



Promoting Green Technology

Stronger Smarter Swifter



43<sup>rd</sup> Annual Report  
2015-16

## MAIN PRODUCTS AND PRINCIPAL USES

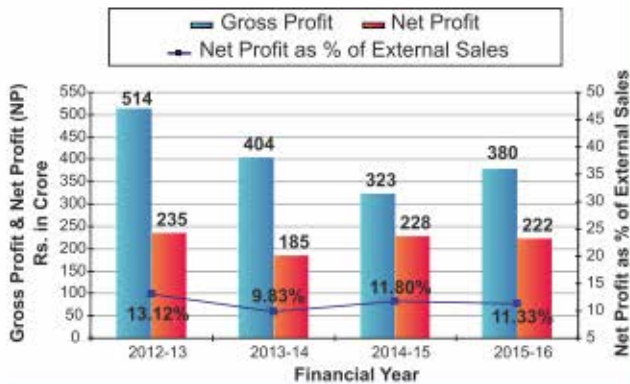
SR. NO.	PRODUCTS	PRODUCTION (MT)		Increase / Decrease (%)	PRINCIPAL USES
		2015-16	2014-15		
1.	Caustic Soda Lye	3,84,925	3,83,834	0.28	Soaps and Detergents, Rayon, Textiles, Pulp and Paper, Chemicals.
2.	Caustic Soda Flakes / Prills	1,36,480	1,33,768	2.03	
3.	Potassium Hydroxide	23,540	20,915	12.55	
4.	Potassium Carbonate	8,058	5,912	36.30	
5.	Caustic Potash Flakes	13,323	13,025	2.29	
6.	Chlorine Gas	3,55,921	3,53,295	0.74	Plastics (including PVC), Chlorinated Paraffins, Pesticides and other chemicals, Hydrochloric Acid, Chloromethanes and Water Treatment.
7.	Hydrochloric Acid (30%)	3,41,220	3,38,211	0.89	Chemicals, Fertilizers, Water Treatment and Phosphoric Acid.
8.	Chloromethanes	38,000	38,530	(1.38)	Solvent, Fluoro-Carbon refrigerants, Pharmaceuticals, Aerosol Propellants.
9.	Sodium Cyanide	102	1,549	(93.42)	Metal and mineral extraction, Dyes, Electroplating, Metal Cleaning and Hardening and Insecticides.
10.	Phosphoric Acid (85%)	27,392	25,732	6.45	Phosphate salts and phosphating of metals, Pharmaceuticals, Sugar refining and Fine Chemicals.
11.	Hydrogen Peroxide (100%)	43,028	38,127	12.85	Textiles, Pulp and Paper, Chemicals, Pharmaceuticals Pesticides, Dyes and Effluent Treatment.
12.	Aluminium Chloride	31,265	29,573	5.72	Pesticides and Pharmaceuticals, Aromatic Chemicals, Reforming Hydrocarbons, Electrolysis Production of Aluminium.
13.	Calcium Chloride	-	6,889	(100.00)	Oil well drilling, Ice melter, Road stabilizer and Dust suppressant.
14.	Poly Aluminium Chloride	33,481	30,022	11.52	Water Treatment, Separation of slurry, Sizing in Paper Industry, Decolorisation & Decontamination of Dyes in Textile Industry and Sewage Water Treatment.
15.	Chlorinated Paraffin Wax	3,911	7,860	(50.24)	Secondary Plasticiser in PVC compounding for Pipes, Hoses, Cables, etc., Additive in Lubricating Oils and Paints.
16.	Chloro Toluene Products	7,873	6,570	19.83	As general solvent for inks, paints, lacquers and epoxyresin, medication solution as preservative and photography industries, Vat Dyes, Pharmaceuticals.
17.	Stable Bleaching Powder	10,108	8,999	12.32	Bleaching agent in paper, textiles and soap industry, Household Bleaching / cleaning applications, Waste water Treatment and Sewage disposal, Odidising Agent and Disinfecting Agent.
18.	Sodium Chlorate	11,570	4,977	132.47	Bleaching agent in paper industry & water treatment industry.
<b>TOTAL 1 TO 18....</b>		<b>14,70,197</b>	<b>14,47,788</b>	<b>1.55</b>	



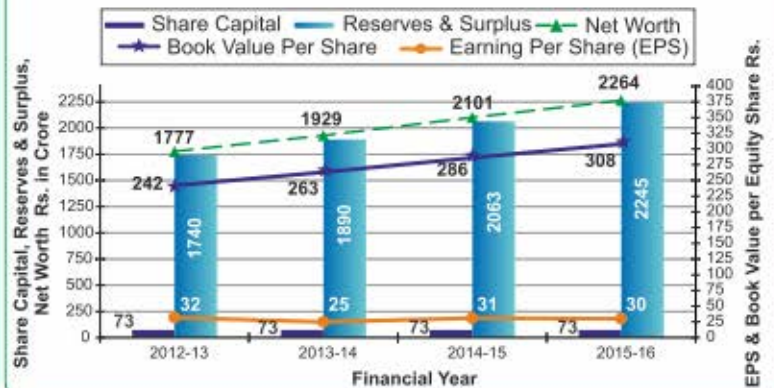
# Financial Highlights

- The Company has achieved highest ever sales (including Excise Duty) of Rs.2,178.62 Crores during the year 2015-16 as against Rs.2,157.17 Crores in the previous year.
- Total production of all the products has increased by 1.55% to 14,70,197 MT during the year 2015-16 as against 14,47,788 MT in previous year.
- Gross Profit has increased by 17.78% to Rs 380.27 Crores during the year 2015-16 from Rs.322.87 Crores in previous year.
- Profit Before Tax has increased by 23.02% to Rs.265.09 Crores during the year 2015-16 from Rs.215.48 Crores in previous year.
- Profit After Tax has decreased by 2.72% from Rs.227.86 Crores in previous year to Rs 221.67 Crores in the year 2015-16.

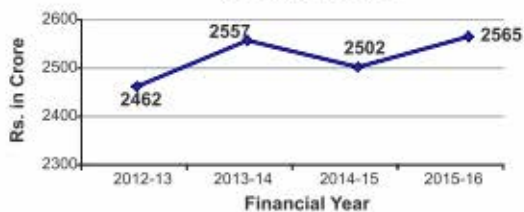
**GROSS PROFIT - NET PROFIT(NP) AND NP AS % OF EXTERNAL SALES**



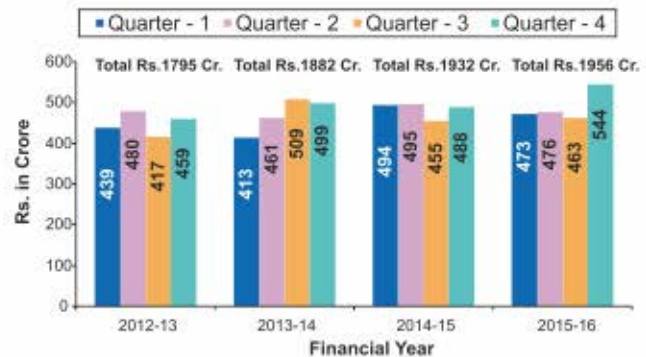
**SHARE CAPITAL, RESERVES & SURPLUS, NET WORTH, BOOK VALUE PER EQUITY SHARE & EPS**



**GROSS INCOME**



**QUARTERWISE NET SALES**



## Research today, Innovate tomorrow

By undertaking various Research & Development initiatives, GACL is formulating its future path of progress. The organization has successfully developed an indigenous technology in collaboration with the Indian Institute of Chemical Technology (IICT), Hyderabad to manufacture Hydrazine Hydrate, an import substitute product, using Hydrogen Peroxide as the raw material. The designing of commercial plant to manufacture Hydrazine Hydrate is in progress.



## Broadening vision, growing stronger

At GACL, we believe in breaking barriers and reaching new milestones in product innovation. We focus on world-class technology, investment in Research & Development and adhere to stringent quality checks. We have, to propel growth, joined hands with a Central PSU i.e. National Aluminium Company Limited (A Navratna Company) and formed a Joint Venture Company which will set up 800 TPD Caustic Soda Plant and 100-120 MW Coal based Power Plant at Dahej.



**The inauguration ceremony of new JV Company**

**From Left to Right:** In first row Shri Tapan Kumar Chand, CMD, NALCO, Shri A M Tiwari, IAS, Ex-MD, GACL, Shri N R Mohanty, Director (P&T), NALCO, Shri P K Mohanty, IAS, CVO, NALCO, Dr. H B Patel, CFO, GACL, In second row Shri M B Shah, DGM (Projects), GACL, Shri K R Kavathia, Head HR, GACL, Dr. S S Sinha, GM (R&D), GACL, Shri S S Bhatt, Company Secretary, GACL, Shri G S Paliwal, GM (Marketing), GACL, Shri P G Pujara, CGM (O&PI), GACL, Shri R K Prajapati, General Secretary, GACL Employees Union, Shri L M Bhatt, Vice President, GACL Employees Union, Shri H P Dave, President, GACL Employees Union.



## BOARD OF DIRECTORS (AS ON 28.07.2016)

**Shri G R Aloria, IAS .... Chairman**  
(from 28.07.2015)

**Shri D J Pandian, IAS**  
(from 08.04.2015, upto 03.07.2015..... as Chairman)

**Shri G C Murmu, IAS**  
(upto 01.05.2015)

**Dr. J N Singh, IAS**  
(from 05.02.2015)

**Shri Arvind Agarwal, IAS** (from 18.09.2015)

**Dr. Sukh Dev**  
Independent Director (upto 19.09.2015)

**Shri J N Godbole**  
Independent Director (from 04.03.2009)

**Dr. Rajiv I Modi**  
Independent Director (from 01.10.2014)

**Mrs. Pallavi S Shroff**  
Independent Director (from 01.10.2014)

**Shri Rajiv Lochan Jain**  
Independent Director (from 06.01.2016)

**Shri A M Tiwari, IAS**  
(upto 18.02.2016 ... as Managing Director)

**Shri P K Gera, IAS.....Managing Director**  
(from 19.02.2016)

### COMPANY SECRETARY

Shri Sanjay S. Bhatt

### CHIEF FINANCIAL OFFICER

Dr. H. B. Patel

#### AUDITORS

Messrs Deloitte Haskins & Sells  
Chartered Accountants  
Vadodara

#### SOLICITORS

Messrs Shardul  
Amarchand Mangaldas  
& Co.  
New Delhi

#### 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

**CIN : L24110GJ1973PLC002247**

#### REGISTERED OFFICE AND VADODARA COMPLEX :

P.O. : Petrochemicals : 391 346  
Dist. : Vadodara,  
GUJARAT (INDIA)  
Phone : (0265) - 2232681-82/2232981-82/2232701  
Fax: (0265) - 2231208

#### REGISTRAR & SHARE TRANSFER AGENT :

MCS Share Transfer Agent Ltd. (Unit : GACL)  
10, Aaram Apartment,  
12, Sampatrao Colony, B/h. Laxmi Hall, Alkapuri,  
Vadodara : 390 007, GUJARAT (INDIA)  
Phone : (0265)- 2314757, 2350490, Fax : (0265) - 2341639  
E-mail : mcsstalbaroda@gmail.com

#### DAHEJ COMPLEX :

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



**43<sup>rd</sup> Annual General Meeting**Date : 29<sup>th</sup> September, 2016

Day : Thursday

Time : 3.00 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 Forty Third 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 29<sup>th</sup> September, 2016 at 3.00 p.m. to transact the following Ordinary and Special Business :

### ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended on 31<sup>st</sup> March, 2016 including Balance Sheet as at 31<sup>st</sup> March, 2016, 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 on Equity Shares for the Financial Year ended on 31<sup>st</sup> March, 2016.
3. To appoint a Director in place of Dr. J N Singh, IAS (DIN 00955107), who retires by rotation at this meeting and being eligible, offers himself for reappointment.
4. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the resolution passed by the members at the 41<sup>st</sup> Annual General Meeting (AGM) held on 22<sup>nd</sup> August, 2014 and as per the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, the appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants, Vadodara, (Firm Registration No. 117364W) as the Auditors of the Company to hold office from conclusion of this 43<sup>rd</sup> AGM till the conclusion of 44<sup>th</sup> AGM, be and is hereby ratified and the Board of Directors, be and is hereby authorized to fix the remuneration payable to the Auditors for the Financial Year ending on March 31, 2017 based on the recommendation of the Audit Committee and reasonable out of pocket expenses incurred by them in connection with the audit of accounts of the Company.”

### SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution** :

**“RESOLVED THAT** pursuant to the provisions of Section 161(4) of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time

being in force), Shri Arvind Agarwal, IAS (DIN 00122921) who was appointed by the Board of Directors of the Company w.e.f. 18<sup>th</sup> September, 2015 to fill the casual vacancy caused due to resignation of Shri G C Murmu, IAS who holds office upto the date of this AGM and being eligible offers himself for appointment and in respect of whom the Company has received a notice in writing from a Member pursuant to Section 160 of the Companies Act, 2013 signifying the intention to propose the candidature of Shri Arvind Agarwal, IAS for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

6. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution** :

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152, Schedule IV and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Shri Rajiv Lochan Jain, Director (DIN 00161022), who was appointed as an Independent Director effective from 6<sup>th</sup> January, 2016 by the Board of Directors by passing resolution by circulation dated 6<sup>th</sup> January, 2016 and in respect of whom the Company has received a Notice in writing from a Member pursuant to Section 160 of the Companies Act, 2013 signifying the intention to propose the candidature of Shri Rajiv Lochan Jain for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of five years, effective from 6<sup>th</sup> January, 2016.”

7. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution** :

**“RESOLVED THAT** Shri P K Gera, IAS (DIN 05323992) who was appointed as non-rotational Government Director and the Managing Director vice Shri A M Tiwari, IAS with effect from 19<sup>th</sup> February, 2016 (i.e. the date on which he took over the charge) as per the General Administration Department's Notification No. : AIS/35.2016/5/G dated 17<sup>th</sup> February, 2016 and Notification No. : GAC/11-2006/4253/E dated 23<sup>rd</sup> February, 2016 received from Energy & Petrochemicals Department, Government of Gujarat and in respect of whom the Company has received a Notice in writing from a Member pursuant to Section 160 of the Companies Act, 2013 signifying the intention to

propose the candidature of Shri P K Gera, IAS for the office of Director, be and is hereby appointed as a Director of the Company, not liable to retire by rotation.”

**“RESOLVED FURTHER THAT** pursuant to the provisions of Sections 2(78), 196, 197, 203 and Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) / re-enactment(s) thereof for the time being in force), and as per the Articles 11 and 14-A of the Articles of Association of the Company, the approval of the Members be and is hereby accorded for the appointment of Shri P K Gera, IAS as the Managing Director of the Company for a period from 19<sup>th</sup> February, 2016 until further orders by the Government of Gujarat in accordance with the Government of Gujarat, General Administration Department’s Notification No. : AIS/35.2016/5/G dated 17<sup>th</sup> February, 2016 and as per the Energy & Petrochemicals Department’s Notification No : GAC/11-2006/4253/E dated 23<sup>rd</sup> February, 2016, subject to the limit of five years pursuant to the provisions of Section 196 (2) of the Companies Act, 2013 and as per the terms and conditions of Government of Gujarat set out in the Statement attached to the Notice convening this 43<sup>rd</sup> AGM of the Company and such remuneration and perquisites as may be decided by the Government of Gujarat from time to time and conveyed to the Company, provided however that the period of appointment and the total remuneration payable by the Company to the Managing Director shall not exceed the limit prescribed under the Companies Act, 2013.”

**“RESOLVED FURTHER THAT** the approval of the Members be and is hereby given and the Board of Directors of the Company be and is hereby authorized to agree, to any revision / increase, variation, modification or amendment as may be decided from time to time and conveyed by the Government of Gujarat in the terms and conditions of appointment and as may be approved by the Board of Directors of the Company from time to time including the payment of remuneration of Rs.79,000/- p.m. in the Higher Administrative Grade (HAG) Pay Scale of Rs.67,000 3% - Rs.79,000 (now Rs. 80,000/- p.m. upon his promotion to the grade of Additional Chief Secretary vide Notification dated 05.08.2016) or such other amount and providing of perquisites by the Company to the Managing Director, in accordance with the Articles of Association of the Company and to the extent permissible under Schedule V of the Companies Act, 2013 or as may be prescribed / approved by the Central Government, if such approval of Central Government is required.”

**“RESOLVED FURTHER THAT** the remuneration so fixed by the Government of Gujarat from time to time pursuant to Article 14-A of the Articles of Association of the Company, shall be paid as minimum remuneration subject to the ceiling prescribed u/s. 2(78), 197 and Schedule V of the Companies Act, 2013 to the Managing Director even in the event of absence or inadequacy of profits in any year during his tenure as Managing Director.”

**“RESOLVED FURTHER THAT** Shri P K Gera, IAS, Managing Director of the Company be and is hereby authorized to exercise substantial powers of Management and shall be responsible for the day to day management of the affairs of the Company subject to the superintendence, direction and control of the Board of Directors and shall carry out such duties as entrusted and/or delegated / to be delegated to him from time to time by the Board of Directors of the Company since his taking over the charge as Managing Director of the Company.”

8. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution :**

**“RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013, and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to M/s. R K Patel & Co., Cost Accountants, Vadodara (Firm Registration No. 14115) as Cost Auditors of the Company whose appointment and remuneration has been recommended by the Audit Committee and approved by the Board, to conduct the Audit of the cost accounts & cost records maintained by the Company in respect of manufacture of all its products for the Financial Year ending March 31, 2017 at a total fee of Rs.4,95,000/- plus service tax as applicable, be and is hereby ratified and approved.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

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

**Sd/-**

**SANJAY S. BHATT**

*Company Secretary &*

*Additional General Manager (Legal, CC & CSR)*

Place : Gandhinagar

Date : 06.08.2016





## ANNEXURE TO THE NOTICE OF THE 43<sup>RD</sup> ANNUAL GENERAL MEETING STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013

### Item No. 5

Shri Arvind Agarwal, IAS (DIN 00122921) was appointed as a Director by the Board of Directors of the Company at its Meeting held on 18<sup>th</sup> September, 2015 to fill casual vacancy caused due to resignation of Shri G C Murmu, IAS. Pursuant to Section 161(4) of the Companies Act, 2013 ("the Act"), he holds office upto the date of this Annual General Meeting. The Company has received a Notice in writing under Section 160 of the Act from a Member of the Company signifying his intention to propose the appointment of Shri Arvind Agarwal, IAS as a Director, retiring by rotation. Shri Arvind Agarwal, IAS is Senior IAS Officer and Additional Chief Secretary, Forest & Environment Department, Government of Gujarat and also Chairman of Gujarat Industrial Investment Corporation Ltd. (GIIC Ltd.). He has very rich and varied experience of Administration, Management, Industries, Finance, Education and various departments in the Government. Brief profile of Shri Arvind Agarwal, IAS is given in the **Annexure** forming part of this Notice. It is considered desirable that the Company should continue to avail the services of Shri Arvind Agarwal, IAS and accordingly, your Directors recommend his appointment as a Director retiring by rotation.

The Company has received from Shri Arvind Agarwal, IAS (i) Consent in writing to act as a Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) Intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act.

The Company has received notice in writing under Section 160 of the Act from a Member along with the requisite deposit of Rs.1,00,000/- proposing the candidature of Shri Arvind Agarwal, IAS for the office of Director.

The Company has evaluated the performance of all the Directors as per the performance evaluation criteria laid down in the policy formulated by Nomination-cum-Remuneration Committee of Directors of the Company. As per the said Performance Evaluation Report, it is recommended to appoint Shri Arvind Agarwal, IAS as the Director of the Company.

Except Shri Arvind Agarwal, IAS, none of the other Directors / Key Managerial Personnel of the Company and their relatives is/ are, in any way, concerned or interested, financially or otherwise, in the aforesaid Resolution No. 5 of the Notice.

This Statement may also be regarded as a disclosure under Regulation 36 (3) of SEBI (LODR) Regulations, 2015.

The Board recommends the Resolution at Item No. 5 of the Notice for your approval.

### Item No. 6

The Board of Directors has appointed Shri Rajiv Lochan Jain (DIN 00161022) as an Independent Director of the Company effective from 6<sup>th</sup> January, 2016 not liable to retire by rotation for

a term of five years, subject to approval of the Members of the Company.

Pursuant to Sections 149, 152, Schedule IV and other applicable provisions of the Companies Act, 2013 ("the Act") and the Rules made thereunder, it is proposed to seek approval of the Members for appointment of Shri Rajiv Lochan Jain as an Independent Director of the Company for a term of five years effective from 6<sup>th</sup> January, 2016. He will not be liable to retire by rotation.

Pursuant to the provisions of Section 161 of the Act, being Independent Director, Shri Rajiv Lochan Jain will hold office up to the date of the ensuing Annual General Meeting (AGM) and is eligible to be appointed as a Director of the Company. The Company has received notice in writing under Section 160 of the Act from a Member along with the requisite deposit of Rs.1,00,000/- proposing the candidature of Shri Rajiv Lochan Jain for the office of Director.

The Company has received from Shri Rajiv Lochan Jain (i) Consent in writing to act as a Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) Intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act, (iii) A declaration to the effect that he meets the criteria of independence as provided in Section 149 (6) of the Act.

The Company has evaluated the performance of all the Directors as per the performance evaluation criteria laid down in the policy formulated by Nomination-cum-Remuneration Committee of Directors of the Company. As per the said Performance Evaluation Report, it is recommended to appoint Shri Rajiv Lochan Jain as the Independent Director of the Company.

In the opinion of the Board, Shri Rajiv Lochan Jain fulfills the conditions specified in the Companies Act, 2013 and Rules made thereunder and he is independent of management. Brief profile of Shri Rajiv Lochan Jain is given in the **Annexure** forming part of this Notice.

The Board considers that Shri Rajiv Lochan Jain's continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Shri Rajiv Lochan Jain as an Independent Director.

The terms and conditions of appointment of Shri Rajiv Lochan Jain shall be open for inspection by the Members 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, excluding Saturdays and Sundays.

Except Shri Rajiv Lochan Jain, none of the other Directors / Key Managerial Personnel of the Company and their relatives is/ are, in any way, concerned or interested, financially or otherwise, in the aforesaid Resolution No. 6 of the Notice.

This Statement may also be regarded as a disclosure under Regulation 36 (3) of SEBI (LODR) Regulations, 2015.

The Board recommends the Resolution at Item No. 6 of the Notice for your approval.

#### Item No. 7

The Government of Gujarat (GoG) has appointed Shri P K Gera, IAS (DIN 05323992) as Managing Director of the Company vide Notification No. : AIS/35.2016/5/G dated 17<sup>th</sup> February, 2016 received from General Administration Department, Government of Gujarat and Notification No. : GAC/11-2006/4253/E dated 23<sup>rd</sup> February, 2016 received from Energy & Petrochemicals Department, Government of Gujarat and pursuant to Article 11 and 14-A of the Articles of Association of the Company vice Shri A M Tiwari, IAS. Shri P K Gera, IAS has taken over the charge as Managing Director of the Company w.e.f. 19<sup>th</sup> February, 2016 until further orders by the GoG. As recommended by Nomination-cum-Remuneration Committee at its Meetings held on 1<sup>st</sup> March, 2016, 29<sup>th</sup> March, 2016 and 26<sup>th</sup> May, 2016 the Board of Directors of the Company at its Meetings held on 1<sup>st</sup> March, 2016, 29<sup>th</sup> March, 2016 and 26<sup>th</sup> May, 2016 has noted, approved and confirmed the appointment, remuneration and perquisites payable to Shri P K Gera, IAS as Managing Director of the Company.

His term of appointment, remuneration and perquisites shall be fixed by the GoG from time to time in accordance with the Articles of Association of the Company and the same shall be within the limits prescribed under the Companies Act, 2013 ("the Act"). As per the Article 14-A of the Articles of Association of the Company, the term and remuneration fixed by the GoG shall constitute and shall be binding as a contract between Shri P K Gera, IAS as Managing Director and the Company. Shri P K Gera, IAS has been paid remuneration @ Rs.79,000/- p.m. w.e.f. 19<sup>th</sup> February, 2016 in the Higher Administrative Grade (HAG) Pay Scale of Rs.67,000 - 3% - Rs.79,000 and subject to usual deduction as per Rules and D.A., CCA, HRA, TA and other allowances / perquisites from the Company and he shall be paid such remuneration as may be conveyed by the GoG, from time to time, during the period he holds the post of the Managing Director of the Company. The GoG vide notification no. AIS/35-2016/28/G dated 5<sup>th</sup> August, 2016 has conveyed that Shri P K Gera, IAS is promoted in the grade of Additional Chief Secretary to Government (Rs. 80,000/- fixed). The existing pay scale and other terms and conditions as conveyed by the GoG vide Resolution No. : GAC/11-2006/4253/E dated 5<sup>th</sup> March, 2016 and Resolution No. VLB-102016-GOI-3-CH dated 22<sup>nd</sup> April, 2016 are mentioned herebelow :

#### 1. Pay :

During the period of appointment, Shri P K Gera, IAS will be eligible to draw his pay in the grade of Additional Chief Secretary (ACS) to Government by virtue of equation of the post of Managing Director of Gujarat Alkalies and Chemicals Ltd. (GACL), Vadodara, with the IAS cadre post of ACS to Government vide GAD Resolution No. : AIS/35/2016/5/G dated 17<sup>th</sup> February, 2016.

#### 2. Dearness Allowance :

Shri P K Gera, IAS will be eligible to draw Dearness

Allowance at such rate as Central Government may prescribe from time to time.

#### 3. City Compensatory Allowance :

Shri P K Gera, IAS will be eligible to draw City Compensatory Allowance as per the rules applicable to the IAS Officer working in connection with the affairs of the State.

#### 4. House Rent Allowance / Accommodation License Fee :

Shri P K Gera, IAS would be required to pay 10% of the pay plus DA / DP & CCA or the prescribed license fee for similar class of accommodation in the State Government, whichever is lower.

#### 5. Transfer T.A./Joining Time :

Shri P K Gera, IAS will be entitled to Transfer TA and Joining Time both on joining the post on appointment and on reversion under the rules of GACL to which he is deputed which shall not be inferior to the relevant provisions of the All India Service (AIS) Rules. The expenditure on this account will be borne by GACL.

#### 6. T.A. and D.A. for journey on duty :

Shri P K Gera, IAS will be paid Travelling Allowance and Daily Allowance by GACL under the Rules of GACL for the journey undertaken by him in connection with the official work of GACL. While undertaking foreign visits by him, the instructions contained in GAD Circular No. : AIS/109/1720/G dated 17<sup>th</sup> April, 1999, as amended from time to time, will be applicable for the purpose of drawl of per diem and in other matters.

#### 7. Medical Facilities :

GACL shall offer to Shri P K Gera, IAS, the medical services facilities as per the Rules of GACL but shall not be inferior to those admissible to an All India Service Officer of his rank and seniority under the All India Services (Medical Attendance) Rules, 1954.

#### 8. Leave and Pension :

During the period of appointment, Shri P K Gera, IAS will continue to be governed by the All India Service (Leave) Rules, 1955 and the All India Services (DCRB) Rules, 1958. The entire expenditure in respect of leave taken during and at the end of appointment shall be borne by GACL.

#### 9. Provident Fund :

During the period of foreign services, Shri P K Gera, IAS will continue to subscribe to the All India Services (Provident Fund) Scheme / Contributory Provident Fund Scheme to which he was subscribing at the time of proceeding on Foreign Service in accordance with the rules of such Fund / Scheme.

#### 10. Conduct, Discipline and Appeal Rules :

During the period of foreign service, Shri P K Gera, IAS shall continue to be governed by All India Services (Conduct) Rules, 1968 and the All India Services (Discipline & Appeal) Rules, 1969.



#### 11. Leave Travel Concession :

GACL, Vadodara shall allow Leave Travel Concession to Shri P K Gera, IAS as admissible to him under the All India Services (LTC) Rules, 1975. The whole expenditure in this regard will be borne by GACL.

#### 12. Disability Leave :

GACL, Vadodara will be liable to pay leave emoluments in respect of disability leave, if any, granted to Shri P K Gera, IAS on account of any disability incurred in and through Foreign Service even though such disability manifests itself after termination of the Foreign Service. The relevant AIS rules will be applicable in such cases.

#### 13. Leave Salary / Pension Contribution :

Shri P K Gera, IAS shall not be permitted to join the Pension Schemes of GACL under any circumstances. The entire expenditure in respect of pension and leave salary contributions for the period of appointment shall be borne by GACL, failing which, by the officer himself.

GACL will pay to the Government, the leave salary and pension contribution at the rates in force from time to time in accordance with the orders issued by the President under F.R. 116. The payment of these contributions must be paid annually within 15 days from the end of each financial year or at the end of Foreign Services, if appointment expires before the end of a financial year. Delayed payment will attract liability of payment of interest in the terms of instructions contained in the Ministry of Finance's Notification No. F.1(1)/E.III/83 dated 10<sup>th</sup> August, 1983, as amended from time to time. Pending intimation of the rates of leave salary and pension contributions by the Accountant General, Gujarat, Rajkot / Ahmedabad, GACL shall pay Leave Salary and Pension Contribution provisionally at the prescribed rates.

#### 14. Group Insurance :

Shri P K Gera, IAS will be governed by the All India Services Group Insurance Rules, 1981. The amount deducted from his salary as per the prescribed rates as subscription towards the Central Government Employees Group Insurance Scheme, 1980 shall be remitted to the concerned Accountant General, Gujarat, Rajkot / Ahmedabad by GACL. If at any time, the recovery of subscription falls in arrears, the same shall be recovered with interest admissible under the Scheme on the accretions to the Saving Fund.

#### 15. Residuary Matters :

In all matters relating to conditions of service and benefits/facilities and perquisites in GACL not covered by items 1 to 14 above, Shri P K Gera, IAS shall be governed by the provisions of AIS (Conditions of Services Residuary Matters) Rules.

The aforesaid remuneration shall be paid as minimum remuneration in the event of absence or inadequacy of profits in any financial year during his tenure as Managing Director subject to the limit prescribed in Schedule V of the Act.

The above may be treated as a written memorandum setting out the terms and conditions of appointment of Shri P K Gera, IAS as Managing Director as per Section 190 of the Act.

The Company has received notice in writing under Section 160 of the Act from a Member along with the requisite deposit of Rs.1,00,000/- proposing the candidature of Shri P K Gera, IAS for the office of Director.

The Board considers that Shri P K Gera's continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Shri P K Gera, IAS as Managing Director.

The Company has evaluated the performance of all the Directors as per the performance evaluation criteria laid down in the policy formulated by Nomination-cum-Remuneration Committee of Directors of the Company. As per the said Performance Evaluation Report, it is recommended to appoint Shri P K Gera, IAS as the Managing Director of the Company.

Brief profile of Shri P K Gera, IAS is given in the **Annexure** forming part of this Notice.

Details of remuneration paid to Shri P K Gera, IAS during the Financial Year 2015-16 have been disclosed in the annexure to the Board's Report and in the Corporate Governance Report.

Except Shri P K Gera, IAS, none of the other Directors / Key Managerial Personnel of the Company and their relatives is/are, in any way, concerned or interested, financially or otherwise, in the aforesaid Resolution No. 7 of the Notice.

This Statement may also be regarded as a disclosure under Regulation 36 (3) of SEBI (LODR) Regulations, 2015.

The Board recommends the resolution at Item No. 7 of the Notice for your approval.

#### Item No. 8

The Board of Directors at its Meeting held on 26<sup>th</sup> May, 2016, on the recommendation of the Audit Committee and subject to the approval of the Central Government, appointed M/s. R K Patel & Co., Cost Accountants, Vadodara (Firm Registration No. 14115) as Cost Auditors to conduct the Audit of the cost accounts & cost records maintained by the Company for the Financial Year 2016-17 at the remuneration of Rs.4,95,000/- plus service tax as applicable.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the said remuneration payable for Financial Year 2016-17 to M/s. R K Patel & Co. as Cost Auditors has to be ratified by the Members of the Company.

None of the Directors / Key Managerial Personnel of the Company and their relatives is/are, in any way, concerned or interested, financially or otherwise, in the aforesaid Resolution No. 8 of the Notice.

Therefore, the Board recommends the Resolution at Item No. 8 of the Notice for your ratification / approval.

#### Inspection of documents:

All documents referred to in this Notice and its Statement u/s. 102 of the Act 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 (except Saturdays and Sundays) of the Company up to the date of the AGM.

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

**Sd/-  
SANJAY S. BHATT**  
*Company Secretary &  
Additional General Manager (Legal, CC & CSR)*

Place : Gandhinagar

Date : 06.08.2016

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#### NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (“THE MEETING”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Proxies in order to be effective, must be received by the Company, at its Registered Office not less than 48 hours before the Meeting.

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

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.
- A Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of business under Item Nos. 5 to 8 is annexed to the Notice.

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.

- The Register of Members and Share Transfer Books of the Company shall remain closed from Thursday, the 15.09.2016 to Thursday, the 29.09.2016 (both days inclusive).
- The dividend on equity shares, if declared at the Meeting, will be paid on or after 6<sup>th</sup> October, 2016 to those shareholders holding shares in physical form and whose names appear on the Register of Members of the Company on 29<sup>th</sup> September, 2016. 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 14<sup>th</sup> September, 2016 as per details to be furnished by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). The dividend warrants will be dispatched from 6<sup>th</sup> October, 2016 onwards.
- 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 owners holding Shares in demat form are requested to get in touch with their Depository Participants (DP) 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 DP. It is advisable to attach a photocopy of a cancelled cheque with your instructions to your DP.
  - The Company has appointed M/s. MCS Share Transfer Agent Limited as Registrar and Share Transfer Agent (R&T Agent). Members are requested to send all future correspondence to the R&T Agent at 10 Aaram Apartment, 12, Sampatrao Colony, Behind Laxmi Hall, Alkapuri, Vadodara 390 007. 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 said R&T Agent.
- The Shareholders are advised to encash their dividend warrants within validity period. Thereafter, the payment of unencashed dividend warrants shall be made only 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), 205C of the Companies Act, 1956 read with Investors Education and Protection Fund (awareness and protection of investors) Rules, 2001, the Company has transferred the remaining unclaimed dividend for a period of last 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	
2007-08	26.09.2008	25.10.2008	19.10.2015	12,21,052/-

- (b) The Members who have not encashed dividend warrant(s) for the years 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15 are requested to claim payment immediately by writing to the Company's Registrar & Share Transfer Agents, M/s. MCS Share Transfer Agent Ltd. at the address given above. After seven years, unclaimed dividend shall be transferred to the Investors Education and Protection Fund and no claims can be entertained by the Company thereafter. Pursuant to provisions of Investors Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the details of unclaimed amount lying with the Company as on 18<sup>th</sup> September, 2015 (date of last AGM) has been uploaded on the Company's website (www.gacl.com) and also filed with the Ministry of Corporate Affairs.
9. As on 31.03.2016, Share Certificates for 7,786 shares of 260 shareholders/allottees (returned undelivered by Post) are lying with the Stock Holding Corporation of India Ltd. (SHCIL), Vadodara in Demat form.
10. Pursuant to the provisions of Section 72 of the Companies Act, 2013, 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 SH-13 (which is available on the Company's website : www.gacl.com) to the Registrar & Share Transfer Agents, M/s. MCS Share Transfer Agent Ltd. at the address given above.
11. **Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.**
12. 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, but cannot speak at the Meeting.
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form should submit their PAN to the Company / R&T Agent.
14. **E-Voting :** The detailed process, instructions and manner for availing e-Voting facility is shown hereunder:
- As per Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (LODR) Regulations, 2015, the Company is providing facility for voting by electronic means ("e-Voting") and the business in respect of all Shareholders' Resolutions may be transacted through such e-Voting. The facility is provided to the Shareholders to exercise their right to vote by electronic means from a place other than the venue of AGM ("remote e-Voting") through e-Voting services provided by Central Depository Services (India) Limited (CDSL). The facility for voting through poll paper will also be made available at the venue of the AGM and members attending the meeting who have not cast their vote by remote e-Voting shall be able to exercise their right at the AGM through poll paper.
- The Members who have already cast their vote by remote e-Voting prior to the AGM date may attend the meeting but shall not be entitled to cast their vote again.**
- The Company has fixed **22<sup>th</sup> September, 2016** as a cut-off date to record the entitlement of the Shareholders to cast their votes electronically by remote e-voting / voting by poll paper at the AGM.
  - The e-Voting period commences on 26<sup>th</sup> September, 2016 (09:00 a.m.) and ends on 28<sup>th</sup> September, 2016 (05:00 p.m.). During this period, Shareholders of the Company holding shares either in physical form or in dematerialized form as at cut-off date, i.e.**

**22<sup>nd</sup> September, 2016 may cast their vote electronically. The e-Voting module shall be disabled for voting after 5.00 p.m. on 28<sup>th</sup> September, 2016.** Once the vote on a resolution is cast by the Member, he / she shall not be allowed to change it subsequently.

Any person, who becomes Members of the Company after dispatch of the Notice of the meeting and holding shares as on the cut-off date i.e. 22<sup>nd</sup> September, 2016 may obtain USER ID and password by following e-Voting instructions which is part of Notice and the same is also placed in e-Voting Section of CDSL Website i.e. www.cdslindia.com and Company's Website i.e. www.gacl.com. For further guidance, Member is requested to send his query by email at helpdesk.evoting@cdslindia.com.

Members can also cast their vote using CDSL's mobile app m-Voting available. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone user can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

Below mentioned steps shall be followed to cast vote(s) electronically:

- (a) The Shareholders should log on to the e-Voting website www.evotingindia.com during the voting period.
- (b) Click on "Shareholders" tab.
- (c) Now, Enter your User ID:
  - i For CDSL: 16 digits beneficiary ID,
  - ii For NSDL: 8 Character DP ID followed by 8 Digits Client ID.
  - iii Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (d) Next enter the Image Verification Code as displayed and Click on Login.
- (e) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (f) If you are a first time user, please follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
<b>Permanent Account Number (PAN)</b>	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).  Members who have not updated their PAN with the Company/Depository Participant are requested to use the 10 Digits Sequence Number. The Sequence Number is printed on address sticker pasted on the cover of Annual Report.
<b>Dividend Bank Details OR Date of Birth (DOB)</b>	Enter the Dividend Bank Details or Date of Birth in dd/mm/yyyy format as recorded in your demat account or in the company records in order to login.  If both the details (i.e. Dividend Bank Details and Date of Birth) are not registered with the Company or Depository, please enter the number of shares held by you as on cut-off date i.e. 22 <sup>nd</sup> September, 2016 in the Column 8 Dividend Bank details.

