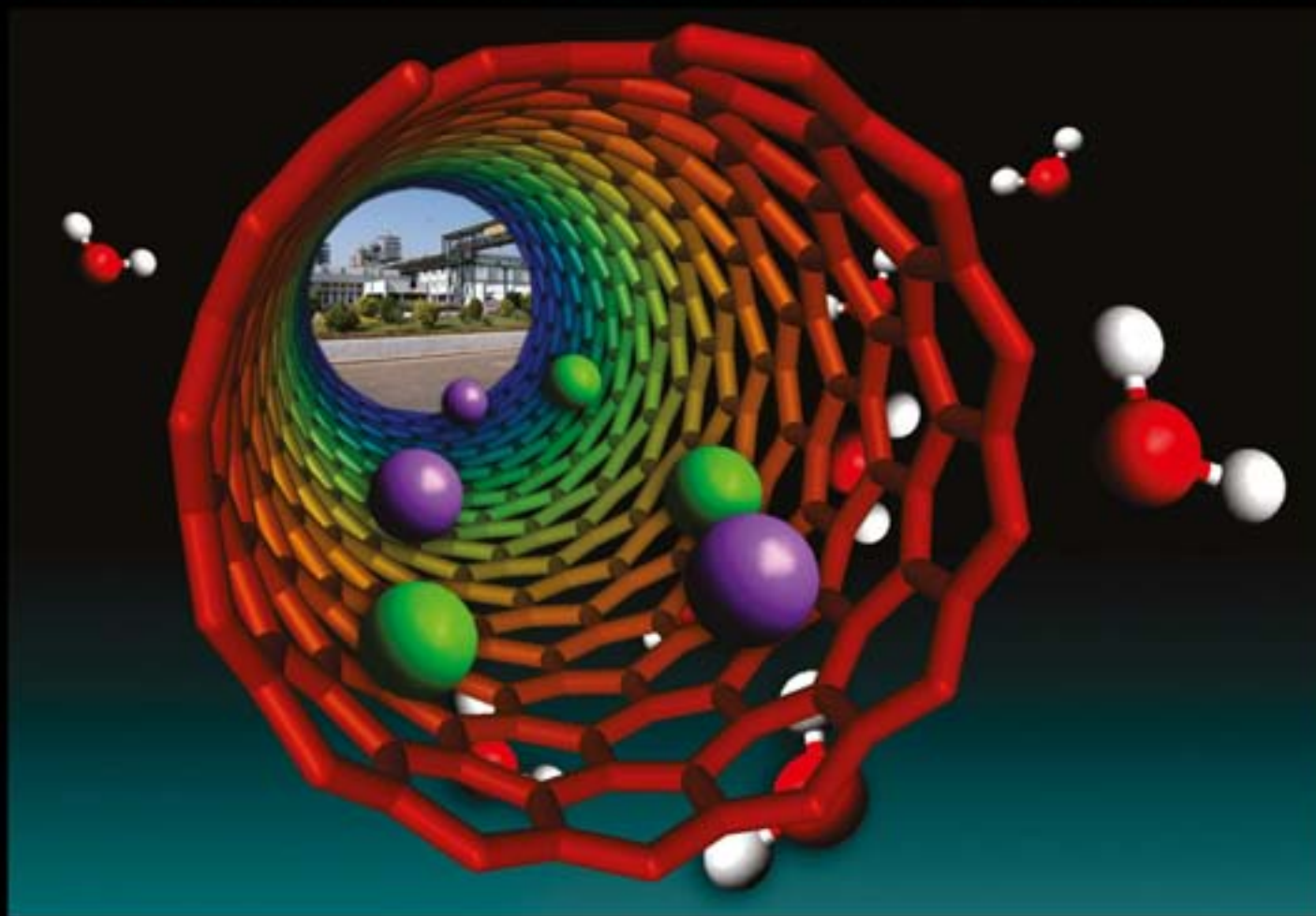




41st ANNUAL REPORT 2013 - 14

Creating Value. Redefining Future.



Gujarat Alkalies and Chemicals Limited

MAIN PRODUCTS AND PRINCIPAL USES

SR. NO.	PRODUCTS	PRODUCTION (MT)		Increase / (Decrease) %	PRINCIPAL USES
		2013-14	2012-13		
1	Caustic Soda Lye	3,79,846	3,64,733	4.14	Soaps and Detergents, Rayon, Textiles, Pulp and Paper, Chemicals.
2	Caustic Soda Flakes / Prills	1,51,999	1,52,934	(0.61)	
3	Potassium Hydroxide	18,728	15,906	17.74	
4	Potassium Carbonate	7,001	6,476	8.11	
5	Caustic Potash Flakes	10,234	7,867	30.09	
6	Chlorine Gas	3,48,380	3,33,206	4.55	Plastics (including PVC), Chlorinated Paraffins, Pesticides and other chemicals, Hydrochloric Acid, Chloromethanes and Water Treatment.
7	Hydrochloric Acid (30%)	3,26,429	3,03,920	7.41	Chemicals, Fertilizers, Water Treatment and Phosphoric Acid.
8	Chloromethanes	37,888	34,417	10.09	Solvent, Fluoro-Carbon refrigerants, Pharmaceuticals, Aerosol Propellants.
9	Sodium Cyanide	1,898	1,844	2.93	Metal and mineral extraction, Dyes, Electroplating, Metal Cleaning and Hardening and Insecticides.
10	Phosphoric Acid (85%)	25,075	24,125	3.94	Phosphate salts and phosphating of metals, Pharmaceuticals, Sugar refining and Fine Chemicals.
11	Hydrogen Peroxide (100%)	29,039	31,329	(7.31)	Textiles, Pulp and Paper, Chemicals, Pharmaceuticals, Pesticides, Dyes and Effluent Treatment.
12	Aluminium Chloride	29,189	23,823	22.52	Pesticides and Pharmaceuticals, Aromatic Chemicals, Reforming Hydrocarbons, Electrolysis Production of Aluminium.
13	Calcium Chloride	9,169	8,204	11.76	Oil well drilling, Ice melter, Road stabilizer and Dust suppressant.
14	Poly Aluminium Chloride	27,792	25,903	7.29	Water Treatment, Separation of slurry, Sizing in Paper Industry, Decolorisation & Decontamination of Dyes in Textile Industry and Sewage Water Treatment.
15	Chlorinated Paraffin Wax	8,004	8,577	(6.68)	Secondary Plasticiser in PVC compounding for Pipes, Hoses, Cables etc., Additive in Lubricating Oils and Paints.
16	Chloro Toluene Products	6,154	4,821	27.65	As general solvent for inks, paints, lacquers and epoxyresin, medication solution as preservative and photography industries, Vat Dyes, Pharmaceuticals.
17	Stable Bleaching Powder	9,006	6,456	39.50	Bleaching agent in paper, textiles and soap industry, Household Bleaching / cleaning applications, Waste water Treatment and Sewage disposal, Oxidising Agent and Disinfecting Agent.
18	Sodium Chlorate	22	-	-	Bleaching agent in paper industry & water treatment industry
TOTAL (1) to (18)		14,25,853	13,54,541	5.26	
19	Power (KWH) (MU)	528.47	659.84	(19.91)	Captive consumption for production of (1 to 14 & 17)

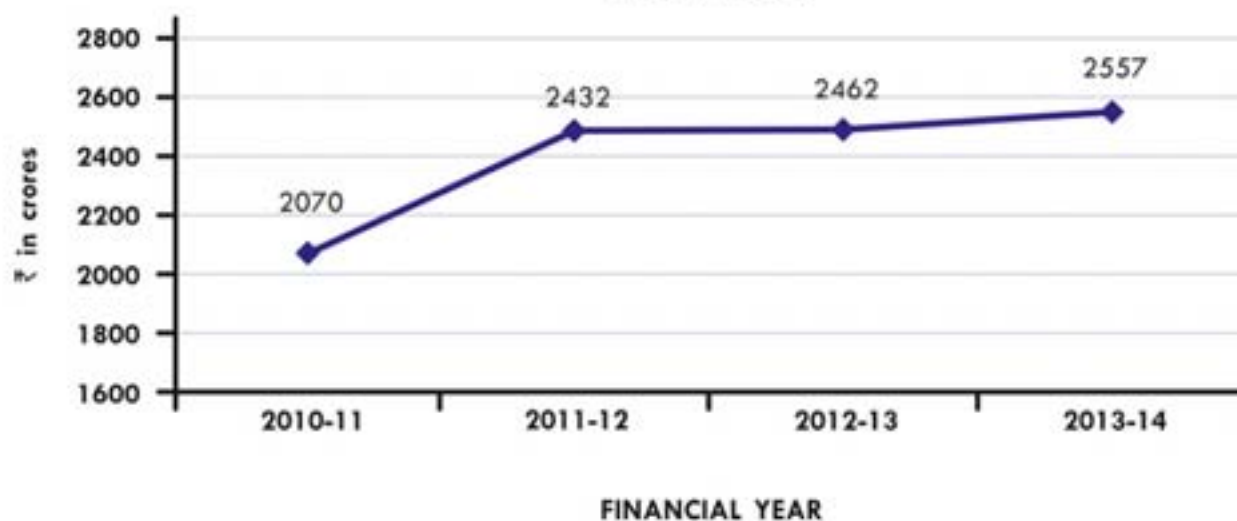
PERFORMANCE PREVIEW 2013-14



GACL is consistently registering robust growth is evident from the fact that in the decade ending March 31 this year, its gross earnings and net profit have increased substantially along with a robust increase in the dividend payout.



