



#### **CORPORATE PARTICIPANTS:**

**Shri P.K. Gera, IAS (Retd.)**  
*Managing Director & Chairman of 47<sup>th</sup> AGM*

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

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

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

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

**Shri Rohitbhai Patel**  
*Independent Director*

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

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

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

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

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

## **Welcome Address – Shri Sanjay Bhatt, Company Secretary & CGM**

*I warmly welcome all the members to this 47<sup>th</sup> Annual General Meeting of Gujarat Alkalies and Chemicals Limited on behalf of the Company.*

*Due to unavoidable circumstances, the Chairman of the Company Shri Anil Mukim, IAS could not attend this Annual General Meeting. All shareholders are requested to take note that in accordance with the provisions of Articles of Association of the Company read with Table F of the Companies Act, 2013, the Directors present at this AGM have unanimously appointed Shri P.K. Gera, IAS (Retd.) Managing Director of the Company as the Chairman of this 47<sup>th</sup> Annual General Meeting.*

*At present 72 members have joined this Annual General Meeting through video conference facility. Thus, there is sufficient quorum for the 47<sup>th</sup> Annual General Meeting.*

*Now, I request Shri P.K. Gera, Sir, the Chairman of this AGM to start the proceedings of this AGM.*

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### **Shri P.K. Gera, IAS (Retd.) (Chairman of AGM)**

*Thank you. I welcome you all to this 47<sup>th</sup> Annual General Meeting. Looking to the Covid-19 pandemic situation in the country, this 47<sup>th</sup> Annual General Meeting of the Company is being held through video conference in accordance with the provisions of the Companies Act, 2013 and provisions of SEBI Regulations. For safety reasons, each of us has joined this AGM from different locations. I joined this Meeting from the Registered Office of the Company i.e. P.O. Petrochemicals, Dist. Vadodara. Before we start the main proceedings, I would like to introduce you, the Directors of our Company who have joined through audio video conference facility.*

*(1) Shri Pankaj Joshi, IAS is Director of the Company. He is a Senior IAS Officer of 1989 batch. He is working as Additional Chief Secretary, Finance Department, Government of Gujarat. He is attending the AGM from Gandhinagar through video conference facility.*

*(2) Shri Rajiv Lochan Jain has been serving as Independent Director of the Company since year 2016. He is Chairman and Member of the Company's Audit Committee, Stakeholders' Relationship – Cum – Investors' Grievance*

*Committee and other Committees. He served as CEO and Managing Director of Akzo Nobel India Limited. He is attending this AGM from Gurgaon-Delhi through video conference facility.*

*(3) Smt. Vasuben Trivedi is an Independent Director of our Company. She was a Member of Legislative Assembly. She was Hon'ble Minister of State for Education, Women and Child Welfare holding Independent Charge, Higher and Technical Education as well. Her contribution in the field of education is notable. She is attending AGM from Jamnagar through video conference facility.*

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

*(5) Shri Rohitbhai Patel is an Independent Director of the Company. He is Founder Promoter of Milcent Appliances Pvt. Ltd. and Chairman of Amanta Helthcare Ltd. and he has served as MLA of Anand. He has also served as State Minister for Industries, Finance and Mines & Minerals. He is attending this AGM from Anand through video conference facility.*

*Due to unavoidable circumstances, the Chairman of the Company Shri Anil Mukim, IAS and Shri M K Das, IAS, Director are not able to attend this meeting.*

*The Statutory Auditors of the Company M/s. K. C. Mehta & Co., Chartered Accountants, Secretarial Auditors M/s. Samdani Shah & Kabra, Practicing Company Secretary and Shri Niraj Trivedi, Practicing Company Secretary appointed for E-voting monitoring are present at this 47<sup>th</sup> Annual General Meeting through video conferencing facility from Vadodara.*

*We have the requisite quorum present through video conference for this AGM and therefore, I call this meeting to order and Notice of Annual General Meeting was already sent in advance to the Members through electronic mode whose email addresses are registered with the Company or Depositories. As the Notice is already circulated, I shall take the Notice convening the meeting as read. Now, I request the Company Secretary to read the Auditors' Report.*

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

*I would like to inform the Members that the Audit Report of Standalone Financial Statements of the Company audited by M/s. K C Mehta & Co., Chartered Accountants as per the Indian Accounting Standards for the Financial Year 2019-20 dated June 18, 2020 is available on page numbers 95 to 101 of the Annual Report. The Audit Report on the Consolidated Financial Results is available on page numbers 154 to 159 of the Annual Report. The Secretarial Audit Report of the Secretarial Auditors is available on page numbers 32 and 33 of the 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 the provisions of the Companies Act, 2013, the said Audit Reports may be taken as read.*