- (g) After entering these details appropriately, click on "SUBMIT" tab.
- (h) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach "Password Creation" menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-Voting through CDSL platform. **It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.**
- (i) For Members holding shares in physical form, the details can be used only for e-Voting on the resolutions contained in this Notice.
- (j) Click on the EVSN (160816050) for the relevant for which you choose to vote i.e. GUJARAT ALKALIES AND CHEMICALS LIMITED.





- (k) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES / NO" for voting. Select the option "YES" or "NO" as may be desired by you. The option "YES" implies that you assent to the Resolution and option "NO" implies that you dissent to the Resolution.
- (l) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (m) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (n) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (o) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (p) If a demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (q) **Note for Non-Individual Shareholders and Custodians:**
- Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (r) You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending communication(s) regarding CDSL e-Voting system in future. The same may be used in case the Shareholder forgets the password and the same needs to be reset.
- (s) In case you have any queries or issues regarding e-Voting, you may refer the Frequently Asked Questions ("FAQs") and e-Voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under 'Help Section' or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
- IV. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 22<sup>nd</sup> September, 2016.
- V. Mr. Niraj Trivedi, Practicing Company Secretary, 218-219, Saffron Complex, Fatehgunj, Vadodara : 390 002 (GUJARAT) has been appointed as the Scrutinizer to scrutinize the e-Voting / Poll Voting process.
- VI. The result of the voting will be announced by the Chairman of the meeting within stipulated time as per the scrutinizer's report to be submitted to the Chairman. The results of voting will be communicated to the stock exchanges and will be placed on the website of the Company [www.gacl.com](http://www.gacl.com) and also will be placed on the notice board of the Company.

#### Contact Details

- Company** : **Gujarat Alkalies and Chemicals Limited**  
 PO. : Petrochemicals : 391 346 DIST. : VADODARA (GUJARAT)  
 (0265) 2232681/2232682 Ext.No.454 E-mail : [cosec@gacl.co.in](mailto:cosec@gacl.co.in)
- Registrar & Share:  
Transfer Agent** : **MCS Share Transfer Agent Ltd. (Unit : GACL)**  
 10 Aaram Apartment, 12, Sampatrao Colony,  
 Behind Laxmi Hall, Alkapuri, VADODARA : 390 007 (GUJARAT)  
 (0265) 2314757, 2350490 E-mail : [mcsstalbaroda@gmail.com](mailto:mcsstalbaroda@gmail.com)
- e-Voting Agency:** **Central Depository Services (India) Limited**  
 E-mail : [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
- Scrutinizer** : **Mr. Niraj Trivedi, Practicing Company Secretary**  
 218-219, Saffron Complex, Fatehgunj, VADODARA : 390 002  
 E-mail: [csneerajtrivedi@gmail.com](mailto:csneerajtrivedi@gmail.com)

**ANNEXURE**

**DETAILS OF DIRECTORS SEEKING APPOINTMENT / REAPPOINTMENT BY THE SHAREHOLDERS OF THE COMPANY AT THE ENSUING ANNUAL GENERAL MEETING IN PURSUANCE OF REGULATION 36 (3) OF SEBI (LODR) REGULATIONS, 2015**

Name of Director	Dr. J N Singh, IAS	Shri Arvind Agarwal, IAS
DIN	00955107	00122921
Date of Birth	02.05.1959	23.04.1960
Date of appointment	05.02.2015	18.09.2015
No. of Shares held in GACL	NIL	NIL
Qualifications	M.A. (International Studies, JNU) M.D.M. (AIM, Manila), Ph. D., M S University	B. Com.(Accountancy) M. Com.
Nature of Expertise / Experience	Dr. J N Singh, IAS is Chief Secretary, Government of Gujarat. He has very rich and varied experience of 33 years holding various positions in Government of Gujarat and Government of India. He has served largely in Infrastructure & Finance sectors including Industrial Infrastructure, Power, Telecom, Information Technology, Highways, Water etc. He was Additional Chief Secretary, Finance Department, Government of Gujarat from 05.11.2014 to 31.07.2016, Jt. Managing Director of GIDC, Member of Gujarat Electricity Board and Managing Director of Sardar Sarovar Narmada Nigam Limited. He was Director (Marketing) of GACL during the period from 22.04.1995 to 01.09.1995.	Shri Arvind Agarwal, IAS is Additional Chief Secretary, Forest and Environment Dept., Government of Gujarat and also Chairman of Gujarat Industrial Investment Corporation Ltd. (GIIC Ltd). He has very rich and varied experience of 31 years as District Development Officer and also as Collector & District Magistrate, Bharuch; Labour Commissioner; Industries Commissioner; Director of Transport; Director of Civil Supplies; Managing Director, Gujarat State Financial Corporation Ltd.; Vice Chairman & Managing Director, Gujarat Industrial Development Corporation (GIDC), and Additional Chief Secretary, Education Department and Industries & Mines Department.  He has authored a Gujarati book "Panchayat Parichay". He was awarded as 'Best Collector' during his posting as Bharuch Collector. He has played a key role in organizing "Vibrant Gujarat" Investment and Business Summit.
Names of other Companies in which Directorship is held as on 31.03.2016	<ol style="list-style-type: none"> <li>1. Gujarat State Investments Ltd. - Chairman</li> <li>2. Gujarat State Fertilizers &amp; Chemicals Ltd.</li> <li>3. Gujarat Narmada Valley Fertilizers &amp; Chemicals Ltd.</li> <li>4. Gujarat State Petroleum Corporation Ltd.</li> <li>5. Sardar Sarovar Narmada Nigam Ltd.</li> <li>6. Gujarat International Finance Tech City Co. Ltd. (GIFTCL)</li> <li>7. Gujarat State Financial Services Ltd.-Managing Director</li> <li>8. Gujarat State Petronet Ltd.</li> <li>9. Metrolink Express for Gandhinagar &amp; Ahmedabad (MEGA) Co. Ltd.</li> </ol>	<ol style="list-style-type: none"> <li>1. Gujarat Industrial Investment Corporation Ltd.- Chairman</li> <li>2. Infrastructure Finance Company of Gujarat Ltd. - Chairman</li> <li>3. Gujarat Industrial Corridor Corporation Ltd.- Chairman</li> <li>4. Dholera International Air-port Company Ltd.- Chairman</li> <li>5. Gujarat Mineral Development Corporation Ltd. - Chairman</li> <li>6. Dahej SEZ Ltd. - Chairman</li> <li>7. Gujarat State Financial Corporation - Managing Director</li> </ol>
Names of the Committees of the Board of Companies in which Membership / Chairmanship is held as on 31.03.2016	<p><b>Gujarat Alkalies and Chemicals Ltd.</b></p> <ol style="list-style-type: none"> <li>1. Project Committee - Chairman</li> <li>2. Stakeholders' Relationship-cum-Investors' Grievance Committee - Chairman</li> <li>3. Audit Committee</li> <li>4. Nomination-cum-Remuneration Committee</li> </ol> <p><b>Gujarat State Petronet Ltd.</b></p> <ol style="list-style-type: none"> <li>1. Audit Committee</li> </ol> <p><b>Gujarat State Petroleum Corporation Ltd.</b></p> <ol style="list-style-type: none"> <li>1. Project Committee - Chairman</li> <li>2. IPO Committee - Chairman</li> <li>3. Audit Committee</li> <li>4. HR Committee</li> </ol>	<p><b>Gujarat Alkalies and Chemicals Ltd.</b></p> <ol style="list-style-type: none"> <li>1. Corporate Social Responsibility Committee - Chairman</li> <li>2. Project Committee</li> </ol> <p><b>Gujarat Industrial Corridor Corporation Ltd.</b></p> <ol style="list-style-type: none"> <li>1. Audit Committee - Chairman</li> </ol> <p><b>Gujarat State Financial Corporation</b></p> <ol style="list-style-type: none"> <li>1. Audit Committee</li> </ol> <p><b>Dholera International Air-port Company Ltd.</b></p> <ol style="list-style-type: none"> <li>1. Audit Committee</li> </ol> <p><b>Gujarat Industrial Investment Corporation Ltd.</b></p> <ol style="list-style-type: none"> <li>1. Remuneration Committee</li> <li>1. Dahej SEZ Ltd.</li> <li>1. CSR Committee</li> </ol>



## ANNEXURE

**DETAILS OF DIRECTORS SEEKING APPOINTMENT / REAPPOINTMENT BY THE SHAREHOLDERS OF THE COMPANY AT THE ENSUING ANNUAL GENERAL MEETING IN PURSUANCE OF REGULATION 36 (3) OF SEBI (LODR) REGULATIONS, 2015 (Contd.)**

Name of Director	Shri Rajiv Lochan Jain	Shri P K Gera, IAS
DIN	00161022	05323992
Date of Birth	01.01.1951	26.11.1959
Date of appointment	06.01.2016	19.02.2016
No. of Shares held in GACL	NIL	NIL
Qualifications	B. Tech. (Hons.) (Chemical Engineer), IIT, Kharagpur, MBA, Whittemore School of Business and Economics, USA	B.Sc.(Elec.Engg.)(Hons.) M.Sc., M.Phil Post Graduation in Economics
Nature of Expertise / Experience	Shri Rajiv Lochan Jain is a Management Consultant. He served as the Chief Executive Officer and Managing Director of AKZO Nobel India Limited from April, 2003 to May, 2009. He has successfully led the portfolio reshaping of ICI India Ltd. from a diversified chemical Company to a focused and fastest growing player in the paints business. He was also the Chairman of both ICI's Research Company in India and the joint-venture company of ICI, Australia. He advises global and local companies on their entry and growth strategies for India and serves as Director on the Board of Tara Jewels Ltd. and Fresenius Kabi Oncology Ltd.	Shri P K Gera, IAS is a Senior IAS Officer of 1985 batch having experience of more than 30 years in the Central and State Government holding various positions in Land Revenue Management, Rural Development, District Administration, Agriculture, Finance, Training, Personnel & General Administration, Textiles, etc. His recent postings under Government of India and Government of Gujarat include : 1. Registrar and Joint Secretary, Central Information Commission, New Delhi. 2. Director General, Sardar Patel Institute of Public Administration (SPIPA) & Ex. Officio, Secretariat, Government of Gujarat (Administrative Reforms and Training), Gandhinagar, Gujarat. 3. Resident Commissioner, Government of Gujarat, New Delhi. 4. Joint Director, Lal Bahadur Shastri National Academy of Administration (LBSNAA). 5. Director General, National Institute of Fashion Technology, New Delhi. 6. Managing Director, Gujarat Mineral Development Corporation Ltd. (GMDC).
Names of other Companies in which Directorship is held as on 31.03.2016	1. Tara Jewels Ltd. 2. Fresenius Kabi Oncology Ltd.	1. GACL-NALCO Alkalies & Chemicals Pvt. Ltd.-Chairman 2. Gujarat Guardian Ltd. 3. Gujarat Industries Power Company Ltd.
Names of the Committees of the Board of Companies in which Membership / Chairmanship is held as on 31.03.2016	<b>Gujarat Alkalies and Chemicals Ltd.</b> 1. Audit Committee 2. Stakeholders' Relationship-cum Investors' Grievance Committee 3. Nomination-cum-Remuneration Committee 4. Project Committee 5. Personnel-cum-Selection Committee 6. Risk Management Committee <b>Tara Jewels Ltd.</b> 1. Stakeholders' Relationship Committee - Chairman 2. Nomination-cum-Remuneration Committee <b>Fresenius Kabi Oncology Ltd.</b> 1. Audit Committee 2. Nomination-cum-Remuneration Committee 3. CSR Committee	<b>Gujarat Alkalies and Chemicals Ltd.</b> 1. Audit Committee 2. Stakeholders' Relationship-cum Investors' Grievance Committee 3. Corporate Social Responsibility Committee 4. Project Committee 5. Personnel-cum-Selection Committee 6. Risk Management Committee



## BOARD'S REPORT

To  
The Members,

Your Directors present this 43<sup>rd</sup> Annual Report of the Company 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, 2016 and the report of the Auditors thereon.

### PERFORMANCE AND FINANCIAL RESULTS

The performance of the Company in Financial Year 2015-16 has been as follows:

Particulars	(Rs. in Lakhs)	
	2015-16	2014-15
Sales (excluding Excise Duty) and Other Income	2,01,232	1,99,707
Profit before Interest, Depreciation and Taxation (PBIDT)	38,027	32,287
Profit before Taxation (PBT)	26,509	21,548
Less: Provision for Taxation	4,342	(1,238)
Profit after Taxation (PAT)	22,167	22,786
Add: P&L A/c Balance brought forward from Previous Year	65,390	57,974
Amount available for appropriations	87,557	80,760
Your Directors recommend the following Appropriations:		
Proposed Dividend	3,304	3,304
Tax on Proposed Dividend	673	673
Transferred to General Reserve	11,084	11,393
Balance Carried to Balance Sheet	72,496	65,390
Earning per Share	Rs.30	Rs.31
Dividend per Share	Rs.4.50	Rs. 4.50
Book Value per Share	Rs.308	Rs.286

### RESULTS OF OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS :

The highlights of the Company's performance are as under :

- The Company has achieved highest ever sales (including Excise Duty) of Rs.2,178.62 Crores during the year 2015-16 as against Rs.2,157.17 Crores in the previous year.

- Total production of all the products has increased by 1.55% to 14,70,197 MT during the year 2015-16 as against 14,47,788 MT in previous year.
- Other Operating income decreased by Rs.6.18 Crores to Rs.10.13 Crores during the year 2015-16 as against Rs.16.31 Crores in previous year.
- Other income decreased by Rs.2.73 Crores to Rs.46.22 Crores during the year 2015-16 as against Rs.48.95 Crores in previous year.
- Gross Profit has increased by 17.78% to Rs.380.27 Crores during the year 2015-16 from Rs.322.87 Crores in previous year.
- Profit Before Tax has increased by 23.02% to Rs.265.09 Crores during the year 2015-16 from Rs.215.48 Crores in previous year.
- Profit After Tax has decreased by 2.72% from Rs.227.86 Crores in previous year to Rs.221.67 Crores in the year 2015-16.

The Financial Year 2015-16 was a challenging year for Chlor-Alkali sector. The highest ever sales have been achieved inspite of the stiff competition, adverse market situation and loss of top line due to mothballing of Calcium Chloride Plant at Baroda Complex, staggered operations of Calcium Chloride at Dahej Complex, stoppage of Sodium Cyanide Plant due to non-availability of raw material and decline in job work production of Chlorinated Paraffin Wax. The Company had initiated various cost control measures which resulted in the Profit Before Tax of Rs.265.09 Crores for the year 2015-16 as against Rs.215.48 Crores in the previous year.

### DIVIDEND

Your Directors are glad to recommend a Dividend @ Rs.4.50 per share (i.e. 45%) on 7,34,36,928 Equity Shares of Rs.10/- each fully paid up for the year ended 31<sup>st</sup> March, 2016.

### ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is given in the **Annexure - 1** to this report.

### SUBSIDIARY, JOINT VENTURE OR ASSOCIATE COMPANIES

During the year, the Company (GACL) and National Aluminium Company Limited (NALCO), a Government of



India Enterprise (a Navratna Company) have jointly incorporated a new Joint Venture Company viz. GACL-NALCO Alkalies & Chemicals Pvt. Ltd. (JV Company) on 4<sup>th</sup> December, 2015 for setting up of 800 TPD Caustic Soda Plant and 100-120 MW Coal based Power Plant at Dahej, Gujarat. As on 31.03.2016, the Company holds 60% (i.e. 60,000 Equity Shares of Rs.10/- each). Since, there is no major activity / transactions in the JV / Subsidiary Company during the Financial Year ended 31.03.2016, the Accounts of the Company are prepared on standalone basis.

The Managing Director of the Company is Chairman of the JV Company. The Managing Director of the Company does not draw any commission from the Company nor draws any remuneration or commission from the JV Company except the sitting fees of Rs.2,500/- and incidental expenses of Rs.2,500/- for attending the meetings of the Board of Directors or Committees thereof. The sitting fees are paid by the JV Company directly to GACL.

As required under Rule 8(1) of the Companies (Accounts) Rules, 2014, the Board's Report has been prepared on standalone financial statements. As per Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a separate statement containing the salient features of financial statement of the Joint Venture / Subsidiary Company in Form AOC-1 forms part of the Annual Report.

In accordance with third proviso of Section 136(1) of the Companies Act, 2013, the Annual Report of the Company, containing therein its standalone financial statements will be placed on the website of the Company, www.gacl.com. Further, as per fourth proviso of the said section, audited annual accounts of the Joint Venture / Subsidiary Company will also be placed on the website of the Company, www.gacl.com. Shareholders interested in obtaining a copy of the audited annual accounts of the subsidiary company may write to the Company Secretary at the address of the Company's Registered Office.

#### INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation of Internal Control System was observed. As per the relevant provisions of the Companies Act, 2013, the Statutory Auditors have expressed their views on the adequacy of Internal Financial Control in their Audit Report.

#### CREDIT RATING

Your Company's financial discipline and prudence is reflected in the strong credit rating described by rating

agency as per the following particulars :

Instrument	Rating Agency	Rating	Outlook	Remarks
Long Term Bank Facilities	Credit Analysis & Research Ltd. (CARE)	CARE AA+ (Double A Plus)	Stable outlook for Caustic Soda industry & GACL, being industry leader in domestic market, is likely to benefit from various factors.	This rating is considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.
Short Term Bank Facilities	Credit Analysis & Research Ltd. (CARE)	CARE A1+ (A One Plus)		This rating is considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk.

#### RISK MANAGEMENT

The Company has constituted Internal Risk Management Committee comprising of Senior Executives of the Company who are heading respective departments viz. Finance, Manufacturing, Marketing, Purchase, Project, HR, Secretarial and Legal functions. The Executive Director (Finance) & CFO is the Chairman of the Internal Risks Management Committee. The Internal Risk Management Committee reports to the Managing Director and the risks identified by the said Committee alongwith proposed mitigation actions are discussed periodically with the Managing Director. Out of the various risks identified by the Internal Risk Management Committee, the Audit Committee has identified certain critical risks, which are reviewed by Audit Committee and by the Board of Directors on quarterly basis. A Report on the steps taken to mitigate those critical risks is also submitted to the Audit Committee and the Board of Directors.

As per the Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, every Company (top 100 listed companies by market capitalization) is required to constitute a Risk Management Committee of Directors, which may also include the Senior Executives of the Company, however, the majority should be the Directors. The Chairperson of the Risk Management Committee shall be Member of the Board of Directors of the Company.

Accordingly, although not required but as abundant caution, the Board of Directors at its 353<sup>rd</sup> Meeting held on 11<sup>th</sup> February, 2016 has constituted the Risk Management Committee of Directors. The existing Internal Risk Management Committee of Senior Executives of the Company continues to function.

## VIGIL MECHANISM / WHISTLE BLOWER MECHANISM

The Company has formulated a Vigil Mechanism-cum-Whistle Blower Policy ("Policy") as per the requirements of Section 177 of the Companies Act, 2013 and as per Clause 49 of the Listing Agreement / Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Policy is applicable to all Directors and Employees of the Company.

As per the Policy, protected disclosures can be made by whistle blower to the Chairman of the Audit Committee. During the Financial Year 2015-16, no unethical and improper practice or any other wrongful conduct in the Company by any person was reported under the said Policy.

The Vigil Mechanism-cum-Whistle Blower Policy may be accessed on the Company's website at the link : [http://www.gacl.com/public\\_html/new/policy/VIGIL\\_MECHANISM\\_CUM\\_WHISTLE\\_BLOWER\\_POLICY.pdf](http://www.gacl.com/public_html/new/policy/VIGIL_MECHANISM_CUM_WHISTLE_BLOWER_POLICY.pdf)

## CORPORATE SOCIAL RESPONSIBILITY

As per the provisions of Section 135 read with Schedule VII of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has constituted Corporate Social Responsibility (CSR) Committee and formulated CSR Policy. The composition of CSR Committee is given in the Corporate Governance Report.

The Corporate Social Responsibility Committee (CSR Committee) has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) identifying the activities to be carried out by the Company and the said CSR Policy has been approved by the Board of Directors at their Meeting held on 23.07.2014. The Board of Directors at their Meeting held on 26.05.2015 have approved some modifications in the CSR Policy including to undertake CSR activities through GACL Education Society (GES). GES is a registered Society under the Societies Registration Act, 1860 and also under the Bombay Public Trust Act, 1950. It was formed with an objective for promotion and development of education in various fields and branches of Engineering, Management Technology, Information & Communication etc. and carry out such other projects having similar objects.

GES has altered its object clause so as to carry out various CSR activities of the Company (GACL) through GES for charitable purpose and as per the mandatory provisions applicable to GACL.

The details about various activities carried out by the Company under CSR through GES as well as directly are given in the Management Discussion and Analysis which forms part of Annual Report.

The revised CSR Policy may be accessed on the Company's website at the link: [http://www.gacl.com/public\\_html/new/pdf/CSR\\_POLICY.pdf](http://www.gacl.com/public_html/new/pdf/CSR_POLICY.pdf)

Out of the Budget approved by the Board, the Company has spent an amount of Rs.4.26 Crore towards the CSR activities during Financial Year 2015-16. Whereas 2% of the Average Net Profits for last three years, as per the provisions of Section 135 of the Companies Act, 2013, comes to Rs.5.07 Crore for the Financial Year 2015-16. The unspent amount of Rs.81.57 lakhs during the Financial Year 2015-16 is earmarked by the Company and the same will be spent under the projects like Baroda Museum, Contribution to Gujarat CSR Authority, Generic Medical stores, Life Spring hospitals or other CSR activities during Financial Year 2016-17.

During Financial Year 2015-16, due to various reasons, the Company could not spend the full budget amount in the activities of Education, Children, Kanya Kelavani & Shaala Praveshotsav, IIT - Gandhinagar, Officers Club - Baroda and developing Dediapada Taluka.

The Annual Report on CSR activities for the Financial Year 2015-16 is annexed herewith as **Annexure - 2**.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Appointment / Reappointment / Cessation of Directors & Key Managerial Personnel

Shri G C Murmu, IAS, Non-Executive Director has resigned as a Director from the Board of Directors of the Company effective from 01.05.2015, due to his transfer as Joint Secretary, Ministry of Finance, Department of Expenditure, Government of India. Dr. Sukh Dev has expressed his unwillingness to be reappointed as an Independent Director due to old age, whose term was expiring on 42<sup>nd</sup> Annual General Meeting (i.e. 18.09.2015) and accordingly, he ceased to be a Director of the Company effective from 19.09.2015. Shri D J Pandian, IAS (Retd.) has resigned as Chairman of the Company vide letter dated 30.05.2015 effective from 03.07.2015 (i.e. date of receipt by the Company) due to his superannuation from the services as Chief Secretary. Shri A M Tiwari, IAS has resigned as the Managing Director of the Company effective from 18.02.2016 consequent upon his transfer by Government of Gujarat.

The Board placed on record its deep appreciation of the valuable services rendered to the Company by Shri D J Pandian, IAS (Retd.) as Director and Chairman, Shri A M Tiwari, IAS as Managing Director, Shri G C Murmu, IAS as Director and Dr. Sukh Dev as Independent Director of the Company.

Shri G R Aloria, IAS, Chief Secretary to Government of Gujarat was appointed as Government Nominee Non Rotational Director and Chairman of the Board of Directors of the Company w.e.f. 28.07.2015 as per the provisions of Articles of Association of the Company.

During the year, Shri Rajiv Lochan Jain has been appointed by the Board as Independent Director of the



Company for a term of five years effective from 06.01.2016. The Independent Director has submitted the declaration under Section 149(6) of the Companies Act, 2013 to the effect that he qualifies to be appointed as Independent Director of the Company. As per Section 149 of the Companies Act, 2013, Shri Rajiv Lochan Jain, Director is eligible for appointment as Independent Director. Your Directors recommend the appointment of Shri Rajiv Lochan Jain as Independent Director for a period of 5 years.

Shri Arvind Agarwal, IAS has been appointed as a Director by the Board of Directors of the Company effective from 18.09.2015 to fill casual vacancy caused due to resignation of Shri G C Murmu, IAS. Shri Arvind Agarwal, IAS holds office upto the date of this Annual General Meeting and his appointment will be regularized at this Annual General Meeting.

Thus, as on the date of this Report, there are eight Directors on the Board of Directors of the Company. The Chairman, Managing Director, four Independent Directors are Non-Rotational Directors, two Directors are rotational Directors, viz. Dr. J N Singh, IAS and Shri Arvind Agarwal, IAS, of which, Shri Arvind Agarwal, IAS will be retiring at this Annual General Meeting and being eligible to be appointed by the Members at this Annual General Meeting and Dr. J N Singh, IAS, who was appointed as Director at the 42<sup>nd</sup> Annual General Meeting of the Company held on 18.09.2015 will retire by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment.

Shri P K Gera, IAS Managing Director, Shri Rajiv Lochan Jain, Independent Director, Shri Arvind Agarwal, IAS and Dr. J N Singh, IAS, Non-Executive Directors will be appointed / regularized / reappointed at this Annual General Meeting. Thus, the appointment / reappointment / regularization of four Directors are being placed before the Shareholders at this Annual General Meeting. A brief resume of the Directors being appointed / re-appointed forms part of the Notice of the ensuing Annual General Meeting.

Shri P K Gera, IAS, Managing Director was also appointed by the Board as Key Managerial Personnel of the Company effective from 19.02.2016 pursuant to provisions of Section 203 of the Companies Act, 2013. Dr. H. B. Patel, Chief Financial Officer and Shri Sanjay S Bhatt, Company Secretary are the Key Managerial Personnel of the Company effective from 14.05.2014.

## B. Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015 ("Listing Regulations"), the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

## C. Nomination and Remuneration Policy

The Board has on the recommendation of the Nomination-cum-Remuneration Committee formulated a Nomination & Remuneration-cum-Board Diversity Policy for selection, appointment of Directors and Senior Management and their remuneration. Information about the Policy is provided in the Corporate Governance Report.

## D. Meetings

During the year, 9 (nine) Board Meetings and 5 (five) Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 / Listing Regulations. Further, the composition of Audit Committee is given in the Corporate Governance Report.

## AUDITORS

### A. Internal Auditors

M/s. Talati & Talati, Chartered Accountants, Vadodara were appointed as Internal Auditors for conducting Internal Audit of the Company for the period from 1<sup>st</sup> July, 2015 to 30<sup>th</sup> June, 2016.

The Board of Directors of the Company at its meeting held on 26<sup>th</sup> May, 2016, re-appointed M/s. Talati & Talati, Chartered Accountants, Vadodara as Internal Auditors for conducting Internal Audit of the Company for the period from 1<sup>st</sup> July, 2016 to 30<sup>th</sup> June, 2017.

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 the corrective actions if any, are taken by the Management.

### B. Statutory Auditors

M/s. Deloitte Haskins & Sells, Chartered Accountants, Vadodara (Firm Regn. No. 117364W) were appointed as the Statutory Auditors of the Company from the conclusion of 41<sup>st</sup> Annual General Meeting till the conclusion of 46<sup>th</sup> Annual General Meeting i.e. for a period of five years (subject to ratification of the



appointment by the members at every AGM). You are requested to ratify the appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants, Vadodara as Statutory Auditors from the conclusion of 43<sup>rd</sup> Annual General Meeting till conclusion of 44<sup>th</sup> Annual General Meeting as per the provisions of Section 139 of the Companies Act, 2013.

The Board of Directors of the Company at their Meeting held on 26<sup>th</sup> May, 2016 have approved the re-appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants, Vadodara for the Financial Year 2016-17. Accordingly, a Resolution for ratification of appointment of the Statutory Auditors for the Financial Year 2016-17 is placed at Item No. 4 of the Notice.

Your Directors recommend the said Resolution for ratification for your approval.

The Auditors' Report to the Members for the year under review does not contain any qualification.

#### C. Cost Auditors

The Board of Directors of the Company at its Meeting held on 26<sup>th</sup> May, 2016 has appointed M/s. R.K. Patel & Co., Cost Accountants, Vadodara as Cost Auditors for the Financial Year 2016-17 as per the provisions of the Companies Act, 2013 to conduct the Cost Audit of all products manufactured by the Company falling under Chapter 28, 29 & 38 of Central Excise Tariff Act, 1985 as per Notification dated 31<sup>st</sup> December, 2014 issued by Ministry of Corporate Affairs, Government of India at the remuneration of Rs.4,95,000/- plus service tax as applicable.

Your Directors recommend the remuneration of the Cost Auditors appointed by the Board of Directors for the Financial Year 2016-17 for your ratification and approval as per provisions of the Companies Act, 2013.

#### D. Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Samdani Kabra & Associates, a firm of Practicing Company Secretaries to undertake the Secretarial Audit of the Company. The Report of the Secretarial Auditors is annexed herewith as **Annexure-3**. The Report does not contain any qualification.

### 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 Stock Exchanges (upto 30.11.2015) and SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015 (effective from 01.12.2015).

A detailed report on Corporate Governance along with Certificate issued by Company Secretary in Practice in terms of provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached herewith.

### PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, are provided in the **Annexure - 4**. Further, there was no employee holding 2% or more of the Equity Shares of the Company during the Financial Year 2015-16.

### PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Audit Committee of Directors at its Meeting held on 26<sup>th</sup> May, 2015 has accorded omnibus approval to execute transactions with related parties up to the value of Rs.1 Crore. During the financial year, the transactions entered into by the Company with Related Parties were in the ordinary course of business at arm's length price and within the omnibus approval granted by the Audit Committee. The Company has not entered into contracts / arrangements / transactions with Related Parties which could be considered material in accordance with Section 188 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 and the Policy of the Company on Related Party Transactions.

Since all the contracts / arrangements / transactions with Related Parties during the year were in the ordinary course of business and the same were at arm's length as well as under the special omnibus approval route, not being material transaction as defined under the Act / Rules, disclosure in Form AOC-2 under Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is not required.

The Policy on Related Party Transactions and Material Related Party Transactions as approved by the Board of Directors may be accessed on the Company's website at the link : [http://www.gacl.com/public\\_html/new/policy/related\\_party\\_tran\\_policy-1.pdf](http://www.gacl.com/public_html/new/policy/related_party_tran_policy-1.pdf)

The Audit Committee of Directors at its Meeting held on 29<sup>th</sup> March, 2016 has accorded omnibus approval to execute transactions with related parties up to the value of Rs.1 Crore.

Your Directors draw attention of the Members to Note No. 33 to the Financial Statement which sets out Related Party disclosures.

### LOANS, GUARANTEES AND INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act,



2013 are given in the Note No. 4, 8, 11, 12, 13 and 29 (i) (e) of the Notes to the Financial Statements.

### 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.

### LISTING AGREEMENT / LISTING REGULATIONS COMPLIANCE

Your Company's Equity Shares are listed on BSE Ltd. and National Stock Exchange of India Ltd. (NSE) and their listing fees for the Financial Years 2015-16 and 2016-17 have been paid and the conditions of Listing Agreements / SEBI (LODR) Regulations, 2015 have been complied with.

### EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as **Annexure - 5**.

### GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items since there were no transactions in these matters and/or they are not applicable to the Company during the year under review :

1. Business Responsibility Reporting is not applicable as the Company does not fall under list of top 500 listed companies.
2. Details relating to deposits covered under Chapter V of the Act.
3. Issue of equity shares with differential rights as to dividend, voting or otherwise.
4. Issue of shares (including sweat equity shares) to employees of the Company under ESOS.
5. No significant or material orders were passed by the Regulators / Courts or Tribunals which would impact the going concern status of the Company and its future operations.

You Directors further state that your Company has constituted prevention of Sexual Harassment Committee and during the year under review, no complaint was received and no case was pending pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### DIRECTORS RESPONSIBILITY STATEMENT

Your Directors state that :

- i) in the preparation of the annual accounts for the Financial Year ended 31<sup>st</sup> March, 2016, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;

- ii) the Directors had selected such accounting policies and applied them consistently and made judgments 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 31<sup>st</sup> March, 2016 and of the profit of the Company for the year ended on that date;
- iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the Directors have prepared the annual accounts on a going concern basis;
- v) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### MANAGEMENT DISCUSSION AND ANALYSIS

A report on Management Discussion and Analysis forms part of the Board's Report and it deals with *inter-alia* the Business, Operations & Financial Performance, Research & Development, Expansion & Diversification, Risk Management, Marketing Strategy, Safety & Environment, Corporate Social Responsibility, Material Development in Human Resources etc.

### 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. The Directors also gratefully acknowledge all stakeholders of the Company viz. : customers, members, dealers, vendors, banks and other business partners for the excellent support received from them during the year. The Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitments and continued contribution to the Company.

**For and on behalf of the Board**

**Sd/-  
(G R ALORIA, IAS)  
CHAIRMAN**

Place: Gandhinagar  
Date : 28.07.2016

**ANNEXURE – 1 to Board’s Report**

**Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 :**

**A. CONSERVATION OF ENERGY:**

**(i) Steps taken or impact on conservation of energy:**

1. Carried out the work of recoating and remembraning of 374 elements.
2. Increased capacity of standby pump and stopped hot well pump.
3. Installation of VFD in NaCl clarified brine pump.
4. HPMV fittings have been replaced with LED light fittings at various locations.
5. Replacement of 2 x 36 W and 1 x 36 W Tube light fittings by 18 W LED type Tube light fittings.
6. Replacement of 250 W street light fittings by 56 W LED type street light fittings.
7. Commissioning of Mist Combo Water Ejector in place of Steam Ejector.
8. Stoppage of Air Compressor for Old Nitrogen System after connecting instrument Air Compressor.
9. Installation of new orifice type steam traps in distillation column for steam saving.
10. Replacement of one pump with new Variable Frequency Drive (VFD) driven pump for the supply of clarified water to Process Plant.
11. Replacement of one pump with new VFD driven pump for the supply of clarified water to DM Water Plant.
12. Replacement of Cooling Water Pumps with energy efficient pump.
13. Replacement of old Chiller with new energy efficient Chiller.
14. Installation of VFD Dissolver Agitator.

**(ii) Steps taken by the Company for utilizing alternate sources of energy:**

The Company had taken up Wind Farm Projects of 31 MW Capacity at Rajkot, Gujarat, out of which 10.0 MW Wind Farm was commissioned on 30<sup>th</sup> September, 2015, whereas, 21 MW Wind Farm was commissioned on 12<sup>th</sup> February, 2016. The total installed Wind Energy Generation capacity of the Company has increased to 156.75 MW after these installations.

During the Financial Year 2016-17, the Company intends to put up another 14.70 MW Wind Farm. The total installed Wind Energy Generation capacity of the Company this after installation will be 171.45 MW.

The Company also intends to set-up 15 MW Solar Power Plant for captive use to fulfill statutory requirement of Solar

Renewable Purchase Obligation.

**(iii) The Capital Investment on Energy Conservation equipments:**

The Company has invested Rs.1118.44 lakhs as Capital Investment on Energy Conservation equipments and during the Financial Year 2015-16, saving of Rs.650.42 lakhs have been achieved.

**B. TECHNOLOGY ABSORPTION**

**(i) Major efforts made towards technology absorption**

The Company had taken up the project for implementation of 20,000 MT / per annum Sodium Chlorate, which was successfully commissioned in March, 2014. The technology was supplied by M/s.Thyssenkrupp Industrial Solutions (India) Pvt. Ltd.

In order to absorb the technology, the efforts like – regular studies on raw material, intermediate process stages and close monitoring of liquid & solid discharges were carried out.

During the year, the Hydrogen Peroxide based process for manufacturing 80% Hydrazine Hydrate in pilot plant could be successfully completed. The development of basic engineering package and process optimization is also completed. The Company is now planning to commercialize the process with 10,000 MTA capacity plant.

**(ii) The benefits derived like product improvement, cost reduction, product development or import substitution.**

- i. The product like Hydrazine Hydrate is an import substitute & the technology has been indigenously developed in collaboration with IICT, Hyderabad.
- ii. The various efforts made to stabilize the Sodium Chlorate process has resulted in the reduction of production cost of Sodium Chlorate.
- iii. The R & D efforts have resulted into the appreciable savings in the areas like – Spent Catalyst of Hydrogen Peroxide Plant, use of in-house developed cooling water treatment formulations & other technical support to Process, Purchase & Marketing Departments.

**(iii) Information regarding imported technology (imported during last three years)**

Details of Technology Imported	Technology Imported from	Year of Import	Status
Sodium Chlorate	German technology through their Indian subsidiary – M/s. Thyssenkrupp Industrial Solutions (India) Pvt. Ltd.	September, 2011	Commercial production started since March, 2014



## (iv) Expenditure incurred on Research and Development

Sr. No.	Particulars	Amount (Rs. In Lakhs)
a)	Capital	5.26
b)	Revenue	257.72
	<b>Total</b>	<b>262.98</b>

## C. FOREIGN EXCHANGE EARNINGS AND OUTGO

## 1. Activities relating to export, initiatives to increase exports, Development of New export markets for Products and Services and Export Plan.

The Company has continued to maintain focus and avail of export opportunities based on market conditions. During the year under review, the Company has exported goods worth Rs.21,994.90 lakhs (FOB Value).

## 2. Total Foreign exchange Earned and Used

(Rs. in Lakhs)

Foreign Exchange earned in terms of Actual Inflows	Rs.21,994.90
Foreign Exchange outgo in terms of Actual Outflows	Rs.20,601.34

## ANNEXURE – 2 to Board's Report

## ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2015-16

1. A brief outline of the Company's CSR policy, including an overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

Ever since its inception, GACL has been, a conscious corporate citizen, serving the community around its business locations much before the concept of CSR got clad into legal frame-work through Companies Act, 2013. GACL took up various socio – developmental activities in benefit to the community at large in a systematic way.

The present CSR policy is being documented with a candid objective of formalizing as a document of what is being done by the Company and what it proposes to do in the time to come. Section 135 read with Schedule VII of the Companies Act, 2013 and the Corporate Social Responsibility) Rules, 2014 (CSR Rules) has prescribed the requirements as to what should be the legal and structured framework for doing the CSR activities.

This policy, which encompasses the Company's philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially relevant programs for welfare & sustainable development of the community at large, is titled as the 'GACL CSR Policy'. The revised CSR Policy may be accessed on the Company's website at the link: [http://www.gacl.com/public\\_html/new/pdf/CSR\\_POLICY.pdf](http://www.gacl.com/public_html/new/pdf/CSR_POLICY.pdf).

This policy shall apply to all CSR initiatives and activities taken up at the various Plant / Business locations of Gujarat Alkalies and Chemicals Limited (hereinafter referred to as GACL for the sake of brevity), for the benefit of different segments of the society.