GROSS INCOME



TOWARDS A CONFIDENT FUTURE



Keeping in view, the current trends of Indian and global economy, the Company has planned new projects during the next 3 to 4 years in order to diversify, add new products, enlarge portfolio and expand its existing capacities.

In line with this strategy it has executed a project for the manufacture of Sodium Chlorate, an import substitute production. A Hydrogen Peroxide downstream project to manufacture Hydrazine Hydrate, another import substitute product is underway.



SHARE CAPITAL, RESERVES AND SURPLUS, NET WORTH, BOOK VALUE & EPS





BOARD OF DIRECTORS

Dr. Varesh Sinha, IAS *Chairman*

Dr. Hasmukh Adhia, IAS

Shri D. J. Pandian, IAS

Shri G. C. Murmu, IAS

Dr. Sukh Dev, Padma Bhushan

Shri J. N. Godbole

Shri G. M. Yadwadkar

(Upto 13.08.2013)

Shri Ajoy Nath Jha

(From 14.08.2013 to 18.03.2014)

Shri M. S. Dagur, IAS

(Upto 26.02.2014)

Shri Atanu Chakraborty, IAS...Managing Director

(From 27.02.2014)

COMPANY SECRETARY

Shri Sanjay S. Bhatt

CHIEF FINANCIAL OFFICER

Dr. H. B. Patel

AUDITORS

Messrs Prakash
Chandra Jain & Co.
Chartered Accountants
Vadodara

SOLICITORS

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

COST AUDITORS

Messrs R K Patel & Co.
Cost Accountants
Vadodara

BANKERS

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

CIN : L24110GJ1973PLC002247

REGISTERED OFFICE AND VADODARA COMPLEX :

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

DAHEJ COMPLEX :

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

REGISTRAR & SHARE TRANSFER AGENT :

MCS Share Transfer Agent Ltd. (Unit : GACL)
Neelam Apartment, 1st Floor
88, Sampatrao Colony, Productivity Road
Vadodara : 390 007, GUJARAT (INDIA)
Phone : (0265)-2339397, 2314757, 2350490
E-mail : mcsstalbaroda@yahoo.com

Company's Website : www.gacl.com

**41st Annual General Meeting**Date : 22nd August, 2014

Day : Friday

Time : 12.30 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 First 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 Friday, the 22nd August, 2014 at 12.30 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 31st March, 2014 including Balance Sheet as at 31st March, 2014, 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 31st March, 2014.
3. To appoint a Director in place of Shri D J Pandian, IAS (DIN 00015443), who retires by rotation at this Meeting and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri G C Murmu, IAS (DIN 00183142), who retires by rotation at this Meeting and being eligible, offers himself for reappointment.
5. To appoint M/s. Deloitte Haskins & Sells, Chartered Accountants as Statutory Auditors of the Company in place of M/s. Prakash Chandra Jain & Co., the retiring Auditors, to hold office from the conclusion of 41st AGM till the conclusion of 46th AGM i.e. for a period of five (05) years and to fix their remuneration and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution** :

“RESOLVED THAT as per the provisions of Section 139 of the Companies Act, 2013 or any other applicable provisions or Rules / Regulations made thereunder, M/s. Deloitte Haskins & Sells, Chartered Accountants, Vadodara (Firm Registration No. 117364W), be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of 41st Annual General Meeting (AGM) till the conclusion

of 46th AGM i.e. for a period of five (05) consecutive years (subject to ratification by the Members at every AGM during the term of their appointment) on such remuneration as may be approved by the Board of Directors of the Company, 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:

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, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re- enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and as per Clause 49 of the Listing Agreement, Shri J N Godbole, Director (DIN 00056830), be and is hereby appointed as an Independent Director of the Company to hold office for a term of one year from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting and shall not be liable to retire by rotation.”

7. 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, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and as per Clause 49 of the Listing Agreement, *Padma Bhushan* Dr. Sukh Dev, Director (DIN 00063594), be and is hereby appointed as an Independent Director of the Company to hold office for a term of one year from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting and shall not be liable to retire by rotation.”

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 Sections 2(78), 196, 197, 203 and Schedule V and other applicable provisions, if any, of the Companies Act, 2013, the approval of the Members, be and is hereby accorded to the appointment of Shri Atanu Chakraborty, IAS (DIN 01469375) as Managing Director of the Company for the period from 27th February, 2014 until further order by the Government of Gujarat, in accordance with the order of the Government of Gujarat vide Notification No. : AIS/35.2014/9/G dated 20th February, 2014 & Resolution No. : GAC-11-2006-4253-E dated 25th February, 2014 and pursuant to Article 11 and 14-A of the Articles of Association of the Company with 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 authorised to agree, to any revision / increase, variation, modification or amendment as may be decided from time to time by the Government of Gujarat in the terms and conditions of appointment and payment of remuneration presently being 5% of Basic Pay and Dearness Allowance (DA) as payment of charge allowance / special pay 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 Atanu Chakraborty, IAS, Managing Director of the Company be and is hereby authorised to exercise substantial powers of Management and shall be responsible for the day to day management 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 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.”

9. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a **Special Resolution** :

“RESOLVED THAT pursuant to the provisions of Section 180 (1) (c) and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), and provisions of Articles of Association of the Company, the consent of the Members be and is hereby accorded to the Board of Directors of the Company at any time to borrow sum or sums of monies together with the monies already borrowed by the Company, if any, (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) upto an amount of Rs.2,500 Crore (Rupees Two Thousand Five Hundred Crore only) outstanding at any point of time, in excess of the aggregate of the paid-up share capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose.”

“RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee duly constituted by the Board of Directors) be and is hereby authorized to do and execute all such acts, deeds and things as may be necessary in respect of the above resolution.”

10. To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution** :

“RESOLVED that pursuant to the provisions of Section 180 (1) (a) of the Companies Act, 2013

and other applicable provisions of the said Act, if any, and the Memorandum and Articles of Association of the Company, consent of the Members be and is hereby accorded to the creation, by the Board of Directors of the Company from time to time, of such mortgages, charges, liens, hypothecation, assignment, transfer and/or other securities in addition to the mortgages, charges, liens, hypothecation, assignment, transfer and/or other securities already created by the Company, on such terms and conditions as the Board in its sole discretion may deem fit, on Company's assets and properties, both present and future, whether movable or immovable, including whole or substantially the whole of the Company's undertaking(s) in favour of Lenders as may be agreed to by the Board for the purpose of securing the repayment of any loans / financial assistance / other borrowings, subject to maximum amount of Rs.2,500 Crore (Rupees Two Thousand Five Hundred Crore only)."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to finalize the terms and conditions, agreements, deeds and documents for creating such mortgage, charge, lien, hypothecation, assignment, transfer and / or other securities and to do all such acts, things and deeds as may be required to give effect to this resolution."

"RESOLVED FURTHER THAT the Managing Director of the Company or any other person authorized by him, be and is hereby authorized to do all the acts, things and deeds required to give effect to the above resolution including but not limited to filing necessary e-forms with the Registrar of Companies / Ministry of Corporate Affairs and to comply with all statutory and other formalities in this regard."

11. To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution** :

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof,

for the time being in force), the draft regulations contained in the Articles of Association submitted to this Meeting be and are hereby approved and adopted in substitution of the existing Articles of Association of the Company."

"RESOLVED FURTHER THAT the Board of Directors of the Company or any other person authorized in this behalf, 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."

12. To consider and if thought fit, to pass the following Resolution, with or without modification(s), 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 thereof, for the time being in force), the remuneration of 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 / records maintained by the Company in respect of manufacture of all its products for the Financial Year 2014-15 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 &
Dy. General Manager (Legal)*

Place : Vadodara

Date : 1st July, 2014

ANNEXURE TO THE NOTICE OF THE 41ST ANNUAL GENERAL MEETING

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 5

This explanatory statement to Item No.5 is provided though strictly not required as per Section 102 of the Companies Act, 2013.

M/s. Prakash Chandra Jain & Co., Chartered Accountants, Vadodara (Firm Registration No.002438C) have been appointed as the Statutory Auditors of the Company since Financial Year 2004-05. The present term of their appointment as approved by the Members in last Annual General Meeting held on 12th September, 2013, shall conclude at 41st Annual General Meeting.

In pursuance of Section 139 (2) of the Companies Act, 2013, every Listed Company shall not appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years.

As per Rule 6 (3) of Companies (Audit and Auditors) Rules, 2014, the period for which the firm has held office as auditor prior to the commencement of the act shall be taken into account for calculating the period of five consecutive years (in case of Individual as Auditor) or ten consecutive years (in case of firm as an Auditor) as the case may be.

Considering the tenure of the existing Statutory Auditors and the provisions of Section 139 of the Companies Act, 2013, your Directors recommend the appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants, Vadodara (Firm Registration No. 117364W) as Statutory Auditors in place of retiring Auditors, for your approval. It is proposed to appoint M/s. Deloitte Haskins & Sells, Chartered Accountants, Vadodara, to hold office from the conclusion of 41st Annual General Meeting (AGM) till the conclusion of 46th AGM i.e. for a period of five (05) consecutive years (subject to ratification of the appointment by the Members at every AGM held after this AGM) on such remuneration and service tax, travelling, lodging & boarding and other out-of-pocket expenses actually incurred by them as may be recommended by the Audit Committee and to be approved by the Board of Directors of the Company in connection with the audit of Accounts of the Company for the Financial Years 2014-15 to 2018-19."

The Company has received a consent letter from M/s. Deloitte Haskins & Sells, Chartered Accountants, Vadodara to the effect that their appointment if made, would be in accordance with the conditions prescribed under Section 139 (1) of the Companies Act, 2013 read with Rule 4 of the Companies (Audit and Auditors) Rules, 2014, and they are not disqualified for such appointment within the meaning of Section 141 of the said Act.