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

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**Chairman Speech- Shri P.K. Gera, IAS (Retd.):**

*Dear Shareholders,*

*I extend a warm welcome to all of you at the 47<sup>th</sup> Annual General Meeting of your Company. The Board's Report and the Standalone and Consolidated Audited Financial Statements of the Company for the Year 2019-20 are already with you and with your permission, I shall take them as read.*

*India's Gross Domestic Product (GDP) during the Financial Year 2019-20 was 4.2% as compared to 6.1% in previous year, the lowest since 2008-09. Manufacturing, construction and electricity declined sharply. Manufacturing shrank 1.4% in the fourth quarter as factories shut toward the end of March. Agriculture and public administration grew 5.9% and 10.1%, respectively. Construction contracted 2.2% while the financial sector, usually one of the fastest-growing, saw only a 2.4% rise. Gross Fixed Capital Formation, an indicator of investment, shrank 6.4% in the March quarter.*

*When the Government has gradually eased restrictions after the lockdown, economic activities were muted in April and May 2020, It also dented by the issue of migrant labour. The Government has unveiled Rs.20 lakh crore relief package that includes liquidity measures taken by the Reserve Bank of India to counter the*

*impact of the lockdown. The RBI has cut rates twice to record lows besides providing liquidity support and regulatory relief. The measures announced to support MSMEs will help small business across the sectors.*

*India has moved 14 places to be 63<sup>rd</sup> among 190 nations in the World Bank's ease of business Report up to 2020. The Country was 77<sup>th</sup> among 190 in the previous ranking last year.*

*Over the years Gujarat model of all-round development, success, growth and inclusive development has been appreciated by all over the Country. Gujarat is recognized for its vibrancy and entrepreneurial spirit. Investors' confidence for investment in Gujarat has grown manifold. Everyone at national and international level have recognized this. The State has been providing adequate power and infrastructure for the industry and agriculture, which is a key to economic progress. Gujarat houses an impressive industrial belt including a hub of chemical, petro-chemical industries that makes Gujarat a major contributor to the national economy. The significant contribution of Gujarat to Indian Economy has made India visible to a competitive market in spite of the downturn in World Economy. Inferring from present scenario where our economy has begun to rebound, Gujarat assumes a pivotal role in the fast-changing business dynamics of India.*

*Our Company was established in 1973 and over a period of time, it has emerged as one of the largest producers of Caustic Soda in India with present installed capacity of 4,12,500 Metric Ton per annum of Caustic Soda as on 31<sup>st</sup> March 2020 and enjoys the economies of scale. The Company has about 12% share in the domestic Caustic Soda market.*

*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 1989. The Company's products basket comprises of more than 36 products. The Company's products are used by diverse industries in India and abroad.*

*GACL has always ensured upgrading and adapting to eco-friendly and green technologies while it ensured optimum capacity utilization during Financial Year 2019-20.*

*The Production of Caustic Soda by electrolysis process is highly power intensive and the Company devised a sustainable strategy to meet its growing energy demands. Besides 90 MW Gas based Captive Co-generation Plant and participation in 145 MW Joint Captive Gas based Power Plant of GIPCL, your Company has taken major initiative for green energy by setting up Wind Farms for a total installed capacity of 171.45 MW as on March 31<sup>st</sup> 2020. During the Financial Year 2019-20, the Company has also taken up 20 MW Solar Power Project for captive use, which was commissioned in September 2019 in phased manner. The aggregate Solar Power capacity of the Company had increased to 35 MW. With this, the aggregate renewable energy capacity increased to 206.45 MW including 171.45 MW of Wind Power capacity.*

#### **BRIEFING YOU ON FINANCIAL PERFORMANCE OF THE COMPANY**

*In spite of stiff competition and unstable market conditions during the year, your Company had achieved Sales Turnover of Rs.2,654 Crores, Profit Before Tax of Rs.492 Crores and Profit After Tax of Rs.333 Crores. Your Company has been consistently striving towards cost reduction. Your Company has been able to maintain production levels and sell its quality products at very competitive prices. In the Financial Year 2019-20, the Earning per Share was Rs.45.32 for the year. Book value of share increased to Rs.541 per share as on 31.03.2020 as against Rs.505 per share at the end of previous year, registering a growth of Rs.36 per Share.*

*During the First Quarter of the current Financial Year, your Company has achieved Sales Turnover of Rs.453 Crores. During the First Quarter of current Financial Year, your Company has achieved Profit Before Tax of Rs.46 Crores and Profit After Tax of Rs.32 Crores.*

*The Directors of the Company are glad to recommend a Dividend of Rs.8.00 per share (i.e.80%) on Equity Shares for the Financial Year ended 31<sup>st</sup> March 2020.*