2. The Composition of the CSR Committee.

The CSR Committee of the Company comprise of:

1. Dr. J N Singh, IAS (upto 11.02.2016) - Chairman of the Committee
2. Shri Arvind Agarwal, IAS (from 11.02.2016) - Chairman of the Committee
3. Shri J N Godbole - Independent Director
4. Shri A M Tiwari, IAS (upto 18.02.2016)
5. Shri P K Gera, IAS (from 19.02.2016)

3. Average Net Profit of the Company for last three Financial Years for the purpose of CSR Expenditure :

Computation of profit u/s. 135 read with Section 198 of the Companies Act, 2013 for the last three Financial Years is as under:

(Rs. in Lakhs)

Sr. No.	Particulars	2012-13	2013-14	2014-15
1	Profit u/s. 135 read with Section 198	32,821.49	23,644.79	19,613.41
2	Average of three years Net Profit	25,359.90		

4. Prescribed CSR Expenditure (2% of the amount as in item 3 above).

Details of 2% of Average three years Net Profit is as under:

Sr. No.	Particulars	Amount (Rs. in Lakhs)
1	Average of three years Net Profit	25,359.90
2	2% of Average three years Net Profit	507.20

During Financial Year 2015-16, the Company could not spend the full budget amount due to various reasons.



## 5. Details of amount spent on CSR during the Financial Year :

(a) Total amount to be spent for the Financial Year : Rs. 507.20.Lakhs

(b) Amount Unspent : Rs. 81.57 Lakhs

(c) Manner in which the amount spent during the Financial Year is detailed below:

Sr. No	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where Projects or Programs was undertaken	Amount outlay (budget) project or programs wise  (Rs.)	Amount spent on the projects or programs Subheads: (1) Direct Expenditure on projects or programs (2) Overheads: (Rs.)	Cumulative expenditure up to to the reporting period  (Rs.)	Amount spent: Direct or through implementing agency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.	Education	Cl.(ii) Promoting education, including special education and employment enhancing vocation skills specially among children, women, elderly, and differently abled and livelihood enhancement projects.	Contribution towards Smart Shaala Project at Chhotaudepur by adopting 5 government schools.	2,50,00,000	12,23,703	12,23,703	GACL Education Society (GES)
2.	Special Children	Cl.(ii) Promoting education, including special education and employment enhancing vocation skills specially among children, women, elderly, and differently abled and livelihood enhancement projects.	Contribution to (Kashiba Children Hospital and Akshar Trust) an NGO dealing with learning difficulties such as Dyslexia, Cerebral Palsy, Autism, Hearing Impairment. Vadodara	30,00,000	29,11,000	29,11,000	Kashiba Children Hospital and Akshar Trust
3.	SEEDS Programme – Shroff's Foundation Trust	Cl.(ii) Promoting education, including special education and employment enhancing vocation skills specially among children, women, elderly, and differently abled and livelihood enhancement projects.	Contribution to promote quality vocational education and also to promote entrepreneurship among the youth students from the poor families.	20,00,000	20,00,000	20,00,000	Shroff's Foundation Trust
4.	Kanya Kelvani & Shaala Praveshotsav	Cl.(ii) Promoting education, including special education and employment enhancing vocation skills specially among children, women, elderly, and differently abled and livelihood enhancement projects.	Providing schools bag kits during Kanya Kelvani & Shaala Praveshotsav, Chhotaudepur.	15,00,000	2,23,000	2,23,000	GES
5.	IIT – Gandhinagar	Cl. (ix) Contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government.	Contribution towards Summer School Workshop of Indian Institute of Technology, Gandhinagar.	20,00,000	2,10,549	2,10,549	IIT – Gandhinagar
6.	Human Resource & Programme and Management.	Cl. (iv) Salaries paid by the companies to regular CSR staff as well as to volunteers of the Company (in proportion to company's time/hours spent specifically on CSR) can be factored into CSR project cost as part of the CSR expenditure.	Contribution towards salaries of GES employees.	15,00,000	16,72,300	16,72,300	GES
7.	Developing Dediapada Taluka	Cl. (x) Rural Development Projects.	Contribution towards website Development of Vikashil Taluka, Dediapada.	19,79,400	2,44,680	2,44,680	GES



8.	Rotary Club of Baroda Metro – Swacchta Abhiyan	Cl.(x) Rural Development Projects	Contribution towards cleanliness drive in Vadodara.	2,90,20,600 (For activities identified at Sr. Nos. 8 to 18)	2,00,000	2,00,000	Rotary Club of Baroda Metro	
9.	Disaster Relief	Cl. (vii) Contribution to the Prime Minister's National Relief Fund or any other Fund set up by the Central Government or the State Governments for socio – economic development funds for the welfare Scheduled Tribes, other Backward classes, minorities and women.	Contribution towards Banaskatha Flood Relief		5,02,031	7,02,031	GES	
10.	Shroff's Foundation Trust – Health Camp	Cl.(i) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.	Contribution towards health camp for 200 Dolomite workers at Chhotaudepur.		1,15,040	8,17,071	Shroff's Foundation Trust	
11.	Navrachna University – CSR Seminar	Cl. (ix) Contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government.	Contribution towards Samhit '16 – CSR Conference.		1,06,000	9,23,071	GES	
12.	Gujarat CSR Authority	Cl. (viii) Contribution towards Crops of a Trust / Society / Section 7 Companies Act etc. will qualify as CSR expenditure as long as Trust / Society/ Section 8 Companies etc. is created exclusively for undertaking CSR activity or were the Crops is created exclusively for a purpose directly relatable to a subject cover in Schedule vii of the Act.	Contribution towards infrastructure Development.		12,50,000	21,73,071	Gujarat CSR Authority	
13.	Banyan Bonsai Club	Cl. (iv) Ensuring environmental sustainability.	Contribution towards sponsorship of the All India Bonsai Convention & Exhibition.		2,00,000	23,73,071	Banyan Bonsai Club	
14.	Faculty of Social Work	Cl. (vii) Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports.	Contribution towards community for Sports Equipments.		1,00,000	24,73,071	The Maharaja Sayajirao University	
15.	Baroda Management Association	Cl. (ii) Promoting education, including special education and employment enhancing vocation skills specially among children, women, elderly, and differently abled and livelihood enhancement projects.	Contribution towards organizing Sayaji Ratan Award Ceremony.		1,00,000	25,73,071	Baroda Management Association	
16.	Nirmal Bharat Abhiyan – Mahatma Gandhi Swachhta Abhiyan	Cl.(x) Rural Development Projects.	Providing underground drainage network and sewage treatment plan facility Dahej		73,80,316	99,53,387	Direct	
17.	Statue of Unity	Cl. (v) Protection of National heritage, art and culture including restoration of building and sites of historical importance and works of art.	Contribution to Statue of Unity.		2,00,00,000	2,99,53,387	Direct	
18.	Human Development Index	Various heads eligible under CSR.	Various Programmes.		41,24,442	3,40,77,829		
					<b>7,10,00,000</b>	<b>4,25,63,061</b>	<b>4,25,63,061</b>	

6. In case the company has failed to spend the two percent (2%) of the average net profit of the last three Financial Years or any part thereof, the company shall provide the reasons for not spending the amount in its Board's Report.

Out of the Budget approved by the Board, the Company has spent an amount of Rs.4.26 Crores towards the CSR activities during the Financial Year 2015-16. Whereas, 2% of the Average Net Profits for last 3 Financial Years, as per the provisions of Section 135 of the Companies Act, 2013, comes to Rs.5.07 Crores for the Financial Year 2015-16. During Financial Year 2015-16, the Company could not spend the full budget amount due to various reasons. The unspent amount of Rs.81.57 lakhs during the Financial Year 2015-16 will be spent under the projects like Baroda Museum, Contribution to Gujarat CSR Authority, Generic Medical stores, Life Spring hospitals or other CSR activities.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

**Responsibility Statement:**

The responsibility statement of Corporate Social Responsibility Committee of the Board of Directors of the Company is reproduced below:

'The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR Objectives and Policy of the Company'.

**Sd/-**  
**(P. K. Gera, IAS)**  
Managing Director

**Sd/-**  
**(Arvind Agarwal, IAS)**  
Chairman – CSR Committee



## ANNEXURE - 3 to Board's Report

**Form MR-3  
Secretarial Audit Report**

for the Financial Year ended March 31, 2016

*[Pursuant to Section 204(1) of the Companies Act, 2013 and rule 9  
of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,  
The Members,  
**Gujarat Alkalies and Chemicals Limited**  
P.O. Petrochemicals – 391346,  
District – Vadodara.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Gujarat Alkalies and Chemicals Limited** (hereinafter referred to as 'the company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the company has, during the audit period covering the Financial Year ended on March 31, 2016, complied with the statutory provisions listed hereunder and also that the company has proper Board-Processes and Compliance-Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2016, according to the provisions of:

- i. The Companies Act, 2013 (the Act), as amended and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.

We further report that, there were no actions / events in pursuance of the following regulations requiring compliance thereof by the company during the period of this report :-

- (a) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

We have also examined compliance with the applicable clauses / regulations of the following:

- (i) The company has complied with the Secretarial Standards issued by The Institute of Company Secretaries of India (Notified with effect from 1<sup>st</sup> July, 2015);
- (ii) The Listing Agreement entered into by the Company with BSE Limited and National Stock Exchange of India Limited and Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Effective from 1<sup>st</sup> December, 2015).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above, subject to the following observation;



The company has spent Rs.4,25,63,061 towards Corporate Social Responsibility expenditure against the statutory requirement of Rs.5,07,20,000 during the financial year 2015-2016.

**We further report that** the Board of Directors of the company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all the Directors to schedule the Board Meetings, Agenda and detailed notes on Agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarification on the Agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with all the applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period there were no specific instances in pursuance of the above referred laws, rules, regulations, guidelines, etc., having a major bearing on the Company's affairs.

Sd/-

Suresh Kumar Kabra

Partner

Samdani Kabra & Asso.

Company Secretaries

ACS # 9711 - CP# 9927

Vadodara,

July 28, 2016

*This Report is to be read with our letter of even date which is annexed as Appendix A and forms an integral part of this report.*

## Appendix – A

To,

The Members

**Gujarat Alkalies and Chemicals Limited**

P.O. Petrochemicals – 391346,

District: Vadodara.

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial records and compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management of the Company. Our examination was limited to the verification and audit of procedures and records on test basis. Our responsibility is to express an opinion on these secretarial records and compliances based on such verification and audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
4. The Secretarial Audit report is neither an assurance as to the future viability of the company nor the efficacy or effectiveness with which the management has conducted the affairs of the company.

Sd/-

Suresh Kumar Kabra

Partner

Samdani Kabra & Asso.

Company Secretaries

ACS # 9711, CP # 9927

Vadodara,

July 28, 2016



## ANNEXURE - 4 to Board's Report

## PARTICULARS OF EMPLOYEES

**DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.**

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2015-16, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2015-16 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under :

Sr. No.	Name of Director / KMP and Designation	Remuneration of Director / KMP for Financial Year 2015-16 (Rs. In Lakhs)	% increase in remuneration in the Financial Year 2015-16	Ratio of remuneration of each Director / to median remuneration of employees (on annualized basis)	Comparison of the remuneration of the KMP against the performance of the Company
1.	Shri A M Tiwari, IAS* Managing Director (from 01.04.2015 to 18.02.2016 i.e. for part of the year)	23.60	32.52%	3.15 times	Profit Before Tax increased by 23.02% and Profit After Tax decreased by 2.72 % in Financial Year 2015-16.
2.	Shri P K Gera, IAS* Managing Director (from 19.02.2016 to 31.03.2016)	2.51	N.A.	2.59 times	
3.	Dr. H B Patel* Executive Director (Finance) & CFO	31.27	5.57%	N.A.	
4.	Shri Sanjay S Bhatt* Company Secretary & AGM (Legal & CC)	22.89	14.62%	N.A.	

\* The Remunerations of the Managing Director and other Key Managerial Personnel during the FY 2015-16 is not comparable with FY 2014-15 due to following reasons:

- The remuneration of Shri A M Tiwari, IAS in FY 2014-15 was for part of the year (i.e. from 29.08.2014 to 31.03.2015) and the same in FY 2015-16 was also for part of the year (i.e. from 01.04.2015 to 18.02.2016). However, % increase in his remuneration during the FY 2015-16 is considered on annualised basis.A
- The % increase in remuneration of Shri P K Gera, IAS during the FY 2015-16 is not applicable, since, he was appointed as Managing Director of the Company with effect from 19.02.2016.
- The remunerations of other two Key Managerial Personnel [i.e. Executive Director(Finance) & CFO and Company Secretary] is not comparable in FY 2015-16, since, there was pro-rata effect of increase in remuneration due to promotions in FY 2014-15 w.e.f. 01.06.2014, whereas, the same was for full year during FY 2015-16. Further, there is increase in remuneration due to normal increment of 5% in base pay (i.e. Basic + DA) and performance incentive payments as per the Policy applicable to management employees and also, the effect of leave encashment taken by Company Secretary during the FY 2015-16.

## NOTES

- The Remuneration of the Managing Director is decided by Government of Gujarat.
  - Details for other Directors are not given as the other Directors are paid only Sitting Fees for attending the Board Meetings and Committee Meetings. No other remuneration is paid to the Directors.
- (ii) The median remuneration of employees of the Company during the Financial Year was Rs.8.45 lakhs.
- (iii) In the Financial Year 2015-16, there was an increase of 3.94% in the median remuneration of employees.
- (iv) There were 1436 permanent employees on the roll of the Company as on 31<sup>st</sup> March, 2016.
- (v) Relationship between average increase in remuneration and Company performance :  
The Profit Before Tax for the Financial Year ended 31<sup>st</sup> March, 2016 increased by 23.02%, whereas, the increase in median remuneration was 3.94%. The remuneration of the Managing Director is decided by the Government of Gujarat. The remuneration of all employees (management and non-management) will be revised in the year 2017. Therefore, there is no direct relationship between the performance of the Company and remuneration of employees except that in case of performance incentive to management employees. One of the criteria to evaluate the individual performance is "Organization Performance". As per the performance evaluation Policy different weightages are provided for "Organizations Performance" in different grade of Management employees.
- (vi) Comparison of the remuneration of the Key Managerial Personnel against performance of the Company :  
The remuneration of the Managing Director is decided by the Government of Gujarat. The remuneration of all employees including Key Managerial Personnel other than Managing Director will be revised in the year 2017. Therefore, there is no direct relationship between the performance of the Company and remuneration of KMP except performance incentive pay (as mention at (v) above). As per the terms of appointment of the Managing Director, he is entitled for annual 3% increase in Basic Pay and the other KMPs are entitled for 5% annual increase in Basic Pay and D.A.(Base pay).
- (vii) a) Variations in the market capitalization of the Company :  
The market capitalization as on 31<sup>st</sup> March, 2016 was Rs.1,215.75 Crores (Rs.1,174.26 Crores as on 31<sup>st</sup> March, 2015) at National Stock Exchange of India Ltd. (NSE).
- b) Price Earning Ratio of the Company was 5.49 as at 31<sup>st</sup> March, 2016 and was 5.14 as on 31<sup>st</sup> March, 2015.

- c) Percent increase over / decrease in the market quotations of the Shares of the Company as compared to the rate at which the Company came out with the last Public Offer in the year :

In the Year 2003-04, the Company had come out with Rights Issue Offer in the ratio of 3 Equity Shares against 5 Equity Shares held by the Shareholders. The total number of Shares offered under Rights Issue were 2,75,41,966 at Rs.12.50 (Face Value - Rs.10/- and Premium of Rs.2.50 per Share). The market price of Shares of GACL as on 1<sup>st</sup> April, 2003 on BSE Ltd. was Rs.17.70 (closing price) and on National Stock Exchange of India Ltd. was Rs.17.90 (closing price). As on 1<sup>st</sup> April, 2016, the market price of Shares of GACL on BSE Ltd. was Rs.165.30 (closing price) and on National Stock Exchange of India Ltd. was Rs.164.40 (closing price). Thus, there is appreciation in market value of Shares by 933.90% on BSE Ltd. and by 918.44 % on National Stock Exchange of India Ltd.

- (viii) As mentioned in the Notes earlier, the salary revision of Management and Non-Management staff will be due in the year 2017. However, management employees are paid 3% to 5% increase in the Base Pay every year.
- (ix) There is no variable component in the remuneration of the Managing Director or any Director. However, in case of management category employees of the Company, 10% of Fixed CTC is performance incentive which is released on completion of the year and subject to individual performance of each employee and overall performance of the Company. The payment is made in the range of 5% to 15% based on the combined rating of individual and organization performance.
- (x) The ratio of the remuneration of the Managing Director to that of the employees who is not Director but receive remuneration in excess of the Managing Director during the year 1:1.17 (for Shri A M Tiwari, IAS) and 1:1.43 (for Shri P K Gera, IAS) on annualized basis; and
- (xi) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors (in case of Managing Director, the remuneration is decided by the Government of Gujarat), Key Managerial Personnel (as per the Company's Policy which is applicable to all management category employee) and other employees (as per the Company's Policy for management and settement arrived with non-management category employees).

**DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 (2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

SR. NO.	EMPLOYEE NAME	DESIGNATION OF EMPLOYEE	REMUNERATION RECEIVED (RS.)	QUALIFICATION & EXPERIENCE IN YEARS	DATE OF COMMENCEMENT OF EMPLOYMENT	AGE (YEARS)	LAST EMPLOYMENT HELD
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>PART - A (FULL YEAR)</b>		<b>NIL</b>					
<b>PART - B (PART OF THE YEAR)</b>							
1	MD SHETH	Asstt. Officer	13,56,000	BA (38)	02.05.1977	57	Nil
2	J C PATEL	Sr. Manager	33,29,398	BA (42)	01.03.1978	60	Engineers India Ltd.
3	K M MISTRY	Sr. Foreman	13,60,033	SSC,ITI (38)	30.12.1982	60	Jyoti Ltd.
4	P G PATIL	Officer	32,66,597	SSC,ITI (40)	03.02.1981	60	Calico Chemicals
5	A J SOLANKI	Sr. Technician	10,36,875	SSC,ITI (17)	23.02.1998	37	Nil
6	A K JOSHI	Sr. Officer	34,54,707	M.Com. (39)	24.10.1980	60	Special Auditor Office, Govt. of Gujarat
7	M B PATEL	Chief Manager	32,15,268	B.Sc. (39)	15.10.1977	60	Nil
8	S C PATEL	Sr. Foreman	13,19,704	SSC (37)	04.09.1981	60	Newton Engg. & Const.
9	P G SONAWANE	Sr. Foreman	21,32,747	SSC,BA (41)	13.08.1983	60	DCW Ltd.
10	C H PATEL	Chief Manager	32,01,008	B.Sc. (39)	31.07.1987	60	Indian Dyestuff Ind.
11	N D RANA	Sr. Security Inspector	13,15,599	SSC (39)	27.12.1978	60	C.I.S.F.
12	S K PRAVASHI	Sr. Security Inspector	16,78,331	SSC (39)	04.07.1985	60	C.I.S.F.
13	A D SHAH	Dy. General Manager	45,15,936	M.Sc. (38)	27.12.1985	60	Bakul Chem. Pvt. Ltd.
14	J R PATEL	Manager	23,53,741	M.Sc., Ph.D. (34)	04.11.1988	58	Sarabhai Chemicals
15	N S PATEL	Additional General Manager	20,01,030	MA, PGD IM, PGD IRPM, PGD HRM (36)	25.01.1996	59	Solarson Indu. Ltd.
16	R M LETWALA	Additional General Manager	32,54,425	BE(Elect.) (35)	16.05.1996	58	The Baroda Rayon Corp. Ltd.

**NOTE :** THE AMOUNT OF "REMUNERATION" SHOWN ABOVE INCLUDES SALARY, ALLOWANCES, THE COMPANY'S CONTRIBUTION TO PROVIDENT FUND, LEAVE ENCASHMENT, LEAVE TRAVEL CONCESSION / LEAVE TRAVEL ASSISTANCE, MEDICAL REIMBURSEMENT, CONTRIBUTION TO SUPER ANNUATION FUND, GROUP PERSONAL ACCIDENT POLICY PREMIUM, MONETARY VALUE OF PERQUISITES ETC. GRATUITY IS CONSIDERED AS ACTUAL AT THE TIME OF RETIREMENT.



## ANNEXURE - 5 to Board's Report

## Form No. MGT-9

**EXTRACT OF ANNUAL RETURN**  
**as on the Financial Year ended on 31<sup>st</sup> March, 2016**

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1)  
of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

- |  |  |
|--|--|
| i) CIN   | : L24110GJ1973PLC002247  |
| ii) Registration Date  | : 29 <sup>th</sup> March, 1973   |
| iii) Name of the Company   | : Gujarat Alkalies and Chemicals Limited   |
| iv) Category / Sub-Category of the Company                                     | : Company having Share Capital   |
| v) Address of the Registered Office and contact details                        | : P.O. Petrochemicals: 391 346<br>: Dist. Vadodra, Gujarat<br>: Tel. No. : 0265 - 2232681 - 82   |
| vi) Whether listed company Yes / No  | : Yes  |
| vii) Name, Address and Contact details of Registrar and Transfer Agent, if any | : MCS Share Transfer Agent Limited<br>10, Aaram Apartment, 12, Sampatrao Colony,<br>B/h. Laxmi Hall, Alkapuri, Vadodara : 390007.<br>Phone : (0265)- 2314757, 2350490,<br>Fax : (0265) - 2341639<br>E-mail : mcsstalbaroda@gmail.com |

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the Company
1	Caustic Soda Lye	The Company's operation falls under single segment viz. 'Chemicals' - NIC Code : 2411	30.39
2	Caustic Soda Flakes		18.44

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Sl. No.	Name and Address of the Company	CIN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
1.	GACL-NALCO Alkalies & Chemicals Pvt. Ltd. GACL Corporate Building, P.O.Petrochemicals : 391 346, Dist. Vadodara, Gujarat	U24100GJ2015PTC085247	Subsidiary	60%	2(87) of The Companies Act, 2013



**IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY):**
**(i) Category-wise Share Holding**

Category of Shareholders		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoters and Promoters Group									
(1)	Indian									
(a)	Individuals / Hindu Undivided Family	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Central Government	0	0	0	0.00	0	0	0	0.00	0.00
(c)	State Government(s)	21	0	21	0.00	21	0	21	0.00	0.00
(d)	Bodies Corporate	26867261	0	26867261	36.59	26867261	0	26867261	36.59	0.00
(e)	Financial Institutions / Banks	7119028	0	7119028	9.69	7119028	0	7119028	9.69	0.00
(f)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub-Total (A)(1)</b>	<b>33986310</b>	<b>0</b>	<b>33986310</b>	<b>46.28</b>	<b>33986310</b>	<b>0</b>	<b>33986310</b>	<b>46.28</b>	<b>0.00</b>
(2)	Foreign									
(a)	Individuals (Non-Resident Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub-Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>33986310</b>	<b>0</b>	<b>33986310</b>	<b>46.28</b>	<b>33986310</b>	<b>0</b>	<b>33986310</b>	<b>46.28</b>	<b>0.00</b>
(B)	Public shareholding									
(1)	Institutions									
(a)	Mutual Funds / UTI	1318142	1287	1319429	1.80	1766225	1287	1767512	2.41	0.61
(b)	Banks / Financial Institutions	15127	678	15805	0.02	6357	678	7035	0.01	-0.01
(c)	Central Government	0	0	0	0.00	0	0	0	0.00	0.00
(d)	State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Insurance Companies	1458901	200	1459101	1.99	1458901	200	1459101	1.99	0.00
(g)	Foreign Institutional Investors	1875165	0	1875165	2.55	538494	0	538494	0.73	-1.82
(h)	Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Any Other (Foreign Bank)	346	2225	2571	0.00	195	2225	2420	0.00	0.00
	<b>Sub-Total (B)(1)</b>	<b>4667681</b>	<b>4390</b>	<b>4672071</b>	<b>6.36</b>	<b>3770172</b>	<b>4390</b>	<b>3774562</b>	<b>5.14</b>	<b>-1.22</b>
(2)	Non-institutions									
(a)	Bodies Corporate									
(i)	Indian	20600485	5938	20606423	28.06	20628166	5888	20634054	28.10	0.04
(ii)	Overseas	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Individuals -									
i.	Individual shareholders holding nominal share capital up to Rs. 1 lakh.	8857378	1640092	10497470	14.29	8654502	1550669	10205171	13.90	-0.40
ii.	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	3183989	0	3183989	4.34	4436568	0	4436568	6.04	1.71
(c)	Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Any Other : NRI	407812	3917	411729	0.56	334717	3917	338634	0.46	-0.10
	: OCB	0	0	0	0.00	0	0	0	0.00	0.00
	: Co-op. Societies	0	6905	6905	0.01	0	6905	6905	0.01	0.00
	: Trusts	19937	52094	72031	0.10	2630	52094	54724	0.07	-0.02
	<b>Sub-Total (B)(2)</b>	<b>33069601</b>	<b>1708946</b>	<b>34778547</b>	<b>47.36</b>	<b>34056583</b>	<b>1619473</b>	<b>35676056</b>	<b>48.58</b>	<b>1.22</b>
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>37737282</b>	<b>1713336</b>	<b>39450618</b>	<b>53.72</b>	<b>37826755</b>	<b>1623863</b>	<b>39450618</b>	<b>53.72</b>	<b>0.00</b>
	<b>TOTAL (A)+(B)</b>	<b>71723592</b>	<b>1713336</b>	<b>73436928</b>	<b>100.00</b>	<b>71813065</b>	<b>1623863</b>	<b>73436928</b>	<b>100.00</b>	<b>0.00</b>
(C)	Shares held by Custodians and against which Depository Receipts have been issued									
(1)	Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
(2)	Public	0	0	0	0.00	0	0	0	0.00	0.00
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>71723592</b>	<b>1713336</b>	<b>73436928</b>	<b>100.00</b>	<b>71813065</b>	<b>1623863</b>	<b>73436928</b>	<b>100.00</b>	<b>0.00</b>



## (ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	
1	Government of Gujarat	21	0.00	0	21	0.00	0	0
2	Gujarat Industrial Investment Corp. Ltd.	7119028	9.69	0	7119028	9.69	0	0
3	Gujarat State Investments Ltd.	15329373	20.87	0	15329373	20.87	0	0
4	Gujarat Mineral Development Corp. Ltd.	4145433	5.64	0	4145433	5.64	0	0
5	Gujarat Narmada Valley Fert. & Chem. Ltd.	1759996	2.40	0	1759996	2.40	0	0
6	Gujarat Industrial Development Corp.	2897740	3.95	0	2897740	3.95	0	0
7	Gujarat Maritime Board	2734719	3.72	0	2734719	3.72	0	0
	<b>TOTAL</b>	<b>33986310</b>	<b>46.28</b>	<b>0</b>	<b>33986310</b>	<b>46.28</b>	<b>0</b>	<b>0</b>

## (iii) Change in Promoters' Shareholding ( please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	33986310	46.28	33986310	46.28
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	0	0	0	0
	At the end of the year	33986310	46.28	33986310	46.28

## (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name and DP ID/CL ID of Shareholder	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	<b>IN300214/10229376</b>				
	<b>LOK PRAKASHAN LTD</b>				
	a. At the beginning of the year	16075325	21.890		
	b. Changes during the year	0	0.000		
	c. At the end of the year			16075325	21.890
2	<b>IN300450/10328205</b>				
	<b>GUJARAT STATE FERTILIZERS &amp; CHEMICALS LIMITED</b>				
	a. At the beginning of the year	1655040	2.254		
	b. Changes during the year	0	0.000		
	c. At the end of the year			1655040	2.254
3	<b>IN302927/10034403</b>				
	<b>SHREYANS SHANTILAL SHAH</b>				
	a. At the beginning of the year	1375790	1.873		
	b. Changes during the year	0	0.000		
	c. At the end of the year	1375790	1.873		

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): (Contd...)**

Sr. No.	Name and DP ID/CL ID of shareholder	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
4	<b>IN300167/10049940</b> <b>IDFC STERLING EQUITY FUND</b>				
	a. At the beginning of the year	1305000	1.777		
	b. Changes during the year				
	DATE REASON				
	17.04.2015 ACQUIRED	97000	0.132		
	07.08.2015 ACQUIRED	90000	0.123		
	11.09.2015 ACQUIRED	89331	0.122		
	13.11.2015 SOLD	-4576	-0.006		
	20.11.2015 SOLD	-18867	-0.026		
	11.12.2015 SOLD	-130626	-0.178		
	25.12.2015 SOLD	-20262	-0.028		
	c. At the end of the year			1407000	1.916
5	<b>IN301127/16005185</b> <b>GUJARAT INDUSTRIES POWER COMPANY LTD.</b>				
	a. At the beginning of the year	1103360	1.502		
	b. Changes during the year	0	0.000		
	c. At the end of the year			1103360	1.502
6	<b>IN300812/10000029</b> <b>GENERAL INSURANCE CORPORATION OF INDIA</b>				
	a. At the beginning of the year	801186	1.091		
	b. Changes during the year	0	0.000		
	c. At the end of the year			801186	1.091
7	<b>IN300812/10001728</b> <b>THE NEW INDIA ASSUARANCE COMPANY LIMITED</b>				
	a. At the beginning of the year	657765	0.896		
	b. Changes during the year	0	0.000		
	c. At the end of the year			657765	0.896
8	<b>IN300054/10040054</b> <b>DIMENSIONAL EMERGING MARKETS VALUE FUND</b>				
	a. At the beginning of the year	467952	0.637		
	b. Changes during the year				
	DATE REASON				
	07.08.2015 ACQUIRED	16189	0.022		
	11.09.2015 ACQUIRED	8366	0.011		
	25.12.2015 SOLD	-5017	-0.007		
	26.02.2016 SOLD	-9731	-0.013		
	31.03.2016 SOLD	-20350	-0.028		
	c. At the end of the year			457409	0.623
9	<b>1203330000617270</b> <b>SAL CARE PRIVATE LIMITED</b>				
	a. At the beginning of the year	281300	0.383		
	b. Changes during the year	0	0.000		
	c. At the end of the year			281300	0.383
10	<b>IN300142/10720922</b> <b>BNP PARIBAS DIVIDEND YIELD FUND</b>				
	a. At the beginning of the year	0	0.000		



(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):  
(Contd...)

Sr. No.	Name and DP ID/CL ID of shareholder		Shareholding at the beginning of the year		Shareholding at the end of the year	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	b. Changes during the year					
	DATE	REASON				
	31.12.2015	ACQUIRED	51086	0.070		
	08.01.2016	ACQUIRED	99436	0.135		
	22.01.2016	ACQUIRED	35500	0.048		
	19.02.2016	ACQUIRED	15000	0.020		
	26.02.2016	ACQUIRED	27200	0.037		
	c. At the end of the year				228222	0.311
11	<b>IN300159/10355538</b>					
	<b>CHIRAG PARIKH*</b>					
	a. At the beginning of the year		359261	0.489		
	b. Changes during the year					
	DATE	REASON				
	01.05.2015	SOLD	-8079	-0.011		
	08.05.2015	SOLD	-1099	-0.001		
	05.06.2015	SOLD	-29339	-0.040		
	26.06.2015	SOLD	-2000	-0.003		
	07.08.2015	SOLD	-46534	-0.063		
	11.09.2015	SOLD	-10000	-0.014		
	20.11.2015	SOLD	-5000	-0.007		
	25.12.2015	SOLD	-15686	-0.021		
	01.01.2016	SOLD	-28281	-0.039		
	08.01.2016	SOLD	-56891	-0.077		
	15.01.2016	SOLD	-21475	-0.029		
	29.01.2016	SOLD	-6547	-0.009		
	05.02.2016	SOLD	-6145	-0.008		
	11.03.2016	SOLD	-22185	-0.030		
	25.03.2016	SOLD	-856	-0.001		
	c. At the end of the year				99144	0.135
12	<b>IN300095/11440476</b>					
	<b>IL &amp; FS SECURITIES SERVICES LTD.**</b>					
	a. At the beginning of the year		3724	0.005		
	b. Changes during the year					
	DATE	REASON				
	03.04.2015	ACQUIRED	30047	0.041		
	10.04.2015	ACQUIRED	1400	0.002		
	17.04.2015	SOLD	-1721	-0.002		
	24.04.2015	ACQUIRED	90	0.000		
	01.05.2015	ACQUIRED	245433	0.334		
	08.05.2015	ACQUIRED	1900	0.003		
	15.05.2015	SOLD	-75	0.000		
	29.05.2015	SOLD	-1075	-0.001		
	05.06.2015	ACQUIRED	1247	0.002		
	12.06.2015	ACQUIRED	1682	0.002		
	19.06.2015	SOLD	-5991	-0.008		
	26.06.2015	ACQUIRED	16330	0.022		
	30.06.2015	SOLD	-100	0.000		
	03.07.2015	SOLD	-8	0.000		
	10.07.2015	SOLD	-6198	-0.008		
	17.07.2015	SOLD	-49300	-0.067		
	24.07.2015	SOLD	-51939	-0.071		



**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): (Contd...)**

Sr. No.	Name and DP ID/CL ID of shareholder		Shareholding at the beginning of the year		Shareholding at the end of the year	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	31.07.2015	SOLD	-87457	-0.119		
	07.08.2015	SOLD	-190	0.000		
	12.08.2015	SOLD	-1825	-0.002		
	14.08.2015	ACQUIRED	5195	0.007		
	21.08.2015	ACQUIRED	12136	0.017		
	28.08.2015	ACQUIRED	74827	0.102		
	04.09.2015	SOLD	-1591	-0.002		
	11.09.2015	SOLD	-3700	-0.005		
	18.09.2015	SOLD	-160	0.000		
	25.09.2015	SOLD	-129957	-0.177		
	30.09.2015	SOLD	-20500	-0.028		
	09.10.2015	SOLD	-87	0.000		
	16.10.2015	SOLD	-500	-0.001		
	30.10.2015	ACQUIRED	1461	0.002		
	06.11.2015	ACQUIRED	66	0.000		
	13.11.2015	SOLD	-1000	-0.001		
	20.11.2015	SOLD	-7	0.000		
	27.11.2015	ACQUIRED	209	0.000		
	04.12.2015	ACQUIRED	176096	0.240		
	11.12.2015	ACQUIRED	17	0.000		
	25.12.2015	SOLD	-233	0.000		
	31.12.2015	SOLD	-1300	-0.002		
	08.01.2016	SOLD	-842	-0.001		
	15.01.2016	SOLD	-3200	-0.004		
	22.01.2016	SOLD	-900	-0.001		
	29.01.2016	SOLD	-500	-0.001		
	05.02.2016	SOLD	-339	0.000		
	19.02.2016	ACQUIRED	60	0.000		
	26.02.2016	SOLD	-79	0.000		
	04.03.2016	ACQUIRED	1450	0.002		
	18.03.2016	SOLD	-3500	-0.005		
	25.03.2016	ACQUIRED	40	0.000		
	31.03.2016	SOLD	-290	0.000		
	c. At the end of the year				198846	0.271
13	IN300484/10255355 & IN301151/28513249 & IN303028/63554929					
	BAHUBALI SHANTILAL SHAH***					
	a. At the beginning of the year		131177	0.179		
	b. Changes during the year					
	DATE	REASON				
	05.06.2015	ACQUIRED	90000	0.123		
	c. At the end of the year***				221177	0.301

\* Position change in respect of top ten shareholder due to purchase / sell of the shares.

\*\* Position change in respect of top ten shareholder due to purchase / sell of the shares.

\*\*\* Position change in respect of top ten shareholder due to purchase / sell of the shares.


**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	Name of Directors and Key Managerial Personnel	At the beginning of the year (As on 1.4.2015)	Date wise Increase / Decrease in the Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc. ):	At the end of the year (As on 31.3.2016)
1	Dr. J N Singh, IAS (Director)	0	0	0
2	Dr. Sukh Dev (Independent Director - upto 19.09.2015)	0	0	0
3	Shri J N Godbole (Independent Director)	0	0	0
4	Shri G C Murmu, IAS (Director - upto 01.05.2015)	0	0	0
5	Mrs. Pallavi S Shroff (Independent Director)	0	0	0
6	Dr. Rajiv I Modi (Independent Director)	0	0	0
7	Shri A M Tiwari, IAS (Managing Director - upto 18.02.2016)	0	0	0
8	Shri D J Pandian, IAS (Chairman - from 08.04.2015 to 03.07.2015)	0	0	0
9	Shri G R Aloria, IAS (Chairman - from 28.07.2015)	0	0	0
10	Shri Arvind Agarwal, IAS (Director - from 18.09.2015)	0	0	0
11	Shri Rajiv Lochan Jain (Independent Director - from 06.01.2016)	0	0	0
12	Shri P K Gera, IAS (Managing Director - from 19.02.2016)	0	0	0
13	Dr. H B Patel (Chief Financial Officer)	200	0	200
14	Shri Sanjay S Bhatt (Company Secretary)	0	0	0

**V. INDEBTEDNESS:**

 Indebtedness of the Company including interest outstanding/accrued but not due for payment as on 31<sup>st</sup> March 2016

(Rs. in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	16,157.12	0.00	0.00	16,157.12
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	35.51	0.00	0.00	35.51
<b>Total (i+ii+iii)</b>	<b>16,192.63</b>	<b>0.00</b>	<b>0.00</b>	<b>16,192.63</b>
Change in Indebtedness during the financial year				
Addition	20,513.58	0.00	0.00	20,513.58
Reduction	-6,989.95	0.00	0.00	-6,989.95
Net Change	13,523.63	0.00	0.00	13,523.63
Indebtedness at the end of the Financial year				
i) Principal Amount	29,594.40	0.00	0.00	29,594.40
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	121.86	0.00	0.00	121.86
<b>Total (i+ii+iii)</b>	<b>29,716.26</b>	<b>0.00</b>	<b>0.00</b>	<b>29,716.26</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**
**F.Y. 2015-16**

Sr. No.	Particulars of Remuneration	Name of Managing Director		Total Amount Rs.
		Shri A M Tiwari, IAS, (from 01/04/2015 to 18/02/2016) Rs.	Shri P K Gera, IAS, (from 19/02/2016 to 31/03/2016) Rs.	
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	18,51,108.00	2,47,372.00	20,98,480.00
	(b) Value of perquisites u/s. 17(2) of Income Tax Act, 1961	32,993.00	3,724.00	36,717.00
	(c) Profits in lieu of salary under Section 17(3) of Income Tax Act, 1961	-	-	0.00
2	Stock Option	-	-	0.00
3	Sweat Equity	-	-	0.00
4	Commission			
	- as a % of profit	-	-	0.00
	- Others, specify	-	-	0.00
5	Others, please specify			
	- Leave Salary and Pension Contribution	4,75,891.00	0.00	4,75,891.00
	<b>TOTAL .... A</b>	<b>*23,59,992.00</b>	<b>*2,51,096.00</b>	<b>26,11,088.00</b>

\* Part of the year

Ceiling as per the Act. (@5% of Net Profit of Rs.22,166.66 lakhs as per Section 197 of the Act) Rs.1,108.33 Lakhs

**B. Remuneration to Other Directors**

The Company pays only Sitting Fees to other Directors for each meeting of the Board or Committee thereof attended by them.

