126	13225	13551	13631
ALUMINIUM CHLORIDE	MT	<b>23823</b>	25542	27249	19891	18464	10558	9366	7638	5247	1739
CALCIUM CHLORIDE	MT	<b>8204</b>	8822	8789	8762	6768	6621	4266	6105	7585	—
POLY ALUMINIUM CHLORIDE	MT	<b>25903</b>	28638	28972	22786	18714	13564	5226	—	—	—
CHLORINATED PARAFFIN WAX	MT	<b>@8577</b>	7862	6943	7780	4833	4381	906	—	—	—
CHLORO TOLUENE PRODUCTS	MT	<b>@4821</b>	4107	1649	91	—	—	—	—	—	—
STABLE BLEACHING POWDER	MT	<b>@6456</b>	3304	139	—	—	—	—	—	—	—
POWER GENERATION	MU KWH	<b>475.33</b>	633.14	730.82	783.37	651.28	703.62	737.42	722.34	704.66	638.27
POWER GENERATION — WIND FARM	MU KWH	<b>*184.54</b>	164.13	153.58	128.59	46.37	4.94	—	—	—	—
<b>SALES :</b>											
CAUSTIC SODA LYE	MT	<b>193874</b>	211060	215028	211977	209965	218923	192536	154755	168000	149460
CAUSTIC SODA FLAKES	MT	<b>135119</b>	144648	165938	169356	138172	151576	135094	133316	122891	116530
CAUSTIC SODA PRILLS	MT	<b>15481</b>	16553	20617	18194	19059	13942	14759	11540	9917	9996
CHLORINE GAS / LIQUID	MT	<b>257897</b>	283552	305886	296665	259057	272446	237476	207788	212469	198999
HYDROCHLORIC ACID(30%)	MT	<b>270689</b>	230671	251508	273983	291302	298472	284021	270564	255873	242687
CAUSTIC POTASH LYE	MT	<b>3420</b>	3419	2613	2161	1916	2409	1710	2904	2205	1762
POTASSIUM CARBONATE	MT	<b>7250</b>	10061	12196	10550	6524	6512	9634	11126	12820	14106
CAUSTIC POTASH FLAKES	MT	<b>8401</b>	11677	11747	10170	11384	9554	9603	6937	6318	4578
CHLOROMETHANES	MT	<b>32401</b>	34916	35377	34719	32663	30174	27184	26143	25741	25816
SODIUM CYANIDE	MT	<b>1911</b>	2407	2648	2637	1994	2270	2458	2361	2543	2318
PHOSPHORIC ACID (85%)	MT	<b>25656</b>	22491	24051	21633	21690	29015	27019	22963	23618	23883
HYDROGEN PEROXIDE (100%)	MT	<b>31018</b>	27824	25871	26981	24382	20433	13269	13455	13170	13714
ALUMINIUM CHLORIDE	MT	<b>25114</b>	23607	25966	22455	16618	10953	9225	7758	5309	1551
CALCIUM CHLORIDE	MT	<b>8995</b>	8300	8809	8398	6802	7080	5622	9357	7535	—
POLY ALUMINIUM CHLORIDE	MT	<b>26530</b>	30013	31345	23956	22701	14598	5251	—	—	—
CHLORINATED PARAFFIN WAX	MT	<b>8611</b>	7783	7158	7800	4603	4502	764	—	—	—
HYDROCHLORIC ACID — CP	MT	<b>14559</b>	12837	11682	12912	8225	7493	1546	—	—	—
BENZYL CHLORIDE	MT	<b>2067</b>	1718	1172	91	—	—	—	—	—	—
BENZYL DEHYDE	MT	<b>547</b>	366	178	—	—	—	—	—	—	—
BENZYL ALCOHOL	MT	<b>2626</b>	1455	165	—	—	—	—	—	—	—
HCL FROM HBC	MT	<b>7164</b>	2772	1797	—	—	—	—	—	—	—
STABLE BLEACHING POWDER	MT	<b>6476</b>	3131	74	—	—	—	—	—	—	—
POWER TO GUVNL / MGVCCL	MU KWH	<b>33.90</b>	28.64	34.13	44.99	7.60	4.13	54.16	179.35	165.37	54.04
SALES VOLUME (EXCL. INTER-UNIT)	Rs./ Cr.	<b>1794.31</b>	1698.22	1423.17	1278.08	1386.82	1133.63	1044.84	944.10	902.88	698.03

\* Highest ever production @ on Jobwork basis

# VADODARA COMPLEX WITH UNIQUE - PRODUCT MIX



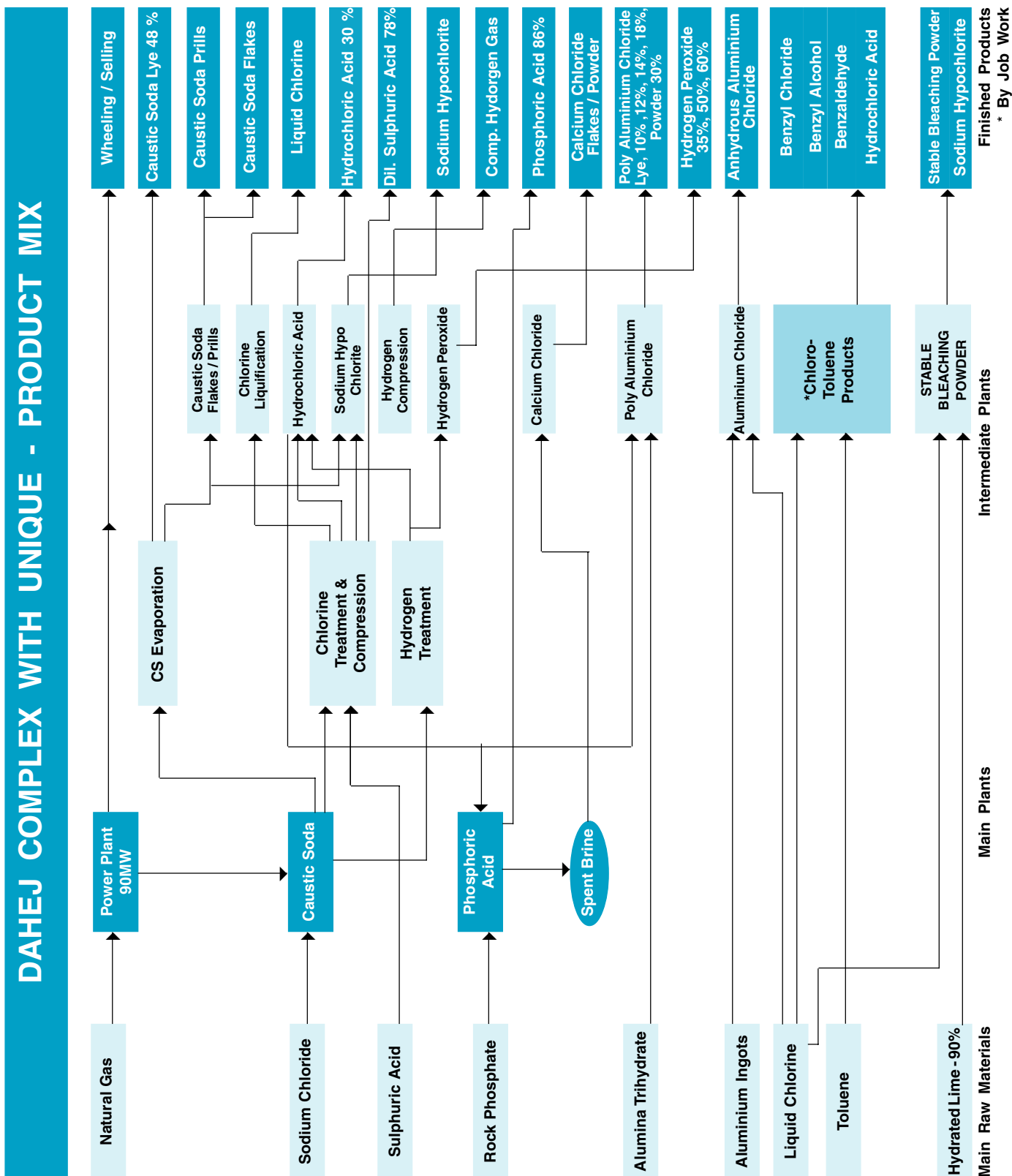
Finished Products  
\*\* By Job Work

Intermediate Plants

Main Plants

Main Raw Materials





## Financial Highlights of Ten Years

PARTICULARS	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04
<b>OPERATING RESULTS</b> <span style="float: right;">[Rs. in Lakhs]</span>										
GROSS INCOME	1,83,330	1,72,274	1,44,669	1,33,371	1,44,810	1,20,586	1,08,698	97,713	91,098	70,097
GROSS PROFIT	51,402	41,129	28,127	29,019	40,191	39,884	39,880	41,252	40,500	24,586
FINANCE COSTS	834	2,053	2,117	1,748	2,459	2,532	3,773	3,936	5,976	7,913
DEPRECIATION AND AMORTIZATION EXPENSE	15,152	15,115	13,312	12,155	10,943	9,896	8,732	7,847	7,683	7,782
PROFIT/(LOSS) BEFORE INVESTMENT ALLOWANCE RESERVE & TAXATION	35,416	23,961	12,698	15,116	26,789	27,456	27,375	29,469	26,841	8,891
PROVISION FOR IMPAIRMENT OF ASSET	—	—	—	—	471	—	—	—	—	—
PRIOR PERIOD ADJUSTMENTS(NET)	14	20	(13)	488	188	(95)	26	(1)	85	(55)
OTHER EXCEPTIONAL ITEM	1,719	1,599	—	—	—	—	—	—	—	—
PROFIT/(LOSS) BEFORE TAX	33,683	22,342	12,711	14,628	26,130	27,551	27,349	29,468	26,926	8,836
<b>PROVISION FOR TAXATION :</b>										
— CURRENT INCOME TAX-MAT	—	—	2,387	2,370	2,885	—	—	—	2,130	688
— DEFERRED INCOME TAX	882	1,139	(307)	3,848	3,980	1,788	809	2,866	10,368	1,833
— PROVISION FOR TAXATION INCLUDING WEALTH TAX	10,238	5,842	—	—	—	3,312	7,849	6,666	—	—
— UNDER FRINGE BENEFIT TAX	—	—	—	—	38	43	35	139	—	—
— MAT CREDIT ENTITLEMENT	—	—	(799)	(2,369)	—	—	—	—	—	—
— EXCESS PROVISION FOR INCOME TAX OF EARLIER YEARS WRITTEN BACK	(972)	—	—	(6,405)	—	—	—	—	—	—
PROFIT/(LOSS) AFTER TAX	23,535	15,361	11,430	17,184	19,227	22,408	18,656	19,797	14,428	6,315
DIVIDEND	2,570	2,203	2,203	2,203	2,203	2,570	1,836	1,469	1,102	551
TAX ON DIVIDEND	437	357	357	366	374	437	279	206	154	71
RETAINED EARNINGS/(LOSS)	20,528	12,801	8,870	14,615	16,650	19,401	16,541	18,122	13,172	5,693
<b>SOURCES AND APPLICATION OF FUNDS</b> <span style="float: right;">[Rs. in Lakhs]</span>										
<b>SOURCE OF FUNDS :</b>										
SHARE CAPITAL	7,344	7,344	7,344	7,344	7,344	7,344	7,344	7,344	7,344	7,344
RESERVES & SURPLUS	1,73,963	1,53,435	1,40,634	1,31,764	1,17,149	1,00,499	81,504	64,964	46,841	33,671
BORROWINGS (NET)	21,065	31,144	35,216	32,324	33,523	31,547	40,062	47,260	53,981	77,078
OTHER LONG TERM LIABILITIES	1,781	1,628	857	—	—	—	—	—	—	—
LONG TERM PROVISIONS	2,556	2,672	2,710	—	—	—	—	—	—	—
DEFERRED TAX (NET)	33,471	32,589	31,450	31,757	27,909	23,928	22,141	21,332	18,466	8,098
TOTAL FUNDS EMPLOYED	2,40,180	2,28,812	2,18,211	2,03,189	1,85,925	1,63,318	1,51,051	1,40,900	1,26,632	1,26,191
<b>APPLICATION OF FUNDS :</b>										
FIXED ASSETS (GROSS)	3,37,512	3,17,665	2,98,149	2,87,996	2,58,220	2,26,049	2,03,253	1,87,648	1,67,554	1,61,951
DEPRECIATION	1,68,410	1,53,390	1,41,260	1,27,100	1,09,518	99,668	89,923	81,314	73,485	65,788
FIXED ASSETS (NET)	1,69,102	1,64,275	1,56,889	1,60,896	1,48,702	1,26,381	1,13,330	1,06,334	94,069	96,163
CONTRIBUTION TOWARDS SUPPLY OF POWER, WATER AND SERVICES	—	—	—	—	—	—	—	—	—	—
INVESTMENTS	17,233	16,108	15,620	14,051	11,728	12,051	12,232	12,249	6,251	5,846
LONG TERM LOANS AND ADVANCES	10,387	10,763	9,968	—	—	—	—	—	—	—
OTHER NON-CURRENT ASSETS	3,231	2,742	2,231	—	—	—	—	—	—	—
CURRENT ASSETS (NET)	40,227	34,924	33,503	28,242	21,806	20,952	22,561	20,349	23,568	21,325
MISC. EXP. TO BE WRITTEN OFF	—	—	—	—	3,689	3,934	2,928	1,968	2,744	2,857
TOTAL FUNDS APPLIED	2,40,180	2,28,812	2,18,211	2,03,189	1,85,925	1,63,318	1,51,051	1,40,900	1,26,632	1,26,191
DEBT EQUITY RATIO	0.12 : 1	0.20 : 1	0.24 : 1	0.24 : 1	0.28 : 1	0.30 : 1	0.47 : 1	0.67:1	1.05:1	2.02:1
<b>AMOUNT PER EQUITY SHARE OF RS.10/-</b> <span style="float: right;">[In Rs.]</span>										
EARNING PER SHARE	32	21	15	23	26	30	25	27	20	9
SALES PER SHARE	244	231	194	174	189	154	142	160	155	131
DIVIDEND	3.50	3.00	3.00	3.00	3.00	3.50	2.50	2.00	1.50	0.75
BOOK VALUE	242	214	197	185	164	141	117	96	70	55
<b>MARKET PRICE :</b>										
HIGH	217	167	146	156	204	275	255	168	88	57
LOW	115	119	106	59	53	112	107	120	68	40

## CORPORATE GOVERNANCE REPORT

The detailed report on Corporate Governance in the format prescribed by SEBI and incorporated in Clause 49 of the Listing Agreement is set out below:

### A. MANDATORY REQUIREMENTS

#### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

At GACL, the Corporate Governance philosophy stems from the belief that good and sound Corporate Governance practices are sine qua non for sustainable business that aims at generating long-term value for all stakeholders. As a value-driven organization, it has adopted a transparent, ethical and robust Governance framework, which helps enhance efficiency as an important catalyst in driving business growth across parameters and boost stakeholders' confidence. Our Corporate Governance principles are fairness, transparency, ethical processes and good practices. The Core values of the organization include Safety & Environment, Quality, Trust, Social Responsibility, Leadership and Excellence.

GACL recognizes the importance of transparency and integrity in dealings at all levels. The Company believes that the goodwill resulting from implementing a code of business ethics will, in perpetuity, translate into economic gains. Stakeholders rate the companies that are managed properly and also have better Corporate Governance, which ensures the optimum use of the human, physical and financial resources of an enterprise. We have integrated ethics into our corporate culture and we concentrate on putting appropriate Corporate Governance mechanisms in place.

The Company has inter-twined the ethical and social elements with its operating philosophy business model. The Corporate Social Responsibility of the Company is the unmistakable deliberate inclusion of public interest into corporate decision making and honoring the Mother Nature besides the interests of the other stakeholders. The Company achieves its objective of being socially responsible through sustainable business practices, by meeting or exceeding the expectations of all its stakeholders, including neighbouring villages.

#### 2. BOARD OF DIRECTORS:

##### 2.1. COMPOSITION OF THE BOARD :

The Board of Directors comprises of total seven (7) Directors as on 31<sup>st</sup> March, 2013. The Managing Director is an Executive and Non Independent Director, all other Directors are Non Executive and Independent.