*I will now brief you about marketing strategy of the Company.*

*Your Company's product profile includes wide range of more than 36 products. The Caustic Soda group remained a major revenue earner. Therefore, Caustic Soda and Chlorine market scenario has a wide impact on the Company's performance.*

*As a value addition to the Hydrochloric Acid, the Company had commissioned Poly Aluminum Chloride (PAC) at Vadodara and are able to capture sizable domestic market for various grades of PAC. The physical export of PAC Powder has also been increased, wherein realizations are promising.*

*The Company is facing import threats and dumping of various products at low prices, which affects its capacity utilization, prices. The Company is pro-actively taking corrective action for imposition of Anti-Dumping Duty as per the WTO guidelines. As a result, Anti-Dumping Duty has been imposed on some of the products.*

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

***I can list some of them.***

- 1) For procurement of materials, your Company has followed Reverse Auction process. Reverse Auction encourages healthy competition, transparency in the procurement and establishes the best price for the Company.*
- 2) Your Company has procured raw material, Primary Aluminium Ingots under Advance License scheme with zero custom duty which has reduced cost of procurement.*
- 3) Potassium Chloride (KCl) is one of the major imported raw materials. Discharge port of the same which was changed from East Coast of India to West Coast and it has continued during the year which has benefited in reducing the logistics .*
- 4) Your Company always explores innovative measures in exploring to reduce the cost, to improve quality & to ensure timely availability of materials. For this, we have undertaken Vendor Managed Inventory and long-term contract for certain raw materials & consumables.*

*I am happy to inform you about expansion a new projects that your Company is well on its way with the implementation of its growth plans through which it aspires to reach annual turnover of Rs.5,000 Crores in the year 2021-22. This is despite*

*the unforeseen situation of COVID-19 pandemic, which has slowed down the implementation process of the new projects, but has not lowered the fighting spirit of the Company to eventually achieve the desired objectives.*

*Three major projects, which I will highlight here Hydrazine Hydrate, Chloromethanes and GNAL, which were planned to be put on stream during the last quarter of the current Financial Year, may get delayed by about 4-6 months and are expected to be commercially operative by 2<sup>nd</sup> quarter of the next Financial Year. The other two major expansion Purified Phosphoric Acid and Caustic Soda Expansion, which were planned to be operative by the 3<sup>rd</sup> quarter of 2021-22, would now get to the stage of commercial production during the last quarter of 2021-22.*

*Subsequent to the COVID-19 outbreak, and due to the nation-wide lockdown followed by region-wise lockdown still prevailing at several places in the Country, there has been an adverse impact on the schedules of the projects. The large-scale reverse migration of construction workers that followed the nationwide lockdown, had brought down significantly the pace of construction work at the sites. Your Company had taken corrective measures well in time and therefore, the situation had stopped deteriorating by end June 2020 and started improving since July 2020. The recovery measures taken by the Company included securing statutory permission for the construction under stringent measures enforced at the site to avoid spread of the pandemic, intensive training of the workforce at site, providing logistic support to the contractors for safe transport of the workers and creating an overall environment at the sites that made the workforce feel safe and motivated.*

*All procurement activities were continued with design teams working from home and commercial discussions taking place through digital media. The manufacturing activities for the plant and machinery already ordered were supported by conducting virtual inspections and providing online dispatch.*

*The project for establishment of 800 TPD Caustic Soda Plant integrated with 130 MW Coal based Power Plant at Dahej, as a Joint Venture with NALCO, is underway at Plot D-II/9. The Chlorine produced at this Plant shall be supplied to the Chlorine consuming plants in nearby area.*

*In order to have a competitive edge in the Dynamic Business Environment, our R&D activities are being carried out to develop a synergy between the present line operations and futuristic need of organization. The prime focus has been on new products and process development, environment friendly technologies, waste utilization, process improvement, product quality and to achieve total customer satisfaction.*

*During the year under review, your Company had successfully developed a product Crystalline Calcium Nitrate Tetrahydrate from liquid waste generated from Phosphoric Acid Plant and your Company had applied for an Indian Patent.*

*The work on cooling water treatment including the technical support in respect of corrosion and microbiological growth monitoring was carried out successfully. The R&D Department provided necessary technical support to the various Departments, which resulted in to the overall fruitful benefits.*

*For the safety of goods transport, your Company has arranged refresher training for drivers at an interval of every six months. Water conservation is part of our culture. Your Company has installed water flow meters at all the major water stream for the purpose of daily monitoring of water consumption. Water sprinkler system is implemented for watering the plants in garden areas.*

*Sound and efficient Corporate Governance practices are the basis for stimulating the performance of the Company, maximizing its operational efficiency, achieving sustained productivity as well as ensuring protection of stakeholders' interests.*