**F.Y. 2015-16**

Sl. No.	Name	Sitting Fees paid		
		For Board Meetings (Rs.)	For Committee Meetings (Rs.)	Total (Rs.)
1	Shri G R Aoria, IAS	50,000.00	0.00	*50,000.00
2	Shri D J Pandian, IAS	10,000.00	0.00	*10,000.00
3	Dr. J N Singh, IAS	60,000.00	1,30,000.00	*1,90,000.00
4	Shri Arvind Agarwal, IAS	20,000.00	0.00	*20,000.00
5	Dr. Sukh Dev	20,000.00	40,000.00	#60,000.00
6	Shri J N Godbole	70,000.00	2,10,000.00	#2,80,000.00
7	Dr. Rajiv I Modi	0.00	10,000.00	#10,000.00
8	Mrs. Pallavi S Shroff	20,000.00	40,000.00	#60,000.00
9	Shri Rajiv Lochan Jain	30,000.00	70,000.00	#1,00,000.00
	<b>TOTAL...B</b>	<b>2,80,000.00</b>	<b>5,00,000.00</b>	<b>7,80,000.00</b>
	Commission			NIL
	Others, Please specify			NIL
	<b>Total Managerial Remuneration (A + B)</b>			<b>33,91,088.00</b>
	Overall ceiling as per the Act			Rs.1,108.33 Lakhs

\* Sitting Fees deposited in Government Treasury and hence, TDS not deducted.

# 10% TDS deducted


**C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD**
**F.Y. 2015-16**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Dr. CA. H B Patel ED (Finance) & CFO Rs.	Shri S S Bhatt CS & AGM (Legal, CC & CSR) Rs.	TOTAL Rs.
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	28,11,380.00	21,25,207.00	49,36,587.00
	(b) Value of perquisites u/s. 17(2) of Income Tax Act, 1961	70,853.00	65,400.00	1,36,253.00
	(c) Profits in lieu of salary under Section 17(3) of Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	0.00
3	Sweat Equity	-	-	0.00
4	Commission			
	- as a % of profit	-	-	0.00
	- Others, specify	-	-	0.00
5	Others, please specify			
	- Contribution to PF	1,44,785.00	97,234.00	2,42,019.00
	- Superannuation	99,996.00	1,440.00	1,01,436.00
	<b>TOTAL</b>	<b>31,27,014.00</b>	<b>22,89,281.00</b>	<b>54,16,295.00</b>

**VII PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD / NCLT / COURT)	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty			NIL		
Punishment			NIL		
Compounding			NIL		
<b>B. DIRECTORS</b>					
Penalty			NIL		
Punishment			NIL		
Compounding			NIL		
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			NIL		
Punishment			NIL		
Compounding			NIL		



## MANAGEMENT DISCUSSION AND ANALYSIS

### AN OVERVIEW OF INDIAN ECONOMY - INDUSTRY STRUCTURE AND DEVELOPMENTS :

The Indian Economy has emerged as one of the fastest growing economy with a five years highest growth rate of 7.6% in the Financial Year 2015-16 as compared to 7.3% in the previous Financial Year mainly due to robust manufacturing growth. GDP growth in fourth quarter of 2015-16 has reached at 7.9% which almost hit the targeted 8% mark. This indicates that Indian Economy is gaining momentum for higher growth. The various measures taken by the Government in the last couple of years are now beginning to show results. According to data released by the Central Statistics Office (CSO), the growth in manufacturing and farm sectors during the fourth quarter of the Financial Year 2015-16 has accelerated to 9.3% and 2.3% respectively. It is expected that the growth rate in the Financial Year 2016-17 would be close to 8% on account of strong macro-economic fundamentals, positive business sentiments, expected good monsoon and pro-growth monetary & fiscal policies. India's balanced macroeconomic environment and strong growth prospects would make it a 'bright' spot in the global scenario.

According to the concept of Gross Value Added (GVA), during the Financial Year 2015-16, the GVA growth of Agriculture & allied sector was 1.25%, that of Industry Sector was 7.4% and Services Sector achieved growth of 8.92%. A robust growth rate of 9.3% could be achieved by the Manufacturing Sector. The Country has registered highest growth of 10.3% in 'Financial, real estate & professional services' sector and a moderate growth of 1.2% in 'Agriculture, Forestry & Fishing' Sector.

According to IMF World Economic Outlook (April-2016), GDP growth rate of India in 2015 is 7.336% and India is 9<sup>th</sup> fastest growing Nation of the world. In 2014, India was 14<sup>th</sup> fastest growing Nation of the world with GDP growth rate of 7.244%. Thus, in one year, the Indian Economy has achieved a quantum jump of 5 steps in ranking at global level.

The long-term growth prospective of the Indian economy is positive due to its young population, corresponding low dependency ratio, healthy savings and investments rates and increasing integration into the Global Economy.

According to Indian Chlor-Alkali Market Forecast & Opportunities, 2019, the market for Chlor-Alkali in India is projected to exhibit a Compound Annual Growth Rate (CAGR) of around 7%. The market is expected to witness high penetration rate in the Western and Northern regions of the Country.

### INDIAN CHLOR-ALKALI INDUSTRY AT A GLANCE – OPPORTUNITIES & THREATS :

There are 34 active Chlor-Alkali Units in India. The production of Caustic Soda during the Financial Year 2015-16 has been 28.71 Lacs MTPA as against total capacity of 34.46 Lacs MTPA i.e. capacity utilization 83.31%. The products of Chlor-Alkali industry are the basic raw materials for various industries like Alumina, Paper & Pulp, Soaps & Detergents, Pharmaceuticals, Dyes, Pesticides, Water Treatment etc.

The additional capacity expansion during Financial Year 2015-16 was approximately 0.16 Lacs MTPA in India mainly because of

expansion of existing Plants (Source: 38<sup>th</sup> Annual Report of AMAI). However, due to fall in global Ethylene Dichloride (EDC) price, major Indian producers opted to import EDC which is the key input in the production of Poly Vinyl Chloride (PVC). As also due to new Chlor-Alkali capacity addition and expansions of existing ones, Chlorine demand remained depressed whereas supplies were in excess during the entire Financial Year 2015-16. Depressed Chlorine demand and over all negative Chlorine value impacted overall capacity utilizations of Chlor-Alkali plants across the industry, which reduced domestic availability of Caustic Soda. Also, because of price rise in Caustic Soda globally, domestic Caustic Soda prices remained firm during whole of the Financial Year 2015-16.

### THE CAUSTIC SODA MARKET SCENARIO

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

The installed capacity of Caustic Soda in the Country is about 34.46 Lacs MTPA as on 31.03.2016 as compared to 34.30 Lacs MTPA as on 31.03.2015. The total installed capacity of GACL is based on Membrane Cell Technology. The Membrane Cell process is energy efficient as the power requirement is much less and is in the range of 2300-2450 kwh/MT as compared to Mercury Cell where it is around 3150-3300 kwh/MT. GACL has the advantage of having its entire production from Membrane Cell. However, now all the medium and large scale Chlor-Alkali units have converted their plants to Membrane Cell Technology.

### ABOUT GACL

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 4,29,050 MT of Caustic Soda as on 31<sup>st</sup> March, 2016 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 (Quality Management System), ISO 14001:2004 (Environment Management System), BS/OHSAS 18001:2007 (Operational Health & Safety Management System), ISO 50000:2011 (Energy Management System) 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 integrations. GACL was the first Indian Company to replace the Mercury Cell Technology with environment friendly and energy efficient Membrane Technology way back in the year 1989.

GACL has always ensured upgrading and adapting eco-friendly and green technologies while it ensured the capacity utilization of 90% in Caustic Soda during Financial Year 2015-16. Further, the Company has achieved optimum capacity utilization of more than 100% in some of the plants/products viz. Caustic Soda, Chloromethanes, Hydrogen Peroxide, Caustic Potash at Vadodara Complex and Phosphoric Acid, Hydrogen Peroxide,



Aluminium Chloride at Dahej Complex. Being a chemical manufacturing Company, GACL carries its passion for protecting the environment at every stage of its operations, keeping in view the interests 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, Sodium Chlorate, Stable Bleaching Powder, Poly Aluminium Chloride, Anhydrous Aluminium Chloride, Toluene based chemicals, 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. Caustic Soda Flakes, Caustic Soda Prills, Potassium Hydroxide Flakes, Hydrogen Peroxide, Liquid Chlorine, Aluminum Chloride, PAC, Hydrochloric Acid and CPW to Europe, West Asia, South East Asia, Africa, Middle East/Far East, SAARC countries, etc.

Production of Caustic Soda by electrolysis process is power intensive and the Company devised a sustainable strategy to meet its growing energy demands. Besides 90 MW gas based Captive Co-generation Power Plant and participation in a 145 MW Joint Captive Gas based Power Plant of GIPCL. The Company has taken major initiative for green energy by setting up Wind Farms for a total installed capacity of 156.75 MW as on 31<sup>st</sup> March, 2016. Further, the Company is in the process of installing 14.7 MW Wind Farm Project during the Financial Year 2016-17 and the total installed capacity will be 171.45 MW. The Company is aiming to meet substantial part of its power requirements through alternative environment friendly sustainable renewable energy sources. The Company is also planning to go for installation of solar power generation unit.

#### **BUSINESS, OPERATIONS AND FINANCIAL PERFORMANCE**

The total production of all the products of the Company has increased by 1.55% to 14,70,197 MT during the Financial Year 2015-16 from 14,47,788 MT in previous year. The production of Caustic Soda Lye, Caustic Soda Flakes / Prills, Chlorine, Caustic Potash Flakes, Potassium Hydroxide, Potassium Carbonate, Phosphoric Acid (85%), Hydrogen Peroxide (100%), Aluminium Chloride, Poly Aluminium Chloride, Stable Bleaching Powder, Sodium Chlorate, Hydrochloric Acid (30%) and Chlorotoluene Products has increased during Financial Year 2015-16 as compared to the previous year. However, the production of Chloromethanes, CPW has decreased during Financial Year 2015-16 mainly due to market conditions and stoppage of production facility of one job work contractor for CPW. Production of Sodium Cyanide and Calcium Chloride were stopped during the year.

The Financial Year 2015-16 was a challenging year for Chlor-Alkali Sector. The price of Caustic Soda remained under pressure due to huge imports during most part of the Financial

Year 2015-16. However, the Company was able to sustain the cut-throat competition due to its nation-wide distribution network, operational excellence, higher efficiency and well executed business strategy. During the Financial Year 2015-16, the Company has achieved highest ever productions in Caustic Soda Lye at Vadodara Complex and Hydrogen Peroxide (100%), Poly Aluminium Chloride (PAC-18), Poly Aluminium Chloride Powder (PAC-30), Anhydrous Aluminium Chloride, Stable Bleaching Powder, Sodium Chlorate at Dahej Complex.

During the Financial Year 2015-16, the Company has achieved highest ever Sales (including Excise Duty) of Rs.2,178.62 crore, as against Rs.2,157.17 crore in the previous year. This has been achieved in spite of the stiff competition, adverse market situation and loss of top line by Rs.50.32 crore (due to mothballing of Calcium Chloride Plant at Baroda Complex, staggered operations of Calcium Chloride at Dahej Complex, stoppage of Sodium Cyanide Plant and decline in job work production of Chlorinated Paraffin Wax). To counter the decline in price realizations, the Company had initiated various cost control measures, which resulted in the Profit Before Tax of Rs.265.09 crore for the Financial Year 2015-16 as against Rs.215.48 crore in the previous year.

The other operating income, for the Financial Year 2015-16 had been Rs.10.13 crore, as compared with Rs.16.31 crore for the previous year and the other income decreased to Rs.46.22 crore as compared with Rs.48.95 crore for the previous year. The Other income includes Rs.13.44 crore towards receipt of dividend and Rs.32.50 crore towards interest income.

The Earning per Share was Rs.30.18 as on 31.03.2016, as compared to Rs.31.03 as on 31.03.2015. Cash Earning Per share was Rs.50.68 as on 31.03.2016, as compared to Rs.42.69 as on 31.03.2015. Book value of Share has improved to Rs.308.28 per share as on 31.03.2016, as compared to Rs.286.14 per share as on 31.03.2015. The Return on Capital Employed was 9.23% as on 31.03.2016, as compared to 10.82% as on 31.03.2015. During the year, the Company has increased its total debts level to Rs.225.27 crore as on 31.03.2016 as compared to Rs.91.67 crore as on 31.03.2015, which resulted into increase in the Debt : Equity ratio to 0.10 : 1 as on 31.03.2016, as compared to 0.04 : 1 as on 31.03.2015. The Interest Coverage ratio has increased to 47.05 times as on 31.03.2016, as compared to 34.58 times as on 31.03.2015.

The overall Raw Material expenses have decreased to Rs.668.90 crore as compared with Rs.675.57 crore for the previous year, mainly due to decrease in procurement cost of various raw materials like Common Salt, Heavy Normal Paraffin, Aluminium ingots, Hydrated Lime, Toluene and Natural Gas, etc. Electricity charges have decreased by 3.36% to Rs.466.29 crore in the Financial Year 2015-16 from Rs.482.52 crore during the previous year mainly due to decrease in external power consumption during the Financial Year 2015-16. The cost of Fuel, Natural Gas and Water charges decreased to Rs.84.46 crore in the Financial Year 2015-16 from Rs.92.16 crore during the previous Financial Year due to decrease in prices on Natural Gas. Employees' remuneration has decreased to Rs.162.35 crore as compared with Rs.166.99 crore due to decrease in provisions for retirement benefits. Depreciation and amortization expense has increased to Rs.107.10 crore in the Financial Year 2015-16 as compared with Rs.98.06 crore for the previous year due to full year

depreciation for the plants commissioned during the previous year and year under review. Other expenses (excluding power, fuel, Natural Gas and Water Charges) have increased by 5.86% to Rs.239.02 crore in the Financial Year 2015-16 from Rs.225.78 crore for the previous year. The Finance costs have decreased to Rs.8.08 crore from Rs.9.33 crore.

Gross profit has increased to Rs.380.27 crore in F.Y. 2015-16 from Rs.322.87 crore in the previous year. The Profit after finance costs but before depreciation and amortization (Cash Profit) has increased to Rs.372.19 crore in F.Y. 2015-16 from Rs.313.54 crore in the previous year. Your Company has achieved Profit Before Tax of Rs.265.09 crore for the F.Y. 2015-16 as compared with Rs.215.48 crore of the previous year. The Profit After Tax for the year decreased to Rs.221.67 crore as compared with Rs.227.86 crore of the previous year.

### RESEARCH AND DEVELOPMENT

The R & D activities are being carried out inline with present & future needs of organization and to build up our competitive advantage in dynamic business environment. We are working with focus on new product / process development / environment friendly technologies, process improvement, product quality & customer satisfaction.

The process development work continued on several products based on Hydrogen Peroxide. In this direction, during the year, the successful development of an indigenous technology in collaboration with Indian Institute of Chemical Technology (IICT), Hyderabad to manufacture Hydrazine Hydrate, an import substitute product has been completed. The designing of commercial plant to manufacture 8000-10000 TPA of Hydrazine Hydrate is in progress. The plant will be put up at Dahej Complex.

We are also putting efforts to work out the ways for the utilization / reduction / value addition of the solid waste generated in the Phosphoric Acid process. We have been regularly monitoring the quality of imported raw material, process streams and final products, which in turn has ensured better management of the process, quality of products and customer satisfaction.

The work in several other areas like cooling water treatment including the technical services in terms of corrosion & microbiological growth monitoring cleaning formulations etc. were carried out successfully. The technical support to other functional areas like Operations, Project, Marketing and Purchase Department was provided by R&D Centre regularly.

### EXPANSION AND DIVERSIFICATION

Various Projects taken up by the Company for putting up additional capacities through debottlenecking of the existing plants are well under way. The capacity expansion projects for Chloromethanes Plant from 110 TPD to 170 TPD as well as that for Potassium Hydroxide Plant from 60 TPD to 120 TPD, both at Vadodara Complex, are expected to be operational during the Financial Year 2016-17.

The Company also has plans to increase the production of Caustic Soda from 785 TPD to 1000 TPD at Dahej Complex. For gainful utilization of Chlorine, a new Chloromethanes Plant and a new Phosphoric Acid Plant are also being considered to be put up at Dahej Complex. During the Financial Year 2015-16, the Board of Directors have approved the establishment of 33,870 TPA Food grade Phosphoric Acid Project at Dahej with

an estimated cost of Rs.300 crores. The project is planned to go on stream in 30 months from the zero date. The discussions on Technology selection are on. The Phosphoric Acid Project when implemented would contribute to the annual sales revenue by approx. Rs. 200 crores.

During the year under review, the successful development of an indigenous technology in collaboration with Indian Institute of Chemical Technology (IICT), Hyderabad to manufacture Hydrazine Hydrate, an import substitute product, using Hydrogen Peroxide as the raw material, has been completed. During the Financial Year 2015-16, the Board of Directors have approved the establishment of 10000 TPA (80%) Hydrazine Hydrate Project at Dahej with an estimated project cost of Rs.160 crores. The project is planned to go on stream in 24 months from the zero date. The Hydrazine Hydrate Project when implemented would contribute to the annual sales revenue by approx. Rs.200 crores. The designing of commercial plant to manufacture 10000 TPA of Hydrazine Hydrate is in progress.

The Company has formed a Joint Venture with M/s. National Aluminium Company Limited (NALCO) for putting up a new 800 TPD Caustic Soda Plant integrated with a 100-120 MW Coal based Power Plant at Dahej. The JV Company was incorporated in December, 2015 and the actions for implementing the project have been initiated. In order to gainfully utilize the Chlorine produced in this Plant, the Company is planning to establish a dedicated Chlorine Park where bulk Chlorine consuming units can be supplied Chlorine through pipeline.

A Pilot Project on converting waste liquid into a marketable product, Anhydrous Sodium Sulfate is under implementation and on successful completion, the Company will be able to add this product into its product portfolio.

In order to continue promoting Green technology, the Company has further taken up Wind Farm Projects for 31 MW during the year, which were commissioned as follows:

10 MW Wind Farm Project Phase VIII was commissioned on September 30, 2015 raising the installed Wind power capacity to 135.75 MW.

21 MW Wind Farm Project Phase IX was commissioned on February 12, 2016 raising the installed Wind power capacity further to 156.75 MW.

The Company intends to put up further 14.7 MW Wind Power capacity during the Financial Year 2016-17.

### SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

The operations of the Company are under one segment only i.e. Chemical Manufacturing.

The total production of all the products of the Company has increased by 1.55% to 14,70,197 MT during the Financial Year 2015-16 from 14,47,788 MT in previous year.

The Company has achieved highest ever productions in Caustic Soda Lye at Vadodara Complex and Hydrogen Peroxide (100%), Poly Aluminium Chloride (PAC-18), Poly Aluminium Chloride Powder (PAC-30), Anhydrous Aluminium Chloride, Stable Bleaching Powder, Sodium Chlorate at Dahej Complex.

Product-wise production details are given on back side of the first cover page of this Annual Report.





## OPPORTUNITIES & THREATS, RISKS & CONCERNS

The strengths of the Company are economies of scale, state-of-the-art eco-friendly technologies, 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, economical power supply has been a major area of concern during the year under review.

The Company has followed a business plan for growth and sustained performance. The Company has continued to concentrate both on top and bottom lines. The increase in net sales by 1.25%, decrease in raw material cost (other than natural gas), employee benefits expenses, insurance expense, finance costs, net external electricity charges, utilities cost, packing material cost and job work charges, are the main factors contributing to the profitability of the Company, during the Financial Year 2015-16. However, due to decrease in other operating income and non-operating income as well increase in costs such as stores, spares and repairs & maintenance, other expenses and depreciation, the profitability of the Company for the year under review has been adversely affected.

The manpower of the Company with high morale and motivation always endeavours to bring better results. However, in next 3 to 4 years, considerable numbers of employees will retire from service of the Company due to superannuation. The Company is in process of identifying succession plan and will implement the same in due course of time. Keeping in view, the current trends of Indian and global economy, the time ahead may crop-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 increase 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 power and utilities and impact of appreciation of USD on the cost of imported materials such as Rock Phosphate, Potassium Chloride, etc. are the areas of concern. The Company's total Wind Energy Generation Capacity has now gone up to 156.75 MW to augment its power requirement with eco-friendly renewable energy which will further increase to 171.45 MW in 2016-17. Further, the Company has also taken actions to source power from Independent Power Producers (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.

The Company had only single source procurements for the raw materials viz. Rock Phosphate from Jordan and Potassium Chloride from Canada. Efforts are on to search for other suppliers of the above materials of technical suitability for the designed plant at present, through domestic dealers / foreign suppliers.

### Stoppage of Sodium Cyanide Plant

During the Financial Year 2015-16, the Company has shut down its Sodium Cyanide Plant due to non-availability of raw material, viz. HCN, from the supplier. Since, the Sodium Cyanide Plant is ready for operation, as soon the raw material, viz. HCN is available from supplier, the Company shall resume the production. The Company is in dialogue with raw material supplier for resumption of production. The Company is also exploring possibilities to produce another product in the said plant from available raw material.

### Mothball & Closure of Calcium Chloride Plant

The Calcium Chloride Plant of Vadodara Complex was incurring losses and in order to improve the profitability of the Company, during the Financial Year 2015-16, the Company decided to close the said plant and mothball it for some time till the mode of disposal of the plant is decided. The Company was exploring the options to sell or otherwise dispose of the plant. This plant was of very small capacity and set up mainly to consume the excess Chlorine or Hydrochloric Acid. The Board of Directors of the Company at its 351<sup>st</sup> Board Meeting held on 30<sup>th</sup> October, 2015 had approved the complete stoppage of Calcium Chloride Plants at Vadodara and Dahej Complexes and sale of equipments & machinery.

### GAIL Take or Pay Claim

The Company had received a demand notice for Rs.42.07 Crore from GAIL India Limited (GAIL) under take or pay clause (Pay if not Taken Liability Clause) under the long term Gas Supply Agreement entered into between the Company and GAIL in the year 2014-15. The Company had filed petition before the Hon. High Court of Delhi under the Arbitration and Conciliation Act to protect its interest. The Hon. High Court of Delhi passed an order granting interim relief to the Company against invocation of LC and directed the appointment of Arbitrator for deciding the issue between the Company and GAIL. Pursuant to the said order, Dr. (Justice) Arijit Pasayat (Retd.) is appointed as Sole Arbitrator. The statement of claim and statement of counter claim have been filed by the Company and GAIL respectively with the Sole Arbitrator. The matter is pending with the Sole Arbitrator. The Company and GAIL are exploring possibilities to arrive at an amicable settlement.



### ECB Loan

To part finance the cost of the expansion, the Company has from time to time availed following financial assistance by way of External Commercial Borrowing (ECB) instead of Rupee Term Loan with a view to minimize the interest outgo. These ECB Loans have been kept un-hedged considering low risk profile of the Company :

1. ECB loan of US \$40 Million equivalent to Rs. 203.44 crores from ICICI Bank Limited in F. Y.2008-09, carries interest rate of LIBOR + 2.95% p.a. This loan is secured by plant and machinery of 39 MW Wind Farm Project at Sinoi site in Dist. Kachchh, Gujarat. It has to be repaid in 12 equal half-yearly instalments from 29.09.2011.
2. ECB loan of US \$20 Million equivalent to Rs. 98.44 crores from HDFC Bank Limited in F. Y. 2012-13, carries interest rate of LIBOR + 3.50% p.a. This loan is secured by plant and machinery of 20,000 MTA Sodium Chlorate Project at Dahej, Gujarat. It has to be repaid in 10 equal half-yearly instalments from 14.08.2013.
3. ECB loan of US \$30 Million equivalent to Rs.190.20 crores from the Hongkong and Shanghai Banking Corporation Limited (HSBC Bank) in F. Y. 2015-16, carries interest rate of LIBOR + 1.80% p.a. This loan is secured by plant and machinery of 31 MW Wind Farm Project at Dist. Rajkot and Kachchh, Gujarat and Potassium Hydroxide Plant at Ranoli, Dist. Vadodara, Gujarat. It has to be repaid in 10 equal half-yearly instalments from 07.01.2018.

### RISK MANAGEMENT

The Company has constituted Internal Risk Management Committee comprising of Senior Executives of the Company who are heading respective departments viz. Finance, Manufacturing, Marketing, Purchase, Project, HR, Secretarial and Legal functions. The Executive Director (Finance) & CFO is the Chairman of the Internal Risk Management Committee. The Internal Risk Management Committee reports to the Managing Director and the risks identified by the said Committee along with proposed mitigation actions are discussed periodically with the Managing Director.

As per the SEBI Circular CIR/CFD/POLICYCELL/2/2014 dated 17<sup>th</sup> April, 2014 and Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company at its Meeting held on 11<sup>th</sup> February, 2016 has constituted Risk Management Committee of the Directors, though it is not mandatory for the Company to constitute such committee, being not falling under the top hundred listed companies by market capitalisation. The existing Internal Risk Management Committee of the Senior Executives of the Company shall continue to function.

Out of the various risks identified by the Internal Risk Management Committee, the Audit Committee has identified certain critical risks, which are reviewed by Audit Committee, Risk Management Committee and by the Board of Directors on quarterly basis. A Report on the steps taken to mitigate those critical risks is also submitted to the Audit Committee, Risk Management Committee and the Board of Directors.

### INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has in place adequate internal financial controls with reference to financial statements. During the Financial Year 2015-16, such controls were tested and no reportable material

weakness in the design or operation was observed. As per the relevant provisions of the Companies Act, 2013, the Statutory Auditors have expressed their view on the adequacy of Internal Financial Control in their Audit Report.

### OUTLOOK

The Company deals in marketing of Caustic Soda (Lye, Flakes & Prills), Liquid Chlorine, Hydrochloric Acid, Chloromethanes, Hydrogen Peroxide, Caustic Potash (Lye & Flakes), Potassium Carbonate, Phosphoric Acid, Aluminum Chloride, Chlorinated Paraffin, Poly Aluminum Chloride, Chloro-Toluene, Sodium Chlorate 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 in 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 our Poly Aluminum Chloride (PAC) and are able to capture sizable domestic market for various grades of PAC, as a value addition to Hydrochloric Acid. The physical exports of PAC powder has also been increased, wherein realisation are promising.

The Company has put up Stable Bleaching Powder facility as a value addition to Chlorine at Dahej Complex and the production is optimized and our product has been widely accepted among various segments like Water Treatment plants, Disinfection, Aquaculture etc. across India.

Further, the Company has successfully optimized its Sodium Chlorate Plant at Dahej, which finds applications primarily in Paper & Pulp Industry for "Elemental Chlorine Free Bleaching".

Gujarat is predominantly an industrial state, which contains a number of large, medium & small businesses units in the Chemical, Petrochemical, Plastics, Textile and Fertilizer & other Industries.

As part of market development, the emphasis is to interact with customers and develop new market for the products. Providing prompt after sales service as and when required is part of this strategy and this helps the Company to increase its volume especially for new products.

GACL is also exporting some of its products viz. Caustic Soda Flakes, Caustic Soda Prills, Potassium Hydroxide Flakes, Hydrogen Peroxide, Liquid Chlorine, Aluminum Chloride, PAC, Hydrochloric Acid and CPW to Europe, West Asia, South East Asia, Africa, Middle East/Far East, SAARC countries etc.

The Company is facing import threat and dumping of various products at low prices, which affects its capacity utilization, prices etc. and is pro-actively taking corrective action for imposition of Anti Dumping Duty within the WTO guidelines.

In order to cater the Eastern market, we have taken initiatives wherein we have explored market in Eastern part of India and accordingly, we have successfully executed supplies to M/s. NALCO, Orissa to the tune of 11000 MT to curtail demand supply gap in western India. To remain competitive in distant markets, wherein transportation cost is a major constrain – a multi modal logistic option is explored. Accordingly, we have introduced Rail as well as Sea movement for bulk movement of Caustic Soda, for the first time in the history of the Company.

We have introduced Depot concept as our strategic initiatives for various location on Pan India basis. Accordingly, we have



supplied 1100 MT of Caustic Soda Lye to our consignment center at Nagpur through railways so as to efficiently cater to the demand of distantly located consumers. Various other stock points/consignment centers are proposed in the states like Uttar Pradesh, Maharashtra, Goa & Andhra Pradesh for making competitive presence in distant markets.

For the first time, GACL has imported approximately 8750 MT of Caustic Soda Lye and traded the same to domestic consumers during FY 2015-16.

A detailed planning for setting up "Chlorine Park" at Dahej is being worked out, where various manufacturers can put up their plants to manufacture various Chlorine derivatives at one place. This will fetch good results like - easy Chlorine disposal, optimized Caustic Soda Plant operation as also aggregate saving on transportation and increased safety measures.

#### FOREIGN EXCHANGE EARNINGS AND OUTGO

GACL has taken pro-active approach for various activities related to increasing Export volume, revenue and the development of new export markets for existing & new products.

In the Financial Year 2015-16 also, the Company targets at wider markets for export of various products with the help of Company's accreditation of IS/ISO 9001, 14001, 18001 & 50001 as also registration of Benzyl Alcohol with 'REACH'.

The details of Foreign exchange earnings and out-go are provided in Board's Report.

#### 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 implemented elaborate Environment Management System (EMS), 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 and Energy Management 50000 Certificate to the Company. The Company has continued its emphasis on safety awareness for its employees, contract labourers, customers handling our products and among communities in neighbourhood of our plants. The Company regularly organizes safety awareness programme for the employees. The Company has also initiated a unique concept of "Plant Healthiness Check-up" to identify and address weakness of the manufacturing facility.

The Company has also its Emergency Planning and Response (ERP) system to minimize effect of any Emergency like situations. Preparedness and response to this ERP is checked periodically by conducting Mock-drill.

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 25 acres of land having about 27,500 trees of various varieties. The Company has also developed and maintained about 30000 sq. mts. green area including lawn gardens in the Plant area.

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 Water Spillage, treated sewage and drip irrigation. Nearly 18,225 nos. of trees have been planted and 40,356 M2 Garden developed till 31.03.2016 at Dahej Complex.

The canteen and garden waste is being converted into 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.

As a step further to its environment preservation philosophy and commitments, the Company is seriously exploring possibility of recycling part of its liquid effluent stream, using ZLD principle.

#### CORPORATE SOCIAL RESPONSIBILITY

During the year under review, your Company has continued to fulfill 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 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.

Your Company always comes forward with relevant aid to the society at large; one such initiative has been taken up to provide underground drainage network and sewage treatment plant facility for entire Dahej Village which is in the close proximity of our Dahej Complex. Such an initiative by the Company was in line with our State Government's coveted dream of 'NIRMAL GUJARAT'. Your Company has also contributed to 'Baroda Management Association', Vadodara for facilitating Padamshree Ratan Tata for his contribution towards society and management. Similarly, the Company extended financial aid to Rotary Club of Baroda for organizing 'SWACCHATA ABHIYAN' event. The Company has also contributed towards the Vikasshil Taluka Dediapada Scheme, Narmada District.

Education and education related promotional activities are closely monitored by your Company. Many such initiatives were taken up by the Company by providing financial assistance for providing 2000 nos. of school bag kits with necessary stationery items during Kanya Kelavani & Shala Praveshotsav - 2016 to the school children of Dist. Vadodara and Chhotaudepur. Moreover, the Company has also adopted 5 Government Schools under the Smart Shaala Project of Chhotaudepur. The Company also extended financial assistance to Indian Institute of Technology, Gandhinagar (IITGN) towards sponsoring Summer School Workshop of Indian Institute of Technology, Gandhinagar. The Company provided financial assistance to Faculty of Social Work (MSU) towards National Seminar on Corporate Social Responsibility - Opportunities and Trends and also sponsored the Navrachna University towards Summit' 16 - CSR Conference.

The Company has taken initiative for the noble cause of helping children with learning difficulties such as Autism, Cerebral Palsy and Down syndrome by extending financial assistance to Akshar Trust, Vadodara and Kashibaa Children Hospital, Vadodara. Similarly, the Company also contributed for the SEEDS Programme to promote quality vocational education and also to promote entrepreneurship among the youth students from the poor families and has also taken care of Health and Sanitation by supporting Officers Club, Baroda for construction and revamping Household Sanitary Latrine. In line with the same, the Company sponsored Shroff's Foundation Trust for health camp of 200 Dolomite workers at Chhotaudepur.

The Company has also contributed to Banaskatha for flood relief and has also extended financial assistance to Gujarat Corporate Social Responsible Authority (GCSRA). Your Company has also taken care of promoting sports and related activities by supporting Faculty of Social Work (MSU), Vadodara for Sports Equipments.

Efforts to uphold the cultural legacy were also embarked upon to preserve our cultural heritage. The Company has contributed towards Sardar Vallabhbhai Patel Rashtriya Ekta Trust for construction, maintenance and management of the monument – "Statue of Unity".

#### **MATERIAL DEVELOPMENT IN HUMAN RESOURCES**

We can only build a good team of working professionals with Human Resources. Employees are the internal customers of our organization and are much valued. We believe in having the right person for the right job and therefore, designed the recruitment drive to bridge the existing gaps and to advance the process; we have forecasted the gaps and also planned for appropriate succession.

The employee looks forward to having his career move from ups to better ups, for which we focus on motivation of employee by valuing their hard work and compensating them through a Performance Management System which is effective and balanced.

The Company is putting constant efforts to raise quality of talent for which regular training & development programs are organized. During the Financial Year 2015-16, the Company has conducted 155 training programs for our employees. It is also important to maintain harmonious industrial relations and we have been persistently making efforts to maintain smooth operations of the Company. There were 1,436 permanent employees on the roll of the Company as on 31<sup>st</sup> March, 2016. The contract workers of the Company deployed at Vadodara Complex had called an illegal strike on 3<sup>rd</sup> November, 2015 demanding higher bonus payment than the statutory limits. Since amicable solution was arrived at, they had called-off the strike on 4<sup>th</sup> November, 2015 evening and all the contract workers had resumed their work.

#### **AWARDS AND RECOGNITIONS**

The Company is a proud recipient of Safety Awards – 2015 – Certificate of Appreciation awarded by National Safety Council of India in recognition of appreciable achievement in Occupational Safety & Health during the Assessment period of three years – 2012 – 2014.

#### **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 Vadodara and Dahej Complexes are also connected through video conference facility and Daily Production Meetings (DPMs) are held regularly wherein all the members of Senior Management Team participates and discuss various points including Production, Marketing, Safety, Project implementation, HR / IR issues, etc.

The Company has its own mail server to achieve fast and reliable messaging solutions, information about Company is available on its website [www.gacl.com](http://www.gacl.com).

#### **IMPLEMENTATION OF ERP-SAP**

GACL had started its journey on the path of Information Technology in the year 1990-91 by setting up IT Department and developing home grown ERP including Decision Support System to meet its business needs. It has always been endeavour of GACL to keep the pace with technology advancement. Now in today's era with advance Corporate Governance and intense globalization of business, it had become imperative for to keep the pace with changing era and adopt the progressive changes.

In view of the same, the Company decided for having ERP in place that matches the Global Standardization. In this direction, Global Flagship ERP software "SAP" has been opted for implementation. The implementation of SAP would give us both tangible and non-tangible benefits on account of seamless integration and Business Process Re-Engineering. We are already in the advance stage of implementation and likely to switch over on the new ERP system shortly."

