



CORPORATE PARTICIPANTS:

Dr. Hasmukh Adhia, IAS (Retd.)

Chairman

Shri Swaroop P. IAS

Managing Director

Shri Bimal Julka, IAS (Retd.)

Independent Director

Dr. T. Natarajan, IAS

Director

Shri Rajiv Lochan Jain

Independent Director

Shri Nitin Shukla

Independent Director

Smt. Shridevi Shukla

Independent Director

Dr. Chinmay Ghoroi

Independent Director

Shri Sanjay Bhatt

Company Secretary & Chief General Manager (Legal, CC & CSR)

Auditors, Scrutinizer, other key executives and senior management team, Promoters and Shareholders.

Welcome Address:

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

Good Morning Chairman Sir and all the Directors and the Shareholders. I welcome you all. I now request Shri P. Swaroop Sir to kindly extend a formal welcome and start the proceedings.

Shri Swaroop P. IAS Managing Director

Thank you, Chairman Sir.

So, I warmly welcome all the members to this 51st Annual General Meeting of Gujarat Alkalies and Chemicals Limited on behalf of the Company. At present there are 49 members who have joined the AGM through video conference facility. So there is sufficient quorum for this 51st Annual General Meeting.

Now I request Dr. Hasmukh Adhia, IAS (Retd.) Chairman of the Company to start the proceedings of this AGM. Over to you Chairman Sir.

Dr. Hasmukh Adhia, IAS (Retd.) (Chairman)

Good Morning to all the members. This 51st Annual General Meeting of the Company is being held through video conference in accordance with the provisions of the Companies Act, 2013 and the provisions of SEBI Regulations. I have joined this Meeting from Ahmedabad and like to introduce the Directors of our Company who have joined this Meeting.

Shri P. Swaroop IAS, Managing Director of our Company, is present in this Meeting online. He is joining this meeting from Gandhinagar.

Shri Bimal Julka, IAS (Retd.) is an Independent Director of the Company. He is also joining this meeting on video conference from New Delhi.

Dr. T. Natarajan, IAS who is a Director of the Company and also the Principal Secretary, Finance Department, Government of Gujarat, is joining this meeting from Gandhinagar.

After that Shri Rajiv Lochan Jain, who is an Independent Director of our Company is joining this meeting through video conference from Delhi.

Shri Nitin Shukla, who is an Independent Director of the Company is here with me in the Ahmedabad office and he is joining physically.

Smt. Shridevi Shukla is an Independent Director is joining online from Ahmedabad.

Dr. Chinmay Ghoroi, who is an Independent Director of the Company is joining this meeting from Gandhinagar.

So, we start the meeting now.

The retiring Statutory Auditors of the Company M/s. K. C. Mehta & Co. LLP, Chartered Accountants, and the proposed Statutory Auditors M/s. Prakash Chandra Jain & Co. Chartered Accountants, and Secretarial Auditors M/s. Samdani Shah & Kabra, Practicing Company Secretary are all present in this meeting. Mr. Niraj Trivedi, Practicing Company Secretary has been appointed as scrutinizer for E-voting monitoring is also present at this 51st Annual General Meeting through video conference facility from Vadodara.

We have the requisite quorum present through video conference for this AGM and therefore, I call this meeting to order. Notice of the Annual General Meeting has already been sent in advance to all the Members through electronic mode whose email addresses are registered with Company and Depositories. Notices of AGM, E-voting Information and Book Closure were also published in newspapers on 22nd August, 2024 and 31st August, 2024. As the Notice for the AGM is already circulated, I shall take the Notice convening the meeting as read. Now, I request Company Secretary to read the Auditors' Report.

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

I would like to inform that the Auditors Reports on Financial Statements of the Company audited by M/s. K C Mehta & Co. LLP, Chartered Accountants as per Indian Accounting Standards for the Financial Year 2023-24 dated May 30, 2024 are available on page numbers 123 to 131 and on page numbers 190 to 195 of the 51st Annual Report. The Secretarial Audit Report of the Secretarial Auditors is also available on page numbers 33 and 34 of 51st Annual Report. The Auditors have not given any Qualification or Modified Opinion i.e., they have not given any adverse remark in their reports. Therefore, as per the provisions of the Secretarial Standards and provisions of the Companies Act, 2013, the said Auditor Reports may be taken as read.