The Directors recommend the Resolution at Item No. 5 of the Notice for your approval.

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. 5 of the Notice. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges with which the Shares of the Company are listed.

Item Nos. 6 & 7

Shri J N Godbole (DIN 00056830), and *Padma Bhushan* Dr. Sukh Dev (DIN 00063594) have been appointed as Independent Directors w.e.f. 04.03.2009 and 11.06.2005 respectively. Pursuant to Section 149 read with Section 152 (including any statutory modification(s) and re-enactment thereof for the time being in force) and Schedule IV of the Companies Act, 2013 and as per Clause 49 of the Listing Agreement and any other applicable provisions thereof or Rules / Regulations made thereunder, it is proposed to appoint Shri J N Godbole and *Padma Bhushan* Dr. Sukh Dev, as Independent Directors of the Company for a term of one year, not liable to retire by rotation, commencing from the date of this Annual General Meeting till the conclusion of next Annual General Meeting. In the opinion of the Board, Shri J N Godbole and *Padma Bhushan* Dr. Sukh Dev, fulfills the conditions specified in the Companies Act, 2013 and Rules made thereunder for their appointment as Independent Directors and are independent of the management. Brief profile of Shri J N Godbole and *Padma Bhushan* Dr. Sukh Dev are given in the Annexure forming part of this Notice.

The terms and conditions of appointment of the above Directors 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 Saturday.

The Directors recommend the Resolutions at Item Nos. 6 and 7 of the Notice for your approval.

Except Shri J N Godbole and *Padma Bhushan* Dr. Sukh Dev, 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 Nos. 6 and 7 of the Notice. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges with which the Shares of the Company are listed.



Item No. 8

The Government of Gujarat (GoG) has appointed Shri Atanu Chakraborty, IAS (DIN 01469375) as Managing Director of the Company vide Notification No. : AIS/35.2014/9/G dated 20th February, 2014 & Resolution No. : GAC-11-2006-4253-E dated 25th February, 2014 and pursuant to Article 11 and 14-A of the Articles of Association of the Company vice Shri M. S. Dagur, IAS. Shri Atanu Chakraborty, IAS has taken over the charge as Managing Director of the Company w.e.f. 27th February, 2014.

Shri Atanu Chakraborty, IAS is also Managing Director of Gujarat State Fertilizers & Chemicals Ltd. and he has been appointed as the Managing Director of the Company (GACL), until further orders by the GoG. The Board of Directors of the Company at its Meeting held on 24th February, 2014 has passed unanimous resolution for appointment of Shri Atanu Chakraborty, IAS as Managing Director of the Company. His term of appointment, remuneration, charge allowance / special pay and perquisites shall be fixed by the GoG from time to time in accordance with the Articles of Association of the Company and 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 Atanu Chakraborty, IAS as Managing Director and the Company.

As per Section V of Part-II of Schedule – V of the Companies Act, 2013, if a person is appointed as Managing Director in two companies, he can draw remuneration from one or both the companies, provided that the total remuneration drawn from the companies does not exceed the higher maximum limit admissible from any one of the companies of which he is Managing Director. The Board of Directors at its Meeting held on 24th February, 2014 has approved to pay the remuneration to the Managing Director as may be fixed by the GoG, within the overall limits prescribed under the Act.

The Managing Director is eligible to receive 5% of Basic Pay and Dearness Allowance (DA) as payment of charge allowance / special pay or such other amount and providing of perquisites by the Company.

The Directors recommend the Resolution at Item No. 8 of the Notice for your approval.

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 Companies Act, 2013.

The above may be treated as a written memorandum setting out the terms and conditions of appointment of Shri Atanu Chakraborty, IAS as Managing Director as per Section 190 of the Companies Act, 2013.

Except Shri Atanu Chakraborty, 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. 8 of the Notice. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges with which the Shares of the Company are listed.

Item No. 9

The Members of the Company have, earlier at their 38th Annual General Meeting held on 16th September, 2011, passed necessary resolution under Section 293 (1) (d) of the Companies Act, 1956, for a borrowing limits upto to Rs.2,500 Crore.

Under the Companies Act, 2013, Section 180(1) (c), which came into effect from 12th September, 2013, requires that the Board of Directors shall not borrow money in excess of the Company's paid up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, except with the prior fresh consent of the Company by way of a special resolution passed at the general meeting.

Further, the Ministry of Corporate Affairs vide its Circular 04/2014 dated 25th March, 2014 clarified that the resolution passed under erstwhile Section 293(1)(d) of the Companies Act, 1956 prior to 12th September, 2013 with reference to borrowings (subject to the limits prescribed) shall be regarded as sufficient compliance of the requirements of Section 180 (1)(c) of the Companies Act, 2013. As per this Circular, the validity of resolution passed earlier would expire on 12th September, 2014 and thereafter fresh approval would be required from the Members in due compliance with the provisions of Section 180 (1)(c) of the Companies Act, 2013.

It is, therefore, necessary for the Members to pass a Special Resolution under Section 180 (1) (c) and other applicable provisions of the Companies Act, 2013, as set out at Item No. 9 of the Notice, to enable to the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company. Approval of Members is being sought to borrow money at any time or from time to time for borrowing monies together with the monies already borrowed by the Company, if any, apart from temporary loans obtained from the Company's Bankers in the ordinary course of business of Rs.2,500 Crore (Two Thousand Five Hundred Crore only)

in excess of the aggregate of the paid up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose.

The Directors recommend the Resolution at Item No. 9 of the Notice for your approval.

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. 9 of the Notice.

Item No. 10

The Members of the Company have passed necessary resolution under Section 293 (1) (a) of the Companies Act, 1956 at their 36th Annual General Meeting held on 25th September, 2009, for creation of security by mortgage and/or hypothecation of all or any of the movable / immovable properties of the Company to secure the External Commercial Borrowing (ECB) taken by the Company from ICICI Bank Ltd. by way of Foreign Currency Term Loan not exceeding of USD 40 Million (equivalent to about Rs.202.00 Crore).

Further, the Members of the Company have also passed necessary resolution under Section 293 (1) (a) of the Companies Act, 1956 at their 39th Annual General Meeting held on 21st September, 2012, for creation of security by mortgage and/or hypothecation of all or any of the movable / immovable properties of the Company to secure the External Commercial Borrowing (ECB) taken by the Company from HDFC Bank Ltd. by way of Foreign Currency Term Loan not exceeding of USD 20 Million (equivalent to about Rs.114.20 Crore).

As per the provisions of the Companies Act, 2013, it is required to pass Special Resolution under Section 180(1) (a) by Members of the Company to enable the Board of Directors to create charge/mortgage/hypothecation on the Company's assets both present and future, in favour of Lenders viz. Banks/Financial Institutions, Trustees etc. to secure repayment of moneys borrowed by the Company.

Further, the Ministry of Corporate Affairs vide its Circular 04/2014 dated 25th March, 2014 clarified that the resolution passed under erstwhile Section 293(1)(a) of the Companies Act, 1956 prior to 12th September, 2013 with reference to creation of security on assets of the Company shall be regarded as sufficient compliance of the requirements of Section 180 (1) (a) of the Companies Act, 2013. As per this Circular, the validity of earlier passed resolutions would expire on 12th September, 2014 and thereafter fresh approval would be required from the Members in due compliance with the provisions of Section 180 (1)(a) of the Companies Act, 2013.

It is, therefore, necessary for the Members to pass a Special Resolution under Section 180 (1) (a) and other

applicable provisions of the Companies Act, 2013, as set out at Item No. 10 of the Notice, to enable to the Board of Directors to secure the repayment of moneys borrowed by the Company. Approval of Members is being sought to enable the Board of Directors of the Company, as may be required from time to time for creation of mortgage / charges / lien / hypothecation / assignment or transfer of the assets and properties, both present and future, whether moveable or immovable, for securing borrowings for an amount upto Rs.2,500 Crore (Rupees Two Thousand Five Hundred Crore only) in favour of lenders.

The Directors recommend the Resolution at Item No. 10 of the Notice for your approval.

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.10 of the Notice.

Item No. 11

The existing Articles of Association ("AoA") of the Company are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Companies Act, 2013 ("the Act").

As the Companies Act, 2013 is now in force, the provisions of the Companies Act, 1956 are required to be replaced by provisions of the Companies Act, 2013 and the rules made thereunder.

Accordingly, it is proposed to replace the existing Articles to streamline and align it with the corresponding provisions of the Companies Act, 2013. Members' attention is invited to certain salient provisions of the Companies Act, 2013, which are applicable to the existing AoA of the Company viz. :

- (i) A member may exercise his vote at a meeting by electronic means in accordance with Section 108 and shall vote only once.
- (ii) Company's lien now extends also bonuses declared from time to time in respect of shares over which lien exists.
- (iii) The Nominee(s) of a deceased sole member are recognized as having titled to the deceased's interest in the shares.
- (iv) Existing Articles have been streamlined and aligned with the Act and provisions of the existing AoA which are already part of statute in the Act have not been reproduced as they would only lead to duplication – their non-inclusion makes the new AoA crisp, concise and clear and aids easy of reading and understanding.



The Directors recommend the Resolution at Item No. 11 of the Notice for your approval.

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. 11 of the Notice.

Item No. 12

The Board of Directors at its Meeting held on 14th May, 2014, on the recommendation of the Audit Committee, subject to the approval of Government of India, 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 / records maintained by the Company for the Financial Year 2014-15 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 F.Y. 2014-15 to M/s. R K Patel & Co. as Cost Auditors has to be ratified by the Members of the Company.