#### **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 advice or invitation. The readers are advised to make their own independent assessment and judgement.*

**For and on behalf of the Board**

**Sd/-**

**(G R ALORIA, IAS)**

**Chairman**

Place: Gandhinagar

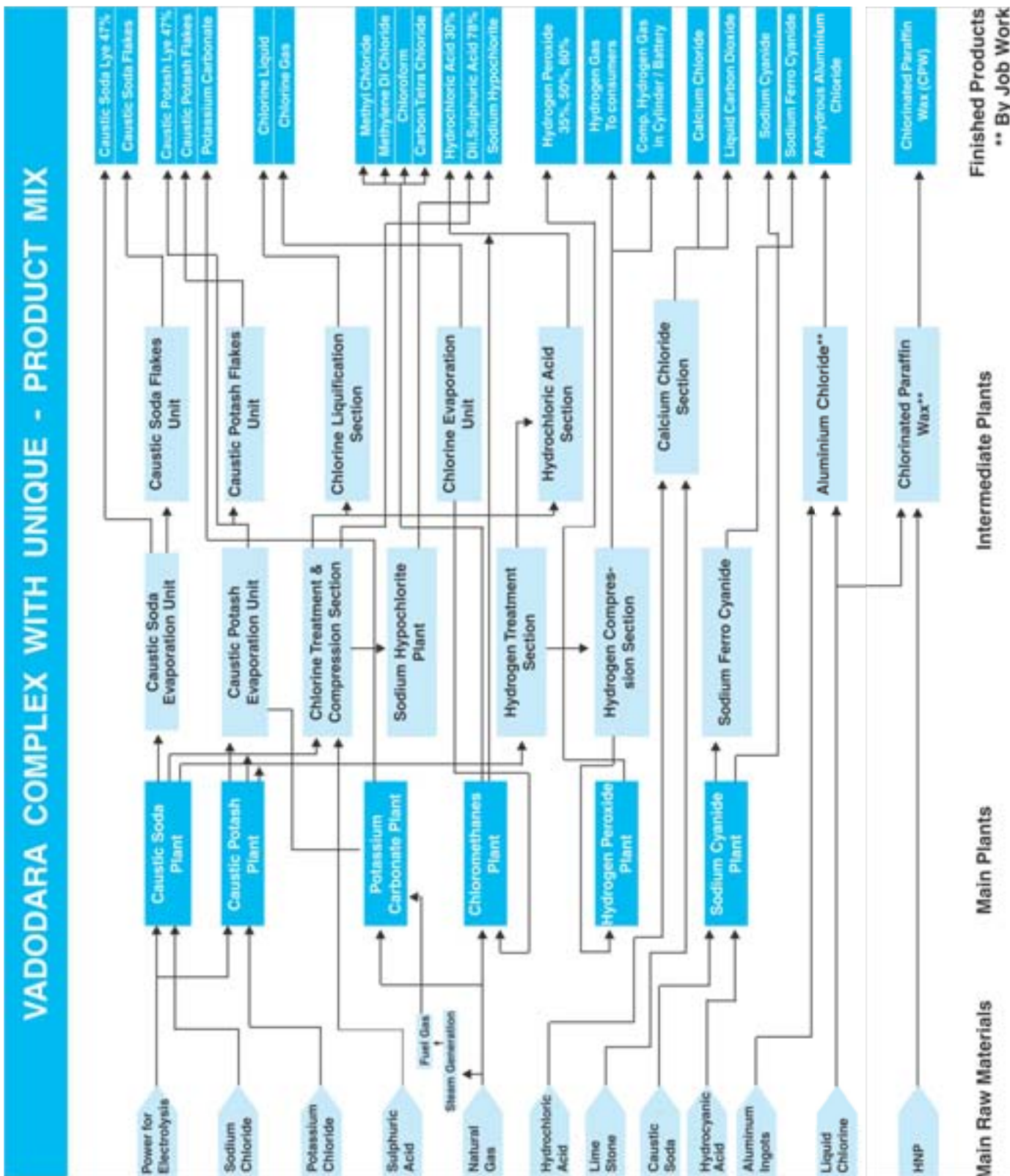
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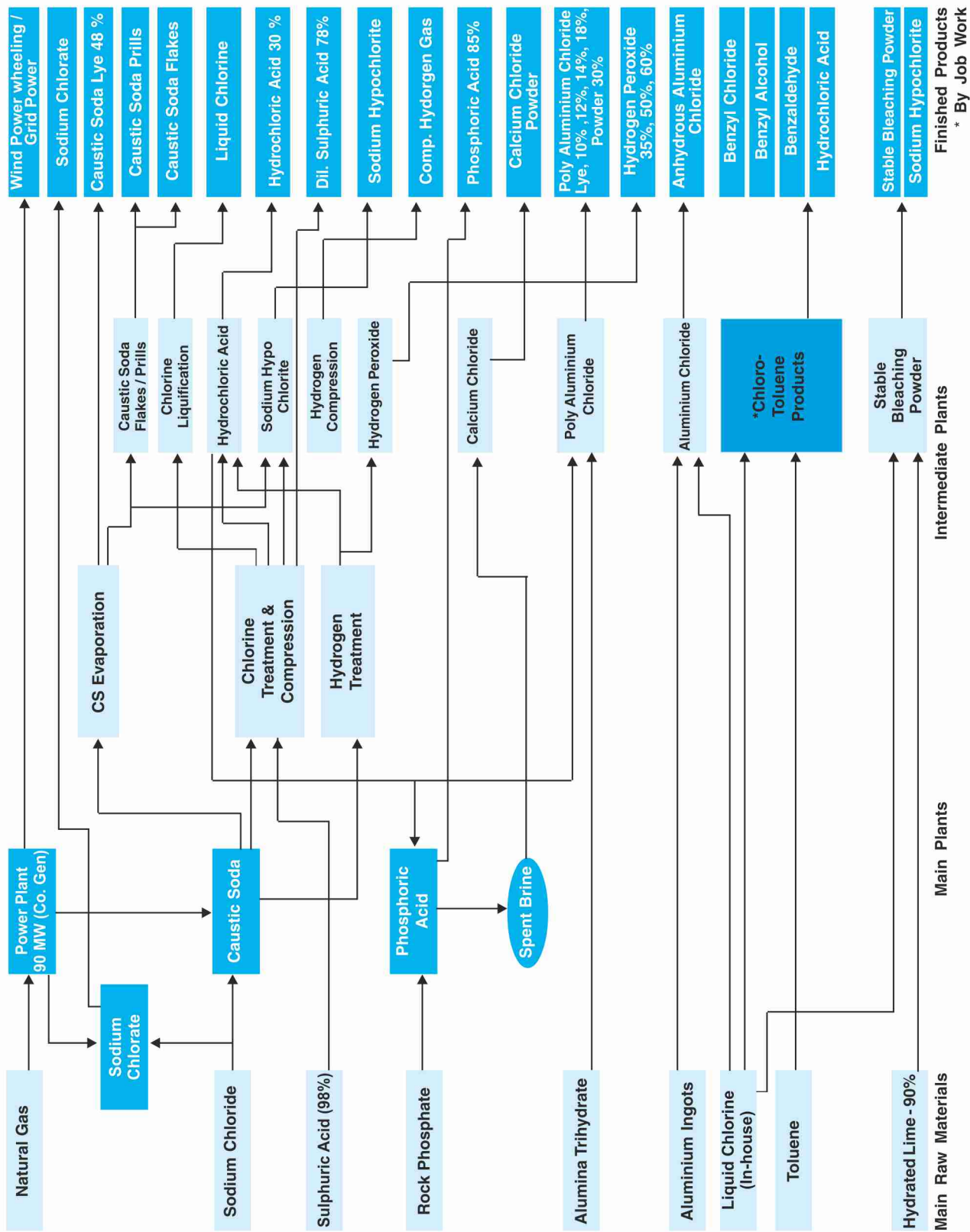
### QUANTITATIVE DATA FOR TEN YEARS :

PARTICULARS	UNIT	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
<b>PRODUCTION :</b>											
CAUSTIC SODA LYE	MT	<b>384925</b>	383834	379846	364733	383690	415124	414094	378276	398499	354266
CAUSTIC SODA FLAKES	MT	<b>127376</b>	124531	134593	137958	143809	166705	169594	137012	151761	135061
CAUSTIC SODA PRILLS	MT	<b>9104</b>	9237	17406	14976	16747	20822	18204	18902	13760	15118
CHLORINE GAS / LIQUID	MT	<b>355921</b>	353295	348380	333206	354942	382713	380236	346027	363911	325893
HYDROCHLORIC ACID (30%)	MT	<b>341220</b>	338211	326429	303920	273522	293329	313810	325379	331295	322009
CAUSTIC POTASH LYE	MT	<b>23540</b>	20915	18728	15906	23722	23596	21121	17206	17153	19008
POTASSIUM CARBONATE	MT	<b>8058</b>	5912	7001	6476	10553	11945	11002	6297	6546	9925
CAUSTIC POTASH FLAKES	MT	<b>13323</b>	13025	10234	7867	11891	11841	10315	10900	9940	9598
CHLOROMETHANES	MT	<b>38000</b>	38530	37888	34417	36026	35626	34558	31773	30914	27268
SODIUM CYANIDE	MT	<b>102</b>	1549	1898	1844	2644	2635	2802	2039	2271	2457
PHOSPHORIC ACID (85%)	MT	<b>27392</b>	25732	25075	24125	23191	23645	21386	24160	28286	25928
HYDROGEN PEROXIDE (100%)	MT	<b>43028</b>	38127	29039	31329	27465	26304	26804	24359	17393	13126
ALUMINIUM CHLORIDE	MT	<b>31265</b>	29573	29189	23823	25542	27249	19891	18464	10558	9366
CALCIUM CHLORIDE	MT	-	6889	9169	8204	8822	8789	8762	6768	6621	4266
POLY ALUMINIUM CHLORIDE	MT	<b>33481</b>	30022	27792	25903	28638	28972	22786	18714	13564	5226
CHLORINATED PARAFFIN WAX	MT	<b>3911</b>	7860	8004	8577	7862	6943	7780	4833	4381	906
CHLORO TOLUENE PRODUCTS	MT	<b>7873</b>	6570	6154	4821	4107	1649	91	-	-	-
STABLE BLEACHING POWDER	MT	<b>10108</b>	8999	9006	6456	3304	139	-	-	-	-
SODIUM CHLORATE	MT	<b>11570</b>	4977	22	-	-	-	-	-	-	-
POWER GENERATION	MU KWH	<b>258.56</b>	199.82	354.68	475.33	633.14	730.82	783.37	651.28	703.62	737.42
POWER GENERATION - WIND FARM	MU KWH	<b>259.28</b>	207.63	173.79	184.54	164.13	153.58	128.59	46.37	4.94	-
<b>SALES :</b>											
CAUSTIC SODA LYE	MT	<b>244492</b>	237720	222274	193874	211060	215028	211977	209965	218923	192536
CAUSTIC SODA FLAKES	MT	<b>128870</b>	125811	136076	135119	144648	165938	169356	138172	151576	135094
CAUSTIC SODA PRILLS	MT	<b>9146</b>	9764	16828	15481	16553	20617	18194	19059	13942	14759
CHLORINE GAS / LIQUID	MT	<b>273103</b>	268066	265875	257897	283552	305886	296665	259057	272446	237476
HYDROCHLORIC ACID(30%)	MT	<b>302874</b>	301045	291099	270689	230671	251508	273983	291302	298472	284021
CAUSTIC POTASH LYE	MT	<b>3828</b>	3637	2886	3420	3419	2613	2161	1916	2409	1710
POTASSIUM CARBONATE	MT	<b>7152</b>	6414	6379	7250	10061	12196	10550	6524	6512	9634
CAUSTIC POTASH FLAKES	MT	<b>12983</b>	13104	10041	8401	11677	11747	10170	11384	9554	9603
CHLOROMETHANES	MT	<b>37923</b>	39990	39360	32401	34916	35377	34719	32663	30174	27184
SODIUM CYANIDE	MT	<b>280</b>	1448	1854	1911	2407	2648	2637	1994	2270	2458
PHOSPHORIC ACID (85%)	MT	<b>27029</b>	27228	24312	25656	22491	24051	21633	21690	29015	27019
HYDROGEN PEROXIDE (100%)	MT	<b>43856</b>	37735	28932	31018	27824	25871	26981	24382	20433	13269
ALUMINIUM CHLORIDE	MT	<b>31112</b>	29988	29095	25114	23607	25966	22455	16618	10953	9225
CALCIUM CHLORIDE	MT	<b>1500</b>	7376	8799	8995	8300	8809	8398	6802	7080	5622
POLY ALUMINIUM CHLORIDE	MT	<b>35337</b>	29647	28394	26530	30013	31345	23956	22701	14598	5251
CHLORINATED PARAFFIN WAX	MT	<b>3798</b>	8410	7501	8611	7783	7158	7800	4603	4502	764
HYDROCHLORIC ACID - CP	MT	<b>6489</b>	13193	13595	14559	12837	11682	12912	8225	7493	1546
BENZYL CHLORIDE	MT	<b>2955</b>	2698	2447	2067	1718	1172	91	-	-	-
BENZYL DEHYDE	MT	<b>1170</b>	968	744	547	366	178	-	-	-	-
BENZYL ALCOHOL	MT	<b>3519</b>	3062	2704	2626	1455	165	-	-	-	-
HCL FROM HBC	MT	<b>14710</b>	11701	12024	7164	2772	1797	-	-	-	-
SODIUM CHLORATE	MT	<b>11389</b>	4879	-	-	-	-	-	-	-	-
STABLE BLEACHING POWDER	MT	<b>9981</b>	8998	8984	6476	3131	74	-	-	-	-
POWER TO GRID	MU KWH	<b>10.21</b>	5.91	13.26	33.90	28.64	34.13	44.99	7.60	4.13	54.16
SALES VOLUME (EXCL. INTER-UNIT)	Rs./Cr.	<b>1955.97</b>	1931.81	1882.85	1794.31	1698.22	1423.17	1278.08	1386.82	1133.63	1044.84





## DAHEJ COMPLEX WITH UNIQUE - PRODUCT MIX



## FINANCIAL HIGHLIGHTS OF TEN YEARS

PARTICULARS	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
<b>OPERATING RESULTS</b> <span style="float: right;">[Rs. in Lakhs]</span>										
GROSS INCOME	2,01,232	1,99,707	1,92,632	1,83,330	1,72,274	1,44,669	1,33,371	1,44,810	1,20,586	1,08,698
GROSS PROFIT	38,027	32,287	40,373	51,402	41,129	28,127	29,019	40,191	39,884	39,880
FINANCE COSTS	808	933	635	834	2,053	2,117	1,748	2,459	2,532	3,773
DEPRECIATION AND AMORTIZATION EXPENSE	10,710	9,806	15,065	15,152	15,115	13,312	12,155	10,943	9,896	8,732
PROFIT/(LOSS) BEFORE INVESTMENT ALLOWANCE RESERVE & TAXATION	26,509	21,548	24,673	35,416	23,961	12,698	15,116	26,789	27,456	27,375
PROVISION FOR IMPAIRMENT OF ASSET	-	-	-	-	-	-	-	471	-	-
PRIOR PERIOD ADJUSTMENTS (NET)	-	-	18	14	20	(13)	488	188	(95)	26
OTHER EXCEPTIONAL ITEM	-	-	-	1,719	1,599	-	-	-	-	-
PROFIT/(LOSS) BEFORE TAX	26,509	21,548	24,655	33,683	22,342	12,711	14,628	26,130	27,551	27,349
<b>PROVISION FOR TAXATION :</b>										
- CURRENT INCOME TAX-MAT	5,425	4,333	-	-	-	2,387	2,370	2,885	-	-
- DEFERRED INCOME TAX	4,064	(1,195)	1,358	882	1,139	(307)	3,848	3,980	1,788	809
- PROVISION FOR TAXATION INCLUDING WEALTH TAX	-	-	6,730	10,238	5,842	-	-	-	3,312	7,849
- UNDER FRINGE BENEFIT TAX	-	-	-	-	-	-	-	38	43	35
- MAT CREDIT ENTITLEMENT	(5,147)	(4,333)	-	-	-	(799)	(2,369)	-	-	-
- EXCESS PROVISION FOR INCOME TAX OF EARLIER YEARS WRITTEN BACK	-	(43)	(1,935)	(972)	-	-	(6,405)	-	-	-
PROFIT/(LOSS) AFTER TAX	22,167	22,786	18,502	23,535	15,361	11,430	17,184	19,227	22,408	18,656
DIVIDEND	3,304	3,304	2,937	2,570	2,203	2,203	2,203	2,203	2,570	1,836
TAX ON DIVIDEND	673	673	499	437	357	357	366	374	437	279
RETAINED EARNINGS/(LOSS)	18,190	18,809	15,066	20,528	12,801	8,870	14,615	16,650	19,401	16,541
<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	2,24,514	2,06,324	1,89,029	1,73,963	1,53,435	1,40,634	1,31,764	1,17,149	1,00,499	81,504
BORROWINGS (NET)	22,527	9,167	15,589	21,065	31,144	35,216	32,324	33,523	31,547	40,062
OTHER LONG TERM LIABILITIES	-	-	-	1,781	1,628	857	-	-	-	-
LONG TERM PROVISIONS	5,797	5,534	4,936	4,275	2,672	2,710	-	-	-	-
DEFERRED TAX (NET)	35,722	31,657	33,632	33,471	32,589	31,450	31,757	27,909	23,928	22,141
TOTAL FUNDS EMPLOYED	2,95,904	2,60,026	2,50,530	2,41,899	2,28,812	2,18,211	2,03,189	1,85,925	1,63,318	1,51,051
<b>APPLICATION OF FUNDS :</b>										
FIXED ASSETS (GROSS)	3,91,844	3,64,001	3,44,305	3,42,157	3,17,665	2,98,149	2,87,996	2,58,220	2,26,049	2,03,253
DEPRECIATION	2,02,156	1,91,683	1,79,825	1,65,716	1,53,390	1,41,260	1,27,100	1,09,518	99,668	89,923
FIXED ASSETS (NET)	1,89,688	1,72,318	1,64,480	1,76,441	1,64,275	1,56,889	1,60,896	1,48,702	1,26,381	1,13,330
INVESTMENTS	20,199	19,314	18,184	17,233	16,108	15,620	14,051	11,728	12,051	12,232
LONG TERM LOANS AND ADVANCES	33,551	25,097	18,388	3,436	10,763	9,968	-	-	-	-
OTHER NON-CURRENT ASSETS	-	-	2,126	4,158	2,742	2,231	-	-	-	-
CURRENT ASSETS (NET)	52,466	43,297	47,352	40,631	34,924	33,503	28,242	21,806	20,952	22,561
MISC. EXP. TO BE WRITTEN OFF	-	-	-	-	-	-	-	3,689	3,934	2,928
TOTAL FUNDS APPLIED	2,95,904	2,60,026	2,50,530	2,41,899	2,28,812	2,18,211	2,03,189	1,85,925	1,63,318	1,51,051
DEBT EQUITY RATIO	0.10 : 1	0.04 : 1	0.08 : 1	0.12 : 1	0.20 : 1	0.24 : 1	0.24 : 1	0.28 : 1	0.30 : 1	0.47 : 1
<b>AMOUNT PER EQUITY SHARE OF RS.10/-</b> <span style="float: right;">[in Rs.]</span>										
EARNING PER SHARE	30	31	25	32	21	15	23	26	30	25
SALES PER SHARE	266	263	256	244	231	194	174	189	154	142
DIVIDEND	4.50	4.50	4.00	3.50	3.00	3.00	3.00	3.00	3.50	2.50
BOOK VALUE	308	286	263	242	214	197	185	164	141	117
<b>MARKET PRICE :</b>										
HIGH	210	237	222	217	167	146	156	204	275	255
LOW	143	155	141	115	119	106	59	53	112	107



## CORPORATE GOVERNANCE REPORT

The disclosure report on compliance of Corporate Governance in accordance with the provisions contained in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Schedule V Para C, D and E of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 necessary 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 eight (8) Directors as on 31<sup>st</sup> March, 2016. The Managing Director is an Executive and Non-Independent Director, all other Directors are Non-Executive Directors out of which, four (4) Directors are Independent Directors including one Woman Director. The Brief Profiles of the existing Directors are as under:

**Shri G R Aloria, IAS, Chairman :** Shri G R Aloria, IAS is Chief Secretary to Government of Gujarat. He has very rich and varied experience of more than 35 years. He has worked on various positions such as Collector and District Magistrate, Valsad; Municipal Commissioner, Rajkot & Vadodara; Commissioner, Gujarat Housing Board; Vice Chairman & Managing Director, Gujarat State Road Transport Corporation; Commissioner, Revenue Department; Joint Managing Director, Sardar Sarovar Narmada Nigam Ltd.; Principal Secretary & Addl. Chief Secretary, Urban Development & Urban Housing Dept. and Addl. Chief Secretary, Ports & Transport Dept. & Home Dept. of Government of Gujarat.

**Dr. J N Singh, IAS, Non-Executive Director :** Dr. J N Singh, IAS is Additional Chief Secretary, Finance Department, Government of Gujarat. He has served largely in Infrastructure & Finance Sectors, having Industrial Infrastructure, Power, Telecom, Information Technology, Highways, Water etc. He has a wide and varied experience in various Departments of Government of Gujarat and Government of India. He was Jt. Managing Director of GIDC, Member of Gujarat Electricity Board and Managing Director of Sardar Sarovar Narmada Nigam Ltd. He was Director (Marketing) of GACL during the period from 22.04.1995 to 01.09.1995.

**Shri Arvind Agarwal, Non-Executive Director :** Shri Arvind Agarwal, IAS is Additional Chief Secretary, Industries & Mines Dept., Government of Gujarat and also Chairman of Gujarat Industrial Investment Corporation Ltd. (GIIC Ltd.). He has very rich and varied experience of 31 years. He has worked as District Development Officer and also as Collector & District Magistrate, Bharuch; Labour Commissioner; Industries Commissioner; Director of Transport; Director of Civil Supplies; Managing Director, Gujarat State Financial Corporation Ltd.; Vice Chairman & Managing Director, Gujarat Industrial Development Corporation (GIDC) and Additional Chief Secretary, Education Department.

**Shri J N Godbole, Independent Director :** Shri J N Godbole is having 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 the Executive Director of IDBI for 6 years during this period, he was Chairman of CDR Empowered Group, which was instrumental in preventing formation of NPA in the Banking Sector. At the time of retirement, he functioned as Chairman and Managing Director of IDBI.



**Dr. Rajiv I Modi, Independent Director :** Dr. Rajiv I. Modi is a Ph. D in Biological Science from the University of Michigan, USA and B.Tech in Chemical Engineering from IIT, Bombay. He is the Chairman and Managing Director of Cadila Pharmaceuticals Ltd., Ahmedabad. Dr. Modi had led a delegation to Japan to promote Vibrant Gujarat Investors meet. He has been actively associated with the Gujarat Chamber of Commerce and Industry and the Confederation of Indian Industry (CII). He is Chairman of CII-National Committee on Pharmaceuticals.

**Mrs. Pallavi Shroff, Independent Director :** Mrs. Pallavi Shroff is Managing Partner of M/s. Shardul Amarchand Mangaldas & Co. a leading legal firm of India. Mrs. Shroff is also Independent Director of Maruti Suzuki Ltd., Apollo Tyres Ltd., PTL Enterprises Ltd. & Trident Limited. A Lawyer by profession, she has vast experience of 35 years as a leading litigation practitioner and has been recognized by international publications for her leading practice in arbitration and dispute resolution. As a Member of several high powered committees appointed by Government of India, she has been closely associated with the formulation of several important commercial statutes. Mrs. Shroff's areas of expertise includes corporate and commercial laws, anti-dumping, arbitration and dispute resolution, competition and antitrust. She holds degrees of BA, MMS and Bachelor of Law.

**Shri Rajiv Lochan Jain, Independent Director :** Shri Rajiv Jain is a B. Tech. (Hons.) (Chemical Engineer) from IIT, Kharagpur and MBA from Whittemore School of Business and Economics, USA. He served as the Chief Executive Officer and Managing Director of AKZO Nobel India Limited from April, 2003 to May, 2009. He has successfully led the portfolio reshaping of ICI India Ltd. from a diversified chemical Company to a focused and fastest growing player in the paints business. He was also the Chairman of both ICI's Research Company in India and the joint-venture company of ICI, Australia. He advises global and local companies on their entry and growth strategies for India and serves as Director on the Board of Tara Jewels Ltd. and Fresenius Kabi Oncology Ltd. He has been appointed on our Board as Independent Director.

**Shri P K Gera, IAS, Managing Director :** Shri Prem Kumar Gera, IAS an officer of 1985 batch has carried B.Sc. (Elec. Engg.)(Hons.), M.Sc., (Public Economy Management), M. Phil. He has also done Post Graduation in Economics. He is having experience of more than 30 years in the Central and State Government holding various positions in Land Revenue Management, Rural Development, District Administration, Agriculture, Finance, Training, Personnel & General Administration, Textiles etc. His recent postings under Government of India and Government of Gujarat include:

1. Registrar and Joint Secretary, Central Information Commission, New Delhi.
2. Director General, Sardar Patel Institute of Public Administration (SPIPA) & Ex.Officio, Secretariat, Government of Gujarat (Administrative Reforms and Training), Gandhinagar, Gujarat.
3. Resident Commissioner, Government of Gujarat, New Delhi.
4. Joint Director, Lal Bahadur Shastri National Academy of Administration (LBSNAA).
5. Director General, National Institute of Fashion Technology, New Delhi.
6. Managing Director, Gujarat Mineral Development Corporation Ltd. (GMDC).

#### **Information placed before the Board**

The Company places all the required information before the Board, as required under Part A of Schedule II of Regulation 17(7) of the SEBI (Listing Obligations and Disclosure Requirement), Regulations, 2015.

#### **Appointment of Independent Directors**

During the year, appointments of Independent Directors were made in accordance with the provisions of the Companies Act, 2013 read with the Rules framed there under and the erstwhile Listing Agreement / SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Pursuant to the same, the Letters of Appointment to the Independent Directors were issued by the Company. The Terms and Conditions of the appointment of the Independent Directors are available on the website of the Company (*web link: [http://www.gacl.com/public\\_html/new/pdf/toa\\_director.pdf](http://www.gacl.com/public_html/new/pdf/toa_director.pdf)*)

#### **Familiarization Programme**

The Company has formulated policy to familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc. through various programmes from time to time. The said Policy is available on the website of the Company (*web link: [http://www.gacl.com/public\\_html/new/pdf/FAMILIARIZATION\\_PROGRAM.pdf](http://www.gacl.com/public_html/new/pdf/FAMILIARIZATION_PROGRAM.pdf)*). The Company also imparts familiarization programme to the Non-Independent Directors inducted on the Board.

To familiarize the Independent Directors and Non-Independent Directors inducted on the Board, with the Company's operations, separate meetings of the Independent Directors was convened on 3<sup>rd</sup> February, 2016 and of the Non-Independent Directors were convened on 18<sup>th</sup> November, 2015 and 20<sup>th</sup> February, 2016 and detailed presentation was made in the respective meetings covering the organizational set up, details of its promoters, shareholding pattern, details about other Directors on the Board, accreditations / recognitions received by the Company, the nature of





industry in which it operates, details about its plant operations like installed capacity v/s production achieved, production capacity in Chlor Alkali industries, financial highlights of Company's performance, market share of major products, export share of major products, strategic advantages and concerns etc.

Further, on appointment of an Independent Director, a formal letter of appointment is issued, which inter-alia explains the role, function, duties and responsibilities of the Independent Director under the provisions of the Companies Act, 2013 and other applicable laws. Directors are also issued Introduction Kit on their appointment which covers the following:

- List of existing Board of Directors of the Company;
- Details of past and present Chairman / Chairperson;
- Details of past and present Managing Director;
- Code of Conduct for the Directors and Vigil Mechanism-cum-Whistle Blower Policy approved by the Board of Directors of the Company;
- Statement of Unaudited / Audited Financial Results of the latest period;
- Shareholding Pattern of the Company of the latest period;
- Annual Reports of the Company for the last 3 years immediately preceding the date of appointment of the Independent Directors;
- Memorandum and Articles of Association of the Company;
- Company's Product Profile / Brochure.

#### MEETING OF INDEPENDENT DIRECTORS

As per Clause 49 of the Listing Agreement or Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and under the provisions of the Companies Act, 2013, a separate meeting of the Independent Directors was held on 26<sup>th</sup> May, 2015, inter-alia, to review the performance of Non-Independent Directors, Chairperson and the Board as a whole and to assess the information flow between Management and the Board for ensuring effective participation by the Board Members. All Independent Directors except Dr. Rajiv I Modi and Dr. Sukh Dev were present at the Meeting.

#### CODE OF CONDUCT

The Board of Directors of the Company on 29<sup>th</sup> December, 2005, has approved and adopted 'Code of Conduct' for the Directors as well as Senior Management Personnel of the Company. The 'Code of Conduct' for the Directors was further amended to include the Code for Independent Directors along with their duties pursuant to Schedule IV of the Companies Act, 2013 by the Board at its Meeting held on 5<sup>th</sup> February, 2015.

The Code of Conduct for the Directors and Senior Management Personnel are available on the Company's Website (web links: [http://www.gacl.com/public\\_html/new/directors.pdf](http://www.gacl.com/public_html/new/directors.pdf) and [http://www.gacl.com/public\\_html/new/executives.pdf](http://www.gacl.com/public_html/new/executives.pdf).)

All the Board Members and the Senior Management Personnel have affirmed compliance with the 'Code of Conduct' during the Financial Year 2015-16. A declaration by the Managing Director to this effect is provided at **Annexure '1'** which forms part of this Report.

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

The brief resume as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 covering the nature of his expertise, directorships and the membership of the Committees of the Board held by all Directors on the Board for their appointment / reappointment are given in the Annexure attached with the Notice convening 43<sup>rd</sup> Annual General Meeting of the Company, forming part of this Report.

#### 2.3 RELATIONSHIPS BETWEEN DIRECTORS INTER-SE:

The Directors of the Company are not related inter-se as defined under the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### 2.4 NUMBER OF BOARD MEETINGS HELD AND DATES THEREOF :

During the Financial Year 2015-16, nine (9) Board Meetings were held, as per the following details :

Quarter	Date(s) of Meeting
1 <sup>st</sup> Quarter - From April to June, 2015.	26 <sup>th</sup> May, 2015
2 <sup>nd</sup> Quarter – From July to September, 2015.	28 <sup>th</sup> July, 2015, 22 <sup>nd</sup> August, 2015 and 18 <sup>th</sup> September, 2015
3 <sup>rd</sup> Quarter – From October to December, 2015.	30 <sup>th</sup> October, 2015
4 <sup>th</sup> Quarter – From January to March, 2016.	10 <sup>th</sup> February, 2016, 11 <sup>th</sup> February, 2016, 1 <sup>st</sup> March, 2016 and 29 <sup>th</sup> March, 2016

**2.5 ATTENDANCE OF DIRECTORS AT THE BOARD MEETINGS, LAST ANNUAL GENERAL MEETING AND THEIR DIRECTORSHIPS AND COMMITTEE MEMBERSHIPS IN OTHER COMPANIES:**
**As on 31.03.2016**

Name and Category of Directors	No. of Board Meetings of GACL attended	Attendance at last AGM of GACL held on 18.09.2015	Directorships in other Companies (Other than Pvt. Ltd. Cos.)	Audit Committee and Stakeholders' Relationship-cum-Investors' Grievance Committee	
				Membership	Chairmanship out of Membership in Column No. 5
1	2	3	4	5	6
Dr. J N Singh, IAS, Non-Executive Director (from 05.02.2015)	6	NO	9	4	1
@Shri G C Murmu, IAS, Non-Executive Director (upto 01.05.2015)	N.A.	N.A.	5	3	1
^ Dr. Sukh Dev, Independent Director (from 22.08.2014 to 19.09.2015)	2	YES	NIL	1	NIL
# Shri J N Godbole, Independent Director (from 18.09.2015)	7	NO	8	10	3
\$ Shri A M Tiwari, IAS, Managing Director (from 29.08.2014 to 18.02.2016)	7	YES	2	2	NIL
Dr. Rajiv I Modi, Independent Director (from 01.10.2014)	4	NO	7	2	NIL
Mrs. Pallavi S Shroff, Woman Independent Director (from 01.10.2014)	2	NO	3	1	NIL
*Shri D J Pandian, IAS, Non-Executive Chairman (from 08.04.2015 to 03.07.2015)	1	N.A.	7	NIL	NIL
Shri G R Aloria, IAS, Non-Executive Chairman (from 28.07.2015)	5	YES	6	NIL	NIL
Shri Arvind Agarwal, IAS, Non-Executive Director (from 18.09.2015)	2	N.A.	7	3	1
Shri Rajiv Lochan Jain, Independent Director (from 06.01.2016)	3	N.A.	2	4	1
Shri P K Gera, IAS, Managing Director (from 19.02.2016)	2	N.A.	2	2	NIL

@ Shri G C Murmu, IAS, Non-Executive Director ceased on 01.05.2015. Hence, no meetings were attended by him during the Financial Year 2015-16.

^ Dr. Sukh Dev, Independent Director who was appointed as Independent Director from 22.08.2014 under the Companies Act, 2013 (Original date of appointment 11.06.2005 under the Old Companies Act, 1956) was ceased as Director on 19.09.2015 as per his resignation due to old age.

# As per the Companies Act, 2013, Shri J N Godbole was appointed as Independent Director at 41<sup>st</sup> AGM held on 22.08.2014 till next AGM i.e. 42<sup>nd</sup> AGM held on 18.09.2015. Further, he was re-appointed as Independent Director at 42<sup>nd</sup> AGM held on 18.09.2015 for a term of 05 years till the conclusion of 47<sup>th</sup> AGM.

\$ Shri A M Tiwari, IAS, has resigned as Managing Director of the Company with effect from 18.02.2016 due to transfer and in his place Shri P K Gera, IAS has been appointed as Managing Director w.e.f. 19.02.2016.

\* Shri D J Pandian, IAS has resigned as Director with effect from 03.07.2015 due to retirement on attaining the age of superannuation.

In respect of Directors who were ceased during the year, the particulars are taken as on the date of cessation.

Video conferencing facilities are used to facilitate the Directors to participate in the meeting who could not attend the meeting in person.



## 2.6 NUMBER OF SHARES AND CONVERTIBLE INSTRUMENTS HELD BY NON-EXECUTIVE DIRECTORS:

During the year and as on 31.03.2016, Directors were not holding any share or convertible instrument in the Company.

## 3. BOARD COMMITTEES:

### 3.1. The Board of Directors of the Company has constituted following Committees of Directors as on 31.03.2016:

- (A) Audit Committee;
- (B) Nomination-cum-Remuneration Committee;
- (C) Stakeholders' Relationship-cum-Investors' Grievance Committee;
- (D) Corporate Social Responsibility Committee;
- (E) Project Committee;
- (F) Personnel-cum-Selection Committee (*renamed* with effect from 11.02.2016);
- (G) Risk Management Committee (*constituted with effect from 11.02.2016; and*
- (H) Toll Manufacturing Committee (*dissolved with effect from 11.02.2016*).

### 3.2 COMMITTEE MINUTES

Minutes of the Meetings of all the Committees of the Board of Directors are prepared by the Company Secretary of the Company, approved by the Chairman of the respective Committees / Meetings, circulated to all the Members of respective Committees and also circulated in the Agenda of the subsequent Committee Meetings and Board Meetings.

#### (A) AUDIT COMMITTEE:

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

The scope of the functions and broad terms of reference of the Audit Committee commensurate with provisions of Section 177 of the Companies Act, 2013 and the requirements prescribed by Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). It includes review of the reports and performance of Internal Auditors, actions taken by concerned departments on report of internal auditors, review of outstanding position, 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, review of adequacy of internal control system and procedures with the Internal Auditors, evaluation of financial controls and risk management systems including functioning of whistle blower mechanism, approval of the Related Party Transactions (RPTs) and recommendation of the same for necessary approval and recommendation of appointment of Statutory Auditors, Cost Auditors and Internal Auditors for approval of the Board.

##### (ii) COMPOSITION

As at 31.03.2016, the Audit Committee comprised of six (6) Members viz. Shri J N Godbole as the Chairman of the Committee; Dr. J N Singh, IAS, Dr. Rajiv I Modi, Mrs. Pallavi S Shroff, Shri Rajiv Lochan Jain and Shri P K Gera, IAS. The Company Secretary acts as the Secretary to the Audit Committee.

##### (iii) MEETINGS AND ATTENDANCE

During the Financial Year 2015-16, five (5) Meetings of Audit Committee were held, i.e. on 26.05.2015, 28.07.2015, 29.10.2015, 10.02.2016 and 29.03.2016. The number of Meetings attended by Directors are as under :

Name	No. of Meetings attended
Shri J N Godbole, Chairman	5
Dr. Sukh Dev ( <i>upto 19.09.2015</i> )	1
Mrs. Pallavi S Shroff	2
Shri A M Tiwari, IAS ( <i>upto 18.02.2016</i> )	4
Dr. J N Singh, IAS	4
Dr. Rajiv I Modi ( <i>from 12.10.2015</i> )	2
Shri Rajiv Lochan Jain ( <i>from 06.01.2016</i> )	2
Shri P K Gera, IAS ( <i>from 19.02.2016</i> )	1

#### (B) NOMINATION-CUM-REMUNERATION COMMITTEE:

Pursuant to the provisions of Section 178 of the Companies Act, 2013, the requirements prescribed by Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the erstwhile Listing Agreement, the Board has renamed the "Remuneration Committee" as the "Nomination-cum-Remuneration Committee" w.e.f. 1<sup>st</sup> August, 2014.

### (i) BROAD TERMS OF REFERENCE

The role of Nomination-cum-Remuneration Committee would broadly encompasses the following :

- (1) to formulate the criteria for determining qualifications, positive attributes and independence of a director and to recommend to the Board a policy relating to the remuneration of Directors, Key Managerial Personnel (KMP) and other employees;
- (2) to formulate criteria for evaluation of Directors including Independent Directors and the Board;
- (3) to devise a policy on Board diversity;
- (4) to identify persons who are qualified to become Directors including Managing Director and/or Whole-Time Directors and who may be appointed in Senior Management in accordance with the criteria laid down;
- (5) to recommend to the Board, appointment and removal of Director, KMP and Senior Management; and
- (6) to review and assess the extent to which the appropriate mix of diversity, skills, experiences and expertise are represented on the Board and report to the Board from time to time.

Accordingly, to enable the Committee to execute its role and responsibilities, the Committee has formulated Policy on "Nomination & Remuneration-cum-Board Diversity" and the said Policy is approved by the Board. The said policy was further amended to align with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### (ii) COMPOSITION

As at 31.03.2016, the Committee comprised of three (3) Members viz. Shri J N Godbole as the Chairman of the Committee; Dr. J N Singh, IAS and Shri Rajiv Lochan Jain.

### (iii) MEETINGS AND ATTENDANCE

During the Financial Year 2015-16, five (5) Meetings of the Committee were held, i.e. on 26.05.2015, 28.07.2015, 11.02.2016, 01.03.2016 and 29.03.2016. The numbers of Meetings attended by Directors are as under:

Name	No. of Meetings attended
Shri J N Godbole, Chairman	5
Dr. J N Singh, IAS	4
Dr. Sukh Dev ( <i>from 05.02.2015 to 19.09.2015</i> )	1
Shri Rajiv Lochan Jain ( <i>from 06.01.2016</i> )	2

### (iv) BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013, requirements prescribed under Part D of Schedule II of Regulation 19(4) of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 and erstwhile Clause 49 of the Listing Agreement, the Nomination-cum-Remuneration Committee has formulated Policy on Nomination & Remuneration cum Board Diversity for selection, appointment and remuneration of Directors and Senior Management, which was further amended by Nomination-cum-Remuneration Committee at its meeting held on 26.05.2016. The said policy lays down criteria for performance evaluation of the Directors. The relevant extract of the Nomination & Remuneration cum Board Diversity Policy is reproduced below:

#### Criteria for Performance Evaluation

Following are the criteria for evaluation of performance of Directors and the Board:

#### (A) Executive Directors

The Executive Directors shall be evaluated on the basis of targets / criteria given to Executive Directors by the Board from time to time.

#### (B) Non Executive Directors

The Non-Executive Directors shall be evaluated on the basis of the following criteria, i.e. whether they:

- (a) act objectively and constructively while exercising their duties;
- (b) exercise their responsibilities in a bona fide manner in the interest of the Company;
- (c) devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- (d) do not abuse their position to the detriment of the Company or its Shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- (e) refrain from any action that would lead to loss of his independence;



- (f) inform the Board immediately when they lose their independence;
- (g) assist the Company in implementing the best corporate governance practices;
- (h) strive to attend all meetings of the Board of Directors and the Committees;
- (i) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (j) strive to attend the general meetings of the Company;
- (k) keep themselves well informed about the Company and the external environment in which it operates;
- (l) do not unfairly obstruct the functioning of a proper Board or Committee of the Board;
- (m) moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest;
- (n) abide by Company's Memorandum and Articles of Association, Company's policies and procedures including code of conduct, insider trading guidelines etc.
- (o) regularly update their knowledge so as to remain updated on latest amendments of the Acts / Rules / Regulations etc.

The Nomination-cum-Remuneration Committee adopted formats in form of checklists for performance evaluation of Executive & Non-Executive Directors, evaluation of Board & various Committees of Board and the Chairman based on the above criteria. The said checklists were circulated to all the board members for their feedbacks. The performance evaluation of the individual Director was done by all Directors excluding the Director being evaluated and performance evaluation of the Board and its Committees was done by all the members of Board.