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

Chairman Speech:

Dr. Hasmukh Adhia, IAS (Retd.) (Chairman)

Dear Shareholders, I extend a very warm welcome to all of you at the 51st Annual General Meeting of your Company. The Board's Report, the Standalone and the Consolidated Audited Financial Statements of the Company for the Financial Year 2023-24 are already with you, and with your permission, I shall take them as read. Even a copy of the Chairman Speech is already available on the website of the Company, I would not like to read the entire speech, but I will cover some important aspects out of the speech in my oral speech, today.

Friends, India has become the fifth largest economy in the world. India's GDP reached \$3.94 trillion mark in 2024, showcasing substantial growth from \$2 trillion economy in 2014.

India maintains a very strong position in the chemical sector at a global level. As per Chemical Industry Report issued by India Brand Equity Foundation, India is the 6th largest producer of chemicals in the world and 3rd in Asia, contributing 7% of India's GDP. India's chemical sector is anticipated to grow to US\$ 300 billion by 2025 and US\$ 1 trillion by 2040.

Over the years the Gujarat model of all round development, success, growth and inclusive development has been appreciated all over the Country.

Gujarat is a state which is driven by policies and there are several policies which are giving impetus to the industrial growth of Gujarat.

Coming to the GACL's financial performance.

During the Financial Year 2023-24, your Company has achieved External Sales Turnover of Rs. 3,703 Crores during the FY 2023-24 as against Rs.4,402 Crores during the previous FY 2022-23 and with EBITDA of Rs.226 Crores as against the EBITDA of Rs.1,157 Crores in the previous year.

Decrease in Sales is mainly on account of decrease in the Sales Realization of all major Products namely, Caustic Soda Group, Chloromethanes Group, Caustic Potash Group, Phosphoric Acid, Hydrogen Peroxide and Aluminium Chloride.

For the year, your Company has incurred a Loss Before Tax of Rs.196 Crores and Loss After Tax of Rs.132 Crores as against Profit Before Tax of Rs.861 Crores and Profit After Tax of Rs.576 Crores respectively in the previous year mainly on account of overall adverse market condition of Caustic-Chlorine industry leading to a substantial reduction in prices in both domestic and international markets resulting into net loss.

I am, however, happy to inform you that this year the Board of Directors of the Company has recommended a Special Dividend of Rs.13.85 (i.e. 138.50%) per equity share of Rs. 10 each for the Financial Year ended on 31st March, 2024. The dividend will be paid out of free reserves of the Company.

COST CONTROL MEASURES:

During the year 2023-24, your Company has implemented various innovative measures for cost reduction including cost-effective procurement of raw materials and other supplies to enhance the company's profitability.

Following are few measures that your Company had taken during the financial year:

- 1) The Company has taken up various measures for significantly reducing the cost of electric power, largely through increasing the contribution of renewable energy in its energy-sourcing basket by tying up for supply of Renewable Power on short to medium term basis.
- 2) During the first quarter of FY 2024-25, the Company has successfully tied up with NTPC Vidyut Vyapar Nigam Limited and Tata Power Trading Company Limited for supply of solar power from their 50 MW and 70 MW solar power installations respectively. This has started showing reduction in the cost of electric power, in addition to increasing the share of Renewable Power to 38% in total power requirements.

EXPANSION AND NEW PROJECTS

As a part of its ambitious growth plan, the Company had taken up various projects. We are pleased to inform that all these new plants are now operative with a few already to its full capacity and some under stabilization. Your Company, as a long-term strategic measure, to enhance its in-house chlorine consumption, has taken up a 30 KTPA Chlorotoluene Project at Dahej to produce mix of benzyl chloride, benzaldehyde, and benzyl alcohol. The plant is presently under construction and is planned to be commissioned in January 2025, with the commercial production expected by end of February 2025.

Your Company, due to its power intensive operations has taken up a drive to optimize its power cost. As a part of these initiatives, the Company is planning long term measures for sourcing renewable power in group captive or captive mode. The Company has engaged IDBI Capital Markets & Securities Limited for carrying out due diligence of Individual techno-commercial offers received from potential RE suppliers/developers and to provide most suitable options for RE power addition to its basket.