*At GACL, we are committed towards creating value for our stakeholders and believe that through various CSR activities the value is reflected in their quality of life.*

*The CSR activities are strategically aligned with Company's Policy, Philosophy, and Development Goals of the Government and are implemented through GACL Education Society. These are designed through a participatory approach, keeping in mind the requirements of the community. It helps us to nurture long lasting and strong relationships with our stakeholders. Promoting inclusive growth has been a priority for GACL from both the social and business perspective. In its commitment*

*to the underprivileged communities, your Company has engaged, partnered with some of distinguished NGOs and Government at the grass root level. The focus is on identifying, sharing and building upon good practices that help foster a culture of learning, collaborative working and innovations.*

*Human resources at GACL are always taken in centre place. At GACL Human Resource Department formulates strategies and executes HR policies that enhances the employee's competencies and productivity. Human Resources improves the Company's bottom line and with its knowledge and innovation resulting into organizational success.*

*HR training and development emphasizes on systematic knowledge transfer to facilitate the upcoming talent. Also, equivalent focus is on organizing training programs like Executive Development Programs, technical skill enhancement. During 2019-20, we achieved remarkable record of 33,041 training hours.*

*It has always been endeavour of GACL to continuously thrive by aligning and using Information Technology to achieve the excellence of Business Operations and its strategies. For better integration of its Business Processes and Controls, the Company has in place the benchmarking ERP – "SAP Systems". We have built a robust and secured IT infrastructure enabling availability of required information for decision making to all its stake holders.*

*I would like to take this opportunity to welcome Shri Anil Mukim, IAS as Chairman of the Company. I also welcome Shri Pankaj Joshi, IAS and Shri Rohitbhai J Patel as Directors of the Company. On behalf of the Board of Directors, I would like to thank Dr. J N Singh, IAS (Retd.), Chairman, Shri Arvind Agarwal, IAS and Dr. Rajiv I Modi as Directors of the Company, whose rich experience benefited the Company in its development and growth.*

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

*I also thank all 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 Government of Gujarat, in particular the Department of Energy & Petrochemicals, Promoters, Bankers, Auditors, Customers, Agents, Dealers, Suppliers and other Stakeholders who have continued to extend their precious support and co-operation to the Company.*

*JAI HIND*

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

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

*The Company had provided the facility of remote E-voting from 22.09.2020 to 24.09.2020. The Members who have not cast their votes through remote E-voting and who are participating in this meeting today are eligible to cast their votes during this AGM through the E-voting system provided by CDSL. All the members who have joined this AGM through video conference may take note that E-voting process will continue for 20 minutes after the completion of the meeting. All the members present are requested to complete the E-voting within stipulated time.*

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

**RESOLUTION NO: 1**

*Is an ORDINARY RESOLUTION to consider and adopt the Audited Financial Results and Consolidated Financial Results of the Company for the Financial Year ended 31<sup>st</sup> March, 2020 together with the Reports of the Board of Directors and Auditors thereon;*

**RESOLUTION NO: 2**

*“Is an ORDINARY RESOLUTION to declare a dividend at the rate of Rs.8.00 per Equity Share of Rs.10/- each fully paid-up (i.e.80%), for the Financial Year ended 31<sup>st</sup> March, 2020.*

*RESOLUTION NO: 3*

*“Is an ORDINARY RESOLUTION to re-appoint Shri M K Das Sir as Director who retires by rotation and is eligible for re-appointment.”*

*RESOLUTION NO: 4*

*“Is an ORDINARY RESOLUTION to appoint Shri Rohitbhai J. Patel as Independent Director w.e.f. 27.11.2019 for five years not liable to retire by rotation.”*

*RESOLUTION NO: 5*

*“Is an ORDINARY RESOLUTION to appoint Shri Pankaj Joshi Sir as Director of the Company liable to retire by rotation.”*

*Resolution No. 6 is regarding the appointment of Shri P K Gera Sir, for this Resolution, Shri Rohitbhai J.Patel will Chair this Meeting.*

*I give the details of RESOLUTION NO: 6*

*“It is ORDINARY RESOLUTION to appoint and fix remuneration and perquisites payable to Shri P. K. Gera Sir as Managing Director for one year w.e.f. 1<sup>st</sup> December 2019.”*

*RESOLUTION NO: 7*

*“Is a SPECIAL RESOLUTION to re-appoint Shri Rajiv Lochan Jain Sir as an Independent Director of the Company from 6<sup>th</sup> January 2021 to 31<sup>st</sup> December 2025 for second term.”*

*RESOLUTION NO: 8*

*“Is an ORDINARY RESOLUTION to approve the remuneration payable to M/s. R K Patel & Co., Cost Accountants, as Cost Auditors for the Financial Year 2020-2021.”*