#### (v) REMUNERATION POLICY

The extract from "Nomination & Remuneration-cum-Board Diversity Policy" is set out below:

The Committee will recommend the remuneration to be paid to the Managing Director, Whole-time Director, Key Managerial Personnel (KMP) and Senior Management Personnel to the Board for their approval.

The Committee shall ensure that:

- (a) the level and composition of remuneration so determined shall be reasonable and sufficient to attract, retain and motivate Directors, Key Managerial Personnel and Senior Management of the quality required to run the Company successfully;
- (b) the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (c) Remuneration to Directors, KMPs and Senior Management Personnel involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

#### (vi) DETAILS OF REMUNERATION PAID TO DIRECTORS

##### EXECUTIVE DIRECTORS

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

Shri P K Gera, IAS, is appointed as the Managing Director of the Company vice Shri A M Tiwari, IAS w.e.f. 19<sup>th</sup> February, 2016 for a period of five (5) years or till further order by the Government of Gujarat pursuant to provisions of Section 196 of the Companies Act, 2013.

The details of remuneration paid to the Managing Directors during the Financial Year 2015-16 are as under:

Remuneration	Shri P K Gera, IAS	Shri A M Tiwari, IAS
Gross Salary	2,47,372/-	18,51,108/-
Contribution to Pension Fund & Leave salary	-	4,75,891/-
Perquisites / Benefits	3,724/-	32,993/-
Fixed component / performance linked incentives	N.A.	N.A.
Stock options details	N.A.	N.A.
<b>TOTAL.....</b>	<b>2,51,096/- *</b>	<b>23,59,992/- **</b>

\* from 19.02.2016 to 31.03.2016

\*\* from 01.04.2015 to 18.02.2016



## NON-EXECUTIVE DIRECTORS

### CRITERIA FOR PAYMENT TO NON-EXECUTIVE DIRECTORS

The Company pays sitting fees of Rs.10,000/- to Non-Executive Directors for attending each meeting of the Board or Committees thereof.

The Non-Executive Directors are also paid Rs.2,500/- towards reimbursement of incidental / out-of-pocket expenses per day.

Details of sitting fees paid to Directors during the Financial Year 2015-16 :

Name	Relationship with other Directors	Business relationship with the Company, if any	Sitting Fees paid		
			For Board Meetings (Rs.)	For Committee Meetings (Rs.)	Total (Rs.)
Shri D J Pandian, IAS	NO	NO	10,000/-	NIL	*10,000/-
Shri G R Aloria, IAS	NO	NO	50,000/-	NIL	*50,000
Dr. J N Singh, IAS	NO	NO	60,000/-	1,30,000/-	*1,90,000/-
Shri Arvind Agarwal, IAS	NO	NO	20,000/-	NIL	*20,000/-
Dr. Sukh Dev	NO	NO	20,000/-	40,000/-	**60,000/-
Shri J N Godbole	NO	NO	70,000/-	2,10,000/-	**2,80,000/-
Dr. Rajiv I Modi	NO	NO	NIL	10,000/-	**^10,000/-
Ms. Pallavi S Shroff	NO	NO	20,000/-	40,000/-	**60,000/-
Shri Rajiv Lochan Jain	NO	NO	30,000/-	70,000/-	**1,00,000/-
<b>Total.....</b>			<b>2,80,000/-</b>	<b>5,00000/-</b>	<b>7,80,000/-</b>

\* Sitting Fees deposited in Government Treasury.

\*\* The sitting fees shown above are gross payment. Out of which, TDS @ 10% was deducted.

^ Dr. Rajiv I Modi, Independent Director has voluntarily not claimed sitting fees except for one Committee Meeting.

### SERVICE CONTRACTS, SEVERANCE FEE AND NOTICE PERIOD

The appointment of the Executive Director and Non-Executive Non-Independent Directors (Representatives of Government of Gujarat) is governed by the Articles of Association of the Company, resolutions passed by the Board and the Shareholders of the Company, which cover the terms and conditions of such appointment. A separate Service Contract is not entered into by the Company with these Executive and Non-Executive Non-Independent Directors. Letters of appointment are issued by the Company to the Independent Directors, incorporating their roles, duties, responsibilities etc.

There is no provision for payment of severance fee governing the appointment of Executive Director. The statutory provisions will however apply.

### (C) STAKEHOLDERS' RELATIONSHIP – CUM –INVESTORS' GRIEVANCE COMMITTEE:

Pursuant to the provisions of Section 178 of the Companies Act, 2013, the requirements prescribed by Regulation 20 of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 and the erstwhile Listing Agreement, the Board has renamed the existing "Shares / Debentures Transfers and Investors' Grievance Committee" as the "Stakeholders' Relationship-cum-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 / grievances, reviews the redressal mechanism and recommends measures to improve the level of Investor related services.

The Board has designated Shri S S Bhatt, Company Secretary and Additional General Manager (Legal, CC & CSR) 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; cosec@gacl.co.in

**(ii) COMPOSITION**

As at 31.03.2016, the Committee comprised of four (4) Members viz. Dr. J N Singh, IAS as the Chairman of the Committee, Dr. Rajiv I Modi, Shri Rajiv Lochan Jain and Shri P K Gera, IAS.

**(iii) MEETINGS AND ATTENDANCE**

During the Financial Year 2015-16 four (4) Meetings of the Committee were held i.e. on 26.05.2015, 28.07.2015, 30.10.2015 and 11.02.2016. The number of Meetings attended by Directors are as under :

Name	No. of Meetings attended
Shri A M Tiwari, IAS (upto 18.02.2016)	4
Dr. J N Singh, IAS	3
Dr. Sukh Dev (from 26.05.2015 to 19.09.2015)	1
Dr. Rajiv I Modi (from 26.05.2015)	NIL
Shri Rajiv Lochan Jain (from 06.01.2016)	1
Shri P K Gera, IAS (from 19.02.2016)	N.A.

**(iv) DETAILS OF SHAREHOLDERS' COMPLAINTS RECEIVED AND RESOLVED OR PENDING DURING THE F.Y. 2015-16 :**

Nature of complaints	Received	Satisfactorily Resolved
Non receipt of Share Certificates / Demat	NIL	NIL
Letters/Complaints from SEBI / Stock Exchanges	3	3
Non receipt of Dividend	56	56
Non Receipt of Annual Reports	17	17
Others	NIL	NIL
<b>Total .....</b>	<b>76</b>	<b>76</b>

No. of pending Share Transfer as on 31.03.2016 – NIL

**(D) CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE :**

Pursuant to the provisions of Section 135 read with Schedule VII of the Companies Act, 2013 and Corporate Social Responsibility Rules, 2014, the Board has constituted Corporate Social Responsibility (CSR) Committee.

**(i) BROAD TERMS OF REFERENCE**

- (1) to formulate and recommend to the Board a CSR Policy indicating activities proposed to be carried out;
- (2) to recommend the amount of expenditure to be incurred for CSR activities; and
- (3) to monitor periodically, the CSR Policy and its implementation.

**(ii) COMPOSITION**

As at 31.03.2016, the Committee comprised of three (3) Members viz. Shri Arvind Agarwal, IAS as the Chairman of the Committee, Shri J N Godbole and Shri P K Gera, IAS.

**(iii) MEETINGS AND ATTENDANCE**

During the Financial Year 2015-16, two (2) Meetings of the Committee were held i.e. on 28.07.2015 and 11.02.2016. The number of Meetings attended by Directors are as under :

Name	No. of Meetings attended
Shri J N Godbole	2
Shri A M Tiwari, IAS (upto 18.02.2016)	2
Dr. J N Singh, IAS (upto 11.02.2016)	1
Shri Arvind Agarwal, IAS (from 11.02.2016)	N.A.
Shri P K Gera, IAS (from 19.02.2016)	N.A.

**(E) 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 the same to the Board for approval and reviews the progress of various projects on hand for timely implementation.

**(ii) COMPOSITION**

As at 31.03.2016, the Committee comprised of seven (7) Members viz. Dr. J N Singh, IAS as the Chairman of the Committee, Shri Arvind Agarwal, IAS, Shri J N Godbole, Dr. Rajiv I Modi, Mrs. Pallavi S Shroff, Shri Rajiv Lochan Jain and Shri P K Gera, IAS.

**(iii) MEETINGS AND ATTENDANCE**

During the Financial Year 2015-16, three (3) Meetings of the Committee were held on 26.05.2015, 03.07.2015 and 11.02.2016. The number of Meetings attended by Directors are as under:

Name	No. of Meetings attended
Shri D J Pandian, IAS (upto 03.07.2015)	NIL
Dr. J N Singh, IAS	1
Shri Arvind Agarwal, IAS (from 11.02.2016)	N.A.
Shri J N Godbole	3
Dr. Rajiv I Modi (from 11.02.2016)	N.A.
Mrs. Pallavi S Shroff (from 26.05.2015)	1
Shri Rajiv Lochan Jain (from 06.01.2016)	1
Shri A M Tiwari, IAS (upto 18.02.2016)	3
Shri P K Gera, IAS (from 19.02.2016)	N.A.

**(F) PERSONNEL-CUM-SELECTION 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 31.03.2016, the Committee comprised of three (3) Members viz. Shri J N Godbole as the Chairman of the Committee, Shri Rajiv Lochan Jain and Shri P K Gera, IAS.

**(iii) MEETINGS AND ATTENDANCE**

During the Financial Year 2015-16, three (3) Meetings of the Committee were held on 28.07.2015, 10.02.2016 and 29.03.2016. The number of Meetings attended by Directors are as under:

Name	No. of Meetings attended
Shri J N Godbole	3
Shri A M Tiwari, IAS (upto 18.02.2016)	2
Shri Rajiv Lochan Jain (from 11.02.2016)	1
Shri P K Gera, IAS (from 19.02.2016)	1

**(G) RISK MANAGEMENT COMMITTEE :**

In the Financial Year 2014-15, the Company has constituted Internal Risk Management Committee comprising of senior executives of the Company who are heading respective departments viz. Finance, Manufacturing, Marketing, Purchase, Project, HR, Secretarial and Legal functions. The Executive Director (Finance) & CFO is the Chairman of the Internal



Risk Management Committee. The Internal Risk Management Committee reports to the Managing Director and the risks identified by the said Committee alongwith proposed mitigation actions are discussed periodically with the Managing Director. Out of the various risks identified by the Internal Risk Management Committee, the Audit Committee has identified certain critical risks, which are reviewed by Audit Committee and by the Board of Directors on quarterly basis. A Report on the steps taken to mitigate those critical risks is also submitted to the Audit Committee and the Board of Directors.

As per the SEBI Circular CIR/CFD/POLICYCELL/2/2014 dated 17<sup>th</sup> April, 2014 and Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is not required to constitute Risk Management Committee of Directors. However, as an abundant precaution, the Board of Directors at its Meeting held on 11.02.2016 has constituted Risk Management Committee of Directors.

**(i) BROAD TERMS OF REFERENCE**

The scope of Committee includes to review and monitor the various risks concerning the Company and its mitigation plan and such other functions as required under the regulations or other applicable laws, as amended from time to time.

**(ii) COMPOSITION**

As at 31.03.2016, the Committee comprised of three (3) Members viz. Shri J N Godbole as the Chairman, Shri Rajiv Lochan Jain and Shri P K Gera, IAS.

Executive Director (Fin.) & CFO of the Company is permanent invitee for the Risk Management Committee.

During the Financial Year 2015-16, no Meeting of Risk Management Committee was held. The first Meeting of the Risk Management Committee after its formation was held on 26.05.2016.

**(H) TOLL MANUFACTURING COMMITTEE:**

The Board of Directors at its 346<sup>th</sup> Meeting held on 5<sup>th</sup> February, 2015 approved the constitution of new Committee of the Directors, viz. Toll Manufacturing Committee, to focus on toll manufacturing activities for manufacturing of Chlorine based products viz. Anhydrous Aluminium Chloride, Chlorinated Paraffin, Chloro-Toluenes, Benzyl Chloride, Benzyl Alcohol and Benzaldehyde.

**(i) BROAD TERMS OF REFERENCE**

The scope of Committee included consideration of selection and tendering methods for selection of new toll manufacturers; renewal of contracts with existing toll manufacturers; expansion in existing units of toll manufacturers for manufacturing of chlorine based products and consideration of proposal for establishment of Chlorine Park at Dahej.

**(ii) COMPOSITION**

As at 11.02.2016, the Committee comprised of three (3) Members viz. Shri J N Godbole as the Chairman of the Committee, Dr. Rajiv I Modi and Shri A M Tiwari, IAS.

**(iii) MEETINGS AND ATTENDANCE**

During the Financial Year 2015-16, two (2) meetings of the Committee were held on 02.05.2015 and 24.11.2015. The number of Meetings attended by Directors are as under:

Name	No. of Meetings attended
Shri J N Godbole	2
Dr. Rajiv I Modi	1
Shri A M Tiwari, IAS (upto 18.02.2016)	2

The Board of Directors at its 353<sup>rd</sup> Meeting held on 11<sup>th</sup> February, 2016 dissolved the Toll Manufacturing Committee in view of the completion of the scope assigned to the Committee.

**4. SUBSIDIARY COMPANIES:**

During the Financial Year, our Company and National Aluminium Company Limited (NALCO), a Government of India Enterprise (a Navratna Company) have jointly incorporated a JV Company, viz. GACL-NALCO Alkalies & Chemicals Pvt. Ltd. (CIN U24100GJ2015PTC085247) on 4<sup>th</sup> December, 2015 for setting up 800 TPD Caustic Soda Plant and 100-120 MW Coal based Power Plant at Dahej, Gujarat. The Company holds 60% and NALCO holds 40% in JV Company. Accordingly, JV Company became a subsidiary of the Company.



## 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. Transactions with related parties are disclosed in Note No. 33 of Accounts.

The Board has approved a Policy on Related Party Transactions which is available on the Company's Website. (web link : [http://www.gacl.com/public\\_html/new/policy/related\\_party\\_tran\\_policy-1.pdf](http://www.gacl.com/public_html/new/policy/related_party_tran_policy-1.pdf))

- 5.2** Details of non-compliance by the Company, penalties and 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** SEBI vide Circular No. : CIR/CFD/DIL/10/2010 dated 16.12.2010 has amended Clause 5A of the Listing Agreement to provide that Shares held physically which may have remained unclaimed by Shareholders due to insufficient / incorrect information or for any other reason should be transferred in demat mode to one folio in the name of "Unclaimed Suspense Account" with one of the Depository Participants. Accordingly, as approved by the Board at its Meeting held on 05.08.2013, the Company has opened "GACL – Unclaimed Shares Suspense Account" with Stock Holding Corporation of India Ltd., Vadodara (SHCIL) and transferred 8,021 unclaimed Shares of Rs.10/- each of 262 Shareholders in that account.

The Company has complied with the provisions contained under Regulation 39(4) read with Schedule VI of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The status of Unclaimed Shares lying with SHCIL in the said Suspense Account in demat mode as on 31.03.2016 is as under :

**(F.Y. 2015-16)**

Particulars	Shareholders(Nos.)	Outstanding Shares (Nos.)
At the beginning of the year	<b>261</b>	<b>8,009</b>
No. of Shareholders who approached during the year	<b>1</b>	<b>223</b>
No. of Shareholders to whom Shares are dispatched	<b>1</b>	<b>223</b>
No. of Shareholders and unclaimed Shares at the end of the year	<b>260</b>	<b>7,786</b>

The voting rights on the said 7,786 Shares shall remain frozen till the rightful owner of such shares claims the shares.

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.

- 5.4** Whistle Blower policy and affirmation that no personnel was denied access to the Audit Committee.

The Company has formulated a Vigil Mechanism-cum-Whistle Blower Policy ("Policy") as per the requirements of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement / Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Policy is applicable to all Directors and employees of the Company.

As per the Policy, protected disclosures can be made by whistle blower to the Chairman of the Audit Committee. 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.

- 5.5** Details of Policy for determining material subsidiaries:

GACL-NALCO Alkalies & Chemicals Pvt. Ltd., a subsidiary of the Company incorporated during the year does not fall within the criteria laid down under Regulation 16 (1) (c) read with Regulation 46 (2) (h) of SEBI (LODR) Regulations, 2015 relating to "material subsidiary" and hence, the Company is not required to formulate policy for determining "material subsidiary".

- 5.6** Commodity Price Risk or Foreign Exchange Risk and Hedging Activities :

During the year ended March 31, 2016, the Company has not hedged the Foreign Currency. Details of Foreign Currency transactions are disclosed in Notes No. 1(6) and 37 to the Financial Statements.

## 6. QUARTERLY COMPLIANCE REPORT:

The Company has submitted Corporate Governance Compliance Report in the prescribed format for each quarter during the Financial Year 2015-16 to BSE Limited and National Stock Exchange of India Limited, where the Company's Securities are listed, within fifteen (15) days from the close of respective quarters.



## 7. FINANCIAL RESULTS - 2015-16 :

(Rs. in Lakhs)

PARTICULARS	QUARTER				F.Y. 2015-16
	I	II	III	IV	
Total Income	48,153	49,722	47,610	55,747	2,01,232
Total Expenses	(39,747)	(40,357)	(41,849)	(41,252)	(1,63,205)
<b>Profit Before Interest, Depreciation and Tax</b>	<b>8,406</b>	<b>9,365</b>	<b>5,761</b>	<b>14,495</b>	<b>38,027</b>
Interest	(205)	(183)	(201)	(219)	(808)
Depreciation	(2,550)	(2,653)	(2,689)	(2,818)	(10,710)
<b>Profit Before Tax</b>	<b>5,651</b>	<b>6,529</b>	<b>2,871</b>	<b>11,458</b>	<b>26,509</b>
Less :- Provision For Tax	(1,252)	(1,752)	(1,350)	12	(4,342)
<b>Profit After Tax</b>	<b>4,399</b>	<b>4,777</b>	<b>1,521</b>	<b>11,470</b>	<b>22,167</b>
<b>Earning Per Share (Not Annualized)</b>	<b>5.99</b>	<b>6.50</b>	<b>2.07</b>	<b>15.62</b>	<b>30.18</b>

## 8. DISCLOSURE OF ACCOUNTING TREATMENT:

The Company has followed the applicable mandatory Accounting Standards prescribed under the Companies Act, 2013 in the preparation of its annual Financial Statements.

## 9. INSIDER TRADING:

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors at its Meeting held on 26<sup>th</sup> May, 2015 have adopted the Code of Conduct to Regulate, Monitor and Report Trading by Insiders and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information. As per the provisions of the Regulations, the Code of Practices and Procedures of Fair Disclosure of Unpublished Price Sensitive Information is available on the Website of the Company. Trading window closure shall start 15 days prior to the Board Meeting date and ends after 48 hours (Forty Eight Hours) of the Board Meeting Date.

The earlier Code of Conduct for prevention of Insider Trading based on SEBI (Prohibition of Insider Trading) Regulations, 1992 was superseded by the above new Code of Conduct.

The Company Secretary & Additional General Manager (Legal, CC & CSR) is designated as the Compliance Officer for this purpose.

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

The senior management personnel give disclosure on annual basis to the Board for all 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 2015-16.

## 11. 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	2014-15	2013-14	2012-13
<b>AGM No.</b>	42 <sup>nd</sup> AGM	41 <sup>st</sup> AGM	40 <sup>th</sup> AGM
<b>Date</b>	18.09.2015	22.08.2014	12.09.2013
<b>Time</b>	at 03:00 p.m.	at 12.30 p.m.	at 01.00 p.m.
<b>Venue</b>	In the premises of the Company at P.O. : Petrochemicals : 391 346, Dist. : Vadodara		
<b>Special Resolutions passed</b>	<p>In <b>40<sup>th</sup> AGM</b>, the Company has passed Special Resolution in respect of reappointment of M/s. Prakash Chandra Jain &amp; Company, Chartered Accountants as Statutory Auditors of the Company.</p> <p>In <b>41<sup>st</sup> AGM</b>, the Company has passed Special Resolutions for :</p> <ol style="list-style-type: none"> <li>1) Borrowing limits up to Rs.2,500 Crores pursuant to Section 180(1)(c) of the Companies Act, 2013;</li> <li>2) Creating charge etc. on Company's properties up to Rs.2,500 Crores pursuant to Section 180(1)(a) of the Companies Act, 2013; and</li> <li>3) Adoption of new Articles of Association of the Company pursuant to the provisions of the Companies Act, 2013.</li> </ol> <p>In <b>42<sup>nd</sup> AGM</b>, the Company has passed Special Resolution for reappointment of Shri J N Godbole as Independent Director of the Company for a term of five years.</p>		

## POSTAL BALLOT

During the Financial Year 2015-16, the Company has not passed any Resolution by Postal Ballot. At the forthcoming AGM, there is no item on agenda requiring approval of shareholders by Postal Ballot.

## 12. 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 30.06.2015	28.07.2015	29.07.2015	Loksatta - Vadodara Business Standards - All editions
Unaudited Financial Results for 2 <sup>nd</sup> Quarter ended on 30.09.2015	30.10.2015	31.10.2015	Loksatta - Vadodara Business Standards - All editions
Unaudited Financial Results for 3 <sup>rd</sup> Quarter ended on 31.12.2015	11.02.2016	12.02.2016	Loksatta - Vadodara Business Standards - All editions
Audited Financial Results for 4 <sup>th</sup> Quarter and for the year ended on 31.03.2016	26.05.2016	27.05.2016	Loksatta - Vadodara Business Standards - All editions

Shareholders' Information is available on the Company's website (<http://www.gacl.com>) under "Investors" Section. Annual Report, latest Shareholding Pattern, Quarterly, Half Yearly and Annual Financial Results are available under the said section. Full Annual Report is sent to each shareholder at his/her registered address / e-mail ID.

Official news releases, media releases and other updates are sent to the Stock Exchanges. The Conference Call Transcript with analyst for discussion on the last quarter and annual Financial Results 2015-16 of the Company is available on the website of the Company.

## 13. GENERAL INFORMATION FOR MEMBERS :

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

## 14. CEO AND CFO CERTIFICATION:

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) have issued necessary certificate as per Regulations 17 (8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as specified in Part 'B' in Schedule II and the same is annexed and forms part of this Report.

15. The Company has complied with all the mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## B. DISCRETIONARY REQUIREMENTS

### CHAIRMAN OF THE BOARD:

The Chairman of the Board is a non executive Chairman. The Company does not bear expenses towards maintenance of Chairman's Office.6



## 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 of the Company as per Regulations 17 (5) (a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Pursuant to Regulation 26 (3) of SEBI (LODR) Regulations, 2015, the Directors and Senior Management Personnel have affirmed compliance with the said code during the Financial Year 2015-16.

For **GUJARAT ALKALIES AND CHEMICALS LIMITED**

Place : VADODARA  
Date : 10.05.2016

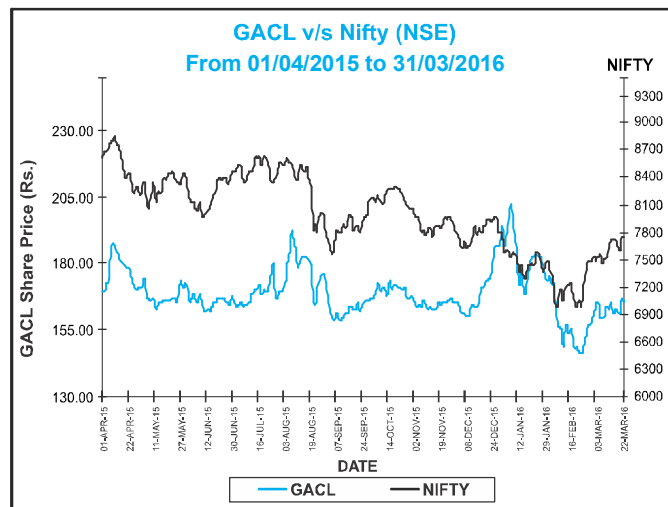
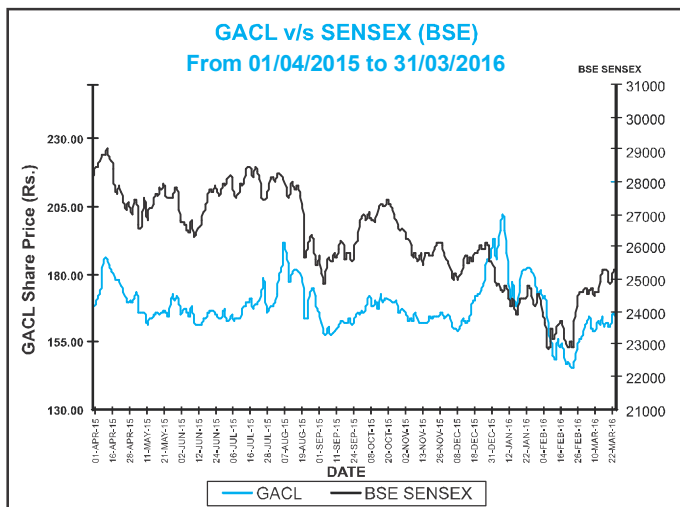
**Sd/-**  
**S S Bhatt**  
*Company Secretary & AGM (Legal, CC & CSR)*

**Sd/-**  
**P K Gera, IAS**  
*Managing Director & CEO*

### GENERAL INFORMATION FOR MEMBERS

1. **Financial Year of the Company** : 1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016
2. **Day, Date and Time of 43<sup>rd</sup> AGM** : Thursday, the 29<sup>th</sup> September, 2016 at 3.00 p.m.
3. **Venue of AGM** : In the premises of the Company at  
P.O. Petrochemicals : 391 346 Dist.Vadodara
4. **Dates of Book Closure** : 15<sup>th</sup> September, 2016 to 29<sup>th</sup> September, 2016 (Both days inclusive)
5. **Dividend payment date** : On or after 6<sup>th</sup> October, 2016
6. **Listing on Stock Exchanges** : **BSE Ltd.** **National Stock Exchange of India Ltd.**  
Phiroze Jeejeebhoy Towers "Exchange Plaza"  
Dalal Street, Fort, Bandra-Kurla Complex, Bandra (East)  
Mumbai : 400 001. Mumbai : 400 051.  
(Scrip Code : 530001) (Scrip Symbol : GUJALKALI)  
(Scrip ID : GUJALKALI)
7. **Annual Listing Fees** : The Company has paid Annual Listing Fees for the Financial Years 2015-16 and 2016-17 to BSE Ltd. and National Stock Exchange of India Ltd.
8. **Company's ISIN No. with NSDL & CDSL** : INE 186A01019
9. **No. of Employees** : 1436
10. **Stock Market Data** : Monthly high and low market price and the volume of shares traded at the BSE Ltd. and National Stock Exchange of India Ltd. are as follows.

Month	BSE Ltd.			National Stock Exchange		
	High (Rs.)	Low (Rs.)	Volume (No.of Shares)	High (Rs.)	Low (Rs.)	Volume (No.of Shares)
April, 2015	192.30	160.50	354814	192.30	160.75	498125
May, 2015	177.50	161.70	409398	177.70	161.00	370354
June, 2015	174.50	160.00	340110	175.10	158.60	322505
July, 2015	183.80	158.90	585802	184.10	162.25	1228578
August, 2015	202.00	159.30	693049	202.00	158.10	1544691
September, 2015	175.00	156.00	170624	178.50	155.45	370298
October, 2015	176.00	164.00	98769	175.75	163.50	241336
November, 2015	169.90	160.90	66514	171.00	160.20	219022
December, 2015	187.80	158.00	228917	187.80	158.00	648481
January, 2016	210.60	162.60	389900	210.30	162.15	1315077
February, 2016	187.00	143.30	131482	187.60	143.30	339801
March, 2016	169.90	130.10	164784	169.00	144.00	344818
<b>Total</b>			<b>3634163</b>			<b>7443086</b>
<b>Average 2015-16</b>	<b>183.86</b>	<b>156.28</b>		<b>184.26</b>	<b>157.28</b>	
Average 2014-15	208.24	178.58		208.71	178.07	



11. 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 SHARE TRANSFER AGENT LTD. (Unit : GACL)**

**10, Aaram Apartment, 12, Sampatrao Colony,**

**B/h. Laxmi Hall, Alkapuri,**

**Vadodara 390 007.**

**Phone : (0265) 2314757/2350490, Fax : (0265)2341639**

**E-mail : mcsstalbaroda@gmail.com; helpdeskbaroda@mcsregistrars.com**

12. **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 (1000) shares and accordingly, Delegated Authorities are attending the share transfer formalities at least three times in a month, whereas such requests for more than 1000 shares and issue of duplicate share certificates in lieu of lost one are required to be considered and approved by Stakeholders' Relationship-cum-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 2015-16 were 1,13,704 Nos.

13. **(A) Distribution of Shareholding as on 31<sup>st</sup> March, 2016.**

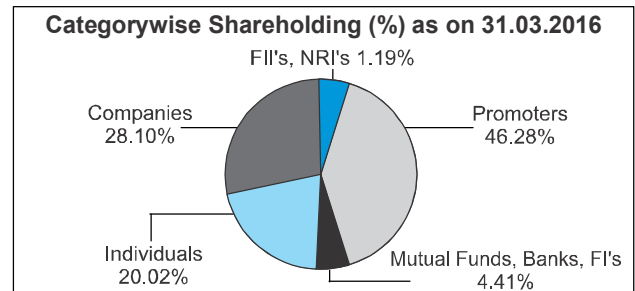
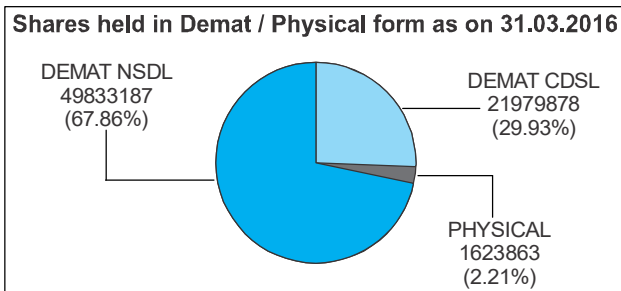
No. of Equity Shares held	No. of Shares	% of Shareholding	No. of Shareholders	% of Shareholders
Upto 500	5098893	6.94	46060	90.80
501 to 1000	2123022	2.89	2855	5.63
1001 to 2000	1569261	2.14	1110	2.19
2001 to 3000	656356	0.89	264	0.52
3001 to 4000	465099	0.63	132	0.26
4001 to 5000	344996	0.47	73	0.14
5001 to 10000	732793	1.00	102	0.20
10001 to 50000	1888401	2.57	92	0.18
50001 to 100000	961585	1.31	13	0.03
100001 and above	59596522	81.16	25	0.05
<b>TOTAL as on 31-3-2016</b>	<b>73436928</b>	<b>100.00</b>	<b>50726</b>	<b>100.00</b>
TOTAL as on 31-3-2015	73436928	100.00	52367	100.00





**(B) Summary of Shareholders & Shares held in Physical and Demat mode as on 31<sup>st</sup> March, 2016 :**

PARTICULARS	PHYSICAL	DEMAT		TOTAL
		NSDL	CDSL	
Total Shareholders (No.)	16003	25133	9590	50726
Percentage (%)	31.55	49.55	18.90	100.00
Total Shares (No.)	1623863	49833187	21979878	73436928
Percentage (%)	2.21	67.86	29.93	100.00
		<b>71813065 Shares - 97.79 %</b>		



**14. Category of Shareholders as on 31<sup>st</sup> March, 2016 :**

Category	Shareholders	Percentage (%)	Physical Holding	Electronic Holding	Total Shares	Percentage (%)
Promoters	7	0.01	00	33986310	33986310	46.28
Directors & their relatives	00	0.00	00	00	00	0.00
Mutual Funds, Banks, FI's	60	0.12	4390	3231678	3236068	4.41
Individuals	49470	97.53	1609668	13093700	14703368	20.02
Companies	590	1.16	5888	20628166	20634054	28.10
FII's, NRI's	599	1.18	3917	873211	877128	1.19
<b>Total</b>	<b>50726</b>	<b>100.00</b>	<b>1623863</b>	<b>71813065</b>	<b>73436928</b>	<b>100.00</b>

15. Outstanding Global Depository Receipts (GDR) or American Depository Receipts (ADR) or warrants or any convertible instruments, conversion date and likely impact on equity: NIL / NOT APPLICABLE.

16. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities:

During the year ended March 31, 2016, the Company has not hedged the Foreign Currency. Details of foreign currency transactions are disclosed in Notes No. 1(6) and 37 to the Financial Statements.

**17. List of shareholders holding more than 1% of the total Share Capital of the Company as on 31<sup>st</sup> March, 2016.**

Sr. No.	Name	No. of Shares held	Percentage (%)
1	Lok Prakashan Limited	16075325	21.89
2	Gujarat State Investments Limited	15329373	20.87
3	Gujarat Industrial Investment Corporation Limited	7119028	9.69
4	Gujarat Mineral Development Corporation Limited	4145433	5.64
5	Gujarat Industrial Development Corporation	2897740	3.95
6	Gujarat Maritime Board	2734719	3.72
7	Gujarat Narmada Valley Fertilizers & Chemicals Limited	1759996	2.40
8	Gujarat State Fertilizers & Chemicals Limited	1655040	2.25
9	IDFC Sterling Equity Fund	1407000	1.92
10	Shreyans Shantilal Shah	1375790	1.87
11	Gujarat Industries Power Company Limited	1103360	1.50
12	General Insurance Corporation of India	801186	1.09

**PLANT LOCATIONS :**

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

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

## CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members,  
GUJARAT ALKALIES AND CHEMICALS LIMITED  
Vadodara.

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, 2016 as stipulated in Clause 49 of the Listing Agreement of the Company with the stock exchange for the period from 1<sup>st</sup> April, 2015 to 30<sup>th</sup> November, 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as referred to in the regulation 15(2) of the Listing Regulation for the period from 1<sup>st</sup> December, 2015 to 31<sup>st</sup> March, 2016.

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 above mentioned Listing Agreement / Listing Regulations, as applicable.

We state that as per the records maintained, no investor complaint/grievances against the Company are pending for a period exceeding one month before Stakeholders' Relationship-cum-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.

**Sd/-**  
**Niraj Trivedi**

*Company Secretary*  
CP. No. 3123

Place : Vadodara

Date : 28<sup>th</sup> July, 2016

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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.

**Sd/-**

**(P K GERA, IAS)**

*MANAGING DIRECTOR*

**Sd/-**

**(CA. (Dr.) H. B. PATEL)**

*EXECUTIVE DIRECTOR (FINANCE)  
& CHIEF FINANCIAL OFFICER*

Place : Gandhinagar

Date : 26<sup>th</sup> May, 2016



## INDEPENDENT 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 (“the Company”), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### Management’s Responsibility for the Financial Statements

The Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to 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 principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, as applicable.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

#### Auditors’ Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under Section 143 (11) of the Act.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Company’s preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company’s Directors, 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 on the financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at 31<sup>st</sup> March, 2016, and its profit and its cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.
  - e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure

- A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 29 to the financial statements;
  - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS**  
*Chartered Accountants*  
(Firm's Registration No. 117364W)

**Gaurav J. Shah**

Partner

Place : Gandhinagar

Date : May 26, 2016

(Membership No.35701)

## ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the accounts of Gujarat Alkalies and Chemicals Limited for the year ended on 31<sup>st</sup> March, 2016)

### Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Gujarat Alkalies and Chemicals Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on

our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance



regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future

periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No. 117364W)

**Gaurav J. Shah**

Partner

Place : Gandhinagar

Date : May 26, 2016

(Membership No.35701)

## **ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the accounts of Gujarat Alkalies and Chemicals Limited for the year ended on 31<sup>st</sup> March, 2016)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings, are held in the name of the Company as at the balance sheet date. Immovable properties of land and buildings whose title deeds have been pledged as security for loans, are held in the name

of the Company based on the confirmations directly received by us from lenders. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement except the lease deed in respect of Plot No. 3 for the balance land admeasuring 44,032 sq. meters acquired at Dahej having value of Rs. 15.86 lacs is pending for execution.

- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.



- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year within the meaning of provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under.
- (vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
  - There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.
  - Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax which have not been deposited as on March 31, 2016 on account of disputes are given below:

Name of the statute	Nature of the dues	Forum where dispute is pending	Period to which the Amount relates	Amount involved (Excluding Interest and Penalty) (Rs. in lacs)	Amount Unpaid (Excluding Interest and Penalty) (Rs. in lacs)
Gujarat Sales Tax Act, 1969	Purchase Tax	Joint Commissioner of Appeals	2000-01 to 2005-06	20,431.56	20,431.56
Gujarat Sales Tax Act, 1969	Central Sales Tax	Gujarat Sales Tax Tribunal	2002- 03 to 2005-06	50.18	46.68
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	2009-10 and 2011-12	2,524	2,455
Income Tax Act, 1961	Income Tax	High Court, Gujarat	2002-03 and 2008-09	7,654	7,649
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	2003-04, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11	5,591	5,048
Income Tax Act, 1961	Income Tax	Supreme Court	1998-99 and 1999-00	1,408	1,408
Finance Act, 1994	Service Tax	Central Excise and Service Tax Appellate Tribunal	July 2005 to March 2015	421.05	414.56
Finance Act, 1994	Service Tax	Commissioner (Appeals)	April 2010 to February 2015	74.87	74.87
Central Excise Act, 1944	Central Excise	Central Excise and Service Tax Appellate Tribunal	2009-10	96.07	96.07



- |   |   |
|---|---|
| <p>(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks. The Company has not issued any debentures. The Company has not taken any loans or borrowings from Government.</p> <p>(ix) In our opinion and according to the information and explanations given to us, money raised by way of term loans have been applied by the Company during the year for the purposes for which they were raised, other than temporary deployment pending application of proceeds. The Company has not raised moneys by way of public offer.</p> <p>(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.</p> <p>(xi) In our opinion and according to the information and explanations given to us, the Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.</p> <p>(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.</p> | <p>(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.</p> <p>(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.</p> <p>(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.</p> <p>(xvi) The Company is not required to be registered under Section 45-I of the Reserve Bank of India Act, 1934.</p> |
|---|---|

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No. 117364W)

**Gaurav J. Shah**

Partner

(Membership No.35701)

Place : Gandhinagar

Date : May 26, 2016

# Balance Sheet

as at 31<sup>st</sup> March, 2016

[ Rs. in Lakhs ]

Particulars	Note No.	As At 31.03.2016	As At 31.03.2015
<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	2,24,514.08	2,06,324.83
		<b>2,31,857.92</b>	<b>2,13,668.67</b>
<b>(2) Non-Current Liabilities</b>			
(a) Long-term borrowings	4	22,526.70	9,166.67
(b) Deferred tax liabilities (Net)	5	35,721.63	31,657.45
(c) Long term provisions	6	5,796.88	5,533.82
		<b>64,045.21</b>	<b>46,357.94</b>
<b>(3) Current Liabilities</b>			
(a) Trade payables	7	18,483.38	23,054.96
(b) Other current liabilities	8	14,201.70	11,240.11
(c) Short-term provisions	9	4,592.21	4,466.65
		<b>37,277.29</b>	<b>38,761.72</b>
<b>Total</b>		<b>3,33,180.42</b>	<b>2,98,788.33</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	10	1,81,349.69	1,65,638.93
(ii) Intangible assets	10	30.38	-
(iii) Capital work-in-progress	10	8,307.92	6,679.16
(b) Non-current investments	11	19,975.53	19,085.73
(c) Long term loans and advances	12	33,550.61	25,097.42
		<b>2,43,214.13</b>	<b>2,16,501.24</b>
<b>(2) Current assets</b>			
(a) Current investments	13	223.01	227.91
(b) Inventories	14	18,994.30	18,630.50
(c) Trade receivables	15	33,267.86	30,581.18
(d) Cash and Bank Balances	16	4,742.29	18,378.02
(e) Short-term loans and advances	17	31,147.30	12,823.41
(f) Other Current Assets	18	1,591.53	1,646.07
		<b>89,966.29</b>	<b>82,287.09</b>
<b>Total</b>		<b>3,33,180.42</b>	<b>2,98,788.33</b>
Significant Accounting Policies	1		

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

For **Deloitte Haskins & Sells**  
Chartered Accountants  
Firm Reg. No. : 117364W

**Gaurav J. Shah**  
Partner  
Membership No. 35701

**P. K. Gera, IAS**  
Managing Director

**CA. (Dr.) H. B. Patel**  
Executive Director (F) &  
Chief Financial Officer

For and on behalf of the Board

**G. R. Aloria, IAS**  
Chairman

**S. S. Bhatt**  
Company Secretary  
& Addl. General Manager  
(Legal & CC)

Place : Gandhinagar  
Date : 26<sup>th</sup> May, 2016

Place : Gandhinagar  
Date : 26<sup>th</sup> May, 2016



# Statement of Profit and Loss

for the year ended 31<sup>st</sup> March, 2016

[ Rs. in Lakhs ]

Particulars	Note No.	2015-16	2014-15
I. Revenue from operations	19	2,18,874.23	2,17,348.54
Less : Excise Duty		22,264.28	22,536.12
<b>Total</b>		<b>1,96,609.95</b>	<b>1,94,812.42</b>
II. Other Income	20	4,622.54	4,894.74
III. <b>Total Revenue</b> (I +II)		<b>2,01,232.49</b>	<b>1,99,707.16</b>
IV. <b>Expenses:</b>			
Cost of materials consumed	21	66,890.42	67,556.62
Purchase of Stock-in-Trade		1,297.73	613.50
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	22	(194.74)	2,504.12
Employee benefit expense	23	16,234.47	16,699.59
Finance costs	24	808.29	933.68
Depreciation and amortization expense	10	10,710.42	9,806.08
Other expenses	25	78,976.89	80,045.89
<b>Total Expenses</b>		<b>1,74,723.48</b>	<b>1,78,159.48</b>
V. Profit before exceptional and extraordinary items and tax (III - IV)		26,509.01	21,547.68
VI. <b>Exceptional Items</b>			
(a) Prior Period Items (Net)		-	-
VII. <b>Profit before tax</b> (V - VI)		26,509.01	21,547.68
VIII. <b>Tax expense:</b>	26		
(a) Current tax		5,424.75	4,333.19
(b) Deferred tax		4,064.18	(1,195.46)
(c) MAT Credit Entitlement		(5,146.58)	(4,333.19)
(d) Provision for Income Tax for Earlier years written back		-	(42.57)
		4,342.35	(1,238.03)
IX. <b>Profit for the period</b> (VII - VIII)		22,166.66	22,785.71
X. Earning per equity share (face value Rs.10/-each):	27		
(1) Basic (Rs.)		30.18	31.03
(2) Diluted (Rs.)		30.18	31.03
Significant Accounting Policies	1		

See accompanying notes forming part of financial statements.

As per our attached Report of even date

For **Deloitte Haskins & Sells**  
Chartered Accountants  
Firm Reg. No. : 117364W

**Gaurav J. Shah**  
Partner  
Membership No. 35701

**P. K. Gera, IAS**  
Managing Director

**CA. (Dr.) H. B. Patel**  
Executive Director (F) &  
Chief Financial Officer

For and on behalf of the Board

**G. R. Aloria, IAS**  
Chairman

**S. S. Bhatt**  
Company Secretary  
& Addl. General Manager  
(Legal & CC)

Place : Gandhinagar  
Date : 26<sup>th</sup> May, 2016

Place : Gandhinagar  
Date : 26<sup>th</sup> May, 2016

# Cash Flow Statement

for the year ended 31<sup>st</sup> March, 2016

[ Rs. in Lakhs ]

P A R T I C U L A R S	2015-2016	2014-2015
<b>A Cash Flow from Operating Activities</b>	20,126.98	29,507.71
<b>B Cash Flow from Investing Activities</b>	(27,273.95)	(21,215.81)
<b>C Cash Flow from Financing Activities</b>	8,331.41	(8,763.22)
<b>D Cash and Cash Equivalents at the beginning of the year</b>	274.22	745.54
<b>E Cash and Cash Equivalents at the end of the year</b>	1,458.66	274.22
<b>F Total Cash Flow during the year (A+B+C) or (E-D)</b>	1,184.44	(471.32)
<b>A CASH FLOW FROM OPERATING ACTIVITIES :</b>		
<b>Net Profit / (Loss) Before Tax and Extraordinary Items</b>	<b>26,509.01</b>	21,547.68
<b>Adjustments For :</b>		
<b>Addition / (Deduction)</b>		
Depreciation and Amortization Expenses (Includes Prior Period Rs. Nil, Previous Year Net Credit Rs. 1.66 Lakhs)	10,710.42	9,804.42
Interest Income	(3,249.73)	(2,851.40)
Dividend Received	(1,343.55)	(1,093.71)
Interest Expense	808.29	933.68
Net (Profit) / Loss on Sale of Assets	125.44	(39.88)
Profit on Sale of Investment	-	(841.13)
Provision for Doubtful Debts/Advances	105.70	40.44
Provision/(Reversal) for Diminution in value of Investments	5.10	(20.62)
<b>Sub Total</b>	<b>7,161.67</b>	5,931.80
<b>Operating Profit Before Working Capital Changes</b>	<b>33,670.68</b>	27,479.48
<b>Decrease or (Increase) in Assets :</b>		
Trade and Other Receivables	(3,938.12)	506.01
Inventories	(363.80)	1,905.63
<b>Increase / (Decrease) in Liabilities :</b>		
Trade Payables and Other Liabilities	(4,285.51)	5,156.23
<b>Cash Generated from Operations Before Tax</b>	<b>25,083.25</b>	35,047.35
Direct Taxes Paid	(4,956.27)	(5,539.64)
<b>Cash Flow Before Extraordinary Items</b>	<b>20,126.98</b>	29,507.71
<b>Extraordinary Items</b>	-	-
<b>Net Cash Flow from Operating Activities : ( Total : A )</b>	<b>20,126.98</b>	29,507.71





## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016 (contd.)

[ Rs. in Lakhs ]

PARTICULARS	2015-2016	2014-2015
<b>B CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets	(25,402.14)	(18,782.27)
Sale or Adjustment of Fixed Assets	199.11	64.15
Purchase of Investments	(890.00)	(1,111.00)
Sale of Investments	-	842.78
<b>Bank Balances not considered as Cash Equivalents</b>		
- Placed during the year	(36,570.00)	(23,000.00)
- Matured during the year	51,400.00	5,000.00
Interest Received	3,312.94	1,450.46
Dividend Received	1,343.55	1,093.71
Net (Increase) / Decrease in Short Term Deposits	(17,500.00)	14,500.00
Other Capital Expenditure (Recoating & Remembraning)	(3,167.41)	(1,273.64)
<b>Net Cash Flow from Investment Activities - (Total - B)</b>	<b>(27,273.95)</b>	<b>(21,215.81)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Interest and Finance Charges Paid	(689.56)	(949.46)
Dividend Paid	(3,987.24)	(3,449.62)
Proceeds from Long Term Borrowings	19,020.00	-
Repayment of Long Term Borrowings	(6,011.79)	(4,364.14)
Net Decrease in Short Term Borrowings	-	-
<b>Net Cash Flow from Financing Activities - (Total - C)</b>	<b>8,331.41</b>	<b>(8,763.22)</b>
<b>D CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR :</b>		
Cash and Cheques on Hand	219.00	162.57
Balances with Banks	55.22	582.97
<b>Net Cash and Cash Equivalents at the beginning of the year (Total - D)</b>	<b>274.22</b>	<b>745.54</b>
<b>E CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR :</b>		
Cash and Cheques on Hand	452.63	219.00
Balances with Banks	1,006.03	55.22
<b>Net Cash and Cash Equivalents at the end of the year (Total - E)</b>	<b>1,458.66</b>	<b>274.22</b>
<b>F TOTAL CASH FLOW DURING THE YEAR (A+B+C) OR (E-D)</b>	<b>1,184.44</b>	<b>(471.32)</b>

**NOTE :-**

- The Cash Flow Statement has been prepared under the 'Indirect Method' set out in Accounting Standard-3 "Cash Flow Statement".
- 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 Deloitte Haskins & Sells**  
Chartered Accountants  
Firm Reg. No. : 117364W

**Gaurav J. Shah**  
Partner  
Membership No. 35701

Place : Gandhinagar  
Date : 26<sup>th</sup> May, 2016

**P. K. Gera, IAS**  
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**CA. (Dr.) H. B. Patel**  
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For and on behalf of the Board

**G. R. Aloria, IAS**  
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**S. S. Bhatt**  
Company Secretary  
& Addl. General Manager  
(Legal & CC)

Place : Gandhinagar  
Date : 26<sup>th</sup> May, 2016

## NOTE

F.Y. 2015-2016

### 1 - SIGNIFICANT ACCOUNTING POLICIES

#### (1) Accounting Convention

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. Except where otherwise stated, the accounting policies are consistently applied.

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

Current assets / liabilities include the current portion of noncurrent financial assets / liabilities respectively. All other assets / liabilities are classified as noncurrent.

#### (2) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make assumptions, critical judgements and estimates, which it believes are reasonable under the circumstances, that affect the reported amounts of assets, liabilities and contingent liabilities on the date of financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates. Difference between the actual results and estimates are recognized in the period in which the results are known or materialize.

#### (3) Revenue Recognition

##### (A) Sales

Revenue from sale of goods is recognized on accrual basis when the significant risks and rewards of ownership of goods are transferred to the customers, which generally coincides with the delivery of goods to customers. Sales are net of discounts, sales tax and value added tax but includes handling charges and packing charges. Excise duty collected on sales are shown by way of deduction from sales.

(B) Revenue with respect to Other Operating Income and Other Income is recognized when a reasonable certainty as to its realization exists. Income is accounted for on accrual basis, except in case of following:

- (i) Insurance and other claims are accounted when received.

- (ii) Compensation (Net) from the Multilateral Fund towards the phasing out of CTC product under Montreal Protocol is accounted when received.
- (iii) Receipts against monetisation of Certified Emission Reduction (CER) under Kyoto Protocol for Clean Development Mechanism are accounted as and when received.

##### (C) Other Income

- i. Dividend income is accounted for when the right to receive it is established.
- ii. Interest income is recognized using the time-proportion method, based on rates implicit in the transaction.

#### (4) Fixed Assets and Depreciation

##### (a) Fixed Assets

- (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 asset is ready for its intended use. Interest, commitment and other charges on borrowings directly attributable to acquisition of qualifying fixed assets up to date the asset is ready for its intended use are considered as cost of fixed asset.

Further, in respect of grass root projects, initial and pre-operative expenditure incurred prior to date the asset is ready for its intended use are also considered as cost of relevant projects.

- (ii) Cost of major civil works required as plant and machinery supports is considered as Plant and Machinery.
- (iii) In respect of plant & machinery acquired on lease, lease rent payable on such assets prior to completion of the project is capitalised.
- (iv) 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, is treated as "Other Capital Expenditure" and shown as "Tangible Assets" and carried forward for amortisation over useful life of facilities, after facilities is ready for its intended use/completion of the job.

- (v) The Company's Contribution or Expenditure incurred in securing requirements of Utilities and Services without acquiring ownership rights on the assets so created are written off over an appropriate period.



**(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**

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

- (i) Remembraning of Membrane cell elements – 4 years.
- (ii) Recoating of Anode & Cathode of membrane cell elements - 8 years.
- (iii) Leasehold land is amortised over the duration of the lease.

Depreciation on additions during the year is charged from the date of the asset is ready for its intended use.

Depreciation on assets disposed off / discarded during the year is charged upto the date of disposal / discarded.

**(e) Impairment of Assets**

Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds lower of their recoverable amount or value in use. Company assesses impairment of asset at each Balance Sheet date.

**(5) Investments**

Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

**(6) Foreign Exchange Transactions**

- (i) Transactions in foreign currency are recorded at the exchange rates prevailing at the time of transaction. Any difference arising on actual payment / realisation is accounted under exchange variation account.
- (ii) 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.
- (iii) Exchange difference on long-term foreign currency monetary items:  
The exchange differences arising on settlement / restatement of long-term foreign currency monetary items are capitalised / decapitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets.

**(7) Inventories**

Inventories are valued at the lower of cost (weighted average basis) and the net realisable value. Cost incurred in bringing inventories to its existing location and condition are determined on following basis:

- (a) Cost of Raw materials, packing materials, stores & spares and process materials includes all cost incurred in bringing the goods to its present condition and location, including other levies, transit insurance and receiving charges.
- (b) Work-in-progress and finished goods (including finished goods in transit and Consignment Stocks) include appropriate proportion of overheads and where applicable, excise duty.
- (c) By-products are valued at net realisable value.
- (d) Consumable stores categorised separately are charged to Statement of Profit and Loss at the time of purchase.
- (e) 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.

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

- (i) CENVAT and VAT Credit available on the material (inputs) is adjusted against purchases.
- (ii) Cenvat and VAT Credit 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.

#### (9) 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) Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.
- (iii) 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. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets.

#### (10) 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.

#### (11) 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.

#### (12) Prior Period Adjustments / Exceptional items

All identifiable items of Income and Expenditure pertaining to prior period are accounted as “Prior Period Items”. “Exceptional items” are accounted depending on the nature of transaction.

#### (13) Borrowing Cost

Borrowing Costs attributable to the acquisition and construction of qualified assets are capitalised as part of the cost of such asset upto the date when all the activities necessary to prepare that asset for its intended use are completed. Other borrowing costs are treated as revenue expenditure.

#### (14) Provision and Contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.



## 2 - SHARE CAPITAL

[ Rs. in Lakhs ]

Particulars	As At 31.03.2016	As At 31.03.2015
<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 shares of Rs.10/- each)	<b>10,000.00</b>	10,000.00
50,00,000 Redeemable Cumulative Preference Shares of Rs.100/- each (Previous Year 50,00,000 shares of Rs.100/- each)	<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 shares of Rs.10/- each)	<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 shares of Rs.10/- each)	<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 shares of Rs.10/- each)	<b>0.15</b>	0.15
<b>Total</b>	<b>7,343.84</b>	7,343.84

**(i) Reconciliation of the number of equity shares :**

Particulars	2015-16		2014-15	
	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

**(ii) 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.

**(iii) 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, 2016		As at 31 <sup>st</sup> March, 2015	
		No. of shares held	% of shares held	No. of shares held	% of shares held
1	Lok Prakashan Ltd.	<b>1,60,75,325</b>	<b>21.89</b>	1,60,75,325	21.89
2	Gujarat State Investment Ltd.	<b>1,53,29,373</b>	<b>20.87</b>	1,53,29,373	20.87
3	Gujarat Industrial Investment Corporation Ltd.	<b>71,19,028</b>	<b>9.69</b>	71,19,028	9.69
4	Gujarat Mineral Development Corporation Ltd.	<b>41,45,433</b>	<b>5.64</b>	41,45,433	5.64



### 3 - RESERVES AND SURPLUS

[ Rs. in Lakhs ]

	As At 31.03.2016	As At 31.03.2015
<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>		
<b>Opening Balance</b>	<b>1,17,511.91</b>	1,07,631.34
<i>Add :</i> Transferred from Surplus Balance in the Statement of Profit and Loss	<b>11,083.30</b>	11,393.00
<i>Less:</i> Depreciation (carrying value of fixed assets as on 01/04/2014, whose balance useful life as per Schedule II of the Companies Act, 2013 is Nil (Net of Deferred tax impact of Rs. 778.78 lakhs))	-	1,512.43
<b>Closing Balance</b>	<b>1,28,595.21</b>	1,17,511.91
<b>d. Surplus in the Statement of Profit and Loss:</b>		
<b>Opening Balance</b>	<b>65,389.50</b>	57,974.20
<i>Add :</i> Net Profit for the current year	<b>22,166.66</b>	22,785.71
<i>Less :</i> Appropriations :		
Proposed Dividend	3,304.66	3,304.66
Tax on Proposed Dividend	672.75	672.75
Transfer to General Reserve	11,083.30	11,393.00
<b>Closing Balance</b>	<b>72,495.45</b>	65,389.50
<b>Total :</b>	<b>2,24,514.08</b>	2,06,324.83

### 4 - LONG TERM BORROWINGS

[ Rs. in Lakhs ]

	As At 31.03.2016	As At 31.03.2015
<b>Secured :</b>		
<b>Term Loans from Banks :</b>		
External Commercial Borrowing from ICICI Bank*	-	4,166.67
External Commercial Borrowing from HDFC Bank **	<b>2,650.20</b>	5,000.00
External Commercial Borrowing from HSBC Bank ***	<b>19,876.50</b>	-
<b>Total :</b>	<b>22,526.70</b>	9,166.67

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

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

\*\*\* The Loan is secured by plant and machinery of 31 MW Wind Farm Project at in Dist. Rajkot & Kachchh, Gujarat and Potassium Hydroxide Plant at Ranoli, Dist. Vadodara, Gujarat. It has to repaid in 10 equal half yearly installments from 07.01.2018 and carries interest rate of LIBOR plus 1.80% p.a.



## 5 - DEFERRED TAX LIABILITIES (NET)

The break-up of net deferred tax liability on account of timing differences as at 31<sup>st</sup> March, 2016 is as under :

[ Rs. in Lakhs ]

	As At 31.03.2016		As At 31.03.2015	
	Assets	Liability	Assets	Liability
Depreciation	-	35,738.71	-	32,105.40
Lease Assets	-	159.35	-	162.41
Expenditure u/s. 43B of the I.T. Act	1,668.37	112.96	1,451.71	105.65
Deferred Expenses	-	1,891.17	-	1,202.82
Provision for doubtful debts	512.19	-	467.12	-
<b>Total :</b>	<b>2,180.56</b>	<b>37,902.19</b>	<b>1,918.83</b>	<b>33,576.28</b>
<b>Net Deferred Tax Liability</b>		<b>35,721.63</b>		<b>31,657.45</b>

## 6 - LONG TERM PROVISIONS

[ Rs. in Lakhs ]

	As At 31.03.2016	As At 31.03.2015
<b>(A) Provision for Employees' Benefits</b>		
(i) Leave Encashment	4,028.98	3,773.23
(ii) Long Service Award	48.24	40.93
<b>(B) Provision for Other Liabilities</b> (Refer Note no. 28)	<b>1,719.66</b>	<b>1,719.66</b>
<b>Total :</b>	<b>5,796.88</b>	<b>5,533.82</b>

## 7 - TRADE PAYABLES

[ Rs. in Lakhs ]

	As At 31.03.2016	As At 31.03.2015
Trade Payables	18,483.38	23,054.96
(Refer note below for details of dues to micro, small and medium enterprise)		
<b>Total :</b>	<b>18,483.38</b>	<b>23,054.96</b>
<b>Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (“MSMED Act”)</b>		
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year.	1,041.15	886.45
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year.	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day.	-	-
(iv) The amount of interest due and payable for the year.	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid.	-	-
Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the Auditors.		



## 8 - OTHER CURRENT LIABILITIES

[ Rs. in Lakhs ]

	As At 31.03.2016	As At 31.03.2015
(a) Current maturities of long term secured debts *	7,067.20	6,666.67
(b) Current maturities of finance lease obligations (from a financial institution)	0.50	0.50
(c) Interest accrued but not due on borrowings	154.24	35.51
(d) Unpaid dividends	113.64	103.80
(e) Other payables :		
(i) Other Statutory Liabilities	1,355.81	1,026.07
(ii) Advance received from customers	375.53	737.29
(iii) Payables for capital goods	4,250.15	1,705.28
(iv) Security Deposits / Earnest Money Deposits	884.63	964.99
<b>Total :</b>	<b>14,201.70</b>	<b>11,240.11</b>

\* Represents repayment falling due in next twelve months :

- (i) Rs. 4,417.00 lakhs to ICICI Bank towards ECB loan secured against plant and machinery of 39 MW Wind Farm Project at Sinoi Site in Dist. : Kachchh, Gujarat carrying interest rate of LIBOR plus 2.95% p.a.
- (ii) Rs. 2,650.20 lakhs to HDFC Bank towards ECB loan secured against plant and machinery of 20,000 MTA Sodium Chlorate Project at Dahej, Dist. Bharuch, Gujarat carrying interest rate of LIBOR plus 3.50% p.a.

## 9 - SHORT TERM PROVISIONS

[ Rs. in Lakhs ]

	As At 31.03.2016	As At 31.03.2015
(a) <b>Provision for Employees' Benefits</b>		
(i) Leave Encashment	575.53	454.92
(ii) Long Service Award	39.27	34.32
(b) <b>Others</b>		
(i) Proposed Dividend *	3,304.66	3,304.66
(ii) Tax on Proposed Dividend	672.75	672.75
<b>Total :</b>	<b>4,592.21</b>	<b>4,466.65</b>

\* The Board of Directors of the Company has recommended dividend of Rs. 4.50 per Share on 7,34,36,928 Equity Shares of Rs.10/- each.

# 10 - FIXED ASSETS



[ Rs. in Lakhs ]

Sr. No.	FIXED ASSETS	GROSS BLOCK (AT COST)			DEPRECIATION / AMORTIZATION			NET BLOCK			
		As at 01.04.15	Additions / Adjustment	Deductions/ Adjustment	As at 31.03.16	Up to 01.04.15	For the year	Deductions/ Adjustment	Up to 31.03.16	As at 31.03.16	As at 31.03.15
[ A ]	<b>TANGIBLE ASSETS :</b>										
1	Free hold Land	102.75	-	-	102.75	-	-	-	-	102.75	102.75
2	Lease hold Land *	1,493.94	523.85	28.57	1,989.22	169.09	47.75	1.96	214.88	1,774.34	1,324.85
3	Buildings, Roads and Culverts	20,085.79	80.26	-	20,166.05	6,621.50	578.27	-	7,199.77	12,966.28	13,464.29
4	Plant and Equipment **	3,20,128.27	22,866.79	446.24	3,42,548.82	1,74,109.15	8,593.21	152.63	1,82,549.73	1,59,999.09	1,46,019.12
	Plant and machinery under lease	3,549.68	-	86.76	3,462.92	3,071.84	13.07	82.43	3,002.48	460.44	477.84
5	Furniture, Fixtures and Equipments	1,550.51	103.78	-	1,654.29	1,148.93	95.28	-	1,244.21	410.08	401.58
6	Vehicles	401.43	0.31	-	401.74	224.64	41.03	-	265.67	136.07	176.79
7	Others :										
	(a) Recoating / Remembraning	8,265.56	3,167.41	-	11,432.97	4,726.83	1,241.60	-	5,968.43	5,464.54	3,538.73
	(b) Power, Water & Services #	1,743.81	-	-	1,743.81	1,610.83	96.88	-	1,707.71	36.10	132.98
	<b>TOTAL [A]</b>	3,57,321.74	26,742.40	561.57	3,83,502.57	1,91,682.81	10,707.09	237.02	2,02,152.88	1,81,349.69	1,65,638.93
[ B ]	<b>INTANGIBLE ASSETS</b>										
	<b>Grand Total</b>	3,57,321.74	26,776.11	561.57	3,83,536.28	1,91,682.81	10,710.42	237.02	2,02,156.21	1,81,380.07	1,65,638.93
	Previous Year	(3,41,349.47)	(16,234.31)	(262.04)	(3,57,321.74)	(1,79,824.95)	(12,095.63)	(237.77)	(1,91,682.81)	(1,65,638.93)	
	Expenditure on New Projects									4,954.63	5,627.61
	Capital Work-in-progress									3,353.29	1,051.55

\* Lease hold land amortised during Financial Year 2015-16 of Rs.47.75 lakhs (Ref. Sr. No. 4 (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 Company has adopted the provisions of Para 46A of AS 11 The Effects of Changes in Foreign Exchange Rates, accordingly, exchange differences arising on restatement/ settlement of long-term foreign currency borrowings amounting to Rs. 1,827.53 Lakhs (Previous Year Rs.816.78 Lakhs) relating to acquisition of depreciable fixed assets are adjusted to the cost of the Plant and Equipment and depreciated over the remaining useful life of such assets.

# The Company's contribution or expenditure towards Power, Water and Services not owned by the Company has been capitalized and is amortised over a period of eighteen years starting from 15.08.1998 being the date of start of operations.





## 11 - NON-CURRENT INVESTMENTS

[ Rs. in Lakhs ]

	Nos.	Face Value Rs.	As At 31.03.2016	As At 31.03.2015
<b>1 Investment in Equity Instruments (Quoted) :</b>				
a. Gujarat Industries Power Company Limited	2,30,88,980	10	8,139.82	8,139.82
b. Gujarat State Fertilizers and Chemicals Limited	75,00,000	2	1,500.00	1,500.00
c. Gujarat Lease Financing Limited	2,50,000	10	104.68	104.68
Less : Provision for Diminution in the value of Investments			99.36	99.36
			5.32	5.32
d. Gujarat Gas Limited *	42,63,157	10	2,000.00	-
<b>Total - 1 (Quoted)</b>			<b>11,645.14</b>	<b>9,645.14</b>
<b>2 Investment in Equity Instruments (Unquoted) :</b>				
a. Gujarat Data Electronics Limited	40,000	10	4.00	4.00
Less : Provision for Diminution in the value of Investments			4.00	4.00
			-	-
b. Gujarat Venture Finance Limited	1,80,000	10	18.00	18.00
c. Gujarat Guardian Limited	74,25,000	10	742.50	742.50
d. Gujarat State Petroleum Corporation Limited	2,15,43,200	1	1,349.99	1,349.99
e. Gujarat Chemical Port Terminal Company Limited	6,13,90,000	1	613.90	613.90
f. Vadodara Enviro Channel Limited	7,151	10	-	-
g. Bhavnagar Energy Company Limited	5,60,00,000	10	5,600.00	4,716.00
h. GSPC Gas Company Limited*	40,00,000	10	-	2,000.00
<b>Total - 2 (Unquoted)</b>			<b>8,324.39</b>	<b>9,440.39</b>
<b>3 Investment in Govt. Securities (Unquoted):</b>				
a. Six Year National Saving Certificate (National Saving certificates are pledged for renewal of licence)			-	0.20
<b>4 Investment in Joint Venture (Unquoted):</b>				
a. GACL-NALCO Alkalies & Chemicals Pvt. Limited	60,000	10	6.00	-
<b>GRAND TOTAL</b>			<b>19,975.53</b>	<b>19,085.73</b>
Aggregate Value of Quoted Investments			11,645.14	9,645.14
Market Value of Quoted Investments			46,771.32	25,863.16
Aggregate Value of Unquoted Investments			8,330.39	9,440.59

\* During the year in pursuance of Amalgamation and arrangement scheme Company has received Equity Shares of Gujarat Gas Limited in lieu of shares held in GSPC Gas Company Ltd.

## 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
			31.03.16	31.03.15			(8)	(9)	(10)	(11)		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
<b>(A)</b>	<b>Investments in Equity Instruments</b>											
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	0.920%	0.922%	5.32	5.32	N	Net of diminution provision
4	Gujarat Gas Limited	Others	42,63,157	-	Quoted	Fully paid	3.096%	-	2,000.00	-	Y	-
5	Gujarat Data Electronics Limited	Others	40,000	40,000	Unquoted	Fully paid	8.000%	8.000%	-	-	N	Net of diminution provision
6	Gujarat Venture Finance Limited	Others	1,80,000	1,80,000	Unquoted	Fully paid	16.331%	16.331%	18.00	18.00	Y	-
7	Gujarat Guardian Limited	Others	74,25,000	74,25,000	Unquoted	Fully paid	4.729%	4.729%	742.50	742.50	Y	-
8	Gujarat State Petroleum Corporation Limited	Others	2,15,43,200	2,15,43,200	Unquoted	Fully paid	0.835%	0.895%	1,349.99	1,349.99	Y	-
9	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	-
10	Vadodara Enviro Channel Limited	Others	7,151	7,151	Unquoted	Fully paid	14.286%	14.286%	-	-	Y	-
11	Bhavnagar Energy Company Limited	Others	5,60,00,000	4,71,60,000	Unquoted	Fully paid	7.220%	6.663%	5,600.00	4,716.00	Y	-
12	GSPC Gas Company Limited	Others	-	40,00,000	Unquoted	Fully paid	-	4.727%	-	2,000.00	Y	-
<b>(B)</b>	<b>Investments in Government or Trust securities</b>											
1	Six Year National Saving Certificate	Others	-	-	Unquoted	Fully paid	-	-	-	0.20	Y	-
<b>(C)</b>	<b>Investments in Joint Venture</b>											
1	GACL-NALCO Alkalies & Chemicals Pvt. Limited	Joint Venture	60,000	-	Unquoted	Fully paid	60.000%	-	6.00	-	Y	-
	<b>Total</b>								<b>19,975.53</b>	<b>19,085.73</b>		



## 12 - LONG TERM LOANS AND ADVANCES

[ Rs. in Lakhs ]

	As At 31.03.2016	As At 31.03.2015
<b>Unsecured - Considered Good</b>		
(a) Capital Advances *	11,687.46	8,225.55
(b) Security Deposits	1,974.09	1,931.24
(c) Net Advance payment of Income Tax	7,636.87	8,105.35
(d) MAT Credit entitlement	9,479.77	4,333.19
(e) Other Loans and Advances :		
(i) Loans to Employees	14.55	17.39
(ii) Duty Draw back receivable	2.53	2.53
(iii) Balance with Excise & Custom (Refer Note No. 28)	1,274.92	1,274.92
(iv) Prepaid Long Term Employee Benefits (Gratuity)	277.14	270.25
(v) Prepaid Expenses	1,203.28	937.00
	<b>2,772.42</b>	2,502.09
<b>Total :</b>	<b>33,550.61</b>	25,097.42

\*Capital Advances includes advance payment and provision made for lease hold lands allotted pending execution of lease deeds :

- (i) Rs.1,845.38 lakhs (Previous Year Rs.1,809.89 lakhs) towards plot No.42/1 at Dahej admeasuring 5,20,000 sq. mtrs.
- (ii) Rs.4,781.08 lakhs (Previous Year Rs.4,673.56 lakhs) towards Plot No. D-II/9 at Dahej admeasuring 10,20,900 sq. mtrs.
- (iii) Rs.944.56 lakhs (Previous Year Rs.945.50 lakhs) towards plot No. B-37 to B-44 at village Atali admeasuring 50,714.48 sq. mtrs.

## 13 - CURRENT INVESTMENTS

[ Rs. in Lakhs ]

	Nos.	Face Value Rs.	As At 31.03.2016	As At 31.03.2015
<b>(A) Investment in Equity Instruments (Quoted) :</b>				
1. IDBI Bank Ltd.	3,18,800	10	259.03	259.03
Less :- Provision for Diminution in value of Investments			37.78	32.68
			<b>221.25</b>	226.35
2. Housing Development Finance Corporation Ltd.	1,18,700	2	1.56	3.16
Less :- Sold During the F.Y. 2014-15	60,000		-	1.60
	58,700	2	1.56	1.56
3. HDFC Bank Ltd.	2,500	2	-	0.05
Less :- Sold During the F.Y. 2014-15	2,500		-	0.05
	-		-	-
			<b>222.81</b>	227.91
<b>(B) Investment in Govt. Securities (Unquoted):</b>				
Six Year National Saving Certificate			0.20	-
			0.20	-
			<b>223.01</b>	227.91
<b>TOTAL :</b>				
Aggregate Value of Quoted Investments			<b>222.81</b>	227.91
Market Value of Quoted Investment			<b>870.23</b>	998.66
Aggregate Value of Unquoted Investments			<b>0.20</b>	-

### 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
			31.03.16	31.03.15			31.03.16	31.03.15	31.03.16	31.03.15		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
<b>A Investments in Equity Instruments</b>												
1	IDBI Bank Ltd.	Others	3,18,800	3,18,800	Quoted	Fully paid	0.147%	0.147%	221.25	226.35	N	Market Value
2	Housing Development Finance Corporation Limited	Others	58,700	58,700	Quoted	Fully paid	0.004%	0.004%	1.56	1.56	Y	-
3	HDFC Bank Ltd.	Others	-	-	Quoted	Fully paid	0.000%	0.000%	-	-	Y	-
<b>B Investments in Government or Trust securities</b>												
1	Six Year National Saving Certificate	Others	-	-	Unquoted	Fully paid	-	-	0.20	-	Y	-
	Total								223.01	227.91		



## 14 - INVENTORIES

[ Rs. in Lakhs ]

		As At 31.03.2016	As At 31.03.2015
(a) Raw Materials and Components	3,485.28	6,161.36	4,209.77
Goods-in-Transit	2,676.08		2,469.26
(b) Work-in-Progress		626.43	6,679.03
(c) Finished Goods	4,178.60	4,198.58	592.24
Goods-in-Transit	19.98		4,018.82
(d) Stores and Spares	7,585.79	7,593.63	19.21
Goods-in-Transit	7.84		4,038.03
(e) Others :		414.30	6,979.99
Packing Materials	311.32		4.06
Furnace Oil	17.16		6,984.05
Building Materials	85.82		271.43
<b>Total :</b>		<b>18,994.30</b>	<b>337.15</b>
			18,630.50

## 15 - TRADE RECEIVABLES

[ Rs. in Lakhs ]

	As At 31.03.2016	As At 31.03.2015
<b>Outstanding for a period exceeding six months from the due date :</b>		
Secured	28.15	29.16
Unsecured - Considered Good	43.99	67.32
	72.14	96.48
Unsecured Receivable - considered Doubtful *	1,831.05	1,779.34
Less : Provision for doubtful debts	1,479.99	1,374.29
	351.06	405.05
<b>Outstanding for a period not exceeding six months from the due date :</b>		
Secured	5,850.10	4,902.89
Unsecured - Considered Good	26,994.56	25,176.76
	32,844.66	30,079.65
<b>Total :</b>	<b>33,267.86</b>	<b>30,581.18</b>

\*The Trade Receivables include overdue outstanding from various parties aggregating to Rs.1,301.67 lakhs (Previous Year Rs.1,450.94 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.1,230.30 lakhs (Previous Year Rs.1,211.48 lakhs) exists for such doubtful debts as on 31.03.2016.