##### 2.2. BRIEF RESUME OF DIRECTORS UNDER APPOINTMENT / REAPPOINTMENT:

The brief resume of *Padma Bhusan* Dr. Sukh Dev and Shri J N Godbole for reappointment and of Dr. Hasmukh Adhia, IAS for appointment as Directors are given in the Annexure attached with the Notice convening 40<sup>th</sup> Annual General Meeting of the Company, forming part of this Report.

##### 2.3. NUMBER OF BOARD MEETINGS HELD AND DATES THEREOF :

During the Financial Year 2012-13, six (6) Board Meetings were held i.e. on 24.05.2012, 04.08.2012, 21.09.2012, 06.11.2012, 28.01.2013 and 15.03.2013.

##### 2.4. ATTENDANCE OF DIRECTORS AT THE BOARD MEETINGS, LAST ANNUAL GENERAL MEETING AND THEIR DIRECTORSHIPS AND COMMITTEE MEMBERSHIPS IN OTHER COMPANIES:

As on 31.03.2013

Name	No. of Board Meetings of GACL attended	Attendance at last AGM of GACL held on 21.09.2012	Directorships in other Companies	Audit Committee and Shares / Debentures Transfers and Investors' Grievance Committee	
				Membership	Chairmanship out of Membership in Column No. 5
1	2	3	4	5	6
Shri A K Joti, IAS (up to 28.02.2013)	5	Yes	5	NIL	NIL
Shri M M Srivastava, IAS (up to 31.07.2012)	1	N.A.	8	5	NIL

1	2	3	4	5	6
Dr. Varesh Sinha, IAS (from 21.09.2012 up to 28.02.2013 as Director and from 01.03.2013 as Chairman)	3	Yes	4	NIL	NIL
Shri D J Pandian, IAS	3	No	14	2	1
Shri G C Murmu, IAS	1	No	9	3	1
Shri G M Yadwadkar	5	No	NIL	2	NIL
<i>Padma Bhushan</i> Dr. Sukh Dev	4	No	NIL	1	NIL
Shri J N Godbole	3	Yes	14	10	3
Shri M S Dagur, IAS	6	Yes	4	2	1

N.A. = Not Applicable

As on 31<sup>st</sup> March, 2013, neither any Director nor any relatives of Directors hold any Equity Share of the Company. There is no inter-se relationships between Directors.

### 3. GENERAL BODY MEETINGS :

The details as to the timings, date and venue of the last three Annual General Meetings (AGM) of the Company held are as under :

Financial Year	2011-12	2010-11	2009-10
<b>AGM No.</b>	39 <sup>th</sup> AGM	38 <sup>th</sup> AGM	37 <sup>th</sup> AGM
<b>Date</b>	21.09.2012	16.09.2011	28.09.2010
<b>Time</b>	at 03.00 p.m.	at 04.00 p.m.	at 04.00 p.m.
<b>Venue</b>	In the premises of the Company at P.O. : Petrochemicals : 391 346, Dist. : Vadodara		
<b>Special Resolution passed</b>	Appointment of M/s. Prakash Chandra Jain & Company, Chartered Accountants as Statutory Auditors of the Company.		

### POSTAL BALLOT

During the Financial Year 2012-13, the Company has not passed any Resolution by Postal Ballot. At the forthcoming AGM there is no item on agenda requiring approval by Postal Ballot.

### 4. BOARD COMMITTEES:

#### 4.1. The Board of Directors of the Company has constituted following Committees of Directors :

- (A) Audit Committee;
- (B) Shares / Debentures Transfers and Investors' Grievance Committee;
- (C) Remuneration Committee;
- (D) Project Committee; and
- (E) Personnel Committee.

#### 4.2. COMMITTEE MINUTES

Minutes of all the said Committees of Directors of the Board are prepared by the Company Secretary of the Company, approved by the Chairman of the respective Committees / Meetings, circulated in the agenda of the subsequent Committee Meetings.

#### (A) AUDIT COMMITTEE:

##### (i) BROAD TERMS OF REFERENCE

The scope of the functions and broad terms of reference of the Audit Committee are commensurate with provisions of Section 292A of the Companies Act, 1956 and the requirements prescribed by SEBI under

the Listing Agreements. It includes review of the reports and performance of Internal Auditors, actions taken by concerned departments on report of internal auditors, legal cases, review of the Corporate Budget, review of the Cost Audit Report with the Cost Auditors, review of the Quarterly and Annual Financial Results with the Statutory Auditors, to review adequacy of internal control system and procedures with the Internal Auditors and to recommend appointment of Statutory Auditors, Cost Auditors and Internal Auditors for approval of the Board.

**(ii) COMPOSITION**

As at 31.03.2013, the Audit Committee comprised of four (4) Non Executive, Independent Directors viz. Shri J N Godbole as the Chairman; Shri G M Yadwadkar; *Padma Bhushan* Dr. Sukh Dev; and Shri D J Pandian, IAS.

The Company Secretary & Chief General Manager (Legal) acts as the Secretary to the Audit Committee.

**(iii) MEETINGS AND ATTENDANCE**

During the Financial Year 2012-13, four (4) Meetings of Audit Committee were held i.e. on 16.05.2012, 04.08.2012, 06.11.2012 and 28.01.2013.

Name	No. of Meetings attended
Shri J N Godbole, Chairman	2
<i>Padma Bhushan</i> Dr. Sukh Dev	3
Shri G M Yadwadkar	3
Shri D J Pandian, IAS	NIL

**(B) SHARES / DEBENTURES TRANSFERS AND INVESTORS' GRIEVANCE COMMITTEE:**

**(i) BROAD TERMS OF REFERENCE**

The Committee considers and approves all securities related transactions, issue of certificates and also looks into the Shareholding Pattern, redressal of the Investors' complaints, reviews the redressal mechanism and recommends measures to improve the level of Investor related services.

The Board has designated Shri V L Vyas, Company Secretary & Chief General Manager (Legal) as the Compliance Officer and his contact details are:

**Gujarat Alkalies and Chemicals Ltd.**

**P.O.Petrochemicals : 391 346**

**Dist. : Vadodara**

**e-mail: [investor\\_relations@gacl.co.in](mailto:investor_relations@gacl.co.in); [cosec@gacl.co.in](mailto:cosec@gacl.co.in)**

**(ii) COMPOSITION**

As at 31.03.2013, the Committee comprised of four (4) Members viz. Shri D J Pandian, IAS as the Chairman; Shri G C Murmu, IAS; Shri G M Yadwadkar; and Shri M S Dagur, IAS.

**(iii) MEETINGS AND ATTENDANCE**

During the Financial Year 2012-13, four (4) Meetings of the Committee were held i.e. on 24.05.2012, 04.08.2012, 06.11.2012, and 28.01.2013.

Name	No. of Meetings attended
Shri D J Pandian, IAS	2
Shri G C Murmu, IAS	1
Shri G M Yadwadkar	4
Shri M S Dagur, IAS	4

**(iv) Details of Shareholders' Complaints received and resolved or pending during the Financial Year 2012-13:**

Nature of complaints	Received	Satisfactorily Resolved
Non receipt of Share Certificates / Demat	1	1
Letters / Complaints from SEBI / Stock Exchanges	NIL	NIL
Non receipt of Dividend	77	77
Non Receipt of Annual Reports	15	15
Others	NIL	NIL
<b>TOTAL .....</b>	<b>93</b>	<b>93</b>

No. of pending Share Transfer as on 31.03.2013 - **NIL**

**(C) REMUNERATION COMMITTEE:**

**(i) REMUNERATION POLICY**

Pursuant to the Articles of Association of the Company, the Managing Director is nominated / appointed by the Government of Gujarat. He is being paid remuneration as per the terms and conditions prescribed by the Government.

**(ii) COMPOSITION**

As at 31.03.2013, the Committee comprised of three (3) Members viz. *Padma Bhushan* Dr. Sukh Dev as the Chairman; Shri G M Yadwadkar; and Shri G C Murmu, IAS.

Meeting of the Committee is held only as and when necessary for considering remuneration of Directors. No Meeting of the Committee was held in the Financial Year 2012-13.

**(iii) DETAILS OF REMUNERATION PAID TO DIRECTORS**

**EXECUTIVE DIRECTOR**

Shri M S Dagur, IAS, was appointed as the Managing Director of the Company vice Dr. Guruprasad Mohapatra, IAS w.e.f 19<sup>th</sup> July, 2011 till his services are withdrawn by the Government of Gujarat subject to limit of five years pursuant to provisions of Section 317 of the Companies Act, 1956.

The details of remuneration paid to the Managing Director during the Financial Year 2012-13:

Remuneration	Shri M S Dagur, IAS
	Rs.
Charge Allowance	77,131.00
Contribution to Pension Fund & Leave salary	-
Perquisites / Benefits	15,900.00
<b>TOTAL.....</b>	<b>93,031.00</b>

**NON-EXECUTIVE DIRECTORS**

The Company pays Sitting Fees of Rs.5,000/- w.e.f. 01.11.2005 to each Non Executive Director for each meeting of the Board or Committee thereof attended by them.

Details of Sitting Fees paid to Directors during the Financial Year 2012-13:

Name	Relation-ship with other Directors	Business relationship with the Company, if any	Sitting Fees paid		
			For Board Meetings (Rs.)	For Committee Meetings (Rs.)	Total (Rs.)
Shri A K Joti, IAS	No	No	25,000/-	-	25,000/-*
Dr. Varesh Sinha, IAS	No	No	15,000/-	-	15,000/-*
Shri D J Pandian, IAS	No	No	15,000/-	15,000/-	30,000/-*
Shri M M Srivastava, IAS	No	No	5,000/-	-	5,000/-*
Shri G C Murmu, IAS	No	No	5,000/-	5,000/-	10,000/-**
Shri G M Yadwadkar	No	Nominee of IDBI Bank Ltd.	25,000/-	35,000/-	60,000/-***
<i>Padma Bhushan</i> Dr. Sukh Dev	No	No	20,000/-	20,000/-	40,000/-@
Shri J N Godbole	No	No	15,000/-	15,000/-	30,000/-@@
<b>TOTAL.....</b>			<b>1,25,000/-</b>	<b>90,000/-</b>	<b>2,15,000/-</b>

\* Sitting Fees deposited in Government Treasury.

\*\* Sitting Fees deposited with Gujarat Industrial Investment Corporation Ltd. (GIIC).

\*\*\* Sitting Fees deposited with IDBI Bank Ltd.

@ Rs.2,500/- deducted towards TDS.

@@ Rs.2,000/- deducted towards TDS.

**(D) PROJECT COMMITTEE:**

**(i) BROAD TERMS OF REFERENCE**

The Committee meets as and when proposals for new projects, expansions and debottlenecking etc. are to be considered and recommends to the Board for approval and to review the progress of various projects on hand for timely implementation.

**(ii) COMPOSITION**

As at 31.03.2013, the Committee comprised of six (6) Members viz. Shri D J Pandian, IAS as the Chairman, Shri G C Murmu, IAS, Shri G M Yadwadkar, *Padma Bhushan* Dr. Sukh Dev, Shri J N Godbole and Shri M S Dagur, IAS.

During the Financial Year 2012-13, one (1) Meeting of the Committee was held on 16.05.2012.

**(E) PERSONNEL COMMITTEE:**

**(i) BROAD TERMS OF REFERENCE**

The Committee meets as and when proposals and recommendations of the Selection Committee are to be considered for approval of appointments and promotions of Senior Executives and to make recommendations to the Board in Personnel and HR related policies / matters.

**(ii) COMPOSITION**

As at 31.03.2013, the Committee comprised of four (4) Members viz. Shri D J Pandian, IAS as the Chairman, Shri G C Murmu, IAS, Shri G M Yadwadkar and Shri M S Dagur, IAS.

Since no Meeting of the Committee was held, the proposals were approved by Members of the Committee by Circular Resolution during the Financial Year 2012-13.

**5. DISCLOSURES:**

**5.1.** Disclosure on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large.

The Company does not have any related party transaction, which may have potential conflict with the interest of the Company at large.

**5.2.** Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

The Company has complied with the requirements of regulatory authorities on capital markets and no penalties/strictures have been imposed against it during the last three years.

- 5.3.** In compliance of amended Clause 5A of the Listing Agreement, up to 31<sup>st</sup> March, 2013, the Company has sent three reminders on 28.12.2010, 07.03.2011 and 15.02.2013 to the Shareholders whose Share Certificates remained unclaimed.

Disclosure pursuant to Clause 5A of the Listing Agreement in respect of Unclaimed Share Certificates lying with the Company in physical mode - 2012-13 :

Particulars	Shareholders (Nos.)	Outstanding Shares (Nos.)
At the beginning of the year	276	8436
No. of Shareholders who approached during the year	4	71
No. of Shareholders to whom Shares are dispatched	4	71
No. of Shareholders and unclaimed Shares at the end of the year	272	8365

The Company has endeavored to trace the current address of shareholders (whose Share Certificates are unclaimed) through their neighbours at registered address and by reference to telephone directory and their Share Certificates are released on receipt of their claim with copy of PAN Card and residence proof etc.

**6. QUARTERLY COMPLIANCE REPORT:**

The Company has submitted Corporate Governance Compliance Report in the prescribed format for each quarter during the Financial Year 2012-13 to Vadodara Stock Exchange Ltd. (for Q-1, Q-2 and Q-3 – Voluntary Delisted w.e.f. 10.01.2013), Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. where the Company's Securities are listed, within fifteen (15) days from the close of respective quarter.

**7. FINANCIAL RESULTS - 2012-13:**

(Rs. in Lakhs)

PARTICULARS	QUARTER				FOR F. Y. 2012-13
	I	II	III	IV	
Total Income	44,199	49,253	42,337	47,541	1,83,330
Total Expenditure	(32,042)	(36,568)	(31,545)	(31,773)	(1,31,928)
Profit Before Interest, Depreciation and Tax	12,157	12,685	10,792	15,768	51,402
Finance Cost	(296)	(263)	(208)	(67)	(834)
Depreciation and Amortization Expenses	(3,759)	(3,790)	(4,052)	(3,551)	(15,152)
Prior Period Adjustments (Net)	-	(2)	(3)	(9)	(14)
Other Exceptional Item	-	-	(1,719)	-	(1,719)
Profit Before Tax	8,102	8,630	4,810	12,141	33,683
Less: Provision for Tax	(2,575)	(2,029)	(1,476)	(4,068)	(10,148)
Profit After Tax	5,527	6,601	3,334	8,073	23,535
Earning Per Share (Not Annualized)	7.53	8.99	4.54	10.99	32.05

**8. CODE OF CONDUCT:**

The Board of Directors of the Company has approved and adopted 'Code of Conduct' for the Directors as well as Senior Management Personnel of the Company. It has also been placed on Company's website : <http://www.gacl.com>.

All the Board Members and Senior Management Personnel have affirmed compliance with the 'Code of Conduct' during the Financial Year 2012-13. A Declaration by the Managing Director to this effect is provided at **Annexure 'I'** which forms part of this Report.

**9. DISCLOSURE OF ACCOUNTING TREATMENT:**

The Company has followed all the applicable mandatory Accounting Standards prescribed under the Companies Act, 1956 in the preparation of its annual Financial Statements.



#### 10. CEO AND CFO CERTIFICATION:

Chief Executive Officer (CEO) and Chief Finance Officer (CFO) have issued necessary certificate pursuant to the provisions of Clause 49 of the Listing Agreement and the same is annexed and forms part of this Report.

#### 11. INSIDER TRADING:

The Company has framed a 'Code of Conduct for prevention of Insider Trading' based on SEBI (Prohibition of Insider Trading) Regulations, 1992. This Code is applicable to all Directors and Designated Employees. Trading Window would remain closed for them during the period when sensitive information is unpublished. The "Closed Period" for this purpose is seven (7) days before the date of Board Meeting and one (1) day after the Board Meeting as stipulated under above Regulations.

The Company Secretary & Chief General Manager (Legal) is designated as the Compliance Officer for this purpose.

#### 12. BOARD DISCLOSURE – RISK MANAGEMENT:

The Company has laid down procedures to inform to the Board on quarterly basis about the risk assessment and minimization procedure. A report on the Risk Management procedures identified and adopted by the Company was placed before the Board of Directors at its meetings held on 24.05.2012, 04.08.2012, 06.11.2012 and 28.01.2013.