Therefore, the Directors recommend the Resolution at Item No. 12 of the Notice for your ratification / approval.

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. 12 of the Notice. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges with which the Shares of the Company are listed.

Inspection of documents:

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

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

**Sd/-
SANJAY S. BHATT**
Company Secretary &
Dy. General Manager (Legal)

Place : Vadodara

Date : 1st July, 2014

NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE AT 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.
- The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of business under Item Nos.: 5 to 12 is annexed hereto.

The particulars of qualification, experience and other Directorships etc. of the Directors proposed to be appointed / reappointed are given in the Annexure forming part of this Notice.
- The Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, the 12th August, 2014 to Friday, the 22nd August, 2014 (both days inclusive).
- The dividend declared at the Annual General Meeting, will be paid on equity shares of the Company on or after 26th August, 2014 to those Members holding shares in physical form and whose names appear on the Register of Members of the Company on 22nd August, 2014. 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 11th August, 2014 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 26th August, 2014 onwards.

6. a) Members holding shares in electronic form may please note that their bank details as may be furnished to the Company by respective Depositories will only be considered for remittance of dividend through NECS at RBI clearing centers or through Dividend Warrants. Beneficial holders holding Shares in demat form are requested to get in touch with their Depository Participants (D.P.) to update / correct their NECS/ECS details – Bank Code (9 digits) and Bank Account No. (12 to 16 digits) to avoid any rejections and also give instructions regarding change of address, if any, to their D.P. It is advisable to attach a photocopy of a cancelled cheque with your instructions to your D.P.
- b) The Company has appointed MCS Share Transfer Agent Ltd., Neelam Apartment, 1st Floor, 88, Sampatrao Colony, Productivity Road, Vadodara : 390 007 as Registrar and Share Transfer Agent. 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.
7. The Members are advised to encash their dividend warrants within validity period. Thereafter, the payment of unencashed dividend warrants shall be made after receipt of final list of unclaimed dividend warrants and reconciliation of Dividend Account from Bank. The payment of unclaimed dividend will be made by DDs / Cheques payable at par upon furnishing Indemnity-cum-Request letter by the Member and verification by the Company.
8. a) Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, the Company has transferred the unclaimed dividend for a period of seven years to Investors Education and Protection Fund (IEPF) as detailed below :
- b) The Members who have not encashed dividend warrant(s) for the years 2007-08, 2008-09, 2009-10, 2010-11, 2011-12 and 2012-13 are requested to claim payment immediately by presenting dividend warrant(s) or by writing to the Company's Registrar & Share Transfer Agent, MCS Share Transfer Agent Ltd. at the address given above. After seven years, no claims can be entertained by the Company or the Investors Education and Protection Fund (IEPF) in respect of the Dividend amounts, which remain unclaimed and unpaid for a period of seven years from the dates they first became due for payment and no payment can be made by the Company in respect of any such claims.
List of Members who have not claimed their dividend is placed at the website of the Company at www.gacl.com.
9. As on 31.03.2014, Share Certificates for 8,021 shares of 262 Members / allottees returned undelivered by Post are dematerialized and are lying in a separate demat account opened with the Stock Holding Corporation of India Ltd. (SHCIL), Vadodara.
10. Pursuant to the provisions of Section 72 of the Companies Act, 2013, Members are entitled to make nomination in respect of the shares held by them in physical form. Members desirous of making nominations are requested to send their requests in Form 2B (which is available on the Company's website 'www.gacl.com') to the Registrar & Share Transfer Agent, MCS Share Transfer Agent Ltd. at the address given above.
11. Relevance of question/s and the order of speakers at the Meeting will be decided by the Chairman. Proxy can attend and vote on poll, if any, but can not speak at the Meeting.
12. **E-Voting :** As per Sections 107 and 108 of the Companies Act, 2013, read with Companies (Management and Administration) Rules, 2014, facility is provided to the Shareholders for e-Voting through CDSL to enable them to cast their votes electronically on the resolutions mentioned in the Notice of the 41st AGM dated 1st July, 2014. The detailed process, instructions and manner for availing e-Voting facility is shown hereunder :

Financial Year	Date of			Amount Transferred (Rs.)
	Declaration of Dividend	Transferred to Un-paid Dividend A/c.	Transferred to IEP Fund	
2005-06	22.09.2006	21.10.2006	16.11.2013	7,30,270/-
2006-07 (Interim Dividend)	19.10.2006	18.11.2006	07.12.2013	6,09,795/-

- (A) The Company has fixed 9th July, 2014 as a cut-off date to record the entitlement of the Shareholders to cast their votes electronically at the 41st AGM.



(B) Instructions for e-Voting:

SECTION - A - E-VOTING PROCESS - SHAREHOLDERS HOLDING SHARES IN DEMAT FORM:		
EVSN	:	140710010
Step 1	:	Open your web browser during the voting period and log on to the e-Voting website : www.evotingindia.com .
Step 2	:	Click on "Shareholders" to cast your vote(s).
Step 3	:	Select the Electronic Voting Sequence Number - "EVSN" along with "GUJARAT ALKALIES AND CHEMICALS LIMITED" from the drop-down menu and click on "SUBMIT" .
Step 4	:	Fill up the following details in the appropriate boxes (also refer Section C (v), below).
User - ID	:	a) For account holders in CDSL : Your 16 digits beneficiary ID. b) For account holders in NSDL : Your 8 Characters DP ID and followed by 8 digits Client ID.
Character Displayed	:	Please enter the 'Character Displayed' in the Box provided for the same and click on login.
PAN	:	Enter your 10 digits alpha-numeric PAN issued by Income Tax Department. Shareholders who have not updated their PAN with the Company / Depository Participant are requested to use default value in PAN field as mentioned in sheet of 'Information for e-Voting' attached with 41 st Annual Report.
DOB *	:	Enter the date of birth recorded in the Demat Account or registered with the Company for the Demat Account in DD/MM/YYYY format.
Dividend Bank Details*	:	Enter your dividend bank details (Account Number) recorded in the Demat Account or registered with the Company for the Demat Account. In absence of Bank Details, you may enter number of shares held by you as on cut-off date i.e. 09.07.2014.
* Any one of the details DOB or Dividend Bank Details or number of shares held by you should be entered for logging in to the account.		
Step 5	:	After entering these details appropriately, click on "SUBMIT" tab.
Step 6	:	Shareholders holding Shares in Demat form will now reach 'Password Creation' menu wherein, they are required mandatorily to 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 resolution 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. Please also refer to Section C (v).
Step 7	:	Click on the relevant EVSN on which you choose to vote.
Step 8	:	On the voting page, you will see resolution description and against the same, the option "YES / NO" for voting. Select the relevant option as desired YES or NO and click on "SUBMIT" .
Step 9	:	Click on the Resolution File Link if you wish to view the Notice.
Step 10	:	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.
Step 11	:	Once you "CONFIRM", your vote on the resolution, you will not be allowed to modify your vote.

SECTION - B - E-VOTING PROCESS - SHAREHOLDERS HOLDING SHARES IN PHYSICAL FORM:		
EVSN	:	140710010
Step 1	:	Open your web browser during the voting period and log on to the e-Voting website : www.evotingindia.com .
Step 2	:	Now, click on "Shareholders" to cast your vote(s).
Step 3	:	Now, select the Electronic Voting Sequence Number - "EVSN" along with "GUJARAT ALKALIES AND CHEMICALS LIMITED" from the drop-down menu and click on " SUBMIT ".
Step 4	:	Now, fill up the following details in the appropriate boxes :
User - ID	:	Folio Number registered with the Company.
Character Displayed	:	Please enter the 'Character Displayed' in the Box provided for the same and click on login.
PAN	:	Enter your 10 digits alpha-numeric PAN issued by Income Tax Department. Shareholders who have not updated their PAN with the Company / Depository Participant are requested to use default value in PAN field as mentioned in sheet of 'Information for e-Voting' attached with 41 st Annual Report.
DOB *	:	Enter the date of birth recorded in the folio under which you are going to vote in DD/MM/YYYY format.
Dividend Bank Details*	:	Enter your dividend bank details (Account Number) recorded in the folio under which you are going to vote. In absence of Bank Details, you may enter number of shares held by you as on cut-off date i.e. 09.07.2014.
* Any one of the details DOB or Dividend Bank Details or number of shares held by you should be entered for logging in to the account.		
Step 5	:	After entering these details appropriately, click on " SUBMIT " tab.
Step 6	:	You will then reach directly the Company Selection Screen / Voting Screen.

For next steps, please refer to Step 7 to Step 11 as mentioned in Section A above.

SECTION - C – COMMENCEMENT OF E-VOTING PERIOD AND OTHER E-VOTING INSTRUCTIONS:

- (i) The e-Voting period commences on 16.08.2014 (09.00 a.m.) and ends on 18.08.2014 (06.00 p.m.). During this period, Shareholders of the Company holding Shares either in physical form or in dematerialized form, may cast their vote electronically. The e-Voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Shareholders, the Shareholder shall not be allowed to change it subsequently.
- (ii) The voting rights of Shareholders shall be in proportion in their Shares of the paid-up Equity Share Capital of the Company.
- (iii) Mr. Niraj Trivedi, Practicing Company Secretary (Membership No. : 3844 & CP No. : 3123) (Address : 218-219, Saffron Complex, Fatehgunj, Vadodara : 390 002, Gujarat), has been appointed as the Scrutinizer to scrutinize the e-Voting process in the fair and transparent manner.
- (iv) Copy of the notice has been placed on the website of the Company viz. www.gacl.com and the website of CDSL.
- (v) If you are holding Shares in Demat form and had logged on to www.evotingindia.com and casted your vote earlier for EVSN of any company, then your existing login ID and password are to be used.