## 16 - CASH AND BANK BALANCES

[ Rs. in Lakhs ]

	As At 31.03.2016	As At 31.03.2015
<b>A Cash and Cash Equivalents :</b>		
Balances with Bank :		
Current Account	1,006.03	55.22
Cheques, Drafts on hand	450.52	215.23
Cash on hand	2.06	3.70
Others :		
Stamps on hand	0.05	0.07
Fixed Deposits with Banks	3,170.00	18,000.00
<b>B Other Bank Balances :</b>		
Unpaid Dividend	113.63	103.80
<b>Total :</b>	<b>4,742.29</b>	<b>18,378.02</b>

## 17 - SHORT TERM LOANS AND ADVANCES

[ Rs. in Lakhs ]

	As At 31.03.2016	As At 31.03.2015
<b>Unsecured - Considered Good:</b>		
Advances to Suppliers	836.60	949.81
Less : Provision for Doubtful Advance	(15.09)	(15.09)
	821.51	934.72
Loans to Employees	156.19	111.32
Duty Drawback Receivable	77.01	61.81
Prepaid Expenses	178.84	116.98
CENVAT & VAT Credit receivable	2,856.19	2,582.07
Security Deposits	137.07	107.22
Balance with Excise & Custom authorities	87.48	205.11
Corporate Deposit with Gujarat State Financial Services Ltd.	25,500.00	8,000.00
Advances to GACL-NALCO Alkalies & Chemicals Pvt. Ltd.	49.39	-
Other Loans and Advances	1,283.62	704.18
<b>Total :</b>	<b>31,147.30</b>	<b>12,823.41</b>

## 18 - OTHER CURRENT ASSETS

[ Rs. in Lakhs ]

	As At 31.03.2016	As At 31.03.2015
<b>Unsecured ( Considered Good )</b>		
(i) Interest Receivable	1,542.27	1,605.48
(ii) Prepaid Long Term Employee Benefits (Gratuity)	49.26	40.59
<b>Total :</b>	<b>1,591.53</b>	<b>1,646.07</b>



## 19 - REVENUE FROM OPERATIONS

[ Rs. in Lakhs ]

	2015-16		2014-15	
<b>(i) SALE OF PRODUCTS</b>				
<b>[A] MANUFACTURING OPERATIONS</b>				
1. Caustic Soda Lye	58,462.32		54,864.52	
2. Caustic Soda Flakes	35,669.95		33,406.94	
3. Caustic Soda Prills	2,816.92		2,829.04	
4. Chloromethanes	13,569.86		15,472.92	
5. Sodium Cyanide	362.19		2,141.37	
6. Caustic Potash Lye	2,638.57		2,715.25	
7. Caustic Potash Flakes	8,786.76		9,767.74	
8. Potassium Carbonate	5,437.58		4,990.87	
9. Hydrogen Peroxide (100%)	18,741.37		17,255.38	
10. Phosphoric Acid (85%)	17,076.31		17,419.85	
11. Poly Aluminium Chloride	3,664.80		3,230.13	
12. Aluminium Chloride	11,057.33		11,446.15	
13. Chlorinated Paraffin Wax	1,402.00		3,729.97	
14. Benzyl Alcohol	3,443.93		3,529.33	
15. Sodium Chlorate	4,111.51		1,987.14	
16. Others	6,970.48		7,665.19	
		<b>1,94,211.88</b>		1,92,451.79
<b>[B] TRADING ACTIVITY</b>		<b>1,385.39</b>		729.21
<b>[C] EXCISE DUTY</b>		<b>22,264.28</b>		22,536.12
<b>Total (i)</b>		<b>2,17,861.55</b>		2,15,717.12
<b>(ii) OTHER OPERATING REVENUE</b>				
Sale of Scrap	435.50		779.06	
Insurance claims received	-		0.25	
Export Incentives	113.51		70.07	
Credit balances written back(Net)	175.15		548.43	
Freight Outward Recovered/Paid (Net)	138.08		-	
Other Receipts	150.44		233.61	
<b>Total (ii)</b>		<b>1,012.68</b>		1,631.42
<b>Total :</b>		<b>2,18,874.23</b>		2,17,348.54

## 20 - OTHER INCOME

[ Rs. in Lakhs ]

	2015-16	2014-15
<b>Interest Income</b>		
a) Deposit with Banks	1,013.24	1,288.59
b) Short Term Deposit / Inter Corporate Deposit	2,066.60	1,305.57
c) Others		
- From Non-Current Assets	168.06	162.47
- From Current Assets	1.83	94.77
<b>Dividend Income</b>		
a) From Non-Current Investments	1,332.35	1,076.04
b) From Current Investments	11.20	17.67
<b>Other Non-operating Income</b>		
a) Net Exchange rate variation	20.41	63.08
b) Rent received from assets given on operating lease	2.20	2.20
c) Profit on sale of Fixed Assets (Net)	-	39.88
d) Profit on sale of current investment	-	841.13
e) Miscellaneous Income	6.65	3.34
<b>Total :</b>	<b>4,622.54</b>	4,894.74

## 21 - COST OF MATERIALS CONSUMED

[ Rs. in Lakhs ]

	2015-16	2014-15
1. Natural Gas	21,174.15	20,535.57
2. Potassium Chloride	9,747.95	8,529.19
3. Salt	7,235.42	8,700.83
4. Rock Phosphate	6,396.42	5,699.02
5. Aluminium Ingots	8,212.97	9,260.46
6. Alumina Trihydrate Powder	1,836.13	1,576.39
7. Heavy Normal Paraffin	1,202.83	3,192.37
8. Toluene	3,865.68	4,368.31
9. Caustic Soda Lye	1,241.97	54.20
10. Others	5,976.90	5,640.28
<b>Total :</b>	<b>66,890.42</b>	<b>67,556.62</b>

**NOTE :**
**VALUE OF RAW MATERIALS CONSUMED**

IMPORTED

INDIGENOUS

2015-16		2014-15	
Value Rs. in Lakhs	Percentage %	Value Rs. in Lakhs	Percentage %
22,318.93	33.37	15,939.98	23.59
44,571.49	66.63	51,616.64	76.41
<b>66,890.42</b>	<b>100.00</b>	<b>67,556.62</b>	<b>100.00</b>

## 22 - CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

[ Rs. in Lakhs ]

	2015-16	2014-15
<b>Closing Stock :</b>		
Finished Goods	4,198.58	4,038.03
Process Stock	626.43	592.24
	<b>4,825.01</b>	<b>4,630.27</b>
<b>Less :- Opening Stock :</b>		
Finished Goods	4,038.03	6,535.43
Process Stock	592.24	598.96
	<b>4,630.27</b>	<b>7,134.39</b>
<b>(Increase) / Decrease :</b>	<b>(194.74)</b>	<b>2,504.12</b>

## 23 - EMPLOYEE BENEFIT EXPENSE

[ Rs. in Lakhs ]

	2015-16	2014-15
a) Salaries and Wages	13,162.46	13,151.21
b) Contributions to :		
(i) Provident fund	623.19	603.09
(ii) Superannuation Scheme	543.08	574.31
(iii) Gratuity Fund	233.92	820.54
c) Staff Welfare Expenses	1,671.82	1,550.44
<b>Total :</b>	<b>16,234.47</b>	<b>16,699.59</b>

## 24 - FINANCE COSTS

[ Rs. in Lakhs ]

	2015-16	2014-15
<b>(a) Interest Expense :</b>		
On Term Loans	686.55	726.74
On Cash Credit	1.57	6.63
Others	9.99	111.19
<b>(b) Other Borrowing Costs :</b>		
Bank Charges	110.18	89.12
<b>Total :</b>	<b>808.29</b>	<b>933.68</b>



## 25 - OTHER EXPENSES

[ Rs. in Lakhs ]

		2015-16	2014-15
Power		46,628.76	48,252.42
Fuel, Natural Gas and Water Charges		8,446.38	9,216.22
Stores and Spare-parts consumed		3,117.61	2,982.84
Repairs, Maintenance and Replacement			
- Building	-		2.45
- Plant and Machinery	2,964.18		2,280.96
- Others	2,970.56		2,929.56
		5,934.74	5,212.97
Job Work / Processing Charges		3,733.25	3,759.85
Safety & Environment Expenses		332.00	153.98
Insurance		306.88	373.59
Packing Materials Consumption		4,987.04	5,399.73
Rent (includes Lease Rent and charges Rs. 222.89 lakhs Previous Year Rs.194.90 lakhs)		223.10	195.04
Rates and Taxes		22.60	42.04
Printing and Stationery		77.65	79.40
Postage and Telephone		87.39	89.09
Vehicle Running and Maintenance including Hire Charges		401.42	406.87
Directors' Fees		7.80	6.15
Auditors' Remuneration and Expenses		15.40	15.49
Membership and Subscription Fees		28.15	14.55
Brokerage and Commission		-	1.89
Travelling and Conveyance		99.52	68.41
Legal and Professional Charges		331.52	277.20
Research and Development Expenses		111.93	138.02
Loss on Sale of Fixed Assets (Net)		125.44	-
Donations & Other CSR Cost		534.63	217.83
Bad Debts Written Off		5.32	-
Provision for Doubtful Debts / Advances		105.70	40.44
General Expenses		1,106.78	925.02
Commission on Sales		298.30	290.62
Other Marketing Expenses		1,871.95	2,150.59
Freight Outward (Net)		-	69.18
Difference of Excise Duty paid / (recovered)		(35.06)	(12.77)
Provision for Diminution of Investment		5.10	-
Difference of Excise Duty on Opening and Closing Stock of finished goods		65.59	(320.77)
<b>Total :</b>		<b>78,976.89</b>	<b>80,045.89</b>

2015-16		2014-15	
Value Rs. in Lakhs	Percentage %	Value Rs. in Lakhs	Percentage %
255.28	8.19	319.12	10.70
2,862.33	91.81	2,663.72	89.30
3,117.61	100.00	2,982.84	100.00

Consumption value of Stores, Spare-parts :

- Imported
- Indigenous

## 26 - Tax Expense :

During the current year the tax liability under normal provisions of the Income Tax Act,1961 comes out to Rs.278.17 lakhs (Previous Year Rs.Nil) and tax liability under MAT provisions of Income Tax Act,1961 is Rs.5,424.75 lakhs (Previous Year Rs.4,333.19 lakhs), hence the Company is required to pay the tax under MAT provisions of Income Tax Act,1961. Accordingly, MAT credit entitlement reflects the difference between the normal tax and the tax under MAT provisions.

## 27 - Earning per Share :

Sr. No.	Particulars	Units	2015-16	2014-15
1	Net Profit After Tax available for Equity Shareholders	Rs.	<b>2,21,66,66,314.08</b>	2,27,85,70,986.68
2	Number of Equity Shares of Rs.10/- each	Number	<b>7,34,36,928</b>	7,34,36,928
3	Basic Earning Per Share	Rs.	<b>30.18</b>	31.03
4	Diluted Earning Per Share	Rs.	<b>30.18</b>	31.03

28 - In the earlier Financial Year 2012-13, the Company received a demand of Rs. 1,719.66 lakhs from the revenue authorities for excise duty, interest and penalty thereon. The same has been shown as provision for other liabilities under Long Term Provision (Note no. 6). The Company has contested the demand and has paid under protest Rs.924.23 lakhs and Rs.333.31 lakhs (Total Rs.1,257.54 lakhs) during 2012-13 and 2013-14 respectively. The amount paid has been shown under balance with excise and custom under Long term Loans & Advances (Note no. 12).

[ Rs. in Lakhs ]

## 29 - Contingent Liabilities and Commitments (to the extent not provided for)

	As At 31.03.2016	As At 31.03.2015
<b>(i) Contingent Liabilities :</b>		
(a) Claims against the Company not acknowledged as debt	<b>31,416.63</b>	13,041.07
(b) Various pending cases before Labour court and Industrial Tribunal	<b>Not ascertainable</b>	Not ascertainable
(c) Disputed Purchase Tax liability (1998-99 to 2005-06)	<b>20,481.74</b>	20,431.56
(d) Disputed Income Tax liability (excluding interest) :		
(i) Pending Before Appellate Authorities in respect of which the Company is in appeal	<b>7,054.00</b>	12,670.00
(ii) Decided in Company's favour by Appellate Authorities and Department is in further appeal	<b>10,123.00</b>	8,503.00
	<b>69,075.37</b>	54,645.63
In respect of above matters, future cash outflows in respect of contingent liabilities are determinable only on receipt of judgements pending at various forums / authorities.		
(e) Guarantees :		
(i) Total loans outstanding under corporate guarantees aggregating to Rs. 424.65 lakhs (Previous Year Rs. 424.65 lakhs) to Housing Development Finance Corporation Limited (HDFC) for housing loans extended to employees.	<b>0.31</b>	7.94
(ii) Guarantees given by the Company's Bankers for various purposes are	<b>6,197.32</b>	5,738.33
(f) Sponsor Support Agreement executed with Bhavnagar Energy Co. Ltd. and their lenders.	<b>Not ascertainable</b>	Not ascertainable
<b>Total (i)</b>	<b>75,273.00</b>	60,391.90





[ Rs. in Lakhs ]

Contd..	As At 31.03.2016	As At 31.03.2015
<b>(ii) Commitments :</b>		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	8,218.87	17,373.31
(b) Other commitments - liability to GIDC for leasehold land at Dahej (including pending execution of lease deeds)	Not ascertainable	Not ascertainable
<b>Total (ii)</b>	<b>8,218.87</b>	<b>17,373.31</b>
<b>Total :</b>	<b>83,491.87</b>	<b>77,765.21</b>

**30 -** 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 Accounting Standard -17 of Institute of Chartered Accountants of India.

**31 -** Employee Benefits [Accounting Standard –15 (Revised)] :

(i) Defined Contribution Plans :

An amount of Rs.623.19 lakhs (Previous Year Rs.603.09 lakhs) contributed to Provident Fund Trust and amount of Rs.543.08 lakhs (Previous Year Rs.574.31 lakhs) contributed to Employees Superannuation Trust is recognised as an expense and included in "Employee Benefits Expenses" (Note 23) of Statement of Profit & Loss.

(ii) Defined Benefit Plans : - As per Actuarial Valuation as on March 31, 2016 :-

[ Rs. in Lakhs ]

Particulars	Gratuity	
	31.03.2016	31.03.2015
<b>I Expense recognised in the Statement of Profit and Loss for the year ended</b>		
1. Current Service Cost	224.96	212.87
2. Interest Cost	502.41	450.97
3. Expected Return on Plan Assets	(581.32)	(582.78)
4. Past Service Cost (Non Vested Benefit) Recognised	-	-
5. Past Service Cost (Vested Benefit) Recognised	-	-
6. Actuarial (Gain) / Loss	87.46	733.06
7. Total Expenses	233.51	814.12
<b>II Net Assets / (Liability) recognised in the Balance Sheet as on</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
1. Present Value of Defined Benefit Obligation	6,790.16	6,441.15
2. Fair Value of Plan Assets	7,116.57	6,751.99
3. Funded Status [ Surplus / (Deficit) ]	(326.41)	(310.84)
Net (Asset) / Liability	(326.41)	(310.84)
<b>III Change in Present value of Obligation during the year ended</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
1. Present Value of Defined Benefit Obligation at the beginning of the year	6,441.15	5,637.18
2. Current Service Cost	224.96	212.87
3. Interest Cost	502.41	450.97
4. Past Service Cost (Non Vested Benefit)	-	-
5. Past Service Cost (Vested Benefit)	-	-
6. Benefit paid	(465.82)	(571.25)
7. Actuarial (Gain) / Loss on obligation	87.46	711.38
8. Present Value of Defined Benefit Obligation at the end of the year	6,790.16	6,441.15

[ Rs. in Lakhs ]

Particulars	Gratuity	
	31.03.2016	31.03.2015
<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	6,751.99	6,547.60
2. Expected Return on Plan Assets	581.32	582.78
3. Contribution by Employer	249.08	214.54
4. Actual Benefit Paid	(465.82)	(571.25)
5. Actuarial Gain / (Loss) on Plan Assets	-	(21.68)
6. Fair Value of Plan Assets at the end of the year	7,116.57	6,751.99
7. Actuarial Gain / (Loss) to be recognised	-	-
<b>V Actual Return on Plan Assets</b>		
1. Expected Return on Plan Assets	581.32	582.78
2. Actuarial Gain / (Loss) on Plan Assets	-	(21.68)
3. Actual Return on Plan Assets	581.32	561.10
<b>VI Balance Sheet Reconciliation</b>		
1. Opening Net Liability	(310.84)	(910.42)
2. Expenses Recognised in Profit & Loss Account	233.51	814.12
3. Employer's Contribution	(249.08)	(214.54)
4. Amount Recognised in Balance Sheet (Asset) / Liability	(326.41)	(310.84)

[ Rs. in Lakhs ]

Particulars	Leave Salary	
	31.03.2016	31.03.2015
<b>I Expense recognised in the Statement of Profit and Loss for the year ended</b>		
1. Current Service Cost	46.40	171.84
2. Interest Cost	329.80	287.06
3. Expected Return on Plan Assets	-	-
4. Past Service Cost	-	-
5. Actuarial (Gain) / Loss	415.60	713.47
6. Total Expenses	791.80	1,172.37
<b>II Net Assets / (Liability) recognised in the Balance Sheet as on</b>		
1. Present Value of Unfunded Obligations	4,604.52	4,228.15
2. Unrecognised past Service Cost	-	-
3. Fair Value of Plan Assets	-	-
4. Net Liability as at March	4,604.52	4,228.15



[ Rs. in Lakhs ]

Particulars		Leave Salary	
		31.03.2016	31.03.2015
<b>III</b>	<b>Change in Present value of Obligation during the year ended</b>		
1.	Present Value of Unfunded Obligation at the beginning of the year	4,228.15	3,588.27
2.	Current Service Cost	46.40	171.84
3.	Interest Cost	329.80	287.06
4.	Actuarial (Gain) / Loss on obligation	415.60	713.47
5.	Benefit paid	(415.43)	(532.49)
6.	Present Value of Defined Benefit Obligation at the end of the year	4,604.52	4,228.15

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

Qualifying Insurance Policy

100%.

(iv) Experience Adjustments :

[ Rs. in Lakhs ]

Gratuity	2015-16	2014-15	2013-14	2012-13	2011-12
Present Value of Unfunded Obligations	6,790.16	6,441.15	5,637.18	5,151.50	5,199.74
Fair Value of Plan Assets	7,116.57	6,751.99	6,547.60	5,654.32	5,514.42
Funded Status [(Surplus)/Deficit]	(326.41)	(310.84)	(910.42)	(502.82)	(314.68)
Experience adjustments on Plan Liabilities	(9.55)	488.56	383.02	(99.63)	81.99
Experience adjustments on Plan Assets	-	(21.69)	(16.92)	(6.48)	(3.86)

The expected contributions for Defined Benefit Plan for the next financial year will be in line with FY 2015-16.

[ Rs. in Lakhs ]

Leave Salary	2015-16	2014-15	2013-14	2012-13	2011-12
Present Value of Unfunded Obligations	4,604.52	4,228.15	3,588.27	3,283.62	3,228.14
Fair Value of Plan Assets	-	-	-	-	-
Funded Status [(Surplus)/Deficit]	4,604.52	4,228.15	3,588.27	3,283.62	3,228.14
Experience adjustments on Plan Liabilities	338.54	541.61	336.24	83.86	182.45
Experience adjustments on Plan Assets	-	-	-	-	-

(v) Actuarial assumptions :

	2015-16	2014-15
1. Discount rate	7.80% p.a.	8.00% p.a.
2. Expected return on plan assets	8.75% p.a.	9.15% p.a.
3. Withdrawal Rate	5% at younger ages and reducing to 1% at older ages according to graduated scale.	
4. 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.

The expected rate of return on Plan Assets is determined considering several applicable factors, mainly the composition of Plan Assets held, assessed risks, historical results of return on Plan Assets and the Company's policy for the Plan Assets management.

(vi) The Company's Provident Fund is exempted under Section 17 of Employees' Provident Fund and Miscellaneous Provisions Act, 1952. Conditions for grant of exemptions stipulate that the employer shall make good deficiency, if any, in the interest rate declared by the Trust vis-à-vis Statutory rate.

32 - In respect of expired finance leases, the minimum lease payments and present value as on 31.03.2016 amount to :

**Finance Lease :-**

[ Rs. in Lakhs ]

Particulars	31.03.2016			31.03.2015		
	Minimum Lease payments	Future Finance charges	Present Value of Minimum Lease payments	Minimum Lease payments	Future Finance charges	Present Value of Minimum Lease payments
Not later than 1 year	0.54	0.04	0.50	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>	<b>0.54</b>	<b>0.04</b>	<b>0.50</b>

33 - **Related Party Information :**

[ Rs. in Lakhs ]

Name of Party	Nature of Relationship	Nature of Transaction	Volume of Transaction in 2015-16	Amount outstanding as on 31.03.2016	Volume of Transaction in 2014-15	Amount Outstanding as on 31.03.2015
GACL-NALCO Alkalies & Chemicals Pvt. Ltd.	Subsidiary	Expenses incurred on behalf of Subsidiary	49.39	49.39	-	-
		Issue of Shares	6.00	-	-	-
GACL Education Society	Others	Contribution towards CSR Activities	136.08	-	-	-
M/s Shardul Amarchand Mangaldas & Co.	Others	Legal & Professional Fees	30.71	(3.63)	-	-
Shri Atanu Chakraborty, IAS, Managing Director (up to 28 <sup>th</sup> August, 2014)	Key Management Personnel	Remuneration	-	-	0.21	-
Shri A M Tiwari, IAS, Managing Director (From 29 <sup>th</sup> August, 2014 upto 18 <sup>th</sup> February, 2016)	Key Management Personnel	Remuneration	23.60	-	11.85	-
Shri P K Gera, IAS, Managing Director (From 19 <sup>th</sup> February, 2016)	Key Management Personnel	Remuneration	2.51	-	-	-
Dr. H. B Patel – Executive Director (Finance) & Chief Financial Officer (From 14 <sup>th</sup> May, 2014)	Key Management Personnel	Remuneration	31.27	-	29.62	-
Shri S S Bhatt, Company Secretary & AGM (Legal) (From 14 <sup>th</sup> May, 2014)	Key Management Personnel	Remuneration	22.89	-	19.97	-



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

[ Rs. in Lakhs ]

Sr. No.	Particulars	2015-2016	2014-2015
(a)	Audit Fees	13.00	13.00
(b)	Quarterly / Half Yearly Review Audit	3.00	2.00
(c)	Out of Pocket Expenses	0.36	0.09
	<b>TOTAL</b>	<b>16.36</b>	15.09

35 - Income and Expenditure in Foreign Currency :

[ Rs. in Lakhs ]

Sr. No.	Particulars	2015-2016	2014-2015
(a)	<b>Earnings in Foreign Exchange - Export of Goods on F.O.B. basis</b>	<b>21,994.90</b>	17,071.55
(b)	<b>Expenditure in Foreign Currency (on accrual basis) on account of :</b>		
(i)	Interest	907.64	726.73
(ii)	Foreign Tour Expenses	22.74	5.75
(iii)	Bank Charges & Commission	8.84	3.77
(iv)	Subscription	2.58	2.23
(v)	Commission on Exports Sales	2.32	4.77
(vi)	Lease Rent ( For ISO Tank)	39.11	83.31
(vii)	Other Export Expenses	93.33	24.67

36 - Value of imports on CIF basis :

[ Rs. in Lakhs ]

Sr. No.	Particulars	2015-2016	2014-2015
(i)	Raw Materials	18,272.96	13,069.27
(ii)	Membranes	149.05	202.27
(iii)	Stores & Spare parts	1,069.97	672.35
(iv)	Capital Goods	32.80	91.83

37 - The Company has not taken any derivative instrument during the year. The year end unhedged foreign currency exposures are given below :

Amount Receivable on account of export of goods and services and Advance to Suppliers :

Particulars	As on 31-03-2016			As on 31-03-2015		
		Rs. in Lakhs	Amount in FC		Rs. in Lakhs	Amount in FC
Receivable for Exports	US \$	660.11	9,96,331.24	US \$	48.83	78,120.00
	GBP	74.00	77,510.40	GBP	9.61	10,391.48
Advance to Suppliers	CHF	1.95	2,784	CHF	-	-
	JPY	-	-	JPY	29.82	55,75,000.00
	US \$	14.23	21,336	US \$	16.44	26,250.00
	EURO	1,788.24	25,04,964	EURO	1.31	2,214.00



Amount payable on account of import of goods, services and others :

Particulars	As on 31-03-2016			As on 31-03-2015		
		Rs. in Lakhs	Amount in FC		Rs. in Lakhs	Amount in FC
Payables for Imports	US\$	8.85	13,351.00	US \$	-	-
	EURO	-	-	EURO	25.98	38,571.00
Commission Payable on exports	US\$	2.32	3,500.00	US \$	4.77	7,627.20
Other Payables	US\$	10.58	15,972.00	-	-	-
	GBP	4.43	4,640.00	-	-	-
	EURO	4.16	5,520.00	-	-	-

Amount payable on account of ECB Borrowings :

Particulars	As on 31-03-2016			As on 31-03-2015		
		Rs. in Lakhs	Amount in FC		Rs. in Lakhs	Amount in FC
ECB	US \$	29,715.76	4,48,50,598	US \$	15,868.84	2,53,90,149

### 38 - Interest in subsidiary :

The Company and National Aluminium Company Ltd. (NALCO), a Government of India Enterprise (A Navratna Company) have jointly incorporated a new Company viz. GACL-NALCO Alkalies & Chemicals Pvt. Ltd. (JV Company) on 4<sup>th</sup> December, 2015 for setting up of 800 TPD Caustic Soda Plant and 100 MW Coal based Power Plant at Dahej, Gujarat.

The Company considers the subsidiary to be not material in terms of its investment (Rs.6.00 lakhs only in Equity Shares) as well as non-commencement of operations during the year ended 31<sup>st</sup> March, 2016 and therefore consolidated financial statements are not prepared.

The proportionate share of assets, liabilities, income, expenditure and contingent liabilities of subsidiary- GACL-NALCO Alkalies & Chemicals Pvt. Ltd is given below :-

[ Rs. in Lakhs ]

Name of the entity	GACL-NALCO Alkalies & Chemicals Pvt. Ltd		
Nature of association	Subsidiary		
Country of incorporation	India		
Percentage of ownership interest	60%		
Particulars	For the year ended		
	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015	
Non-Current Liabilities	-		
Current Liabilities	44.09		
Non-Current Assets	41.77		
Current Assets	6.00	Not Applicable	
Income	-		
Expenditure	(2.32)		
Contingent Liabilities	4.12		



- 39 - Borrowing cost capitalised during the year is Rs.424.15 lakhs (Previous Year Rs.NIL) for acquisition of long term assets.
- 40 - (a) Previous Year's figures have been regrouped / reclassified wherever necessary to correspond with current year's classification / disclosure.
- (b) Balances shown under Long-term borrowings, Long term provisions, Short term provisions, Trade payables, Other current liabilities, Long term loans and advances, inventories, Trade Receivables, Short term loans and advances and other current assets, 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 Deloitte Haskins & Sells**  
**Chartered Accountants**  
**Firm Reg. No. : 117364W**

**Gaurav J. Shah**  
**Partner**  
**Membership No. 35701**

Place : Gandhinagar  
 Date : 26<sup>th</sup> May, 2016

**P. K. Gera, IAS**  
**Managing Director**

**CA. (Dr.) H. B. Patel**  
**Executive Director (F) &**  
**Chief Financial Officer**

**For and on behalf of the Board**

**G. R. Aloria, IAS**  
**Chairman**

**S. S. Bhatt**  
**Company Secretary**  
**& Addi. General Manager**  
**(Legal & CC)**

Place : Gandhinagar  
 Date : 26<sup>th</sup> May, 2016

## FORM AOC-1

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**  
(Pursuant to first proviso to sub section (3) of Section 129 of the Companies Act, 2013  
read with Rule 5 of Companies (Accounts) Rules, 2014)

### Part "A" : Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

[ Rs. in Lakhs ]

Sr. No.	Particulars	Details
1	Name of the subsidiary	GACL-NALCO Alkalies & Chemicals Pvt. Ltd.
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31 <sup>st</sup> March, 2016
3	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	N.A.
4	Share Capital	10.00
5	Reserves & Surplus	(3.87)
6	Total assets	79.62
7	Total Liabilities	79.62
8	Investments	-
9	Turnover	-
10	Profit before taxation	(3.87)
11	Provision for taxation	-
12	Profit after taxation	(3.87)
13	Proposed Dividend	-
14	% of shareholding	60.00

**Notes :**

- |  |   |
|--|---|
| 1. Name of subsidiaries which are yet to commence operations :               | GACL-NALCO Alkalies & Chemicals Pvt. Ltd. |
| 2. Name of subsidiaries which have been liquidated or sold during the year : | Not Applicable                            |

### Part "B" : Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of associates / Joint Ventures : GACL-NALCO Alkalies & Chemicals Pvt. Ltd.		
1	Latest audited Balance Sheet Date	Not Applicable
2	Shares of Associate/Joint Ventures held by the Company on the year end	
	No.	
	Amount of Investments in Associates/Joint Venture	
	Extend of Holding %	
3	Description of how there is significant influence	
4	Reason why the associate/joint venture is not consolidated	
5	Net worth attributable to shareholding as per latest audited Balance Sheet	
	Total Net worth of the Company (Rs. in Lakhs)	
6	Profit / Loss for the year - (Profit after Tax - Rs. in Lakhs)	
i	Considered in Consolidation	
ii	Not Considered in Consolidation	

- |  |                |
|--|----------------|
| 1. Name of associates or joint ventures which are yet to commence operations :               | Not Applicable |
| 2. Name of associates or joint ventures which have been liquidated or sold during the year : | Not Applicable |

**For and on behalf of the Board**

Sd/-  
**P K Gera, IAS**  
Managing Director

Sd/-  
**G R Aloria, IAS**  
Chairman

Sd/-  
**CA (Dr.) H B Patel**  
Executive Director (F) &  
Chief Financial Officer

Sd/-  
**S. S. Bhatt**  
Company Secretary &  
Addl. General Manager (Legal & CC)

Place : Gandhinagar  
Date : 26<sup>th</sup> May, 2016



# GUJARAT ALKALIES AND CHEMICALS LIMITED

(CIN : L24110GJ1973PLC002247)

## ATTENDANCE SLIP

I/We \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

<b>Folio No.</b>	
<b>D.P. ID</b>	
<b>Client ID</b>	

hereby record my/our present at the **43<sup>rd</sup> ANNUAL GENERAL MEETING** of the Company held at **3.00 p.m. on Thursday, the 29<sup>th</sup> September, 2016 in the premises of the Company at PO. : Petrochemicals : 391 346, Dist. : Vadodara.**

Signature of the Member / Proxy / Representative attending the Meeting \_\_\_\_\_

- Notes : (i) Please handover the Attendance Slip at the entrance to the place of the Meeting.  
(ii) Only Members and in their absence, duly appointed proxies will be allowed for the Meeting. Please avoid bringing non-members / children to the Meeting.



# GUJARAT ALKALIES AND CHEMICALS LIMITED

(CIN : L24110GJ1973PLC002247)

Regd. Office : PO. : 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

**43<sup>RD</sup> ANNUAL GENERAL MEETING**

**Thursday, the 29<sup>th</sup> September, 2016 at 3.00 p.m.**

**FORM NO. MGT - 11  
PROXY FORM**

[Pursuant to Section 105 (6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

I/We, being the Member(s), holding \_\_\_\_\_ shares of the above named Company, hereby appoint :

- (1) Name \_\_\_\_\_ Address \_\_\_\_\_  
E-mail ID: \_\_\_\_\_ Signature \_\_\_\_\_ or failing him/her
- (2) Name \_\_\_\_\_ Address \_\_\_\_\_  
E-mail ID: \_\_\_\_\_ Signature \_\_\_\_\_ or failing him/her
- (3) Name \_\_\_\_\_ Address \_\_\_\_\_  
E-mail ID: \_\_\_\_\_ Signature \_\_\_\_\_

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 43<sup>rd</sup> ANNUAL GENERAL MEETING of the Company to be held at 3.00 p.m. on Thursday, the 29<sup>th</sup> September, 2016 in the premises of the Company at PO. : Petrochemicals : 391 346, Dist. : Vadodara and at any adjournment thereof in respect of such Resolutions as are indicated below :

Resolution No.	Resolutions	Optional*	
		For	Against
<b>Ordinary Business</b>			
1.	Adoption of Accounts.		
2.	Declaration of Dividend on Equity Shares.		
3.	Appointment of Dr. J N Singh, IAS as a Director of the Company liable to retire by rotation.		
4.	Appointment of Statutory Auditors.		
<b>Special Business</b>			
5.	Appointment of Shri Arvind Agarwal, IAS as a Director of the Company liable to retire by rotation.		
6.	Appointment of Shri Rajiv Lochan Jain an Independent Director.		
7.	Appointment and remuneration & Perquisites payable to Shri P K Gera, IAS as Managing Director.		
8.	Fixation of Remuneration of Cost Auditors.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016

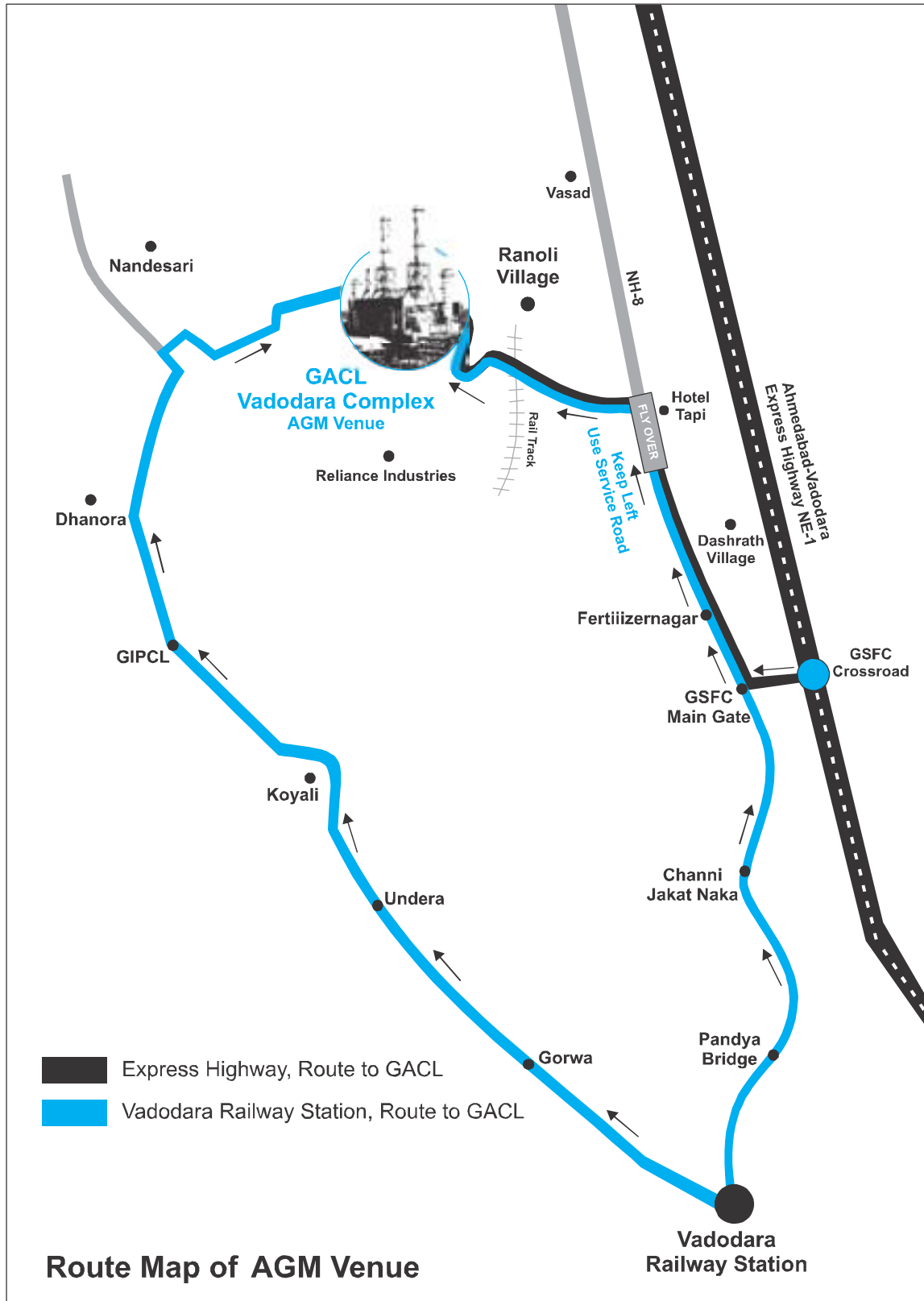
Member's Folio / DP ID - Client ID No. \_\_\_\_\_

Signature of Shareholder(s) \_\_\_\_\_

Signature of Proxy holder(s) \_\_\_\_\_

Affix  
Revenue  
Stamp  
Re.1/-

- Note: 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.  
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 43<sup>rd</sup> Annual General Meeting.  
\*3. It is optional to put 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he / she thinks appropriate.  
4. Please complete all details including details of Member(s) in above box before submission.







## Cleaner strides, greener energy

We believe in exploring new horizons of opportunity and success, going beyond our dynamic product basket and becoming a responsible organization through our numerous green initiatives. In the past, GACL has earned the distinguished honour of being the first state promoted enterprise to adopt renewable wind energy to fuel its progress. With installed capacity of 156.75 MW currently, we intend to continue our successful run and put up another 14.7 MW Wind Power project in the F.Y. 2016-17, after addition of which, our total wind power capacity will be 171.45 MW. We are also planning to put up 15 MW Solar Power generating Unit in 2016-17.





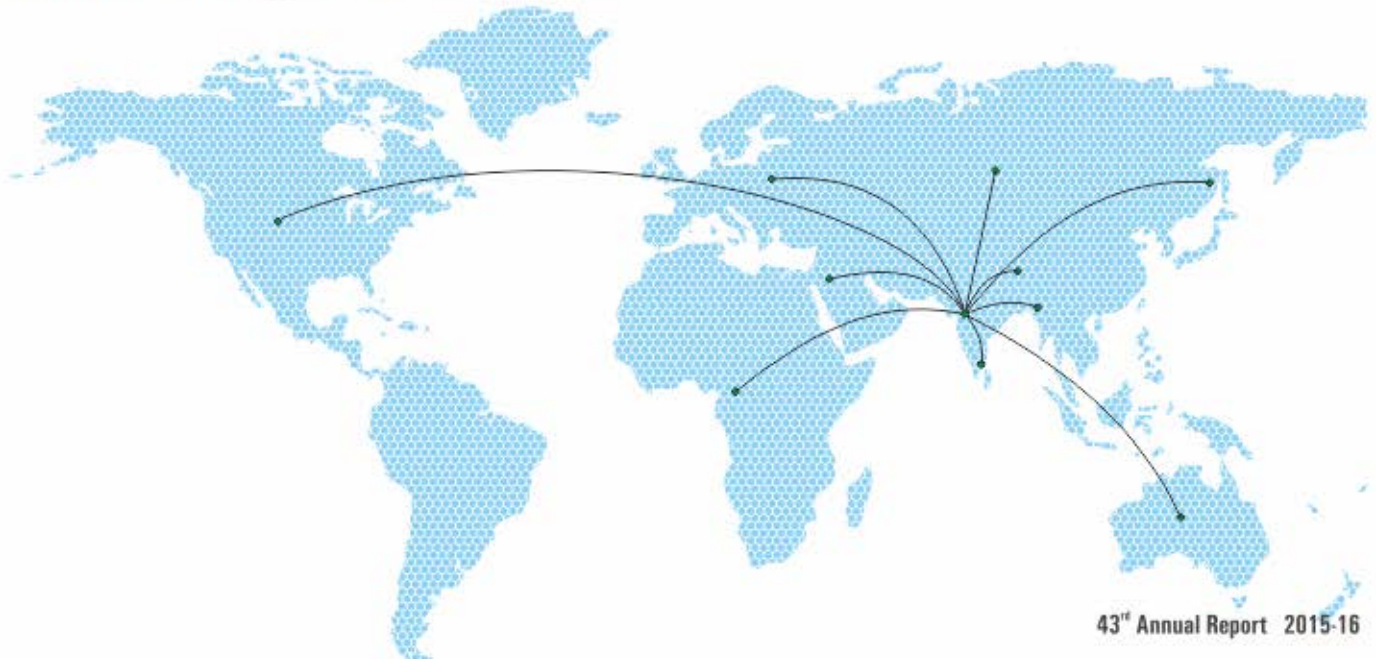
## Expanding horizons

GACL today is a frontrunner in the Chloro-Alkali industry having production capabilities to serve industries through strong presence in domestic as well as export markets. By focusing on stringent global quality protocols, we are enriching industries and leaving our mark of excellence all over the world. Our products are being exported to the markets of Africa, North America, Asia Pacific, Europe, MENA (Middle East and North Africa) and numerous other regions.



Special debagging facility at US & UK for Aluminium Chloride

## Global Footprint







Images from Top to Bottom: 1) Nilgai resting at our lush green GACL landfill site 2) The national bird peacock has made our landfill site their home 3) Smart Camp organized for the children of Ranoli Village 4) Employee following all safety precautions at work 5) Blood donation camp organized along with GSFC in association with Deepak Foundation



## **GUJARAT ALKALIES AND CHEMICALS LIMITED**

(An IS ISO Company)

(Promoted by Govt. of Gujarat)

REGD. OFFICE: P.O. PETROCHEMICALS - 391 346, DIST.: VADODARA, GUJARAT, INDIA. Tel.: 0265-2232681- 82

E-mail: [cosec@gacl.co.in](mailto:cosec@gacl.co.in) | Website: [www.gacl.com](http://www.gacl.com)

CIN: L24110GJ1973PLC002247