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

## Questions:

### **Shri P.K. Gera, IAS (Retd.) (Chairman of AGM)**

*The Members who have registered themselves as speakers can now ask the questions regarding operations of the Company. The Members who have not registered can submit their questions through the given chat box facility. I would like to request the members that questions relating to financial statements / operations of the Company or proposed resolutions may be asked. Please do not repeat the questions which has already been asked by other members. After getting questions from the members, I will try to answer the questions.*

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

*Now I request moderator to kindly allow Shri Deveshbhai Pathak, shareholder who has registered as a speaker shareholder.*

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### **Shri Deveshbhai Pathak**

*I am Devesh Pathak, Shareholder of the Company. I would like to congratulate the Company and Management that in spite of stiff competition and unstable market supplemented by Covid-19 the Company has registered total revenue of Rs.2724.59 Crores and profit of Rs.332.84 Crores. So, they are definitely appreciable. I would like to say that even Sachin Tendulkar, he also did not hit century in every test.*

*So far as CSR is concerned, it is heartening to note that the Company has been carrying out these activities even much before it became statutory responsibility. I am also happy to note that Company has rather lived up beyond it's expectation by incurring CSR expenditure of Rs. 14.07 Crores against statutory requirement of Rs. 13.80 Crores and I am sure that with amended provisions, the Company would get benefit of carry forward of this excess CSR expenditure also.*

*(In Gujarati)*

*“Gujarati ma ek kehevat che ke Gharno chokro ghanti chate upadhyay ne aato.”*

*(In Gujarati) Pan aapda case ma evu nathi. Tame shareholder nu pan dhyan rakhyu che ane dividend no rate maintain karyo che.*

*Lastly, I wish that the Company would continue taking India ahead.*

*Thank you, Sir.*

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

*Thank you Deveshbhai. I, now request moderator to kindly allow Shri Jagdishbhai Thakkar to switch on.*

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***Shri Jagdishbhai Thakkar***

*Hello can you hear me?*

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

*Yes Sir. We can hear you.*

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***Shri Jagdishbhai Thakkar***

*Ok. Thank you very much and very Good Afternoon. Sir, At the outset I would like to congratulate you and I am so happy that I have been holding the shares of the GACL for more than about twenty years and still I want to hold it I think till I don't know how much years. So, my heartiest congratulations to GACL and their entire team.*

*Sir, I have two or three small questions. My first question is to you Sir, is that what are the projects which are under implementation which has been taken currently and likely to be completed by 2021 and 2022 and what are the projects that are completed by 2019-20 and what are going to be there.*

*Second question is that what is the present capacity of the plant, how much addition these new projects which are going to be there taken by 2021-22 completed vis-à-vis the demand which may be impacted by the Covid for the entire year of 2020-21 and may be perhaps to some extent 2021-22.*

*Sir, my third question to you is that what are the alteration the Company is making to optimize various capacity as Company may be having a distinct advantage of having the anti-dumping duty which has been currently imposed by the Government of India and also the call which has been given by the Hon'ble Prime Minister for the "Atma Nirbhar Bharat". What are going to be contribution and what are the steps the Company is likely to take up to ensure that the import which is being done from the other Countries are completely stopped and we become Atma Nirbhar and what are the deadlines for these Sir.*

*Thank you, Very much.*

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

*Thank you very much, Sir. Now I request Moderator to kindly allow Shri Saket Kapoor and Shri Suyash Kapoor from Kolkata.*

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**Saket Kapoor**

*Good Afternoon Sir.*

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**Shri P.K. Gera, IAS (Retd.) (Chairman of AGM)**

*Yes, Good Afternoon.*

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**Saket Kapoor**

*Sir, it is really a commendable job that our organization has done in putting up a very strong show.*

*(In Hindi) Hamne Paristhiya viprit hone par bhi acche numbers post kiye, cost efficiency ko maintain rakha aur dividend pay-out bhi maintain rakha. Sir going forward MD Sahab ne, ye elaborate kiya hai Sir apne ki hum 5000 Crores ka turnover reach karne vale hai. Sir, Maine sirf vo year ka part miss kiya ki....by when.. Hello...*

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

*Yes, yes.*

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**Shri P.K. Gera, IAS (Retd.) (Chairman of AGM)**

*Please go on.*

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**Saket Kapoor**

*(In Hindi & English) Mein puch raha tha Sir ki 5000 crores ka jo aap turnover bata rahe hai vo kis Financial Year me hum achieve karenge aur Sir usme hamara value addition kitna percentage rahega. Sir because I found it's very heartening to see the strength of the vision of the Board that has moved into this value added product in the Chloromethane Plant due to which today we had events surpassed and beat the vagaries of the market with Caustic soda prices at so low. Shift our*