SAFETY AND ENVIRONMENT

Our commitment to safety and preservation of environment has been encompassed in our “Quality, Health, Safety, Environment and Energy (QHSEEn) Policy”.

I am happy to inform you that as on 13th September, 2024, your Company has achieved 776 Accident-Free days working at our Baroda Complex, 454 Accident-Free days working at Dahej main complex and 758 Accident-Free days working at D/II/9 Complex i.e. the CLM Complex.

Your Company has initiated a project for establishment of Centralized Kitchen, this is am talking about CSR activity of the Company. Your Company has initiated a project for establishment of Centralized Kitchen which will provide free meals to the Government Primary School students (approx. 25000) in entire Poshina Taluka of Sabarkantha District through Akshay Patra Foundation. This CSR project aims to enhance school attendance, reduce classroom hunger, and improve students' overall health and nutrition.

Coming to the last part of my speech on behalf of the Board of Directors, I would like to extend a very warm welcome to newly appointed Directors Dr. T. Natarajan, IAS and Independent Directors Shri Bimal Julka, IAS (Retd.) and Dr. Chinmay Ghoroi.

I would also like to thank Shri M K Das and Shri J P Gupta, who served as Directors and Shri S B Dangayach, who served the Company as Independent Director. Their rich experience benefited the Company in its growth and development.

I extend my sincere gratitude to my fellow Board members for their valuable guidance and contributions.

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

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

Thank you very much.

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

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

Thank you, Sir.

The Company had provided facility of remote E-voting from 23rd September, 2024 to 25th September, 2024. The Members who have not cast their votes through remote E-voting and who are participating in this meeting are eligible to cast their votes during this AGM through the E-voting system provided by CDSL. All the members who have joined this AGM through video conference may kindly take note that E-voting process will continue for 20 minutes after the completion of the meeting. All members present are requested to complete E-voting within stipulated time.

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

RESOLUTION NO: 1 *Is an ORDINARY RESOLUTION to consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2024 together with the Reports of the Board of Directors and Auditors thereon and to consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2024 and the Report of Auditors thereon.*

RESOLUTION NO: 2 Is an ORDINARY RESOLUTION to declare a special dividend at the rate of Rs. 13.85 per Equity Share of Rs. 10/- each fully paid-up Equity Share (@138.50%) for the Financial Year ended 31st March, 2024.

RESOLUTION NO: 3 Is an ORDINARY RESOLUTION to re-appointment of Dr. Has Mukh Adhia, IAS (Retd.) Sir as a Director, and Chairman of the Company who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

RESOLUTION NO: 4 Is an ORDINARY RESOLUTION to consider appointment of M/s. Prakash Chandra Jain & Co., Chartered Accountants, Vadodara (FRN: 002438C), as the Statutory Auditors of the Company to hold office from the conclusion of this 51st AGM till conclusion of 56th AGM i.e. for a period of five (5) consecutive years on such remuneration as may be approved by the Board of Directors of the Company.

RESOLUTION NO: 5 Is a SPECIAL RESOLUTION to consider and appoint Shri Bimal Julka, IAS (Retd.) Sir, as an Independent Director of the Company for a period of five consecutive years w.e.f. 11th July, 2024, not liable to retire by rotation.

RESOLUTION NO: 6 Is again a SPECIAL RESOLUTION to consider and appoint Dr. Chinmay Ghoroi as an Independent Director of the Company for a period of five consecutive years w.e.f. 11th July, 2024, not liable to retire by rotation.

RESOLUTION NO: 7 Is an ORDINARY RESOLUTION to approve the remuneration payable to M/s. Y S Thakar & Co., Cost Accountants in Practice (Firm Registration No.: 000318) as Cost Auditors of the Company for the Financial Year 2024-2025 at a total fee of Rs.3,19,000/- plus applicable GST.

RESOLUTION NO: 8 Is an ORDINARY RESOLUTION to consider the Appointment of Dr. T. Natarajan, IAS as Director of the Company, who was appointed as an Additional Director by the Board of Directors of the Company w.e.f. 11th September, 2024 and being eligible offers himself for the appointment, liable to retire by rotation.

Now, I request Chairman Sir to kindly takeover further proceedings of this AGM.