#### 13. DISCLOSURE OF MATERIAL TRANSACTIONS TO THE BOARD BY SENIOR MANAGEMENT:

The senior management personnel give disclosure on annual basis to the Board of all the material financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the Company at large. As per the disclosures received, no such transaction has taken place during the Financial Year 2012-13.

#### 14. MEANS OF COMMUNICATION:

Financial Results of the Company are published in the following newspapers:

Period	Date of approval by the Board	Date of Publication	Newspapers
Unaudited Financial Results for 1 <sup>st</sup> Quarter ended on 30.06.2012	04.08.2012	05.08.2012	<b>In prescribed format (Full) under Listing Agreement and / or Highlights (Abridged)</b> Times of India – Ahmedabad
Unaudited Financial Results for 2 <sup>nd</sup> Quarter ended on 30.09.2012	06.11.2012	07.11.2012	Hindu Business Line – All edition Hindustan Times – Mint – All edition Financial Express (English) – All edition Financial Express (Gujarati) - Ahmedabad Business Standard – All edition
Unaudited Financial Results for 3 <sup>rd</sup> Quarter ended on 31.12.2012	28.01.2013	29.01.2013	The Indian Express, Ahmedabad, Vadodara The Economic Times (English, Gujarati) – Mumbai, Ahmedabad
Audited Financial Results for the 4 <sup>th</sup> quarter and for the year ended on 31.03.2013	16.05.2013	17.05.2013	Gujarat Samachar - Ahmedabad, Vadodara, Surat Sandesh – Ahmedabad, Vadodara Divya Bhaskar - Ahmedabad, Surat Loksatta - Vadodara

Full Annual Report is sent to each shareholder at his registered address. The List of Directors, Pattern of Shareholding, the last Annual Report and the Quarterly Financial Results are made available on the Company's Website : <http://www.gacl.com>

#### 15. SUBSIDIARY COMPANIES:

The Company has no subsidiary company.

#### 16. GENERAL SHAREHOLDERS' INFORMATION:

Detailed information in this regard is provided hereafter in the 'General Information for Members' section which forms part of this Report.

#### B. NON-MANDATORY REQUIREMENTS

##### 1. CHAIRMAN OF THE BOARD:

The Chairman of the Board is a non executive Chairman. He does not maintain Chairman's Office at the Company's expense.

2. The Company has adopted 'Whistle Blower Policy.' Its adoption and existence has been appropriately communicated within the Company and is also placed on the Company's website: <http://www.gacl.com>

It is hereby affirmed that the Company has not denied to any personnel, access to the Audit Committee and that it has provided protection to whistle blower from adverse personnel action.

## ANNEXURE 'I'

### Declaration by CEO regarding Compliance of 'Code of Conduct' by Directors and Senior Management Personnel of the Company

The Company has adopted 'Code of Conduct' for Directors and Senior Management Personnel as per the provisions of Clause - 49 of the Listing Agreements relating to Corporate Governance.

The Directors and Senior Management Personnel have affirmed compliance with the said code during the Financial Year 2012-13.

For **GUJARAT ALKALIES AND CHEMICALS LIMITED**

Place : VADODARA

Date : 23.04.2013

**M S Dagur, IAS**

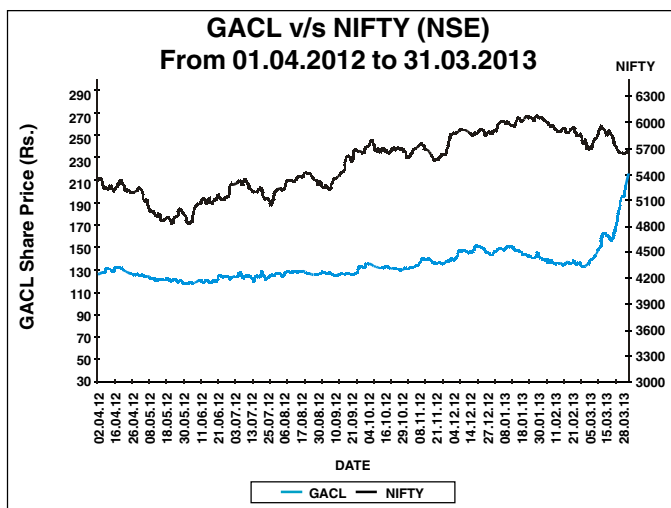
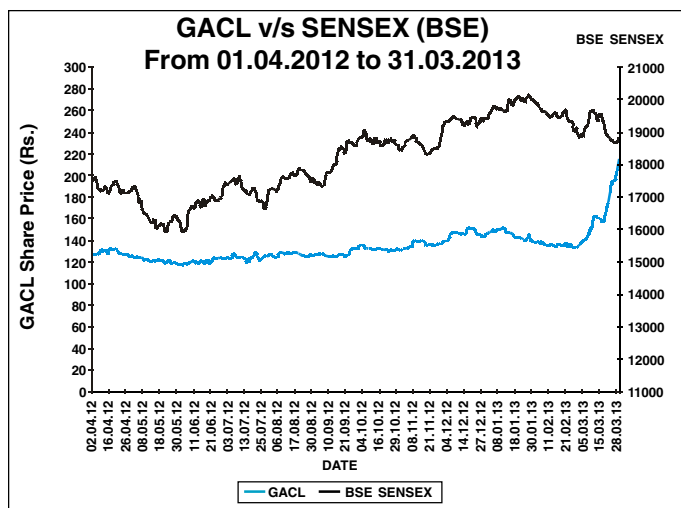
Managing Director & CEO

### GENERAL INFORMATION FOR MEMBERS

1. **Day, Date and Time of 40<sup>th</sup> AGM** : Thursday, the 12<sup>th</sup> September, 2013 at 1.00 p.m.
2. **Venue of AGM** : In the premises of the Company at  
P.O. Petrochemicals : 391 346, Dist. : Vadodara
3. **Dates of Book Closure** : 2<sup>nd</sup> September, 2013 to 12<sup>th</sup> September, 2013  
(Both days inclusive)
4. **Dividend payment date** : On or after 16<sup>th</sup> September, 2013
5. **Listing on Stock Exchanges** :  

<b>Bombay Stock Exchange Ltd.</b> Phiroze Jeejeebhoy Towers Dalal Street, Fort, Mumbai : 400 001 (Scrip Code : 530001) (Scrip ID : GUJALKALI)	<b>National Stock Exchange of India Ltd.</b> "Exchange Plaza" Bandra-Kurla Complex, Bandra (East) Mumbai : 400 051. (Scrip Symbol : GUJALKALI)
--	--
6. **Company's ISIN No. with NSDL & CDSL** : **INE 186A01019**
7. **No. of Employees** : 1505
8. **Stock Market Data** : Monthly high and low market price and the volume of shares traded at the Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. are as follows.

Month	Bombay Stock Exchange			National Stock Exchange		
	High (Rs.)	Low (Rs.)	Volume (No. of Shares)	High (Rs.)	Low (Rs.)	Volume (No. of Shares)
April, 2012	134.00	118.35	246611	134.10	121.05	379753
May, 2012	126.90	115.60	281584	129.00	116.00	524175
June, 2012	128.20	115.00	229714	128.80	115.45	312803
July, 2012	130.95	100.00	563826	132.40	118.40	1137231
August, 2012	132.55	123.00	149335	130.50	123.75	597376
September, 2012	135.75	124.10	139949	135.90	123.70	586443
October, 2012	138.00	125.25	687714	137.90	129.00	1564686
November, 2012	144.75	130.10	1142651	145.00	131.20	2885000
December, 2012	154.40	137.90	1256782	156.55	137.15	2431364
January, 2013	154.75	135.10	1086699	154.90	135.40	1872640
February, 2013	143.80	132.00	572027	140.90	131.55	636067
March, 2013	216.50	134.00	2651517	216.60	134.20	7400586
<b>Total</b>			<b>9008409</b>			<b>20328124</b>
<b>Average 2012-13</b>	<b>145.05</b>	<b>124.20</b>		<b>145.21</b>	<b>126.40</b>	
Average 2011-12	147.95	130.86		149.54	130.33	



9. Shareholders holding shares in Physical mode should communicate to the R&T Agent of the Company at the following address, for Transfer, Transmission, Transposition, Deletion of Name, Consolidation, Sub-division, Issue of Duplicate Share Certificates, Nomination, Change of Address & Bank details etc. :

**MCS LIMITED (Unit : GACL),**  
**Neelam Apartment, 1<sup>st</sup> Floor,**  
**88, Sampatrao Colony, Productivity Road,**  
**VADODARA - 390 007.**

**Phone : (0265)-2339397/2314757/2350490. Fax : (0265)-2341639**

**E-mail : mcsitdbaroda@yahoo.com mcsvadodara@rediffmail.com mcsitdbaroda@gmail.com**

#### 10. Share Transfer System :

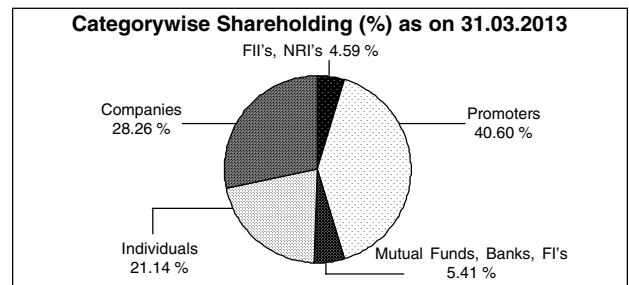
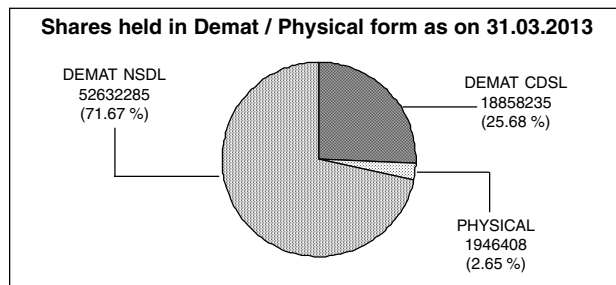
With a view to expedite the Share Transfer Procedure, the Board of Directors has delegated the powers to the Company Secretary and other Officers to consider and approve the requests received in respect of Securities related transactions upto One Thousand (1,000) shares and accordingly Delegated Authorities are attending the share transfer formalities at least three times in a month, whereas such requests for more than 1,000 shares and issue of duplicate share certificates in lieu of lost one are required to be considered and approved by Shares / Debentures Transfers and Investors' Grievance Committee of Directors. Duly transferred share certificates are normally returned within a period of 12-15 days from the date of receipt, provided all the documents are in order in all respects. The total number of shares transferred, dematerialized and rematerialized during the Financial Year 2012-13 were 1,36,064 Nos.

#### 11. (A) Distribution of Shareholding as on 31<sup>st</sup> March, 2013.

No. of Equity Shares held	No. of Shares	% of Shareholding	No. of Shareholders	% of Shareholders
Upto 500	5630854	7.67	50107	90.88
501 to 1000	2313365	3.15	3113	5.65
1001 to 2000	1669312	2.27	1183	2.14
2001 to 3000	716043	0.97	285	0.52
3001 to 4000	459856	0.63	130	0.24
4001 to 5000	365008	0.50	78	0.14
5001 to 10000	681670	0.93	99	0.18
10001 to 50000	2076045	2.83	96	0.17
50001 to 100000	1142166	1.55	15	0.03
100001 and above	58382609	79.50	30	0.05
<b>TOTAL as on 31-03-2013</b>	<b>73436928</b>	<b>100.00</b>	<b>55136</b>	<b>100.00</b>
TOTAL as on 31-03-2012	73436928	100.00	59777	100.00

**(B) Summary of Shareholders & Shares held in Physical and Demat mode as on 31<sup>st</sup> March, 2013 :**

Particulars	Physical	Demat		Total
		NSDL	CDSL	
Total Shareholders (No.)	17989	27717	9430	55136
Percentage (%)	32.62	50.27	17.11	100.00
Total Shares (No.)	1946408	52632285	18858235	73436928
Percentage (%)	2.65	71.67	25.68	100.00
		<b>71490520 Shares - 97.35 %</b>		



**12. Category of Shareholders as on 31<sup>st</sup> March, 2013 :**

Category	Shareholders	Percentage %	Physical Holding	Electronic Holding	Total Shares	Percentage %
Promoters	7	0.01	00	29814222	29814222	40.60
Directors & their relatives	00	0.00	00	00	00	0.00
Mutual Funds, Banks, FI's	61	0.11	4390	3967877	3972267	5.41
Individuals	53664	97.33	1931513	13596927	15528440	21.14
Companies	934	1.70	6192	20745955	20752147	28.26
FII's, NRI's	470	0.85	4313	3365539	3369852	4.59
<b>Total</b>	<b>55136</b>	<b>100.00</b>	<b>1946408</b>	<b>71490520</b>	<b>73436928</b>	<b>100.00</b>

**PLANT LOCATIONS :**

(1) P.O. : Petrochemicals : 391 346  
Dist. : Vadodara, GUJARAT (INDIA)

(2) Village : Dahej : 392 130  
Taluka : Vagra, Dist. : Bharuch, GUJARAT (INDIA)

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## CERTIFICATE ON COMPLIANCE OF THE CONDITIONS OF CORPORATE GOVERNANCE

### To the Members of Gujarat Alkalies and Chemicals Ltd.

We have examined the compliance of the conditions of Corporate Governance by M/s. Gujarat Alkalies and Chemicals Limited, for the financial year ended March 31, 2013 as stipulated in Clause 49, as amended, of the Listing Agreement of the said Company with the Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance.

It is neither an audit nor an expression of an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Agreement.

We state that in respect of investor grievances received during the year ended 31<sup>st</sup> March, 2013, no grievances are pending for a period of exceeding one month against the Company as per the records maintained by the Company and have been presented to the Shares / Debentures Transfers and Investors' Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Vadodara  
Date : 04.07.2013

**Niraj Trivedi**  
*Company Secretary*  
CP. No. 3123

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## CERTIFICATION BY CEO AND CFO TO THE BOARD OF DIRECTORS

- a) We have reviewed the Balance Sheet and Statement of Profit and Loss and Notes on Accounts as well as the Cash Flow Statement for the year and certify that to the best of our knowledge and belief :
- these statements do not contain any materially untrue statement or omit any material fact nor contain statement that might be misleading;
  - these statements together present a true and fair view of the Company's affairs and are in compliance with the existing Accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative to the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and that we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of which such internal controls, if any, of which we are aware, and the steps we have taken or proposed to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee:
- significant changes in internal controls over financial reporting during the year;
  - significant changes in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Gandhinagar  
Date : 16.05.2013

**M S DAGUR, IAS**  
*MANAGING DIRECTOR*

**CA. (Dr.) H. B. PATEL**  
*CHIEF FINANCE OFFICER*

## AUDITORS' REPORT TO THE MEMBERS OF GUJARAT ALKALIES AND CHEMICALS LIMITED

### Report on the Financial Statements

We have audited the accompanying financial statements of **Gujarat Alkalies and Chemicals Limited**, which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of The Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial

statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
  - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
  - e) on the basis of written representations received from the Directors as on March 31, 2013, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2013, from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For **Prakash Chandra Jain & Co.**  
Chartered Accountants  
Firm Registration No. 002438C

**P. C. Nalwaya**  
Partner

Place : Gandhinagar  
Date : 16.05.2013

Membership No. 033710

## ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 of our report of even date on the accounts of Gujarat Alkalies and Chemicals Limited as at 31<sup>st</sup> March, 2013)