*diversification into it. I really congratulate the Board the entire team and people taking care there. I wish all them healthy life. The Secretarial team led by our Hon'ble Sanjay Sir and Kamleshji and all people Sir, I wish them all the good luck and every member at GACL a healthy life going forward Sir. Hope, sooner we come out of this pandemic and we get to see and meet there on.*

*Thank you, for the time given Sir.*

*Namaskar.*

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

*Thank you. Now, I request Moderator to kindly allow Shri Jindalbai Doshi.*

*Moderator, please allow Shri Jindalbai Doshi.*

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**Jindalbai Doshi**

*Hello, Hello.*

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

*Yes, Jindalbai Yes.*

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**Jindalbai Doshi**

*Good Morning everyone, myself Jindal Doshi. Sir, I have couple of questions for Board. My first question is about the Caustic Soda Flakes which is one of our key product of our Company. Since you all know that the production capacity of caustic soda has increased due to new plant coming up in India and at the same time there are also increased in the exports from Iran and other Southeast Asia Pacific. In the situation if the management can brief about the overall market scenario of caustic and chlorine in a current market and in near future and if there is any threat to our Chlor Alkali industry due to the imports, what is future of the chlor alkalies industries.*

*Sir, my second question is about the .....*

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

*We are not able to hear you Jindalbai.*

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**Jindalbhai Doshi**

*Sorry Sir.*

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

*We are not able to hear your second question. If you can repeat please.*

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**Jindalbhai Doshi**

*Ok, let me repeat, Sir. My second question is about the Capex. So, in the Financial Year 2019-20 in Balance sheet as per Note 3, properties plant and equipment has gone up by 471.56 crores. So, I request management to please give the details of additional investment the Company has made in the last year. That from my side, Sir.*

*Thank you very much.*

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

*Thank you, very much.*

*Sir, there are no other speakers. Therefore, so, I request Chairman Sir to reply the questions.*

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**Shri P.K. Gera, IAS (Retd.)**

*Alright, so I will first take up the answers to the registered Shareholders and I am noticing that in the Chat Box lot of queries are coming up. We will answer thereafter.*

*First, Shri Jagdishbhai Thakkar had asked about how many projects are under implementation?*

*I had mentioned briefly during my speech, let me give you a bigger picture. So, there are now five major projects, there are small projects also, the five major projects under implementation. The cost of our investment will be Rs.4770 crores. Rs.4770 crores and this will be 100 KTA Chloromethane Plant at Dahej which is almost 69% completed and by the time as on today, this is last month's figure, as on today it has definitely crossed 70% and scheduled to be commissioned in the April, 2021 now. Which is not far, It is just about 7-8 months and 10 KTA Hydrazine Hydrate at Dahej which is 51% completed and again by June,2021 we should complete it and there is 34 KTA Food Grade Phosphoric Acid and which is 13%*

completed, has been taken the help of Israelis for giving its technology. We are expanding and this we hope to complete by March, 2022 and Caustic Soda expansion project at Dahej, currently we are producing 785 Tonnes Per Day, we will increase it to 1,310 Tonnes Per Day and this is only 14% as of now, and by March, 2022 we will be able to complete it. We have a joint venture with NALCO and we call that new Company called GNAL, GACL-NALCO Alkalies & Chemicals Private Limited. So, there we are putting up 800 Tonnes Per Day Caustic Soda Plant along with 130 MW Power Plant and that is 80% completed and we hope to bring it on commercial production in May, 2021.

Now, as he has also asked, how many will be completed in 2020-21. During 2020-21, 800 Tonnes Caustic Soda Project of GNAL with 130 MW Coal based Power Plant, expansion of the current Caustic Soda Plant in Dahej from 785 TPD to 1310 TPD with the 65 MW Coal based Power Plant, Chloromethanes Plant and Hydrazine Hydrate Plant and new Phosphoric Acid Plant are expected to be commissioned by 2021-22. Additional revenue from these projects will be about Rs.1945 crores or we can round it off to about 2000 crores we should be able to get it.

And what are the current capacity of plant and new capacities after expansion. Current capacity for Caustic Soda plant is 4,12,500 MT per year and we are going to add after addition of 3,33,250 MT per year, so we will become 7,45,750 MT per year, so you can understand from 4,12,000 to 7,45,000. Chloromethanes which is currently we are having 56,100 MT and now we are putting another plant of 1,05,000 MT so we will become 1,61,100 MT. Phosphoric Acid we are currently at 26,400 MT now with an addition of 33,870 MT we will be producing 60,270 MT and 10,000 MT/year Hydrazine Hydrate Plant will be there.

What are measures are taken for optimization of operations?