- (vi) For Shareholders holding Shares in physical form, the password and default number can be used only for e-Voting on the resolutions given in the Notice.
- (vii) If Demat Account holder has forgotten his password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (viii) **For Institutional shareholders:**
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com
 - After receiving the login details, they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- (ix) 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.
- (x) The result of voting will be announced by the Chairman of the Meeting on or after the 41st Annual General Meeting to be held on Friday, 22nd August, 2014. The result of the voting will be communicated to the Stock Exchanges and will be placed on the website of the Company www.gacl.com.
- (xi) In case you have any queries or issues regarding e-Voting, you may refer the Frequently Asked Questions ("FAQ") and e-Voting manual available at www.evotingindia.com under help section or write an e-mail to helpdesk.evoting@cdslindia.com

Contact Details

Company	:	Gujarat Alkalies and Chemicals Limited PO. : Petrochemicals : 391 346 DIST. : VADODARA (GUJARAT) (0265) 2232681, 2232682 Ext. No.453 E-mail : cosec@gacl.co.in
Registrar & Share Transfer Agent	:	MCS Share Transfer Agent Ltd. (Unit : GACL) Neelam Apartment, 1 st Floor 88, Sampatrao Colony Productivity Road VADODARA 390 007 (GUJARAT) (0265) 2339397, 2314757, 2350490 E-mail : mcsstalbaroda@yahoo.com
e-Voting Agency	:	Central Depository Services (India) Limited E-mail : helpdesk.evoting@cdslindia.com
Scrutinizer	:	Mr. Niraj Trivedi Practicing Company Secretary E-mail : neeraj_n_t@yahoo.com, csneerajtrivedi@gmail.com

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

Name of Director		Shri Atanu Chakraborty, IAS		Shri D J Pandian, IAS		Shri G C Murmu, IAS
Date of Birth		05.04.1960		11.05.1955		21.11.1959
Date of appointment		27.02.2014		18.12.2009		11.12.2004
Qualifications		B.E. (Electronics & Communication) Post Graduate Diploma in Business Finance M.B.A.(Business Admn.),U.K. IAS		B.A. M.B.A.		M.A. M.B.A.
Nature of Expertise / Experience		He is an IAS Officer of 1985 batch having experience of more than two decades in Finance, Administration, Economics etc. He worked in various State as well as Central Government Departments and Public Sector Undertakings. He was Principal Secretary (Economic Affairs), Finance Department, Government of Gujarat, prior to his appointment as Managing Director, Gujarat State Fertilizers & Chemicals Ltd. (GSFC). He is a voracious reader and areas of his interest include subjects such as Finance, Economics and Infrastructure etc.		He is a Senior IAS Officer of Government of Gujarat and he is Additional Chief Secretary, Energy & Petrochemicals Department, Government of Gujarat. He has a very rich and varied experience of more than 36 years of Administration, Management, Finance and various Departments in the Government of Gujarat and Government of India.		He is a Principal Secretary to Hon'ble Chief Minister, Government of Gujarat and he is also the Chairman & Managing Director of Gujarat Industrial Investment Corporation Ltd. (GIIC). He has a very rich and varied experience of more than 31 years of Banking, Administration, Finance, Corporate Management and various Departments of Government of Gujarat.
Names of other Companies in which Directorship is held	1. 2. 3. 4. 5. 6. 7. 8. 9. 10. 11.	Gujarat Green Revolution Co. Ltd. Gujarat Chemical Port Terminal Co. Ltd. The Fertilizer Association of India Tunisian Indian Fertilizers S.A. (TIFERT) Gujarat Narmada Valley Fertilizers & Chemicals Ltd. Indian Potash Ltd. Bhavnagar Energy Co. Ltd. GSPC Gas Co. Ltd. Gujarat State Fertilizers & Chemicals Ltd. Torrent Pipavav Generation Ltd. GSFC Agrotech Ltd.	1. 2. 3. 4. 5. 6. 7. 8. 9. 10. 11. 12. 13. 14. 15.	Gujarat Urja Vikas Nigam Ltd. Gujarat State Electricity Corporation Ltd. Gujarat Energy Transmission Corporation Ltd. GSPC Pipavav Power Company Ltd. Gujarat Industries Power Company Ltd. GSPC Gas Company Ltd. GSPC LNG Ltd. Gujarat Power Corporation Ltd. Gujarat Narmada Valley Fertilizers & Chemicals Ltd. Gujarat State Fertilizers & Chemicals Ltd. Gujarat State Petronet Ltd. Mahaguj Collieries Ltd. Torrent Power Ltd. Gujarat State Petroleum Corporation Ltd. Gujarat Gas Company Ltd.	1. 2. 3. 4. 5. 6. 7. 8. 9.	Gujarat Industrial Investment Corporation Ltd. GVFL Ltd. Gujarat State Machine Tools Corporation Ltd. Gujarat Chemical Port Terminal Co. Ltd. Gujarat Port Infrastructure & Development Co. Ltd. Gujarat State Investment Ltd. Alcock Ashdown (Gujarat) Ltd. Gujarat Informatics Ltd. Gujarat Narmada Valley Fertilizers & Chemicals Ltd.



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

Name of Director		Shri Atanu Chakraborty, IAS		Shri D J Pandian, IAS		Shri G C Murmu, IAS
No. of Shares held		NIL		NIL		NIL
Names of the Committees of the Board of Companies in which Membership / Chairmanship is held		Gujarat Alkalies and Chemicals Ltd. 1. Shares / Debentures Transfers and Investors' Grievance Committee Gujarat State Fertilizers & Chemicals Ltd. 1. Shareholders' Grievance Committee Torrent Pipavav Generation Ltd. 1. Audit Committee - Chairman Bhavnagar Energy Company Ltd. 1. Audit Committee Gujarat Chemical Port Terminal Co. Ltd. 1. Audit Committee		Gujarat Alkalies and Chemicals Ltd. 1. Shares / Debentures Transfers and Investors' Grievance Committee - Chairman 2. Project Committee - Chairman 3. Personnel Committee - Chairman 4. Audit Committee		Gujarat Alkalies and Chemicals Ltd. 1. Project Committee 2. Personnel Committee 3. Remuneration Committee 4. Shares/Debentures Transfers and Investors' Grievance Committee Gujarat Chemical Port Terminal Co. Ltd. 1. Audit Committee - Chairman Gujarat Industrial Investment Corporation Ltd. 1. Audit Committee

Name of Director		Padma Bhushan Dr. Sukh Dev		Shri J N Godbole
Date of Birth		17.06.1924		17.02.1945
Date of appointment		11.06.2005		04.03.2009
Qualifications		M.Sc. Ph.D D.Sc.		B.Tech. (Hons.) from IIT, Pawai, Bombay in Chem. Engg. Certificate in Finance Management from Jamnalal Bajaj Institute of Management Studies.
Nature of Expertise / Experience		He is a veteran Scientist. He has been honored with the "PADMA BHUSHAN" award by the Government of India in the field of Science and Engineering. He has fifty-four patents registered in his name covering a range of products and processes in the fields of drugs, aroma chemicals, pesticides etc. His wide ranging researches have resulted in significant contribution in the field of Organic Chemistry. He has also served Chemical and Technological Institute in several key positions. He has authored various research publications, books and articles.		He has 37 years of wide active experience (excluding 8 years experience as Independent Director) which includes 5 years in SSI Sector as Production In-charge and 27 years in IDBI (including 3 years in IRBI) 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 projects of USD 1 Billion. He was Executive Director of IDBI for 6 years during which period, he was Chairman of CDR Empowered Group (of Banks and Financial Institutions), which was instrumental in preventing formation of NPA and correcting NPA in the Banking sector. At the time of retirement, he functioned as Chairman and Managing Director of IDBI.

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

Name of Director	Padma Bhushan Dr. Sukh Dev	Shri J N Godbole
Names of other Companies in which Directorship is held	NIL	1. J K Cements Ltd. 2. Gillander Arbhutnot & Co. Ltd. 3. Emami Paper Mills Ltd. 4. Kesar Terminals & Infrastructure Ltd. 5. Zuari Agro Chemicals Ltd. 6. IITL Projects Ltd. 7. EMBIO Ltd. 8. IDBI Asset Management Ltd. 9. Kesar Multimodal Logistics Ltd. 10. Zuari Global Ltd. 11. Saurashtra Cement Ltd. 12. Madhya Bharat Papers Ltd. 13. I.M.P. Powers Ltd.
No. of Shares held	NIL	NIL
Names of the Committees of the Board of Companies in which Membership / Chairmanship is held	Gujarat Alkalies and Chemicals Ltd. 1. Audit Committee 2. Project Committee	Gujarat Alkalies and Chemicals Ltd. 1. Audit Committee - Chairman 2. Project Committee 3. Personnel Committee 4. Remuneration Committee EMBIO Ltd. 1. Audit Committee 2. Remuneration Committee Gillander Arbhutnot & Co. Ltd. 1. Audit Committee Emami Paper Mills Ltd. 1. Audit Committee - Chairman 2. Remuneration Committee Zuari Global Ltd. 1. Audit Committee 2. Nomination and Remuneration Committee 3. Compensation Committee Kesar Terminals & Infrastructure Ltd. 1. Audit Committee 2. Share Transfer Committee 3. Remuneration Committee 4. Risk Management Committee IDBI Asset Management Ltd. 1. Audit Committee Zuari Agro Chemicals Ltd. 1. Audit Committee 2. Nomination and Remuneration Committee 3. Investors Grievance Committee (Stake Holders Relations Committee) - Chairman 4. Allotment Committee 5. Banking & Finance Committee Kesar Multimodal Logistics Ltd. 1. Audit Committee 2. Remuneration Committee IITL Projects Ltd. 1. Remuneration Committee



DIRECTORS' REPORT

To
The Members,

Your Directors present this 41st Annual Report on the business and operations of the Company together with Audited Balance Sheet and Statement of Profit & Loss for the Financial Year ended 31st March, 2014 and the report of the Auditors thereon.