- i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) The Company has a programme of physical verification of all its fixed assets over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain fixed assets have been physically verified by the management during the year and according to the information and explanations given to us, no material discrepancies have been noticed on such verification.
- c) During the year, the Company has not disposed off a substantial part of its fixed assets.
- ii) a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) On the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii) a) According to the information and the explanations given to us, there are no loans, secured or unsecured, granted or taken by the Company to or from companies firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, paragraphs 4(iii) (b), (c) and (d) of the order are not applicable.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.
- v) a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 have been so entered.
- b) According to the information and explanations given to us, there are no transactions of purchase of goods and materials and sale of goods, materials and services aggregating during the year to Rs. 500000/- or more in respect of each party, as per the register maintained under section 301 of the Companies Act, 1956.
- vi) The Company has not renewed/accepted any deposit during the year from public and shareholders within the meaning of Sections 58A and 58AA of the Companies Act, 1956 and the rules framed there under.
- vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- viii) We have broadly reviewed, without carrying out detailed examination of the books of account maintained by the Company pursuant to the order made by the Central Government of the maintenance of Costs records under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- ix) a) According to the information and explanations given to us and records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employee's State Insurance, Income tax, Sales-tax, Wealth Tax, Service Tax, Custom duty, Excise duty, cess and other material statutory dues as applicable with appropriate authorities. According to the information and explanations given to us, there were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employee's State Insurance, Income tax, Sales-tax, Wealth Tax, Service Tax, Custom duty, Excise duty, cess and other statutory dues outstanding as at 31.03.2013 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us and records of the Company examined by us there are no dues of Sales tax, Income tax, Custom tax / Wealth tax, Excise duty/cess which have not been deposited on account of any dispute pending except as under:-

Sr. No.	Name of the statute	Nature of the dues	Amount (Rs. in Lakhs)	Period to which the Amount relates	Forum where dispute is pending
1.	Gujarat Sales Tax, 1969	Tax, Interest & Penalty	Interest & Penalty on purchase tax Rs. 453.04	Second Appeal cum Revision Application for the F.Y. 1998-1999	Deputy Commissioner, CTO, Bharuch.
2.	Gujarat Sales Tax, 1969	Tax, Interest & Penalty	Purchase tax / Additional tax of Rs.1,905.53 plus Interest and Penalty of Rs. 1,838.08	Appeal preferred for the F.Y. 2000-01.	Jt.Commissioner of Appeals, Baroda.
3.	Gujarat Sales Tax, 1969	Tax, Interest & Penalty	Purchase tax of Rs. 1,803.31 plus Interest and Penalty of Rs. 4,038.61	Appeal preferred for the F.Y. 2001-02	Jt.Commissioner of Appeals, Baroda.
4.	Gujarat Sales Tax, 1969	Tax, Interest & Penalty	Purchase tax of Rs. 1,638.95 plus Interest and Penalty of Rs. 3,456.31	Appeal preferred for the F.Y. 2002-03	Jt.Commissioner of Appeals, Baroda.
5.	Gujarat Sales Tax, 1969	Tax, Interest & Penalty	Sales Tax and Purchase tax of Rs.1,329.06 plus Interest and Penalty of Rs. 2,977.51	Appeal preferred for the F.Y. 2003-04	Jt.Commissioner of Appeals, Baroda.
6.	Gujarat Sales Tax, 1969	Tax, Interest & Penalty	Sales Tax and Purchase tax of Rs.685.99 plus Interest and Penalty of Rs. 277.84	Appeal preferred for the F.Y. 2004-05	Jt.Commissioner of Appeals, Baroda.
7.	Gujarat Sales Tax, 1969	Tax, Interest & Penalty	Purchase tax of Rs.279.67 plus Interest and Penalty of Rs. 223.38	Appeal preferred for the F.Y. 2005-06	Jt.Commissioner of Appeals, Baroda.
8.	Central Excise & ServiceTax Department	Penalty for Cenvat Credit	Rs. 34.78	July 2005 to Dec. 2005	CESTAT Ahmedabad
9.	Central Excise & ServiceTax Department	Cenvat credit on outward freight and penalty	Rs. 5.97	Various years	Commissioner Appeal Central Excise, Baroda
10.	Central Excise & ServiceTax Department	Cenvat Credit on Rent-A- Cab services and penalty	Rs. 24.24	Various years	Commissioner Appeal Central Excise, Baroda
11.	Central Excise & ServiceTax Department	Cenvat credit on Out- door catering services and penalty	Rs. 76.33	Various years	Commissioner Appeal Central Excise, Baroda
12.	Central Excise & ServiceTax Department	Penalty on Banking and Financial services in the matter of ECB of USD 40 MN	Rs. 42.31	F. Y. 2008-2009	Appeal to be filed before CESTAT, Ahmedabad



Sr. No.	Name of the statute	Nature of the dues	Amount (Rs. in Lakhs)	Period to which the Amount relates	Forum where dispute is pending
13.	Central Excise & Service Tax Department	Penalty on Cenavt credit availed for Wind Mill Project	Rs. 61.16	F. Y. 2008-2009	CESTAT Ahmedabad
14.	Central Excise & Service Tax Department	Interest	Rs. 792.76	Appeal preferred for the F. Y. 1996-1997	Gujarat High Court, Ahmedabad.
15.	Income Tax	Tax & Interest	Rs. 36.47	F.Y. 2005-06	ITAT
16.	Income Tax	Tax & Interest	Rs. 123.00	F.Y. 2006-07	ITAT, CIT (A)
17.	Income Tax	Tax & Interest	Rs. 117.79	F.Y. 2007-08	CIT (A)
18.	Income Tax	Tax & Interest	Rs. 625.63	F.Y. 2008-09	ITAT
19.	Income Tax	Tax & Interest	Rs. 31.75	F.Y. 2009-10	CIT (A)

- x) The Company has no accumulated losses as at March 31, 2013 and has not incurred cash losses during the financial year ended on that date or in the immediately preceding Financial Year.
- xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- xii) The Company has not made any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4 (xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xiii) In our opinion, the Company is not a chit fund or a nidhi mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xv) In our opinion, the terms and conditions on which the Company has given guarantees for loans taken by employees of the Company from Bank(s) and financial institutions are not prejudicial to the interest of the Company.
- xvi) In our opinion, the term loans availed by the Company have been applied for the purpose for which they were raised.
- xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, funds raised on short term basis have, *prima facie*, not been used during the year for long term investment.
- xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act.
- xix) According to the information and explanations given to us the Company has not issued any debentures during the year and no debentures are outstanding and therefore, no securities are required to be created.
- xx) The Company has not raised any money by way of Public / Rights / Preferential issue during the year.
- xxi) Based upon audit procedures performed and information and explanation given by the Management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For **Prakash Chandra Jain & Co.**  
 Chartered Accountants  
 Firm Registration No. 002438C

**P. C. Nalwaya**  
 Partner

Place : Gandhinagar  
 Date : 16.05.2013

Membership No. 033710

# Balance Sheet

as at 31<sup>st</sup> March, 2013

[Rs. in Lakhs]

Particulars	Note No.	As At 31.03.2013	As At 31.03.2012
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	2	7,343.84	7,343.84
(b) Reserves and Surplus	3	1,73,963.06	1,53,434.74
<b>(2) Non-Current Liabilities</b>			
(a) Long-term borrowings	4	19,543.10	23,742.17
(b) Deferred tax liabilities (Net)	5	33,471.19	32,588.95
(c) Other Long term liabilities	6	1,781.44	1,628.29
(d) Long term provisions	7	2,555.69	2,672.33
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	8	1,521.81	7,401.44
(b) Trade payables	9	8,666.42	7,334.27
(c) Other current liabilities	10	8,705.56	9,110.74
(d) Short-term provisions	11	31,907.31	37,297.71
<b>Total</b>		<b>2,89,459.42</b>	<b>2,82,554.48</b>
<b>II. Assets</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	12	1,50,529.20	1,59,948.51
(ii) Capital work-in-progress	12	18,573.19	4,326.46
(b) Non-current investments	13	16,974.01	15,845.43
(c) Long term loans and advances	14	10,387.12	10,763.09
(d) Other non-current assets	15	3,231.37	2,741.97
<b>(2) Current assets</b>			
(a) Current investments	16	259.25	262.54
(b) Inventories	17	15,214.51	17,892.87
(c) Trade receivables	18	27,204.47	25,043.84
(d) Cash and cash equivalents	19	15,194.31	5,789.19
(e) Short-term loans and advances	20	31,891.99	39,940.58
<b>Total</b>		<b>2,89,459.42</b>	<b>2,82,554.48</b>
Significant Accounting Policies	1		

See accompanying notes forming part of financial statements.  
As per our attached Report of even date

For and on behalf of the Board

For **Prakash Chandra Jain & Co.**  
**Chartered Accountants**  
Firm Reg. No. : 002438C

**V. L. Vyas**  
**Company Secretary**  
& **Chief General Manager (Legal)**

**Dr. Varesh Sinha, IAS**  
**Chairman**

**CA. P. C. Nalwaya**  
**Partner**  
**Membership No. 033710**  
Place : Gandhinagar  
Date : 16<sup>th</sup> May, 2013

**CA. (Dr.) H. B. Patel**  
**Chief Finance Officer**

**M. S. Dagur, IAS**  
**Managing Director**

Place : Gandhinagar  
Date : 16<sup>th</sup> May, 2013

# Statement of Profit and Loss

## for the year ended 31<sup>st</sup> March, 2013

[Rs. in Lakhs ]

Particulars	Note No.	2012-13	2011-12
I. Revenue from operations	21	2,01,280.31	1,87,531.91
Less : Excise Duty		19,819.96	16,435.10
<b>Total</b>		<b>1,81,460.35</b>	<b>1,71,096.81</b>
II. Other Income	22	1,870.26	1,177.38
III. <b>Total Revenue</b> (I+II)		<b>1,83,330.61</b>	<b>1,72,274.19</b>
IV. Expenses:			
Cost of materials consumed	23	71,475.01	72,079.60
Purchase of Stock-in-Trade	24	-	885.88
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	25	370.58	(3,056.78)
Employee benefit expense	26	11,889.61	11,813.22
Finance costs	27	833.58	2,052.69
Depreciation and amortization expense	12	15,152.02	15,114.62
Other expenses	28	48,193.30	49,423.42
<b>Total Expenses</b>		<b>1,47,914.10</b>	<b>1,48,312.65</b>
V. Profit before exceptional and extraordinary items and tax (III - IV)		<b>35,416.51</b>	23,961.54
VI. Exceptional Items			
(a) Prior Period Items (Net)	29	13.86	20.39
(b) Other Exceptional Item	30	1,719.67	1,598.61
VII. <b>Profit before tax</b> (V - VI)		<b>33,682.98</b>	22,342.54
VIII. Tax expense:			
(a) Current tax		10,237.27	5,842.16
(b) Deferred tax		882.24	1,139.01
(c) Provision for Income Tax for Earlier years written back	31	(971.96)	-
IX. <b>Profit for the period</b> (VII-VIII)		<b>23,535.43</b>	15,361.37
X. Earning per equity share (face value Rs. 10/- each):	37		
(1) Basic (Rs.)		32.05	20.92
(2) Diluted (Rs.)		32.05	20.92
Significant Accounting Policies	1		

See accompanying notes forming part of financial statements.  
As per our attached Report of even date

For and on behalf of the Board

For **Prakash Chandra Jain & Co.**  
**Chartered Accountants**  
Firm Reg. No. : 002438C

**CA. P. C. Nalwaya**  
**Partner**  
**Membership No. 033710**  
Place : Gandhinagar  
Date : 16<sup>th</sup> May, 2013

**V. L. Vyas**  
**Company Secretary**  
& **Chief General Manager (Legal)**

**CA. (Dr.) H. B. Patel**  
**Chief Finance Officer**

**Dr. Varesh Sinha, IAS**  
**Chairman**

**M. S. Dagur, IAS**  
**Managing Director**

Place : Gandhinagar  
Date : 16<sup>th</sup> May, 2013

# Cash Flow Statement

for the Year ended 31<sup>st</sup> March, 2013

[Rs. in Lakhs]

PARTICULARS	2012-2013	2011-2012
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>42,337.91</b>	34,804.37
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(21,755.66)</b>	(22,428.20)
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>(11,177.13)</b>	(8,312.94)
<b>D CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>5,789.19</b>	1,725.96
<b>E CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>15,194.31</b>	5,789.19
<b>F TOTAL CASH FLOW DURING THE YEAR (A+B+C) or (E-D)</b>	<b>9,405.12</b>	4,063.23
<b>A CASH FLOW FROM OPERATING ACTIVITIES :</b>		
<b>NET PROFIT / (LOSS) BEFORE TAX AND EXTRAORDINARY ITEMS</b>	<b>33,682.98</b>	22,342.54
<b>ADJUSTMENTS FOR :</b>		
<b>ADDITION / (DEDUCTION)</b>		
DEPRECIATION AND AMORTIZATION EXPENSES (Includes Prior Period Rs. 9.73 lakhs, Previous Year Rs. 25.94 lakhs)	<b>15,161.75</b>	15,140.56
INTEREST RECEIVED	<b>(959.49)</b>	(290.67)
DIVIDEND RECEIVED	<b>(903.76)</b>	(830.56)
INTEREST AND FINANCE CHARGES CHARGED TO PROFIT & LOSS ACCOUNT	<b>833.58</b>	2,052.69
PROFIT ON SALE OF ASSETS	<b>(0.01)</b>	(1.79)
LOSS ON SALE OF ASSETS	<b>9.19</b>	78.06
DIMINUTION IN VALUE OF INVESTMENT	<b>4.61</b>	291.73
<b>Sub Total</b>	<b>14,145.87</b>	16,440.02
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>47,828.85</b>	38,782.56
<b>DECREASE OR (INCREASE) IN ASSETS :</b>		
TRADE AND OTHER RECEIVABLES	<b>(4,721.62)</b>	1,996.75
INVENTORIES	<b>2,092.09</b>	(5,359.66)
<b>INCREASE / (DECREASE) IN LIABILITIES :</b>		
TRADE PAYABLES AND OTHER LIABILITIES	<b>4,246.62</b>	5,304.13
<b>CASH GENERATED FROM OPERATIONS BEFORE TAX</b>	<b>49,445.94</b>	40,723.78
DIRECT TAXES PAID	<b>(7,108.03)</b>	(5,919.41)
<b>CASH FLOW BEFORE EXTRAORDINARY ITEMS</b>	<b>42,337.91</b>	34,804.37
EXTRAORDINARY ITEMS	—	—
<b>NET CASH FLOW FROM OPERATING ACTIVITIES : (TOTAL - A)</b>	<b>42,337.91</b>	34,804.37

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013

(contd.)

[Rs. in Lakhs]

P A R T I C U L A R S	2012-2013	2011-2012
<b>B CASH FLOW FROM INVESTING ACTIVITIES :</b>		
PURCHASE OF FIXED ASSETS	(21,641.55)	(20,826.83)
SALE OR ADJUSTMENT OF FIXED ASSETS	209.70	27.87
PURCHASE OF INVESTMENTS	(1,130.00)	(788.66)
PROCEEDS FROM SALE OF INVESTMENTS	0.10	9.43
INTEREST RECEIVED	959.49	290.67
DIVIDEND RECEIVED	903.76	830.56
OTHER CAPITAL EXPENDITURE (RECOATING & REMEMBRANING)	(1,057.16)	(1,971.24)
<b>NET CASH FLOW FROM INVESTMENT ACTIVITIES - (TOTAL - B)</b>	<b>(21,755.66)</b>	<b>(22,428.20)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES :</b>		
INTEREST AND FINANCE CHARGES PAID	(936.65)	(2,060.30)
DIVIDEND PAID	(2,560.51)	(2,560.51)
LONG TERM BORROWINGS	(1,800.34)	9,052.40
SHORT TERM BORROWINGS	(5,879.63)	(12,744.53)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES - (TOTAL - C)</b>	<b>(11,177.13)</b>	<b>(8,312.94)</b>
<b>D CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR :</b>		
CASH AND CHEQUES ON HAND	1,476.61	1,423.87
BALANCES WITH BANKS	4,312.58	302.09
<b>NET CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR - (TOTAL - D)</b>	<b>5,789.19</b>	<b>1,725.96</b>
<b>E CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR :</b>		
CASH AND CHEQUES ON HAND	737.84	1,476.61
BALANCES WITH BANKS	14,456.47	4,312.58
<b>NET CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR - (TOTAL - E)</b>	<b>15,194.31</b>	<b>5,789.19</b>
<b>F TOTAL CASH FLOW DURING THE YEAR (A+B+C) OR (E-D)</b>	<b>9,405.12</b>	<b>4,063.23</b>

**Note** :- Previous Year's figures have been regrouped/rearranged to confirm to the current years presentation, wherever necessary.