Company has taken various measures for optimizing operation by replacing old generation electrolyzers and the latest generation energy efficient elements, both at Vadodara and Dahej Complex. Total 2355 elements have been replaced.

Now what were completed in 2019-20?

That is last year. Last year we completed 20 MW Solar Power Project; 15 KTA Stable Bleaching Powder and 16.5 KTA Anhydrous Aluminium Chloride Plant at Dahej.

Next gentleman has asked when we will be reaching the turnover of 5,000 crores?

We will be reaching Rs.5,000 crores by 2021-22, when you will see the results of 2022-23, we would have definitely crossed the Rs.5,000 crores.

Jindalbhai has asked what is the overall scenario of Caustic Soda and Chlorine?

In Financial Year 2019-20, the Chlor-Alkali Industries remained under pressure due to increased capacity and cheaper imports available. Overall capacity increased by 5%, the Caustic Soda imports during 2019-20 were 3,74,976 as compared to only 2,35,365. So, there was a jump of about 59% and COVID-19

has also impacted the industry with lower demand from consuming sectors. In 2020-21 caustic demand from paper industry dropped by 50% in first quarter of the year 2020-21 and demand from textile also dropped to 60-70%. The revenues were adversely impacted due to lower capacity utilization as well as lower prices. This was primarily due to COVID-19 that had an adverse impact on generation as well as demand. We have started operating at reasonable level of about 80% capacity utilization v/s a normal we use of 95%. However, prices continue to be still under pressure. So, during the period Chlorine demand has been reasonably good from various consuming Sectors. Demand of Caustic Soda is also expected to upward further, as economy is gradually recovering from the post lockdown restrictions.

Now the third question is on import. There has been always a fear of imports as I have mentioned that last year there was almost 60% jump in imports. Yes, there is a threat of import from Free Trade Agreement Countries or Low energy cost countries having integrated with EDC/PVC plant but we are taking measures of being cost competitive and trying to reduce the costing at the best prices. Yes, we are taking on the competition by being the best.

So, as I got Property, Plant and Equipment, we have last year as Mr. Doshi mentioned increased by Rs.471.56 crores. The details of this are that in Baroda complex Rs.170.19 crores were spent on the Solar Plant and on the Caustic Soda Plant and some lease reclassification and Rs.301 crores were spent in Dahej in Caustic Soda, power plant, Anhydrous Aluminum Chloride, Stable Bleaching Powder, Solar Power Plant. Therefore, the total increase in Property, Plant and Equipment in 2019-20 at Baroda and at Dahej put together was Rs.471.56 Crores. I hope that I have answered the questions which we received from the registered shareholders.

Can I go to the people who has raised or given us questions at chat box? One minute, I have asked my colleague to send me that on my WhatsApp. I want to look at that and give answer one by one.

We have Mr. Abhisekh. May I know Abhisekh was registered his claim was that he was registered speaker.

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

No.

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**Shri P.K. Gera, IAS (Retd.)**

We did not receive.

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

*We will reply his questions.*

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**Shri P.K. Gera, IAS (Retd.)**

*ok, we will be sending the reply if he has registered e-mail id as the shareholder with us. We will be giving the replies to you on the given e-mail address.*

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

*Few of his question are here.*

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**Shri P.K. Gera, IAS (Retd.)**

*I have that. So, let me read the questions received from Mr. Abhishek. What is the real impact of Covid-19 in percentage terms. How supply chain has been affected. Where you see the light in the end of the tunnel. What will be the growth towards the first and second half. What is the view of the management going forward. Sustainability of profit and will remain the challenge in coming quarter. What are the management efforts to improve the working capital, Share Ratio, ROC, Net Debt.*

*Too many questions. Ok, let me try one by one.*

*Well, we have first of all we could manage good supply chain and inventory level so as to operate to our plant reaching even 90%. It is ending between 80 to 90 % and we are expecting a recovery in two quarters down the line. The first quarter was not good but we did not make a loss. We were having some profit and the second quarter which will be end in this month is our profit. The profit levels may not reach at last year but we will definitely have profit for sure. We are expecting that GACL will definitely not disappoint its Shareholders. So, Covid-19 has definitely impacted us and our supply chain because of the transport was not being available and labours not being available, trucks were there, drivers were not there so we have managed to keep our plants going by making alternate arrangements.*

*Now the next question is I would like to take is from Suyash Kapoor.*

*Mr. Suyash Kapoor has asked again many questions. Please share your views on buy back policy, Dividend Distribution, Target return on equity, Return on Capital Employed, Compound rate of more than 90%, is our Company Carbon positive, Water positive, ESG compliant like Tata Chemicals. Please share views on current demand and supply situation of our key revenue generating products.*

*So, Suyash Kapoor ji let me try. We have a corporate video on our Website.*

*Is the video uploaded on website. Bhatt saheb ?*

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

Yes Sir.