Questions:

Dr. Hasmukh Adhia, IAS (Retd.) (Chairman)

The Members who have registered themselves as speakers can now ask questions regarding operations of the Company. The Members who have not registered themselves as speakers and have any question, they may submit the same to the Company Secretary. We shall send suitable replies to the questions in due course. I would like to request the members that questions relating to financial statements and operations of the Company or proposed resolutions may be asked. Please do not repeat any question and also make your Question very very short and come directly to the point. After getting questions from the members, I will request Managing Director to answer all of them.

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

Moderator, kindly allow speaker Shareholders No. 1.

Moderator, please allow speaker Shareholders No. 1.

Moderator

Shri Jagdishbhai Thakkar, you are unmuted, kindly ask your question

Shri Jagdishbhai Thakkar

Ok. Thank you.

Good Morning Chairman Sir, Good Morning Board of Directors my name is Jagdish Thakkar. I am the shareholder of the Company. Respected Sir, I have three questions to ask, all questions are very short. The number one is, what is the global market scenario of Chlor-Alkali Industry vis-à-vis Indian market as on today and what is the competition being faced by the Company from abroad? Number two is, how much additional capacity of our major products have been added in the financial year 2023-24 by the Company and by the total

Indian Industries? and my 3rd question is Sir, which actions the Company has taken to expand its market? What is the total amount of export of the sales during the year 2023-24 and how many new countries/customers have been added for export during 2023-24 by the Company?

Thank you very much Sir.

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

Thank you, Jagdishbhai.

Moderator, please allow speaker shareholder No. 2.

Moderator,

Shri Deveshbhai A. Pathak, you are kindly unmuted, kindly speak your question.

Shri Deveshbhai Pathak

Thank you. Thank you. Good Morning Sir. I am Devesh Pathak, shareholder of the Company. First of all, I would like to thank you for recommending special dividend of 138.50%. I am also happy to note that Company has made CSR expenditure in 2023-24 mainly towards promotion of health care and education. I also wish that Company should have sizable CSR obligations also in the years to come and my question is, I would like to know what is CSR budget for financial year 2024-25 and which are the major CSR activities which are proposed to be undertaken? Thank you.

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

Thank you, Deveshbhai.

Moderator, please allow speaker shareholder No. 3

Moderator,

Shri Jindal Doshi, you are kindly unmuted, kindly ask your question.

Shri Jindalbai Doshi

Good morning Sir, this is Jindal Doshi, I'm a shareholder of GACL. I have three questions Sir. The question number one is for Chlor-Alkali industry, I understand power cost is a major cost contributor. Now what actions our Company is taking to reduce the power cost? My second question is about the projects in hand, so when Chlorotoluene plant is going to be commissioned and what is the expected additional revenue we are expecting from the same. My question number three is the Company had in recent past has taken several new projects. Now what is the current status of these plants? Thank you Sir. Thanks for the opportunity.

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

Thank you, Jindalbai.

Moderator, kindly allow speaker shareholder No. 4

Moderator

Sorry sir. He's not available in the meeting.

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

Okay.

Dr. Hasmukh Adhia, IAS (Retd.) (Chairman)

I request MD to kindly answer all the questions in brief, actually many of these topics have been covered in the speech.

Shri Swaroop P. IAS Managing Director

Good Morning Chairman Sir. I would like to take the answer these questions sequentially. First is the question by Mr. Jagdishbhai Thakkar about the global market scenario of Chlor-Alkali industry vis-

à-vis Indian market. So in fact, the globally, the total capacity of Chlor-Alkali Industry is approximately 100 million Metric Tons per annum. As the demand of Caustic Soda continues to be balanced, the prices have stabilized internationally. So, China continues to operate at higher rates despite less demand and thus diverted more cargoes in exports, so we are definitely facing a stiff competition for our exports from the Chinese market.

As far as Indian Chlor-Alkali capacity, it is about 6.09 million Metric Tons per annum as on 31st March, 2024. In the recent times, the prices of Caustic Soda in India have remained balanced Rs.32000/MT to Rs.33000/MT. Despite the good demand from key industries like Textile, Agrochemicals, Dyes & Intermediates and also Alumina, the over-supply situation led to sub optimal ECUs in the industry. India continues to face supply pressures amid capacity additions. India is net exporter of Caustic Soda for last two years. Despite the additions there is a marginal price increase, but the additional capacities have really made this Caustic Soda, little tougher, but we are trying to meet up to the expectations.