As per our attached Report of even date

For **Prakash Chandra Jain & Co.**

Chartered Accountants

Firm Reg. No. : 002438C

CA. P. C. Nalwaya

Partner

Membership No. 033710

Place : Gandhinagar

Date : 16<sup>th</sup> May, 2013

V. L. Vyas

Company Secretary

& Chief General Manager (Legal)

CA. (Dr.) H. B. Patel

Chief Finance Officer

For and on behalf of the Board

Dr. Varesh Sinha, IAS

Chairman

M. S. Dagur, IAS

Managing Director

Place : Gandhinagar

Date : 16<sup>th</sup> May, 2013

## NOTE

F.Y. 2012-2013

### 1 - SIGNIFICANT ACCOUNTING POLICIES

#### (1) Accounting Convention

The Financial Statements are prepared based on historical cost convention of accounting and in accordance with the prevalent Accounting Standards and the provisions of the Companies Act, 1956 as amended, except to the extent disclosed in the Notes on Accounts.

#### (2) Revenue Recognition

##### (A) Sales

Revenue is recognised with respect to Sales (net of discount) on accrual basis, including handling charges and packing charges but exclude Excise Duty and Sales Tax / Value Added Tax on accrual basis.

(B) Revenue is recognised with respect to Other Operating Income and Other Income on accrual basis with disclosed exceptions on receipt basis as under :

##### (a) Other Operating Income

- (i) Insurance and other claims treated as Other Operating Income. However, insurance claims are adjusted towards replacement cost on selective basis.
- (ii) Compensation (Net) received from the Multilateral Fund towards the phasing out of CTC product under Montreal Protocol.
- (iii) Receipt against monetisation of Certified Emission Reduction (CER) under Kyoto Protocol for Clean Development Mechanism.

##### (b) Other Income

- (i) Dividend Income

#### (3) Tangible Assets, Tangible Assets under lease, Capital Work in Progress, Expenditure on New Projects, Depreciation and Amortisation

##### (a) Tangible Assets, Tangible Assets under lease, Capital Work in Progress and Expenditure on New Projects:

- (i) Tangible Assets are stated at cost of acquisition or construction less accumulated depreciation. In case of capital expenditure, such costs of acquisition or construction are capitalised upto the date the assets are put to use. Interest,

commitment and other charges on borrowings, as also expenditure directly attributable to specific project upto its commissioning are accumulated as cost of relevant projects.

Further, in respect of grass root projects, initial and pre-operative expenditure incurred prior to commissioning of the projects are also considered as cost of relevant projects.

- (ii) Capital Assets/Expenditure on new projects under erection / installation are reflected in Balance Sheet as "Capital Work-in-Progress".
- (iii) Cost of major civil works required as plant and machinery supports is considered as Plant and Machinery.
- (iv) In respect of plant & machinery acquired on lease, lease rent payable on such assets prior to completion of the project is capitalised.
- (v) Advances to suppliers, contractors and others for new projects are included in long term loans and advances.

##### (b) Accounting for Finance Lease :

- (i) The Company is capitalising the assets acquired under finance lease at fair value/contracted price and charging depreciation on it in accordance with Accounting Standard -19 "Leases".
- (ii) The lease rents paid/payable on these assets have been bifurcated into interest and principal and accordingly interest has been charged to revenue and principal has been reduced from the liability of lessor.
- (iii) On completion of the finance lease, the value of the said leased asset is considered as an asset of the Company, at the Gross / Net value appearing in Balance Sheet on the date of the completion of the lease.
- (iv) The Residual value payable on the termination of finance lease is accounted as Revenue Expenditure.

##### (c) Leasehold Land / Right of Use of Land :

Cost of leasehold Land and right of use of land are amortised over the period of lease.

**(d) Depreciation :**

Depreciation on tangible assets including leased assets acquired under finance lease is provided on "Straight Line Method" at the rates prescribed in Schedule XIV of the Companies Act, 1956, as amended. Depreciation on additions to tangible assets (except those of Rs.5,000/- and below) is charged on prorata basis. Depreciation on assets disposed off/discarded during the year is charged upto the date of disposal/discard. Further, as regard to additions/deductions to the tangible assets arising from exchange variations, depreciation thereof is considered and covered during the period of residual life of the relevant assets.

**(4) Investments**

All Current and Non-current investments are stated at cost less permanent diminution, if any.

**(5) Foreign Exchange Transactions**

- (i) Transactions in foreign currency are recorded at the exchange rates prevailing or approximately close to the exchange rate prevailing at the time of transaction. Any difference arising on actual payment / realisation is accounted under exchange variation account.
- (ii) The liability in respect of the loans repayable in foreign currencies has been translated into rupees taking into consideration the exchange rates prevailing on the date of the Balance Sheet. The increase / decrease in the liability, if material, arising on realignment of foreign currencies where the loans are utilised for procurement of tangible assets is adjusted to the cost of such assets at the year end.
- (iii) Other current assets & liabilities at the end of the year are being valued at the exchange rate prevailing on the date of Balance Sheet and difference arising is accounted as exchange difference and charged/credited to Statement of Profit and Loss.

**(6) Inventories**

- (a) Raw Materials (including Natural Gas), Packing Materials, Stores & Spares and process stock are valued at weighted average cost.
- (b) Finished Goods (including Consignment Stocks) are valued at lower of average cost for the year or average sale price for the year or average sale price of last month of financial year.

- (c) By-products are valued at lower of average net realisable value for the year or average net realisable value of last month of Financial Year.
- (d) Sale of Finished Goods in transit is valued at actual sales invoice value.
- (e) Stock-in-Trade is valued at lower of the landed cost or realisable value.
- (f) Consumable stores categorised separately are charged to Statement of Profit and Loss at the time of purchase.
- (g) Stores and spares issued to consuming departments and which are in the process of utilisation and / or remaining with them at the year end are included in the inventory at the weighted average cost.

**(7) CENVAT and Value Added Tax Credit**

- (i) CENVAT and VAT Credit available on the material (inputs) is adjusted against purchases.
- (ii) Cenvat Credit and VAT available on capital goods is adjusted against the cost of the capital assets.
- (iii) The CENVAT and VAT credit available on purchase of raw materials, other eligible inputs and capital goods is utilised against Excise Duty and VAT payable on clearance / sale of goods produced. The unutilised CENVAT and VAT credit is shown under the head "Loans and Advances".
- (iv) CENVAT and VAT benefits are accounted on accrual basis.

**(8) Taxation**

- (i) Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and is capable of reversal in one or more subsequent periods.
- (ii) Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

#### (9) Other Capital Expenditure

When heavy expenditure for sustaining plant efficiency is required to be incurred and the benefit from this expenditure is to extend for a number of years, such heavy expenditure, on a selective basis, is treated as "Other Capital Expenditure" and shown as "Tangible Assets" and carried forward for amortisation over a reasonable period of time, after facilities have been put to use/completion of the job.

#### (10) Expenditure by way of contributions

The Company's Contribution or Expenditure incurred in securing requirements of Utilities and Services without acquiring ownership rights on the assets so created are considered as "Tangible Assets" and are written off over an appropriate period.

#### (11) Employee Benefits

##### (a) Short term Employee Benefits :

All employee benefits payable wholly within twelve months of rendering the services are classified as short term employee benefits. Benefits such as salaries, wages etc. and the expected cost of bonus, Ex-gratia, Leave Travel Allowance, Reimbursement of Medical Expenses, Personal Accident Policy, Deposit Linked Insurance Policy are recognised in the period in which the employee renders the related services.

##### (b) Post-Employment Benefits :

- (i) Defined Contribution Plan : The Company's contribution paid / payable during the year to Provident Fund, Superannuation Fund and other welfare funds are considered as defined contribution plans. The Contribution paid/ payable under these plans are recognised during the period in which the employee renders the services.
- (ii) Defined Benefit Plans : The Gratuity scheme managed by Trust is considered as defined

benefit plan. The present value of the obligation is determined based on actuarial valuation using the Projected Unit Credit Method.

Actuarial gains and losses are recognised immediately in the Statement of Profit & Loss.

The fair value of the plan assets is reduced from the gross obligation under the defined benefit plan to recognise the obligation on net basis.

Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.

##### (c) Long term Employee Benefits :

The obligation for long term employee benefits such as long term compensated absences, long service awards etc. is recognised in the same manner as in the case of defined benefit plans as mentioned in (b) (ii) above.

#### (12) Research and Development

The capital expenditure in respect of Research and Development activities is charged to Statement of Profit and Loss in the year in which it is incurred.

#### (13) Prior Period Adjustments / Exceptional Items

All identifiable items of Income and Expenditure pertaining to prior period are accounted as "Prior Period item" or as "Exceptional item" as the case may be.

#### (14) Borrowing Cost

Borrowing Costs attributable to the acquisition and construction of assets are capitalised as part of the cost of such asset upto the date when such asset is ready for its intended use. Other borrowing costs are treated as revenue expenditure.

#### (15) Impairment of Assets

Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount.



## 2 - SHARE CAPITAL

[ Rs. in Lakhs ]

Particulars		As at 31.03.2013	As at 31.03.2012
<b>Equity Share Capital</b>			
<b>(a) Authorised :</b>			
10,00,00,000	Equity Shares of Rs.10/- each (Previous Year 10,00,00,000)	<b>10,000.00</b>	10,000.00
50,00,000	Redeemable Cumulative Preference Shares of Rs.100/- each (Previous Year 50,00,000)	<b>5,000.00</b>	5,000.00
		<b>15,000.00</b>	15,000.00
<b>(b) Issued :</b>			
7,34,39,875	Equity Shares of Rs.10/- each (Previous Year 7,34,39,875)	<b>7,343.99</b>	7,343.99
<b>(c) Subscribed &amp; Fully Paid-up :</b>			
7,34,36,928	Equity Shares of Rs.10/- each (Previous Year 7,34,36,928)	<b>7,343.69</b>	7,343.69
<b>(d) Subscribed &amp; Not Fully Paid-up (forefeited) :</b>			
2,947	Equity Shares of Rs.10/- each (Previous Year 2,947)	<b>0.15</b>	0.15
<b>Total</b>		<b>7,343.84</b>	7,343.84

### Reconciliation of the number of equity shares :

Particulars	2012-13		2011-12	
	Number	(Rs. in lakhs)	Number	(Rs. in lakhs)
Shares outstanding at the beginning of the period	<b>7,34,36,928</b>	<b>7,343.84</b>	7,34,36,928	7,343.84
Shares outstanding at the end of the period	<b>7,34,36,928</b>	<b>7,343.84</b>	7,34,36,928	7,343.84

### Rights, preferences and restrictions attached to shares :

The Company has one class of equity shares having a par value of Rs.10/- each. Each shareholder is eligible for one vote per one share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

### List of shareholders holding more than 5% of total number of shares issued by the Company :

Sr. No.	Name of Shareholder	As at 31 <sup>st</sup> March, 2013		As at 31 <sup>st</sup> March, 2012	
		No. of shares held	% of shares held	No. of shares held	% of shares held
1	Gujarat State Investment Ltd.	<b>1,25,13,438</b>	<b>17.04</b>	1,25,13,438	17.04
2	Gujarat Industrial Investment Corporation Ltd.	<b>71,19,028</b>	<b>9.69</b>	71,19,028	9.69
3	Life Insurance Corporation of India	<b>23,55,688</b>	<b>3.21</b>	58,55,688	7.97
4	Lok Prakashan Ltd.	<b>1,54,02,059</b>	<b>20.98</b>	91,01,418	12.39
5	Gujarat Mineral Development Corporation Ltd.	<b>40,80,433</b>	<b>5.56</b>	32,68,480	4.45

### 3 - RESERVES AND SURPLUS

[ Rs. in Lakhs ]

	As at 31.03.2013	As at 31.03.2012
<b>a. Capital Reserves :</b>	<b>0.24</b>	0.24
<b>b. Securities Premium Account :</b>	<b>23,423.18</b>	23,423.18
<b>c. General Reserve :</b>		
Opening Balance	<b>86,612.34</b>	78,931.34
Add : Current year Transfer	<b>11,768.00</b>	7,681.00
Closing Balance	<b>98,380.34</b>	86,612.34
<b>d. Surplus in Statement of Profit and Loss :</b>		
Opening Balance	<b>43,398.98</b>	38,279.12
Add : Net Profit for the current year	<b>23,535.43</b>	15,361.37
Less: Proposed Dividend	<b>2,570.29</b>	2,203.11
Less: Tax on Proposed Dividend	<b>436.82</b>	357.40
Less: Transfer to General Reserves	<b>11,768.00</b>	7,681.00
<b>Closing Balance</b>	<b>52,159.30</b>	43,398.98
<b>Total :</b>	<b>1,73,963.06</b>	1,53,434.74

### 4 - LONG TERM BORROWINGS

[ Rs. in Lakhs ]

	As at 31.03.2013	As at 31.03.2012
<b>Secured :</b>		
<b>(a) Term Loans from Banks :</b>		
External Commercial Borrowings from ICICI Bank*	<b>10,857.00</b>	13,566.67
External Commercial Borrowings from HDFC Bank **	<b>8,685.60</b>	10,175.00
	<b>19,542.60</b>	23,741.67
<b>Unsecured :</b>		
<b>(a) Long term maturities of finance lease obligations :</b>	<b>0.50</b>	0.50
	<b>0.50</b>	0.50
<b>Total :</b>	<b>19,543.10</b>	23,742.17

\* The Loan is secured by plant and machinery of 39 MW Wind Farm Project at Sinoi Site in Dist. : Kachchh, Gujarat. It has to repaid in 12 half yearly installments from 29.09.2011 and carries interest rate of LIBOR plus 2.95% p.a.

\*\* The Loan is to be secured by plant and machinery of 20,000 MTA Sodium Chlorate Project at Dahej, Gujarat. It has to repaid in 10 half yearly installments from 14.08.2013 and carries interest rate of LIBOR plus 3.50% p.a.

## 5 - DEFERRED TAX LIABILITIES (Net)

[ Rs. in Lakhs ]

	As at 31.03.2013		As at 31.03.2012	
	Assets	Liability	Assets	Liability
Fixed Assets : Impact of Difference between Tax depreciation and Depreciation / amortisation charged for the financial reporting		<b>33,618.11</b>		32,834.16
Expenditure u/s. 43B of the I.T. Act	<b>1,066.94</b>	<b>163.13</b>	1,048.96	-
Other Capital Expenses		<b>1,180.02</b>		1,216.15
Provision for doubtful debts	<b>423.13</b>		412.40	
<b>Total :</b>	<b>1,490.07</b>	<b>34,961.26</b>	1,461.36	34,050.31
<b>Net Deferred Tax Liability *</b>		<b>33,471.19</b>		32,588.95

\* During the year there is increase in deferred tax liability to the extent of Rs.882.24 lakhs, consequently this amount has been provided for and debited to Profit and Loss Account (Previous Year deferred tax liability Rs.1,139.01 lakhs).

## 6 - OTHER LONG TERM LIABILITIES

[ Rs. in Lakhs ]

		As at 31.03.2013	As at 31.03.2012
<b>[A] Trade Payables :</b>		<b>50.10</b>	30.41
<b>[B] Others :</b>			
Sundry Creditors (others)	<b>379.21</b>		165.74
Security Deposits	<b>847.80</b>		931.72
Outstanding Liabilities for purchase / Expenses	<b>361.65</b>		350.32
Employee Benefits	<b>1.01</b>		55.65
Miscellaneous Liabilities	<b>141.67</b>		94.45
	<b>1,731.34</b>	<b>1,731.34</b>	1,597.88
<b>Total :</b>		<b>1,781.44</b>	1,628.29

## 7 - LONG TERM PROVISIONS

[ Rs. in Lakhs ]

	As at 31.03.2013	As at 31.03.2012
<b>(a) Provision of Employees' Benefits :</b>		
Gratuity	(425.63)	(268.14)
Leave Encashment	2,925.54	2,827.30
Long Service Award	55.78	55.78
Leave Travel Allowance	-	57.39
<b>Total :</b>	<b>2,555.69</b>	<b>2,672.33</b>

## 8 - SHORT TERM BORROWINGS

[ Rs. in Lakhs ]

	As at 31.03.2013	As at 31.03.2012
<b>Secured :</b>		
Loans repayable on demand :		
(i) from Banks*	1,521.81	401.44
<b>Unsecured :</b>		
Loans repayable on demand :		
(i) Others	-	7,000.00
<b>Total :</b>	<b>1,521.81</b>	<b>7,401.44</b>

\* The Company has working capital facilities with various Banks carrying interest rate ranging from 11.70% to 12.40%. These facilities are secured by first charge by hypothecation of stocks and book debts and second charge over the immovable assets of the Company.