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**Shri P.K. Gera, IAS (Retd.)**

*So, if you want to see what exactly how much we have done on the renewable energy and understand more details are available on our website. I request you to go to our website. You can always send your question at the registered e-mail id which has been made for the all shareholders. We answer all questions there also.*

*We have already invested more than 1100 Crores on renewable energy in last 12 years. We have 171 MW on Wind and 35 MW of Solar and the Company reaping benefits in terms of clean and low-cost energy.*

*Now, we have been able to maintain our capacity utilization to the tune of 90% as I mentioned earlier and therefore, we can show that our market share has not gone down. The Prices in the market may not be available on the level that you were expecting last year. We are selling to our customers. We have market share, we were holding on to that. While prices is the determinant of many factors, imports, higher capacity installation which takes place during the year but we are ensuring that our customers remain with us. We are very much focused on our customers.*

*Dividend Distribution Policy is also available on the website. By and large the Board of directors have been very liberal in spite this year our profits were not of the level still we have maintained the dividend of 80% and we hope to increase the top line to Rs.5,000 cr. and in 2021-22 when the dividends outflow should increase at that point of time when we reach that levels.*

*Now, about the target return on the capital employed. You see while we don't take any targets as such but we assure you that a return on the capital employed is we go each project by Project. You see, no project we undertake which is less than 10 to 12% return on each new project when we take it up. The Current year figure on capital employed must be there on the Balance Sheet and you can look at it as compared to our size companies we are doing very well, I believe in that.*

*Now, Company has also internal mechanism for monitoring and managing all that Suyash Kapoorji wanted to ask on the risk. All possible risk are being identified and mitigation measures we do take. We have a Committee which I chair on the Risk Management. And with every Board, we brief the Board on the Risk Management issue matters.*

*As regards Anti-Dumping. There is a question on Anti-Dumping. Recently the Government, we could convince the designated authority for Anti-Dumping and they have imposed on Phosphoric Acid from Korea which help us in establishing our new plant and moreover, Anti-Dumping in China caustic has been extended for three months under COVID-19. This is under sunset review provision and we hope to get it.*

*Suyash Kapoor has also asked on debt reduction policy, preferential allotment of equity shares, qualified institutional placements to Government of Gujarat for reducing borrowing debts, is it possible.*

*Well all these measures you have suggested debt reduction. We don't have significant debt first of all. We have only fraction of the debt from the ECB. We have only ECB. We are very well repaying all our debt on time and in regards exchange risk we have sufficient exports which covers us against exchange risk fluctuation.*

*I would also like to inform Mr. Suyash Kapoor that we are attempting to put all our internally generated funds to company's operations and if required we will not feel shy of approaching the lenders to give us more funds for these projects which are being under implementation. We will be going for sure for that.*

*Now, Suyash Kapoor has also requested please provide facility of conference call for Equity Shareholder participation and for dissemination of vital information. At this stage will you be possible to give the conference call.*

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

*Sir what is his question is every quarter we should provide conference call and guidance to investors, that we were doing but due to this pandemic we had stopped for last two quarters but definitely suggestions are welcomed and we will do that.*

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**Shri P.K. Gera, IAS (Retd.)**

*very good suggestion.*

*Yes, Grasim Industry is our key competitor. We are sensible to sell all. I can assure that we are not scared of the competition in the market. We indeed welcome competition because that makes us work hard to help our customers.*

*Anything more.*

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

*That's all about the questions which we have received.*

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**Shri P.K. Gera, IAS (Retd.)**

*I must thank you for keeping us on our toes and please note the e-mail id. Can you give the e-mail id for the web?*

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

*It is there on the website. It is investor\_relations@gacl.co.in.*

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**Shri P.K. Gera, IAS (Retd.)**

*So you have on the website. Please go to our website. There is for investor. There is an investor e-mail id given there and we respond. If you don't get a response, you can send that to my e-mail id if there is a problem but first give a chance to my regular system to work.*

*Now, having answered all the questions which I have received.*

*The Members may kindly note that the E-voting by Members on the above resolution 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 Mr. 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 website of BSE and NSE within 48 hours.*

*I just saw some details for questions. No more question now.*

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

*Now I request Chairman Sir to kindly formally declare this AGM as concluded.*

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**Shri P.K. Gera, IAS (Retd.)**

I now declare this 47<sup>th</sup> AGM as concluded. I would like to thank all the members for spending their valuable time for participating in the 47<sup>th</sup> AGM of the Company through video conference.

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

*On behalf of the Company, I express my sincere vote of thanks to the Hon'ble Chairman, Directors, Auditors and all the Members for joining us at this Annual General Meeting through video conference. Thank you very much.*

*Jai Hind.*