The performance of the Company in Financial Year 2013-14 has been as follows :

FINANCIAL RESULTS :

	(Rs. in Lakhs)	
Particulars	2013-14	2012-13
Sales (excluding Excise Duty) and Other Income	1,92,633	1,83,330
Profit before Interest, Depreciation and Taxation (PBIDT)	40,373	51,402
Profit before Taxation (PBT)	24,655	33,683
Less: Provision for Taxation	6,153	10,148
Profit after Taxation (PAT)	18,502	23,535
Add: P&L A/c Balance brought forward from Previous Year	52,159	43,399
Amount available for appropriations	70,661	66,934
Your Directors recommend the following Appropriations:		
Proposed Dividend	2,937	2,570
Tax on Proposed Dividend	499	437
Transferred to General Reserve	9,251	11,768
Balance Carried to Balance Sheet	57,974	52,159
Earning per Share	Rs.25	Rs.32
Dividend per Share	Rs.4.00	Rs.3.50
Book Value per Share	Rs. 263	Rs. 242

DIVIDEND:

Your Directors are glad to recommend a Dividend @ Rs.4.00 per share on 7,34,36,928 Equity Shares of Rs.10/- each fully paid up for the year ended 31st March, 2014.

ENERGY CONSERVATION AND TECHNOLOGY ABSORPTION:

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

INSURANCE:

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

PUBLIC DEPOSITS:

During the Financial Year 2013-14, the Company has not accepted or renewed any Fixed Deposits and there is no Fixed Deposit outstanding.

LISTING AGREEMENT COMPLIANCE:

Your Company's Equity Shares are listed on Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE) and their listing fees for the Financial Year 2014-15 have been paid and the conditions of Listing Agreement have been complied with.

DIRECTORS' RESPONSIBILITY STATEMENT:

The Board of Directors of the Company confirms:

- that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to any material departure;
- that the selected accounting policies were applied consistently and the Directors made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2014 and of the profit of the Company for the year ended on that date;
- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- that the annual accounts have been prepared on a going concern basis.

CORPORATE GOVERNANCE:

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

A detailed report on Corporate Governance along with Certificate issued by Practicing Company Secretary in terms of Clause – 49 of the Listing Agreement is attached which forms part of this Report.

MANAGEMENT DISCUSSION AND ANALYSIS:

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

DIRECTORS:

Shri Atanu Chakraborty, IAS has been appointed as Managing Director of the Company vice Shri M S Dagur, IAS with effect from 27th February, 2014. The Board placed on record its deep appreciation of valuable services rendered to the Company by Shri M S Dagur, IAS as Managing Director of the Company.

IDBI Bank Ltd. had appointed Shri Ajoy Nath Jha in place of Shri G M Yadwadkar as Nominee Director on the Board of Directors of the Company with effect from 14th August, 2013. His nomination has been withdrawn with effect from 18th March, 2014. The Board placed on record its deep appreciation of valuable services rendered to the Company by Shri G M Yadwadkar and Shri Ajoy Nath Jha during their tenure as Directors of the Company.

Shri D J Pandian, IAS and Shri G C Murmu, IAS, Directors will retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. Your Directors recommend their reappointments for your approval.

As per Section 149 of the Companies Act, 2013, Shri J N Godbole and *Padma Bhushan* Dr. Sukh Dev, Directors are eligible for appointment as Independent Directors. Your Directors recommend their appointment as Independent Directors for a period of one year.

PARTICULARS OF EMPLOYEES:

The information, as required under Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended, forms part of this Report. Any Shareholder interested in seeking this information may write to the Company Secretary at the Registered Office of the Company. Further, there was no employee holding 2% or more of the equity shares of the Company during the Financial Year 2013-14.

INTERNAL AUDITORS:

M/s. Chandulal M. Shah & Co., Chartered Accountants, Ahmedabad have been appointed as Internal Auditors for conducting Internal Audit of the Company for both Vadodara and Dahej Complexes for the Financial Year 2013-14.

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 are taken by the Management.

STATUTORY AUDITORS:

M/s. Prakash Chandra Jain & Co., Chartered Accountants, Vadodara (Firm Regn. No. 002438C) were appointed as the Statutory Auditors of the Company since Financial Year 2004-05 and the present term of their appointment as Statutory Auditors shall expire upon conclusion of 41st Annual General Meeting.

Considering the tenure of the existing Statutory Auditors and the provisions of Section 139 of the Companies Act, 2013, your Directors recommend the appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants for your approval.

You are, therefore, requested to appoint M/s. Deloitte Haskins & Sells, Chartered Accountants, Vadodara, (Firm Regn. No. 117364W) as Statutory Auditors of the Company to hold office from the conclusion of 41st Annual General Meeting (AGM) till the conclusion of 46th AGM i.e. for a period of five years (subject to ratification of the appointment by the Members at every AGM held after this AGM).

COST AUDITORS:

The Board of Directors has appointed M/s R.K. Patel & Co., Cost Accountants, Vadodara as Cost Auditors for the Financial Year 2013-14 as per the provisions of the Companies Act, 1956 to conduct the Cost Audit of all products manufactured by the Company falling under Chapters 28, 29 & 38 of Central Excise Tariff Act, 1985 as per Notification No. 52/26/CAB-2010 dated 24th January, 2012 issued by Ministry of Corporate Affairs, Government of India. Your Directors recommend the remuneration of the Cost Auditors appointed by the Board of Directors for the Financial Year 2014-15 for your ratification / approval as per the provisions of the Companies Act, 2013.

ACKNOWLEDGEMENTS:

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

For and on behalf of the Board

Sd/-
DR. VARESH SINHA, IAS
CHAIRMAN

Place : Gandhinagar
Date : 17th June, 2014

Annexure – 1 to Directors' Report

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

A. CONSERVATION OF ENERGY :

(a) ENERGY CONSERVATION MEASURES TAKEN :

1. Variable Frequency Drive (VFD) provided in Extraction feed pump B, Oxidizer feed pump A at H₂O₂ Plant & Clarified Brine Pump at Caustic Soda Plant at Vadodara for optimizing power consumption.
2. Rearrangement of old & 5th generation elements in Membrane Cell-I (MC-I) to achieve lower power consumption.
3. Cell rack modification in MC-I & in MC-II carried out in phase & installed more elements to reduce power consumption.
4. Recoating of 244 No. of elements & remembraning 206 No. of elements done in MC-I.
5. Utilization of high temperature (super heated) water vapor from Anhydrous Separator to Steam Chest (Pre-Concentration Unit-PCU) of Caustic Concentration Unit-I (CCU-I) & CCU-3 instead of steam for heating of 48% Caustic in PCU.
6. Installation of two energy efficiency chiller in place of old centrifugal compressor for chilled water service.
7. Replacement of existing PP Lined Pump with new energy efficient PFA Lined Pump at Compressor House for Chlorine Condensate service.
8. Replacement of old chilled water pump with new energy efficient pump at Vadodara Complex.
9. Replaced Old Auxiliary Transformer with new one at Vadodara Complex.
10. Stoppage of Flocal pump & Agitator to inter-connecting of both Flocal Pumps.
11. For saving energy and to achieve process optimization, stoppage of one pump with ID Fan of Cooling Tower in compressor house & one pump with ID Fan in Brine house in winter season at Caustic Soda Plant due to reduce heat load.
12. Insulation work carried out in new Clarifier at Dahej Complex for optimization of steam consumption.
2. Installation of Chilled Water Cooler in liquid Freon system of CL₂ liquification Freon compressors.
3. Recoating and Remembraning of 250 elements of Electrolysers and Remembraning of 250 elements of Electrolysers in Caustic Soda Plant to reduce power consumption.
4. Existing CCU's to be made energy efficient at Vadodara and Dahej Plant.
5. Installation of Cell Voltage Monitoring System (CVMS) for MC-II at Vadodara and Dahej Plant.
6. Chlorine supply to NIA consumers through pipe line to recover energy from Liquid Chlorine & assure consumer network. Also Hydrogen Gas supply to NIA consumers through pipe line to save fuels resulting into reduction in Carbon footprint.
7. Waste heat recovery is planned by installing Condensate economizer in Boiler No.1.
8. Installation of HCl transferring pipe line to our Calcium Chloride Plant to save fuel.
9. Up-gradation of 2nd generation elements with energy efficient, in phase manner at Vadodara & Dahej Complexes.
10. Installation of Air Pre-Heater in CCU-I & II to reduce Hydrogen Gas consumption.
11. Conversion of existing Caustic Evaporation Unit (CEU) No. 4 into Triple Effect Evaporator from Double Effect to save steam.
12. Procurement of energy efficient equipment like vacuum pump, compressors etc.
13. De-bottlenecking of exiting Caustic Soda Plant to reduce power consumption.
14. Installation of Mist Combo Vacuum System in place of Existing Steam Jet Ejectors at H₂O₂ plant to reduce Steam consumption.
15. Replacement of 30 years old Rectifier Transformer-B by new energy efficient Transformer at MC-II.
16. Modification of existing 4th Generation elements into 6th Generation (Zero gap) Elements at Dahej instead of recoating (576 Nos.).
17. Replacement of Cdepak No.3 with new energy efficient Screw Chiller for chilled water.
18. Replacement of existing chilled water pumps with energy efficient pumps at Vadodara Complex.
19. Remembraning of 144 elements of Electrolyser - M in Caustic Soda Plant to reduce power consumption.