## 9 - TRADE PAYABLES

[ Rs. in Lakhs ]

	As at 31.03.2013	As at 31.03.2012
<b>(i) Trade payables :</b>		
(i) Sundry Creditors :		
- Micro, Small and Medium Enterprise*	1,148.42	1,023.96
- Other than Micro, Small and Medium Enterprise	7,433.43	6,243.72
(ii) Security Deposits / Earnest Money Deposits	84.57	66.59
<b>Total :</b>	<b>8,666.42</b>	<b>7,334.27</b>

\* Amount overdue as on 31<sup>st</sup> March, 2013 to Micro, Small and Medium Enterprises on account of principal amount with interest in aggregate is Rs. Nil (Previous Year Rs. Nil).

## 10 - OTHER CURRENT LIABILITIES

[ Rs. in Lakhs ]

	As at 31.03.2013	As at 31.03.2012
(a) Current maturities of long term debts	5,790.40	3,391.67
(b) Interest accrued but not due on borrowings	60.48	163.55
(c) Unpaid dividends	88.41	88.17
(d) Other payables :		
(i) Other Statutory Liabilities	1,117.86	1,256.82
(ii) Advance received from customers	492.95	494.44
(iii) Payables for capital goods	1,128.98	3,715.70
(iv) Miscellaneous Liabilities	26.48	0.39
<b>Total :</b>	<b>8,705.56</b>	<b>9,110.74</b>

## 11 - SHORT TERM PROVISIONS

[ Rs. in Lakhs ]

	As at 31.03.2013	As at 31.03.2012
(a) Provision of Employees' Benefits :		
Salary & Reimbursements	1,673.22	1,400.19
Gratuity	(77.18)	(46.54)
Leave Encashment	358.08	400.84
Long Service Award	37.83	37.83
(b) Others :		
(i) Provisions for outstanding liabilities for purchase & Expenses	10,634.54	6,048.15
(ii) Proposed Dividend*	2,570.29	2,203.11
(iii) Tax on Proposed Dividend	436.82	357.40
(iv) Provision for Taxation	15,480.95	26,896.73
(v) Provision for other liabilities	792.76	-
<b>Total :</b>	<b>31,907.31</b>	<b>37,297.71</b>

\* The Board of Directors of the Company has recommended dividend of Rs. 3.50 per Share on 7,34,36,928 Equity Shares of Rs. 10/- each.

## 12 - TANGIBLE ASSETS

[ Rs. in Lakhs ]

Sr. No.	FIXED ASSETS	GROSS BLOCK (AT COST)			DEPRECIATION / AMORTIZATION			NET BLOCK			
		As at 01.04.2012 Rs.	Additions Rs.	Deductions Rs.	As at 31.03.2013 Rs.	Upto 31.03.2012 Rs.	For the year Rs.	Deductions Rs.	Upto 31.03.2013 Rs.	As at 31.03.2013 Rs.	As at 31.03.2012 Rs.
	<b>TANGIBLE ASSETS :</b>										
1	Free hold Land	102.75	-	-	102.75	-	-	-	-	102.75	102.75
2	Lease hold Land * & **	1,689.55	10.81	206.42	1,493.94	134.92	3.99	138.91	138.91	1,355.03	1,554.63
3	Buildings, Roads and Culverts	16,516.01	952.31	-	17,468.32	3,463.05	467.81	3,930.86	3,930.86	13,537.46	13,052.96
4	Plant and Equipment ***	2,79,053.61	3,911.47	34.87	2,82,930.21	1,39,722.21	13,176.49	31.06	1,52,867.64	1,30,062.57	1,39,331.40
	Plant and machinery under lease	3,859.23	-	113.96	3,745.27	3,036.05	158.40	108.27	3,086.18	659.09	823.18
5	Furniture, Fixtures and Equipments	1,460.46	29.57	0.58	1,489.45	804.42	54.12	0.04	858.50	630.95	656.04
6	Vehicles	397.89	-	5.37	392.52	142.29	42.32	2.95	181.66	210.86	255.60
7	Others :										
	(a) (Recoating / Remembraning)@	8,515.55	1,057.16	-	9,572.71	4,767.21	1,161.74	-	5,928.95	3,643.76	3,748.34
	(b) Power, Water & Services#	1,743.81	-	-	1,743.81	1,320.20	96.88	-	1,417.08	326.73	423.61
	<b>Grand Total</b>	3,13,338.86	5,961.32	361.20	3,18,938.98	1,53,390.35	15,161.75	142.32	1,68,409.78	1,50,529.20	1,59,948.51
	Previous Year	(2,85,320.05)	(28,319.56)	(300.75)	(3,13,338.86)	(1,38,446.40)	(15,140.54)	(196.59)	(1,53,390.35)	(1,59,948.51)	
	Expenditure on New Projects									17,100.13	2,030.28
	Capital Work-in-progress									1,473.06	2,296.18

\* During the Financial Year 2012-13 the amortisation of lease hold land is shown as Depreciation/ Amortisation.Upto the previous Financial Year 2011-12, the amortization of lease hold land was shown as deduction from Gross Block.

\* Lease hold land amortised during Financial Year 2012-13 for the expired period of the lease of Rs.4.00 lakhs (Ref. Sr. No. 3 (c) of Note No. 1).

\*\* The lease deed in respect of Plot No. 3 for the balance land admeasuring 44,032 sq. mtrs acquired at Dahej Complex having value of Rs.15.86 lacs is pending for execution. The deduction of lease hold land includes :

a) Rs. 183.55 lakhs towards cost of the part land admeasuring 61,700 sq. mtrs. of Plot CH-17 surrendered to GIDC.

b) Rs.22.86 lakhs towards refund received from GETCO against the advance paid by the Company for shifting of transmission line from CH-17.

\*\*\* Depreciation and amortization for the year includes Net Debit of Rs. 9.73 lakhs for prior period adjustment (Previous Year Net Debit of Rs.25.94 lakhs).

@ The Gross value and depreciation/amortisation amounting to Rs.2,921.55 lakhs of Recoating / Remembraning is eliminated from Gross Block and Depreciation / amortisation for those assets which are fully written off till 31.03.2012.

# The Company's contribution or expenditure towards Power, Water and Services not owned by the Company is capitalized under the general head "Capital Expenditure" and written off to revenue over a period of eighteen years starting from 15.08.1998 i.e. date of start of operations.



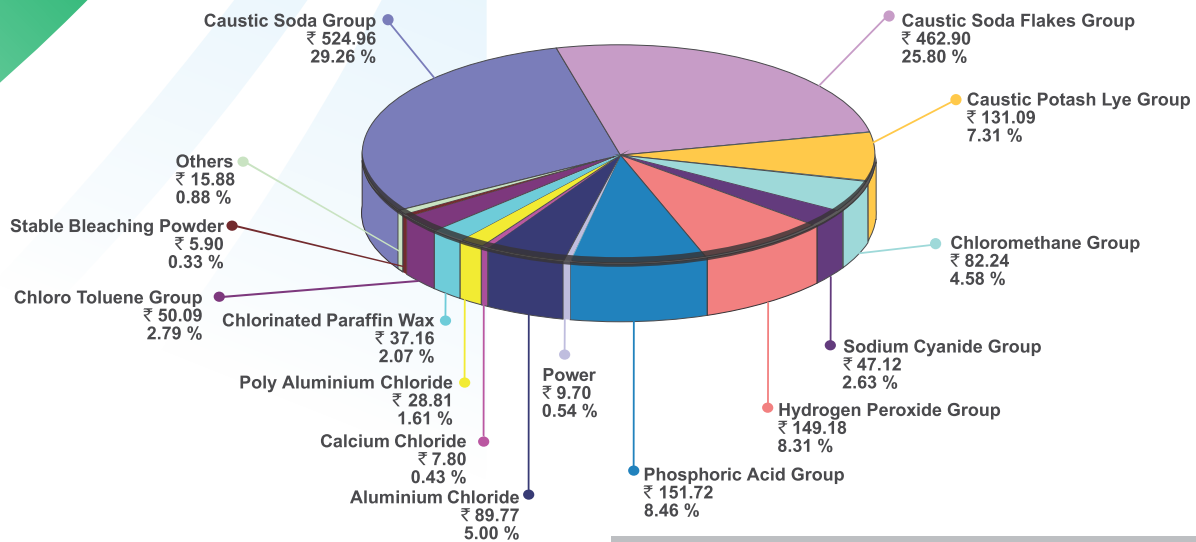
## Winds of Change

By utilizing the power of wind, we are energizing our growth in a greener and cleaner way. With continuous expansion of our energy generation capabilities, we are setting new benchmarks.

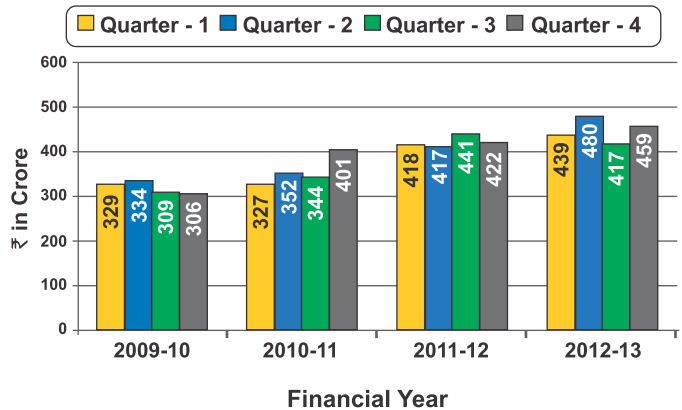
### Groupwise Total Sales (Excluding Inter Unit Transfer & Excise Duty Recovered)

₹ 1794.31 Crore - F.Y. 2012-13 (₹ 1698.22 Crore - F.Y. 2011-12)

₹ in Crore



### Quarterwise Net Sales





## Flourishing communities

Society is the force that unites us all. Going beyond work, we actively participate to enrich our communities. By strengthening the infrastructure, healthcare and educational services, we are working to realize better societies.

### Akshaypatra Mid Day Meal Program



Public Health Centre, Ranoli



CC Four Lane Road, Ranoli



### 13 - NON-CURRENT INVESTMENTS

[ Rs. in Lakhs ]

	Nos.	Face Value Rs.	As at 31.03.2013	As at 31.03.2012
<b>A TRADE INVESTMENTS :</b>				
(a) Investment in Equity Instruments :				
<b>1 (Quoted) :</b>				
1 Gujarat Industries Power Company Limited	2,30,88,980	10	8,139.82	8,139.82
2 Gujarat State Fertilizers and Chemicals Limited*	75,00,000	2	1,500.00	1,500.00
3 Gujarat Lease Financing Limited	2,50,000	10	104.68	104.68
Less : Provision for Diminution in the value of Investments			99.88	98.46
			4.80	6.22
<b>Total - 1</b>			<b>9,644.62</b>	<b>9,646.04</b>
<b>2 (Unquoted) :</b>				
1 Gujarat Data Electronics Limited	40,000	10	4.00	4.00
Less : Provision for Diminution in the value of Investments			4.00	4.00
			-	-
2 Gujarat Venture Finance Limited	1,80,000	10	18.00	18.00
3 Gujarat Guardian Limited	74,25,000	10	742.50	742.50
4 Gujarat State Petroleum Corporation Limited	2,15,43,200	1	1,349.99	1,349.99
5 Gujarat Chemical Port Terminal Company Limited	6,13,90,000	1	613.90	613.90
6 Vadodara Enviro Channel Limited	7,151	10	-	-
7 Bhavnagar Energy Company Limited **	2,50,00,000	10	2,605.00	1,475.00
8 GSPC Gas Company Limited	4,000,000	10	2,000.00	2,000.00
9 DOW - GACL SolVenture Ltd. - Joint Venture #	28,88,560	10	-	288.85
Less : Provision for Diminution in the value of Investments			-	288.85
			-	-
<b>Total - 2</b>			<b>7,329.39</b>	<b>6,199.39</b>
<b>GRAND TOTAL</b>				
			<b>16,974.01</b>	<b>15,845.43</b>
Aggregate Value of Quoted Investments			9,644.62	9,646.04
Market Value of Quoted Investments			21,532.12	22,493.26
Aggregate Value of Unquoted Investments			7,329.39	6,199.39

\* The Company held 15,00,000 fully paid-up Equity Shares of Rs.10/- of Gujarat State Fertilizers and Chemicals Ltd. (GSFC). The said 15,00,000 Equity Shares were sub-divided from Rs.10/- each to 75,00,000 Equity Shares of Rs.2/- each on 24<sup>th</sup> September 2012.

\*\* The Company has paid Rs.1,130 lakhs during the year, as Share Application Money for allotment of 1,13,00,000 fully paid-up equity shares of Rs.10/- each in Bhavnagar Energy Company Ltd. (BECL), against which BECL has allotted 1,02,50,000 equity shares on 21<sup>st</sup> March, 2013.

# DOW-GACL SolVenture Ltd. (DGSL) has received notice dated 25<sup>th</sup> August, 2012 pursuant to Section 560 (5) of the Companies Act, 1956 from ROC stating that the name of DGSL has been struck-off from the Register of ROC and the said Company (DGSL) stands dissolved.

## DETAILS OF TRADE INVESTMENTS

SR. NO.	NAME OF THE BODY CORPORATE	Subsidiary/ Association / Joint Venture Controlled Entity / Others	No. of Equity Shares		Quoted / Unquoted	Partly paid / Fully paid	Extent of Holding (%)		Amount (Rs. in lakhs)		Whether stated at cost Yes / No	If Answer of Column (12) is No - Basis of Valuation
			2012-13	2011-12			2012-13	2011-12	2012-13	2011-12		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	Investments in Equity Instruments											
1	Gujarat Industries Power Company Limited	Others	2,30,88,980	2,30,88,980	Quoted	Fully paid	15.265%	15.265%	8,139.82	8,139.82	Y	-
2	Gujarat State Fertilizers and Chemicals Limited	Others	75,00,000	75,00,000	Quoted	Fully paid	1.882%	1.882%	1,500.00	1,500.00	Y	-
3	Gujarat Lease Financing Limited	Others	2,50,000	2,50,000	Quoted	Fully paid	0.922%	0.922%	4.80	6.22	N	Market Value
4	Gujarat Data Electronics Limited	Others	40,000	40,000	Unquoted	Fully paid	8.000%	8.000%	-	-	N	Net of diminution provision
5	Gujarat Venture Finance Limited	Others	1,80,000	1,80,000	Unquoted	Fully paid	16.331%	16.331%	18.00	18.00	Y	
6	Gujarat Guardian Limited	Others	74,25,000	74,25,000	Unquoted	Fully paid	4.729%	4.729%	742.50	742.50	Y	
7	Gujarat State Petroleum Corporation Limited	Others	2,15,43,200	2,15,43,200	Unquoted	Fully paid	0.938%	0.938%	1,349.99	1,349.99	Y	
8	Gujarat Chemical Port Terminal Company Limited	Others	6,13,90,000	6,13,90,000	Unquoted	Fully paid	3.991%	3.991%	613.90	613.90	Y	
9	Vadodara Enviro Channel Limited	Others	7,151	7,151	Unquoted	Fully paid	14.286%	14.286%	-	-	Y	
10	Bhavnagar Energy Company Limited	Others	2,50,00,000	1,47,50,000	Unquoted	Fully paid	6.725%	6.901%	2,605.00	1,475.00	Y	
11	GSPC Gas Company Limited	Others	40,00,000	40,00,000	Unquoted	Fully paid	4.727%	-	2,000.00	2,000.00	Y	
12	DOW - GACL SolVenture Ltd. - Joint Venture	Joint Venture	-	28,88,560	Unquoted	Fully paid	-	99.10%	-	-	N	Net of diminution provision
	<b>Total</b>								<b>16,974.01</b>	<b>15,845.43</b>		

## 14 - LONG TERM LOANS AND ADVANCES

[ Rs. in Lakhs ]

	As at 31.03.2013	As at 31.03.2012
<b>Unsecured (Considered Good)</b>		
(a) Capital Advances*	7,049.55	7,366.00
(b) Security Deposits	1,936.63	1,979.25
(c) Other Loans and Advances :		
(i) Advances to Suppliers	641.82	683.50
Less : Provision for Doubtful debts	(15.09)	(15.09)
	<b>626.73</b>	668.41
(ii) Advances to Employees	19.63	15.45
(iii) Duty Draw back receivable	6.01	-
(iv) Prepaid Expenses	3.17	1.10
(v) CENVAT & VAT Credit receivable	745.40	732.88
<b>Total :</b>	<b>10,387.12</b>	10,763.09

\* Advances for capital goods includes payment and provision of :

- Rs. 1,734.95 lakhs (Previous Year Rs. 1,695.82 lakhs) towards lease hold land allotted at Dahej admeasuring 5,20,000 sq. mtrs.
- Rs.4,668.08 lakhs (Previous Year Rs.4,611.70 lakhs) towards lease hold land allotted at Village Dahej admeasuring 10,20,900 sq. mtrs.
- Rs.935.23 lakhs (Previous Year Rs. 930.57 lakhs) towards plot B-37 to B-44 lease hold land admeasuring 50,714.48 sq. mtrs. allotted at village Atali for proposed Housing Colony, for which possession is taken from GIDC but lease deed is yet to be executed.