About the additional capacity, yes, our Company has added about 4.37 Lakhs MT/ per annum while Indian Chlor-Alkali capacity additions is about 9.78 Lakhs MT per annum. About the new product, I think there is another question so I will answer that together. About the expansion in market, yes, the total export turnover reached the 899 Crores, including our joint venture Company GNAL, which is ever highest exports in the history of GACL. Out of this Rs.899 Crores, Rs.752.46 Crores is from GACL in last FY, surpassing all previous records as I mentioned. We have also expanded our horizon in export business by adding new products especially the Food Grade Phosphoric Acid. Regarding the countries where the new presence has increased, which is around 23 countries like Ukraine, Sierra Leone, Seychelles, Angola, Guinea, Morocco and now GACL has its presence in over 59 Countries, till the end of FY 2023-24. So, we are continuously looking for new markets, continuously looking for exports in the countries that we have not dealt so far. So I think in the future years also we would like to expand our presence in many more countries.

Now coming to the second question, so Deveshbhai Pathak, so he has pointed out about the CSR budget, of course, last year, as he said the focus is on health and education. This year also we have focused on health and education, but as Chairman Sir mentioned in his speech,

we have added nutrition as one of our major focus areas in this CSR budget with the centralized Mid-Day Meal Kitchen in Poshina Taluka to be started and also along with the WCD department, Women and Child Development Department. We are having focus on Adolescent Girls in Narmada District which is one of the backward districts of our Gujarat State. So as far as budget is concerned it is Rs. 9.37 Crores for the financial year 2024-25 and the areas that we are going to spend as I mentioned is Education, we also have a special children home that we are running, healthcare, nutrition, hygiene, sanitation, apart from that sustainable livelihood and also promotion of water conservation and arts and cultures. These are the areas that we will be focusing on CSR. And this year, will specially focus on improving the nutritional aspects of some of the backward Talukas of the State.

So, coming to the third question which is of Mr. Jindal Doshi's, questions about the power costs. Yes, you're absolutely right, power cost is one of the main contributors of cost of production for any chlor-alkali industry including our GACL. Considering long term sustainability, we are focusing more on Renewable Power and getting more and more renewal power from sources that are available. As you already know that the Company has its own 171 MW Wind and 36 MW Solar installations for captive use, which have been catering to about 20% of our demand i.e. of about 200 MW.

We have tied up with GIPCL for 75 MW Solar Power plant so that we get power and production will be start from either March or little after March of next year. We also have medium term measures as mentioned in Chairman's speech with the NTPC Vidyut Vyapar Nigam Limited and with Tata Power Trading Company. So they have started giving us power from the 15th July, 2024, that has reduced our power cost. We're also tying up with the potential new developers that will also be expected to reduce our power cost and increase our Renewable Energy Basket. So we are also trying for a long term 20 year contract with some of the potential well known developers of renewable energy.

So as far as the project on hand is concerned, the major project that is going on is the project of Chlorotoluene Project, which is the plant that can produce 30,000 MT/ per Year of Chlorotoluene products like Benzyl chloride, Benzaldehyde and Benzyl Alcohol. The major advantage of this Chlorotoluene project will be an additional captive consumption of chlorine of around 92 to 100 MT that will be the major advantage and this

plant is going to be completed by January 2025 and also commercially it will be operational from February, 2025. Of course, in the recent past we have expanded our Caustic Soda, we have also commissioned our Food Grade Phosphoric Acid and also technical Grade Phosphoric Acid which are functioning at almost to 75 to 85 % capacity since July, 2024, so we can definitely say that these plants have been stabilized. And the Hydrazine Hydrate plant is also under stabilization, the plant is commercial production has started. Gradually, we are also stepping up the production of the Hydrazine Hydrate. All efforts are being made to make plant operational at over its break-even capacity before the end of this financial year. So I hope I have answered all the questions.

Dr. Has Mukh Adhia, IAS (Retd.) (Chairman)

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

I now declare this 51st AGM as concluded. I would like to thank all the members for spending their valuable time for participating in the 51st AGM of the Company through video conference.

Thank you all.

Thank you. We close the meeting.

Shri Swaroop P. IAS Managing Director

Thank you Sir.