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

1. Procurement of VFDs at different applications and locations to optimize power consumption.

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

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

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

As per **Form-A** annexed.

B. TECHNOLOGY ABSORPTION :

(e) EFFORTS MADE IN TECHNOLOGY ABSORPTION :

As per **Form – B** annexed.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

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

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

In the current Financial Year also, the Company targets for wider markets for export of various products with the help of Company's accreditation of IS/ISO 9001, 14001 & IS 18001.

(g) TOTAL FOREIGN EXCHANGE USED AND EARNED :

- i. Expenditure in Foreign Exchange - Rs. 17,352.36 Lakhs
- ii. Foreign Exchange earned - Rs. 25,232.33 Lakhs

FORM-A (See Rule - 2)

Form for disclosure of particulars with respect to conservation of energy

No.	Particulars	2013-14	2012-13
(A) Power and Fuel Consumption :			
1	Electricity:		
a)	1) Purchased unit (KWH) (in Lakhs) from state grid (MGVCL + DGVCL + GUVNL + ADANI)	2,858.416	1,064.779
	Total Amount in Rs. (in Lakhs)	17,009.375	7,426.06
	Rate / Unit - Rs. including demand charges	5.9506	6.9743
	2) Purchased unit (KWH) (in Lakhs) as participating unit	2,794.031	3,013.8258
	Total Amount in Rs. (in Lakhs)	17,452.887	13,960.033
	Rate / Unit - Rs.	6.2465	4.6320
b)	Own Generation		
	i) Through Wind Farm		
	Wind Farm Power Receipt (units in Lakhs)	1,593.770	1,391.775
	Cost per Unit - Rs./ kwh	3.6255	2.6898
	ii) Through GT/STG :		
	Units (KWH) (in Lakhs)	3,546.838	4,753.314
	Natural Gas (SM ³ in Lakhs)	981.150	1,303.185
	Unit per SM ³ (KWH / SM ³) Gas	3.6150	3.6475
	Cost per unit in Rs.	7.2510	6.4536
2	Coal :		
	Quantity (Tonnes)	NIL	NIL
	Total Cost	NIL	NIL
	Average Rate Rs.	NIL	NIL
3	Fuel Oil & LDO/HSD :		
	Total Quantity (K.Ltrs.)	71.618	59.978
	Total Amount Rs.	39,21,000	24,06,000
	Average Rate Rs. per KL	54,748.81	40,114.71
4	Other - Natural Gas : (Gas used other than Power Plant)		
	Total Quantity (SM ³)	4,45,45,172	4,21,65,911
	Total Cost	88,07,05,000	62,85,27,000
	Rate per SM ³ in Rs.	19.7710	14.9060
(B) Consumption per unit of production:			
	Caustic Soda Lye	KWH per MT	KWH per MT
	Electricity	2,389	2,337
	Standards	2,481	2,499
	Furnace Oil (Standard)	NIL	NIL
	Coal (Standard)	NIL	NIL
	Others (Standard)	NIL	NIL

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

**FORM-B (See Rule 2)****Form for disclosure of particulars with respect to Technology Absorption in 2013-14****A Research & Development (R&D)****1. Specific Areas in which R&D carried out by Company:**

- (i) Pilot plant studies on Hydrazine Hydrate process jointly with Project Department and IICT, Hyderabad.
- (ii) Laboratory scale process development for Benzene-Diols.
- (iii) Developmental work on process improvement & product variation.
- (iv) Studies on imported raw material, waste / effluent & process related problems.
- (v) Developmental work on cooling water treatment & cleaning formulations.
- (vi) Technical support to the Project, Operations, Marketing & Purchase Departments.

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

- i) Appreciable savings have been achieved with the R & D efforts listed below :
 - (a) Successful use of in-house developed cooling water treatment formulations to control corrosion, scale & microbiological growth.
 - (b) Successful use of in-house developed cleaning formulations.
 - (c) Successful use of in-house developed Defoamer in Phosphoric Acid Plant.
 - (d) Successful use of in-house developed stabilizer in the Chloromethanes Plant.
 - (e) Chemical savings in the Sodium Cyanide Plant, which otherwise would have been used for the destruction of cyanide in the mother liquor.
 - (f) Technical support to operations in terms of specialized studies, analysis and corrosion & microbiological growth monitoring.
- ii) Successful scale up and optimization of the intermediate step in the Hydrazine Hydrate process.
- iii) Development of new variations in the cooling water treatment & cleaning formulations product line.

- iv) Successful development of catalyst & its use in the Hydroxylation reactions.

3. Future plan of action:

- (i) To work & support the IICT, Hyderabad along with the Project Department towards the successful process development & commercialization of Hydrazine Hydrate process.
- (ii) Standardization & optimization of laboratory scale process for Benzene – Diols.
- (iii) Developmental work on existing products & processes.
- (iv) Technical support to Operations, Project, Marketing & Purchase Departments.
- (v) Manpower strengthening & up-gradation of laboratory, Pilot Plant & library facilities.

4. Expenditure on R&D: (Rs. in lacs)

a. Capital	-
b. Recurring	744.42
c. Total	744.42
d. Total R&D Expenditure as a percentage of turnover.	0.35%

B. Technology absorption, adaptation and Innovation**1. Efforts in brief made towards technology absorption, adaptation and innovation:**

- (a) Regular studies on imported raw materials used in different plants.
- (b) Regular monitoring of heavy metals in the finished products, liquid & solid effluents.
- (c) Detailed studies on process streams of different plants.

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

Better technology management in terms of debottlenecking, process control & quality of final product.

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

AN OVERVIEW OF INDIAN ECONOMY :

The general slow-down trend of economy has continued during the year 2013-14 affecting almost all sectors of the economy. The world economy has been slowly recovering from the very bad phase of financial crisis in Europe and general slowdown in developed countries including United State. According to the first advance estimates, the Indian economy is expected to grow at its slowest pace in a decade at a mere 4.9 per cent in 2013-14. The industrial and service sector growth performance in 2013-14 is likely to be lower than 2012-13. However, the current account position is expected to improve. This will strengthen Rupee against US Dollar. Yet there are many challenges ahead for Indian Economy viz. fiscal deficit, higher interest rates, volatile current account movement, higher inflation and general slow down etc. The initiatives taken by the Government and Reserve Bank of India & SEBI has helped to stabilize financial market conditions. However, the domestic macro-economic condition is passing through a challenging phase.

INDIAN CHLOR-ALKALI INDUSTRY AT A GLANCE :

There are 33 Chlor-Alkali Units in India. The actual production of Caustic Soda during the Financial Year 2013-14 has been approximately 26,00,000 MTPA. The products from the alkali industry are the basic raw materials for industries like Alumina, Paper & Pulp, Soaps & Detergents, Pharmaceuticals, Dyes, Pesticides & Water Treatment etc.

However, due to global Ethylene Dichloride (EDC) price fall, many 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 remain depressed whereas supply was in excess during the entire fiscal year, with some revival in the 3rd & 4th Quarter. Depressed Chlorine demand & negative Chlorine values impacted overall capacity utilizations of Chlor-Alkali plants across the industry, which reduced domestic availability of Caustic Soda as also because of global rise in Caustic Soda prices, Caustic remain firm during the whole fiscal year.

THE CAUSTIC SODA MARKET SCENARIO :

Your Company is a multi-product Company, having 37 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 34,02,260 MTPA as on 31.03.2014 as compared to 31,33,510 MTPA as on 31.03.2013. Out of the installed capacity of 34,02,260 MTPA, about 47,300 MTPA is based on Mercury Cell and remaining 33,54,960 MTPA on Membrane Cell. The Membrane Cell process is energy efficient as the power requirement is much less and is in the range of 2400-2650 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 most of the

medium & 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 31st March, 2014 and enjoys the economies of scale. The Company has about 14% share in the domestic Chlor-Alkali market.

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

GACL has always ensured upgrading and adapting eco-friendly and green technologies. Being a chemical manufacturing Company, GACL carries its passion for protecting the environment at every stage of its operations, keeping interest of Customers, Shareholders, Employees, Society, Stakeholders and Mother Nature.

The Company's products basket comprises total 37 products including Caustic Soda, Chlorine, Hydrochloric Acid, Hydrogen, Chloromethanes, Potassium Hydroxide, Potassium Carbonate, Phosphoric Acid (85%), Sodium Cyanide, Sodium Ferro Cyanide, Hydrogen Peroxide, Calcium Chloride, Stable Bleaching Powder, Poly Aluminium Chloride, Anhydrous Aluminium Chloride, Toluene based chemicals, Chlorinated Paraffin Wax and Sodium Chlorate etc. The major revenues are derived from Caustic Soda Group and therefore, Caustic Soda and Chlorine market scenario has a wide impact on the Company's performance.

The Company's products are used by various industries viz. Textiles, Pulp & Paper, Soaps & Detergents, Alumina, Water Treatment, Petroleum, Plastics, Fertilizers, Pharmaceuticals, Agrochemicals, Plant Protection, Dyes & Dyes Intermediates, refrigeration gases, epoxy etc. and it has marked its presence across the globe even against stiff international competition by exporting its world class products viz. Aluminium Chloride, Hydrogen Peroxide, Caustic Soda Flakes and Prills, Caustic Potash Flakes, Sodium Cyanide, Benzyl Alcohol, Calcium Chloride Powder, Methylene Chloride, Poly Aluminium Chloride (30%), Potassium Carbonate and Chlorinated Paraffin Wax to various Countries.