## 15 - OTHER NON-CURRENT ASSETS

[ Rs. in Lakhs ]

	As at 31.03.2013	As at 31.03.2012
(i) Long Term Trade receivables (including trade receivables on deferred credit terms)		
(a) Doubtful *	1,669.47	1,732.47
Less : Provision for doubtful debts	1,304.16	1,271.07
<b>Total - (i)</b>	<b>365.31</b>	461.40
(ii) Others :-		
(a) Unsecured considered good ;		
(i) Balance with Excise & Custom	17.38	18.14
(ii) Non-Current stores & spare parts	2,848.68	2,262.43
<b>Total - (ii)</b>	<b>2,866.06</b>	2,280.57
<b>Total :</b>	<b>3,231.37</b>	2,741.97

\* The Trade Receivables include overdue outstanding from various parties aggregating to Rs.1,452.62 lakhs, (Previous Year Rs.1,458.45 lakhs), for which the Company has taken legal steps for recovery of the outstanding dues and the management is hopeful of the recovery. However, cumulative provision of Rs.1,155.15 lakhs (Previous Year Rs.1,122.06 lakhs) exists for such doubtful debts as on 31.03.2013.

## 16 - CURRENT INVESTMENTS

[ Rs. in Lakhs ]

	Nos.	Face Value Rs.	As at 31.03.2013	As at 31.03.2012
<b>1 Current Investments (Quoted) :</b>				
<b>(a) INVESTMENT IN EQUITY INSTRUMENTS :</b>				
1 Industrial Development Bank of India Limited <i>Less : Provision for Diminution in value of Investments</i>	3,18,800	10	<b>259.03</b> <b>3.19</b>	259.03 -
			<b>255.84</b>	259.03
2 Housing Development Finance Corporation Ltd.	1,18,700	2	<b>3.16</b>	3.16
3 HDFC Bank Ltd.	2,500	2	<b>0.05</b>	0.05
<b>TOTAL QUOTED INVESTMENTS</b>			<b>259.05</b>	262.24
<b>2 Current Investments (Unquoted) :</b>				
<b>(a) Investment in Govt. Securities :</b>				
Investment in Six Year National Saving Certificate purchased & pledged for renewal of License			<b>0.20</b>	0.30
<b>TOTAL UNQUOTED INVESTMENTS</b>			<b>0.20</b>	0.30
<b>GRAND TOTAL :</b>			<b>259.25</b>	262.54
Aggregate Value of Quoted Investments			<b>259.05</b>	262.24
Market Value of Quoted Investment			<b>1,252.23</b>	1,145.99
Aggregate Value of Unquoted Investments			<b>0.20</b>	0.30

## DETAILS OF CURRENT INVESTMENTS

SR. NO.	NAME OF THE BODY CORPORATE	Subsidiary/ Association/ Joint Venture Controlled Entity / Others	No . of Equity Shares		Quoted / Unquoted	Partly paid / Fully paid	Extent of Holding (%)		Amount (Rs. in Lakhs)	Whether stated at cost Yes / No	If Answer of Column (12) is No - Basis of Valuation	
			2012-13	2011-12			2012-13	2011-12				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
<b>A</b>	<b>Investments in Equity Instruments</b>											
1	Industrial Development Bank of India Limited	Others	<b>3,18,800</b>	3,18,800	Quoted	Fully paid	<b>0.024%</b>	0.025%	<b>255.84</b>	259.03	N	Market Value
2	Housing Development Finance Corporation Limited	Others	<b>1,18,700</b>	1,18,700	Quoted	Fully paid	<b>0.008%</b>	0.008%	<b>3.16</b>	3.16	Y	—
3	HDFC Bank Ltd.	Others	<b>2,500</b>	2,500	Quoted	Fully paid	<b>0.000%</b>	0.000%	<b>0.05</b>	0.05	Y	—
<b>B</b>	<b>Investments in Government or Trust securities</b>											
1	Investment in Six Year National Saving Certificate	Others	—	—	Unquoted	Fully paid	—	—	<b>0.20</b>	0.30	Y	—
	<b>Total</b>								<b>259.25</b>	262.54		

## 17 - INVENTORIES

[ Rs. in Lakhs ]

		As at 31.03.2013	As at 31.03.2012
(a) Raw Materials and Components*	4,011.00		3,952.56
Goods-in-Transit	234.25		2,333.75
<b>Total :</b>		4,245.25	6,286.31
(b) Work-in-Progress*		583.22	564.30
(c) Finished Goods*	5,967.81		6,328.82
Goods-in-Transit	136.60		165.09
<b>Total :</b>		6,104.41	6,493.91
(d) Stores and Spares*	3,891.22		4,188.39
Goods-in-Transit	9.80		18.31
<b>Total :</b>		3,901.02	4,206.70
(e) Others :*			
Packing Materials		297.65	242.10
Furnace Oil		10.54	12.53
Building Materials		72.42	87.02
<b>Total :</b>		15,214.51	17,892.87

\* Refer Note No. 1 (6)

## 18 - TRADE RECEIVABLES

[ Rs. in Lakhs ]

		As at 31.03.2013	As at 31.03.2012
Trade Receivables outstanding for a period exceeding six months from the date they are due for payment			
Secured - Good	22.38		86.06
Unsecured - Considered Good	257.60		19.44
		279.98	105.50
Other Trade Receivables			
Secured - Good	5,367.05		4,682.36
Unsecured - Considered Good	21,557.44		20,255.98
		26,924.49	24,938.34
<b>Total :</b>		27,204.47	25,043.84

## 19 - CASH AND CASH EQUIVALENTS

[ Rs. in Lakhs ]

		As at 31.03.2013	As at 31.03.2012
<b>A Cash and Cash Equivalents :</b>			
(i) Balances with Bank			
Current Account		1,868.06	1,224.41
(ii) Cheques, Drafts on hand		736.13	1,474.04
(iii) Cash on hand		1.59	2.51
(iv) Others (specify)			
- Stamps on hand		0.12	0.06
- Deposit with Corporate Bodies		12,500.00	3,000.00
<b>B Other Bank Balances :</b>			
(i) Earmarked balances with Bank			
- Unpaid Dividend		88.41	88.17
<b>Total :</b>		15,194.31	5,789.19

## 20 - SHORT TERM LOANS AND ADVANCES

[ Rs. in Lakhs ]

	As at 31.03.2013	As at 31.03.2012
<b>Unsecured (Considered Good) :</b>		
(a) Other Loans and Advances :		
(i) Unsecured, Considered Good		
1 Advances to Suppliers	7,785.86	2,339.31
2 Advances to Employees	64.67	77.82
3 Income Tax Refund Receivable	-	5.56
4 Duty Drawback Receivable	169.22	130.75
5 Prepaid Expenses	23.84	12.38
6 Advance payment of Income Tax	20,343.98	32,277.51
7 MAT Credit entitlement	-	1,639.52
8 CENVAT & VAT Credit receivable	2,308.97	2,181.38
9 Security Deposits	28.35	91.18
10 Balance with Excise & Custom authorities	290.07	307.01
11 Other Loans and Advances	877.03	878.16
<b>Total :</b>	<b>31,891.99</b>	<b>39,940.58</b>

## 21 - REVENUE FROM OPERATIONS

[ Rs. in Lakhs ]

		2012-13		2011-12	
(i)	<b>SALE OF PRODUCTS</b>				
[A]	<b>MANUFACTURING OPERATIONS :</b>				
1	Caustic Soda Lye	52,487.37		44,194.01	
2	Caustic Soda Flakes	41,339.61		35,624.01	
3	Caustic Soda Prills	4,950.06		4,212.99	
4	Chloromethanes	8,224.14		13,343.73	
5	Sodium Cyanide	4,677.29		4,851.82	
6	Caustic Potash Lye	2,365.79		1,937.13	
7	Caustic Potash Flakes	5,677.12		6,490.92	
8	Potassium Carbonate	5,065.62		5,630.64	
9	Hydrogen Peroxide (100%)	14,917.69		12,393.37	
10	Phosphoric Acid (85%)	15,172.48		11,868.10	
11	Poly Aluminium Chloride	2,881.36		2,739.48	
12	Aluminium Chloride	8,977.01		8,881.93	
13	Chlorinated Paraffin Wax	3,724.83		3,447.21	
14	Benzyl Alcohol	2,946.54		1,543.23	
15	Others	6,024.34		11,390.40	
			1,79,431.25		1,68,548.97
[B]	<b>TRADING ACTIVITY :</b>		-		1,273.28
[C]	<b>EXCISE DUTY :</b>		19,819.96		16,435.10
	<b>Total (i) :</b>		1,99,251.21		1,86,257.35
(ii)	<b>OTHER OPERATING REVENUE</b>				
	Sale of Scrap	320.71		490.16	
	Insurance claims received	636.68		67.33	
	Export Incentives	386.48		417.68	
	Excess Provision of Expenses no longer required (Net)	256.69		59.19	
	Freight Out ward Recovered / Paid (Net)	51.40		-	
	Other Receipts	377.14		240.20	
	<b>Total (ii) :</b>		2,029.10		1,274.56
	<b>Total :</b>		2,01,280.31		1,87,531.91

## 22 - OTHER INCOME

[ Rs. in Lakhs ]

	2012-13	2011-12
<b>Interest Income (Gross)*</b>		
a) From Non-Current Assets	956.64	180.40
b) From Current Assets	2.85	110.27
<b>Dividend Income</b>		
a) From Non-Current Investments	885.81	802.26
b) From Current Investments	17.95	28.30
<b>Other Non-operating Income</b>		
a) Exchange rate variation	-	39.32
b) Rent received *	2.12	2.20
c) Profit on sale of Fixed Assets	0.01	1.79
d) Miscellaneous Income	4.88	12.84
<b>Total :</b>	<b>1,870.26</b>	<b>1,177.38</b>
* Includes Tax deducted at source.	<b>91.52</b>	<b>17.62</b>

## 23 - COST OF MATERIALS CONSUMED

[ Rs. in Lakhs ]

	2012-13	2011-12
1 Natural Gas	31,681.30	34,182.17
2 Potassium Chloride	7,494.80	8,709.23
3 Salt	6,424.86	6,024.04
4 Rock Phosphate	6,360.83	5,197.43
5 Aluminium Ingots	6,678.49	6,764.68
6 Alumina Trihydrate Powder	1,427.22	1,523.88
7 Heavy Normal Paraffin	3,424.39	2,828.71
8 Toluene	3,397.16	2,433.44
9 Others	4,585.96	4,416.02
	<b>71,475.01</b>	<b>72,079.60</b>

**NOTE :**

	2012-13		2011-12	
	Value Rs. in Lakhs	Percentage %	Value Rs. in Lakhs	Percentage %
<b>VALUE OF RAW MATERIALS CONSUMED</b>				
IMPORTED	15,149.79	21.20	15,346.69	21.29
INDIGENOUS	56,325.22	78.80	56,732.91	78.71
	<b>71,475.01</b>	<b>100.00</b>	<b>72,079.60</b>	<b>100.00</b>

## 24 - PURCHASE OF STOCK-IN-TRADE

[ Rs. in Lakhs ]

	2012-13	2011-12
<b>Trading Activity :</b>		
Caustic Soda Lye	-	360.97
Caustic Soda Flakes	-	503.26
Liquid Chlorine	-	19.61
Hydrogen Gas	-	2.04
<b>Total :</b>	<b>-</b>	<b>885.88</b>



## 25 - CHANGE IN INVENTORIES OF FINISHED GOODS AND PROCESS STOCK

[ Rs. in Lakhs ]			
		2012-13	2011-12
<b>Closing Stock :</b>			
Finished Goods	6,104.41		6,493.91
Process Stock	583.22		564.30
		6,687.63	7,058.21
<b>Less :- Opening Stock :</b>			
Finished Goods	6,493.91		3,509.62
Process Stocks	564.30		491.81
		7,058.21	4,001.43
<b>(Increase) / Decrease :</b>		370.58	(3,056.78)

## 26 - EMPLOYEE BENEFITS EXPENSES

[ Rs. in Lakhs ]		
	2012-13	2011-12
a) Salaries and Wages	9,558.08	9,480.13
b) Contribution to		
(i) Provident fund	482.12	483.46
(ii) Superannuation Scheme	481.40	480.00
(iii) Gratuity Fund	(11.46)	75.26
c) Staff Welfare Expenses	1,379.47	1,294.37
<b>Total :</b>	11,889.61	11,813.22

## 27 - FINANCE COST

[ Rs. in Lakhs ]		
	2012-13	2011-12
<b>(a) Interest Expense :</b>		
Term Loans	624.55	673.66
On Working Capital Loans	6.35	159.42
Intercompany Deposits / Short Term Loans	44.25	1,097.92
Lease Assets	0.04	0.04
Others	54.21	5.22
<b>(b) Other Borrowing Costs :</b>		
Bank Charges	92.01	116.43
<b>(c) Applicable net gain / loss on foreign currency transactions / translation :</b>	12.17	-
<b>Total :</b>	833.58	2,052.69

## 28 - OTHER EXPENSES

[ Rs. in Lakhs ]

		2012-13	2011-12
Power		23,826.12	21,609.28
Fuel, Natural Gas and Water Charges		5,797.55	4,928.22
Stores and Spare-parts consumed		2,533.79	3,954.89
Repairs, Maintenance and Replacement			
- Building	-		3.82
- Plant and Machinery	1,969.84		4,237.39
- Others	1,864.08		1,895.11
		3,833.92	6,136.32
Job Work / Processing Charges		2,603.71	2,272.44
Safety & Environment Expenses		150.21	268.43
Insurance		843.01	262.62
Packing Materials Consumption		4,433.88	3,757.33
Rent		157.26	146.08
Rates and Taxes		29.34	20.46
Printing and Stationery		41.24	40.12
Postage and Telephone		80.12	68.73
Vehicle Running and Maintenance including Hire Charges		354.73	337.86
Directors' Fees		2.15	3.10
Auditors' Remuneration and Expenses		10.35	9.50
Membership and Subscription Fees		16.88	20.50
Travelling and Conveyance		66.21	100.50
Legal and Professional Charges		143.38	242.47
Research and Development Expenses (Including Capital Expenditure of Rs. Nil, Previous Year Rs.3.60 lacs)		85.50	149.28
Loss on Sale of Fixed Assets		9.19	78.06
Donations & Other CSR Cost		177.74	507.22
Provision for Doubtful Debts / Advances		33.09	38.23
General Expenses		892.62	965.03
Commission on Sales		264.43	310.28
Other Marketing Expenses		1,892.41	2,172.42
Freight Outward (Net)		-	230.14
Difference of Excise Duty paid / (recovered)*		(66.61)	88.26
Provision for Diminution of Investment		4.61	291.73
Difference of Excise Duty on Opening and Closing Stock of finished goods		(23.53)	413.92
		<b>48,193.30</b>	<b>49,423.42</b>

	2012-13		2011-12	
	Value Rs. in Lakhs	Percentage %	Value Rs. in Lakhs	Percentage %
Consumption value of Stores, Spare-parts :				
- Imported	161.91	6.39	680.87	17.22
- Indigenous	2,371.88	93.61	3,274.01	82.78
	<b>2,533.79</b>	<b>100.00</b>	<b>3,954.89</b>	<b>100.00</b>

\* The difference in Excise Duty recovered and paid, if any, is shown as other expenses.

**29 - PRIOR PERIOD ADJUSTMENT (NET)**

	[ Rs. in Lakhs ]	
	2012-13	2011-12
<b>INCOME :</b>		
Sales	-	4.36
Other Income	-	14.36
	-	18.72
<b>EXPENDITURE :</b>		
Raw Materials Consumed	-	8.08
Manufacturing & Operating Expenses	1.43	-
Administrative, General and Marketing Expenses	2.70	3.45
Interest	-	1.64
Depreciation (Net)	9.73	25.94
	<b>13.86</b>	<b>39.11</b>
<b>Net Debit / (Credit) Total :</b>	<b>13.86</b>	<b>20.39</b>

**30 -** During the current year, other exceptional item amounting to Rs.1,719.67 lakhs represents provision made towards demand of Excise Duty and delay payment charges paid under protest and interest payable for earlier years.

**31 -** Tax expense includes Rs.971.96 lakhs being reversal of excess provision for Income Tax in respect of earlier years (Previous Year Rs. Nil).

	[ Rs. in Lakhs ]	
<b>32 - Contingent Liabilities and Commitments (to the extent not provided for)</b>	As at 31.03.2013	As at 31.03.2012
<b>(i) Contingent Liabilities :</b>		
(a) Claims against the Company not acknowledged as debt	<b>6,579.31</b>	7,380.57
(b) Various pending cases before Labour court and Industrial Tribunal	Not ascertainable	Not ascertainable
(c) Guarantees :		
(i) The Company has given corporate guarantees aggregating to Rs. 424.65 lakhs (Previous Year Rs. 484.25 lakhs) to Housing Development Finance Corporation Limited (HDFC) for housing loans extended to employees. Total loans outstanding under the arrangement, are :	<b>54.11</b>	83.15
(ii) Guarantees given by the Company's Bankers for various purposes are :	<b>3,775.00</b>	4,283.97
(d) Disputed Purchase Tax liability	<b>20,907.18</b>	20,925.52
(e) Disputed Income Tax liability	<b>2,183.58</b>	4,114.07
<b>Total (i) :</b>	<b>33,499.18</b>	<b>36,787.28</b>
<b>(ii) Commitments :</b>		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	<b>4,545.74</b>	9,696.89
(b) Other commitments - Unascertained land liability to GIDC for leasehold land at Dahej	Not ascertainable	Not ascertainable
<b>Total (ii) :</b>	<b>4,545.74</b>	<b>9,696.89</b>
<b>Total :</b>	<b>38,044.92</b>	<b>46,484.17</b>

**33** - The Company's operations fall under single segment namely "Chemicals", hence no separate disclosure of segment reporting is required to be made as required under AS-17 of ICAI.

**34** - Employee Benefits AS -15 (Revised) :

(i) Defined Contribution Plans :

An amount of Rs.481.40 lakhs (Previous Year Rs.480.00 lakhs) contributed to employees superannuation trust is recognised as an expense and included in "Employee Benefits Expenses" (Note 26) of Statement of Profit & Loss.

(ii) Defined Benefit Plans : - As per Actuarial Valuation as on March 31, 2013 :

[ Rs. in Lakhs ]

Particulars	Gratuity	
	31.03.2013	31.03.2012
<b>I Expense recognised in the Statement of Profit and Loss for the year ended</b>	<b>31.03.2013</b>	<b>31.03.2012</b>
1. Current Service Cost	170.50	168.88
2. Interest Cost	415.98	400.30
3. Expected Return on Plan Assets	(506.75)	(487.41)
4. Past Service Cost (Non Vested Benefit) Recognised	-	-
5. Past Service Cost (Vested Benefit) Recognised	-	-
6. Actuarial (Gain) / Loss	(93.16)	(6.72)
7. Total Expenses	(13.43)	75.05
<b>II Net Assets / (Liability) recognised in the Balance Sheet as on</b>	<b>31.03.2013</b>	<b>31.03.2012</b>
1. Present Value of Defined Benefit Obligation	5,151.50	5,199.74
2. Fair Value of Plan Assets	5,654.32	5,514.42
3. Funded Status [Surplus / (Deficit)]	502.82	314.68
Net Asset / (Liability)	502.82	314.68
<b>III Change in Present value of Obligation during the year ended</b>	<b>31.03.2013</b>	<b>31.03.2012</b>
1. Present Value of Defined Benefit Obligation at the beginning of the year	5,199.74	5,003.75
2. Current Service Cost	170.50	168.88
3. Interest Cost	415.98	400.30
4. Past Service Cost (Non Vested Benefit)	-	-
5. Past Service Cost (Vested Benefit)	-	-
6. Benefit paid	(535.08)	(362.61)
7. Actuarial (Gain) / Loss on obligation	(99.64)	(10.58)
8. Present Value of Defined Benefit Obligation at the end of the year	5,151.50	5,199.74

[ Rs. in Lakhs ]

Particulars	Gratuity	
	31.03.2013	31.03.2012
<b>IV Change in Fair value of Plan Assets during the year ended</b>		
1. Fair Value of Plan Assets at the beginning of the year	5,514.42	5,284.71
2. Expected Return on Plan Assets	506.75	487.41
3. Contribution by Employer	174.71	108.77
4. Actual Benefit Paid	(535.08)	(362.61)
5. Actuarial Gain / (Loss) on Plan Assets	(6.48)	(3.86)
6. Fair Value of Plan Assets at the end of the year	5,654.32	5,514.42
7. Actuarial Gain / (Loss) to be recognised	-	-
<b>V Actual Return on Plan Assets</b>		
1. Expected Return on Plan Assets	506.75	487.41
2. Actuarial Gain / (Loss) on Plan Assets	-	-
3. Actual Return on Plan Assets	506.75	487.41
<b>VI Balance Sheet Reconciliation</b>		
1. Opening Net Liability	(314.68)	(280.96)
2. Expenses Recognised in Profit & Loss Account	(13.43)	75.05
3. Employer's Contribution	(174.71)	(108.77)
4. Amount Recognised in Balance Sheet (Asset) / Liability	(502.82)	(314.68)

[ Rs. in Lakhs ]

Particulars	Leave Salary	
	31.03.2013	31.03.2012
<b>I Expense recognised in the Statement of Profit and Loss for the year ended</b>		
1. Current Service Cost	141.09	142.51
2. Interest Cost	258.25	243.12
3. Expected Return on Plan Assets	-	-
4. Past Service Cost	-	-
5. Actuarial (Gain) / Loss	83.86	114.33
6. Total Expenses	483.20	499.96
<b>II Net Assets / (Liability) recognised in the Balance Sheet as on</b>		
1. Present Value of Unfunded Obligations	3,283.62	3,228.14
2. Unrecognised past Service Cost	-	-
3. Fair Value of Plan Assets	-	-
4. Net Liability as at March	3,283.62	3,228.14

[ Rs. in Lakhs ]

Particulars	Leave Salary	
	31.03.2013	31.03.2012
<b>III Change in Present value of Obligation during the year ended</b>		
1. Present Value of Unfunded Obligation at the beginning of the year	<b>3,228.14</b>	3,039.03
2. Current Service Cost	<b>141.09</b>	142.51
3. Interest Cost	<b>258.25</b>	243.12
4. Actuarial (Gain) / Loss on obligation	<b>83.86</b>	114.33
5. Benefit paid	<b>(427.72)</b>	(310.85)
6. Present Value of Defined Benefit Obligation at the end of the year	<b>3,283.62</b>	3,228.14

(iii) The major categories of plan assets as a percentage of total plan Qualifying Insurance Policy

100%.

(iv) Actuarial assumptions :

1. Discount rate

**2012-13** 8.00% p.a.

**2011-12** 8.00% p.a.

2. Expected return on plan assets

9.50% p.a.

9.45% p.a.

3. Salary growth rate

7.00% p.a.

7.00% p.a.

The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(v) Basis used to determine expected rate of return on assets :

The expected return on plan assets is based on market expectation, at the beginning of the period, for returns over the entire life of the related obligation. The Gratuity Scheme is invested in Group Gratuity-cum-life Assurance cash accumulation policy offered by Life Insurance Corporation (LIC) of India. The investment return earned on the policy comprises bonuses declared by LIC having regard to LIC's investment earnings. The information on the allocation of the fund into major assets classes and expected return on each major class are not readily available. We understand that LIC's overall portfolio of assets is well diversified as such, the long term return on the policy is expected to be higher than the rate of return on Central Government Bonds. Historically too, the returns declared by LIC on such policies have been higher than Government bond yields. As such, the expected return on assets assumption is taken by adding a margin on the current market yield on the Central Government bonds (of term consistent with the terms of liabilities).

35 - In respect of expired finance leases, the minimum lease payments and present value as on 31.03.2013 amount to :

**Finance Lease :**

[Rs. in Lakhs]

	Minimum Lease payments	Future Finance charges	Present Value of Minimum Lease payments
Not later than 1 year	0.54	0.04	0.50
Later than 1 year but not later than 5 years	-	-	-
<b>TOTAL</b>	<b>0.54</b>	<b>0.04</b>	<b>0.50</b>

**36 - Related Party Information :**

- (1) List of Related Parties :
- (a) Key Management Personnel : Dr. Guruprasad Mohapatra, IAS, Managing Director  
*(up to 18<sup>th</sup> July, 2011)*  
Shri M S Dagur, IAS, Managing Director  
*(from 19<sup>th</sup> July, 2011)*

- (2) Transactions with related parties :  
Details related to parties referred to in (1) (a) above.

[Rs. in Lakhs]

Sr. No.	Nature of Transaction	2012-13	2011-12
01	Sitting Fees to all Directors	2.15	3.10
02	Remuneration to Managing Directors	0.93	1.04

**37 - Earning per Share :**

Sr. No.	Particulars	Units	2012-13	2011-12
01	Net Profit After Tax available for Equity Shareholders	Rs.	2,35,35,43,137.69	1,53,61,37,367.00
02	Number of Equity Shares of Rs.10/- each outstanding during the year	Number	7,34,36,928	7,34,36,928
03	Basic Earning Per Share	Rs.	32.05	20.92

**38 - The break-up of payment to Auditors (net of taxes) is as under :**

[Rs. in Lakhs]

		2012-13	2011-12
(a)	Audit Fees	5.50	5.00
(b)	Tax Audit Fees	2.20	2.00
(c)	Quarterly / Half Yearly Review Audit	6.27	5.70
(d)	Cash Flow Certification	1.65	1.50
(e)	Other Certification	2.00	4.00
(f)	Out of Pocket Expenses	1.00	1.00
	<b>TOTAL</b>	<b>18.62</b>	<b>19.20</b>

**39 - The break-up of value of imports on CIF Basis :**

[Rs. in Lakhs]

		2012-13	2011-12
(a)	Value of Imports on CIF basis in respect of :		
(i)	Raw Materials	12,248.32	13,108.43
(ii)	Membranes for Remembraning	290.43	372.36
(iii)	Stores & Spare parts	143.50	1,278.53
(iv)	Capital Goods	1,556.04	1,756.38
(v)	Others	20.57	1.84

[Rs. in Lakhs]

		2012-13	2011-12
(b)	Expenditure in Foreign Currency (on accrual basis) on account of :		
(i)	Interest	1,095.81	723.23
(ii)	Foreign Tour Expenses	2.79	5.43
(iii)	Bank Charges & Commission	4.14	3.52
(iv)	Subscription	4.42	4.77
(v)	Technical Know-how Fees	-	175.67
(vi)	Commission on Exports Sales	27.83	35.81
(vii)	Lease Rent (For ISO Tank)	76.56	71.24
(viii)	Other Export Expenses	34.71	31.83
(c)	Earnings in Foreign Exchange - Export of Goods on F.O.B. basis	22,589.52	19,734.24

**40** - Borrowing cost capitalised during the year is Rs.471.26 lakhs (Previous Year Rs.56.56 lakhs) for acquisition of long term assets.

**41** - (a) Previous Year's figures have been regrouped / reclassified wherever necessary to correspond with current year's classification / disclosure.

(b) Balances shown under Secured/Unsecured Loan, Advances, Deposits, Debtors, Creditors, Loans and Materials with others, etc. are subject to confirmation / reconciliation, if any. The management does not expect any material difference affecting the current year's financial statements.

As per our attached Report of even date

**For Prakash Chandra Jain & Co.**  
**Chartered Accountants**  
Firm Reg. No. : 002438C

**CA. P. C. Nalwya**  
**Partner**  
**Membership No. 033710**  
Place : Gandhinagar  
Date : 16<sup>th</sup> May, 2013

**V. L. Vyas**  
**Company Secretary**  
**& Chief General Manager (Legal)**

**CA. (Dr.) H. B. Patel**  
**Chief Finance Officer**

**For and on behalf of the Board**

**Dr. Varesh Sinha, IAS**  
**Chairman**

**M. S. Dagur, IAS**  
**Managing Director**

Place : Gandhinagar  
Date : 16<sup>th</sup> May, 2013





# GUJARAT ALKALIES AND CHEMICALS LIMITED

Regd. Office : P. O. Petrochemicals : 391 346, Dist. : Vadodara, GUJARAT (INDIA)

Phone: 0091-0265-2232681-2, Fax : 0091-0265-2231208

E-mail : investor\_relations@gacl.co.in, Website : www.gacl.com

## 40<sup>TH</sup> ANNUAL GENERAL MEETING

### ATTENDANCE SLIP

TO BE HANDED OVER AT THE ENTRANCE OF THE MEETING PLACE

For Physical Holding		For Holding in Demat Form		
L.F.NO.	No. of Shares	DP ID	Client ID	No. of Shares

I hereby record my presence at 40<sup>th</sup> Annual General Meeting in the premises of the Company at P.O. : Petrochemicals : 391 346, Dist.: Vadodara on Thursday, the 12<sup>th</sup> day of September, 2013 at 1.00 p.m.

Name of the Member / Joint member(s) / Proxy (In Capital)	
Signature of the Member / Joint Member(s) / Proxy	

- Notes : 1. Shareholder / Proxy-holder must bring the Attendance Slip to the Meeting and hand it over duly signed at the entrance of the Meeting place.  
2. Please strike off whichever is not applicable.



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## 40<sup>TH</sup> ANNUAL GENERAL MEETING

### PROXY FORM

For Physical Holding		For Holding in Demat Form		
L.F.NO.	No. of Shares	DP ID	Client ID	No. of Shares

I/We \_\_\_\_\_  
of \_\_\_\_\_ being Member(s) of Gujarat Alkalies and Chemicals Ltd. hereby appoint  
\_\_\_\_\_ of \_\_\_\_\_  
or failing him \_\_\_\_\_ of \_\_\_\_\_  
as my/our proxy to attend and vote for me/us and on my/our behalf at the 40<sup>th</sup> Annual General Meeting of the Company to be held on Thursday, the 12<sup>th</sup> day of September, 2013 at 1.00 p.m. and at any adjournment thereof.

1 Rupee  
Revenue  
Stamp

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013.

Signature

- Notes : 1. Proxy Form must reach the Company's Registered Office not less than 48 hours before the Meeting.  
2. The Form should be signed across the revenue stamp as per specimen signature registered with the Company.  
3. A Proxy need not be a Member of the Company.



Promoting Green Technology



Promoting Green Technology



ॐ पृथिवी शांतिः । वनस्पतयः शांतिः । विश्व देवा शांतिः ।  
सर्व शांतिः । शांति रेव शांतिः ।



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**GUJARAT ALKALIES AND CHEMICALS LIMITED**

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**Regd. Office :**

PO. : Petrochemicals : 391 346, Dist. : Vadodara, GUJARAT (INDIA)

Phone : 0091-0265-2232681-82, Fax : 0091-0265-2231208

**Website : [www.gacl.com](http://www.gacl.com)**