Production of Caustic Soda by electrolysis process is highly power intensive and the Company devised a sustainable strategy to meet its growing energy demands. Besides 90 MW gas based Captive Power Plant and participation in a 140 MW Joint Captive Co-generation Power Plant, the Company has taken major initiative for green energy by setting up Wind Farms for a total installed capacity of 104.75 MW. Further, the



Company is installing 10.5 MW Wind Farm Project Phase VI and upon installation of Phase VI, the total installed capacity will be 115.25 MW. The Company is aiming to meet substantial part of its power requirements through alternative environment friendly sustainable renewable energy sources.

BUSINESS, OPERATIONS AND FINANCIAL PERFORMANCE:

The total production of all the products of the Company has increased by 4.86% to 14,68,314 MT during the year 2013-14 from 14,00,219 MT in previous year. The production of Caustic Soda Lye, Liquid Chlorine and Hydrochloric Acid has increased during Financial Year 2013-14 as compared to the previous year. However, the production of Caustic Soda Flakes / Prills has decreased during Financial Year 2013-14 mainly due to market condition. With the concerted efforts, your Company has improved operational efficiency of Chloromethanes Plant, Phosphoric Acid Plant, Aluminium Chloride Plant and Stable Bleaching Powder Plant and exercised adequate cost control measures. The actual capacity utilisation of majority of plants has remained high as compared to the previous Financial Year except Hydrogen Peroxide Plant.

During the year 2013-14, despite competitive market conditions and depressed economic scenario, your Company has achieved highest ever sales in respect of Caustic Soda Group, Caustic Potash Group, Hydrogen Peroxide, Phosphoric Acid, Aluminium Chloride, Poly Aluminium Chloride Group, Calcium Chloride, Chloro Toluene Group and Stable Bleaching Powder products. The sales realisation of Chloromethanes Group, Phosphoric Acid, Hydrogen Peroxide, Calcium Chloride, Poly Aluminium Chloride Group, KOH Group, Aluminium Chloride and Chloro Toluene products have improved.

For the Financial Year ended 31.03.2014, your Company has achieved turnover (including Excise Duty) of Rs.2,087.50 crore, as against Rs.1,992.51 crore in the previous year.

The other operating income for the Financial Year 2013-14 had been Rs.13.21 crore, as compared with Rs.20.29 crore for the previous year and the other income increased to Rs.30.27 crore as compared with Rs.18.70 crore for the previous year. The other income includes Rs.10.55 crore for receipt of dividend and Rs.18.92 crore towards interest income.

With the concerted efforts, your Company has improved operational efficiency of Caustic Soda Group Plants, Chloromethanes Plant, Sodium Cyanide Plant, Caustic Potash Group Plants, Phosphoric Acid Plant, Aluminium Chloride Plant, Poly Aluminium Chloride Plant and Stable Bleaching Powder Plant and exercised adequate cost control measures. The Earning Per Share has been achieved to Rs.25.20 per share as on 31.03.2014, as compared to Rs.32.05 per share as on 31.03.2013. Cash Earning per share has been achieved to Rs.54.09 as on 31.03.2014, as compared to Rs.66.50 per share as on 31.03.2013. Book value of Share has improved to Rs.262.71 per share as on 31.03.2014, as compared to Rs.241.93 per share as on 31.03.2013. The Return on Capital Employed achieved at 9.18% as on 31.03.2014, as compared to 12.26% as on 31.03.2013. Despite increase in the value of external commercial borrowings due to depreciation of rupee

currency during the year, the Company has decreased its total debts level to Rs.155.89 crore as on 31.03.2014 as compared to Rs.210.65 crore as on 31.03.2013, resulted to decrease in the Debt : Equity Ratio to 0.08 : 1 as on 31.03.2014, as compared to 0.12 : 1 as on 31.03.2013. The Interest Coverage Ratio has increased to 63.50 times as on 31.03.2014, as compared to 61.66 times as on 31.03.2013.

The Raw Material expenses have remained at Rs.717.22 crore as compared with Rs.714.75 crore for the previous year, mainly due to increase in production and reduction in consumption of Natural Gas for Captive Power Plant at Dahej Complex due to under utilization of capacity. However, partly it is affected negatively due to general increase in the procurement cost of various raw materials like Common Salt, Aluminium Ingots, Hydrocyanic Acid, Barium Carbonate, Heavy Normal Paraffin, Soda Ash, Hydrated Lime, ISO Amyl Alcohol, Toluene and Natural Gas etc. Electricity charges have increased by 56.75% to Rs.373.48 crore in the current Financial Year from Rs.238.26 crore during the previous year mainly due to increase in fuel cost adjustment charges, energy charges. Employees' remuneration has increased to Rs.151.44 crore as compared with Rs.118.89 crore for the previous year mainly due to wage settlement of Union employees and normal increments. Depreciation and amortization expense has remained at Rs.150.65 crore in the current Financial Year as compared with Rs.151.52 crore for the previous year. Other expenses (excluding power, fuel, Natural Gas and Water Charges) have increased by 12.10% to Rs.208.17 crore in the current Financial Year from Rs.185.70 crore for the previous year. The Finance costs have reduced by 23.86% to Rs.6.35 crore from Rs.8.34 crore in the previous year.

Gross Profit has decreased to Rs.403.73 crore in Financial Year 2013-14 from Rs.514.02 crore in the previous year. The Profit after finance costs but before depreciation and amortization (Cash Profit) has decreased to Rs.397.38 crore in Financial Year 2013-14 from Rs.505.68 crore in the previous year. Your Company has achieved Profit Before Tax of Rs.246.55 crore for the Financial Year 2013-14 as compared with Rs.336.83 crore of the previous year. Similarly, it has achieved Profit After Tax for the Financial Year to Rs.185.02 crore as compared with Rs.235.35 crore of the previous year. The Profit has been adversely affected due to increase in power cost, fuel & natural gas cost, increase in employees cost, increase in raw material cost, packing material cost and job work / processing charges and lower contribution from cyanide group.

RESEARCH AND DEVELOPMENT :

The R & D activities are playing a crucial role in building up the Company's competitive advantage in an enormously challenging business environment. The R & D activities have been focused on new product / process development, process improvement, product variation, cost reduction, import substitutes, cooling water treatment etc.

The R & D Centre is fully equipped to provide technical back up to the Operations, Project, Marketing & Purchase Departments and to facilitate the absorption of new technologies.

In view of the forward integration, the process development work on several valuable products based on Hydrogen Peroxide is under way. One such valuable product is being developed in collaboration with Indian Institute of Chemical Technology, Hyderabad.

The in-depth studies were carried out regularly on the imported raw material, process streams & final products. This, in turn, has ensured the better management of the process and quality of final products. The work on several other important identified areas like cooling water treatment including the technical services in terms of corrosion & microbiological growth monitoring, cleaning formulations & product variation were carried out successfully.

EXPANSION AND DIVERSIFICATION :

The Company has continued to expand its product portfolio through forward integration to build synergy with its existing product lines. The plant for producing 20,000 TPA of Sodium Chlorate, an import substitute product, has been successfully commissioned during March, 2014. A Hydrogen Peroxide downstream project to manufacture another import substitute product, Hydrazine Hydrate, is underway. The Company also endeavours to grow further by adding capacities to its existing product lines.

Following Projects were commissioned during the Financial Year 2013-14 :

10.5 MW Wind Farm Project – Phase V

10.5 MW Wind Farm Project Phase V was commissioned on July 17, 2013. Total wind energy generation capacity of the Company after implementation of this Project is 104.75 MW.

20,000 TPA Sodium Chlorate Project

The Project for producing 20,000 TPA of Sodium Chlorate was successfully commissioned and commercial production was achieved on March 29, 2014. The estimated annual revenue from the products to be manufactured in this plant at full capacity would be approximately Rs.100 crore considering the prevailing market prices.

Following Projects planned to be commissioned during the Financial Year 2014-15 :

10.5 MW Wind Farm Project – Phase VI

The Company plans to continue promoting Green technology. One more Wind Farm Project-Phase VI with the capacity of 10.5 MW has been taken up which is expected to be commissioned in the month of July, 2014. The total wind energy generation capacity of the Company after implementation of this Project will be 115.25 MW.

Other Projects:

The Company is considering putting up new projects for manufacturing Hydrazine Hydrate and Caustic Soda. The Company also has planned to increase the capacity of existing Chloromethanes Plant by about fifty percent through de-bottlenecking. The Projects for other value added products having applications in pharmaceuticals, cosmetics & personal care, liquid detergent, epoxy resins etc. are also under consideration.

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

RISK MANAGEMENT :

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

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

STRENGTHS, OPPORTUNITIES & THREATS / RISKS & CONCERNS :

The strengths of the Company are economies of scale, state of the art eco-friendly technologies, 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 4.93%, increase in other income, decrease in insurance cost and decrease in finance cost, are the main factors for contributing profitability of the Company, during the Financial Year 2013-14. However, due to increase in power cost, fuel & natural gas cost, increase in manpower cost due to four years wage revision for non-management category employees, increase in raw material cost, packing material cost and job work / processing charges and lower contribution from cyanide group, 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. Keeping in view, the current trends of Indian and global economy, the time ahead may bring newer hurdles. To overcome such hurdles, the Company has planned new projects during next 3 to 4 years, to diversify, add new products, enlarge portfolio and expand its existing capacities. The Company is also considering various Chlorine / HCl based projects so that the production of Caustic Soda can be optimized. It will also enable us to consolidate and maintain our prime position in Chlor-Alkali and other integrated downstream products. Our continuous efforts to upgrade the technology has enabled us to optimize the cost of production and increasing revenues. Our commitment to deliver quality products to the customers has ensured that our products are well accepted, both in India and abroad. The customers are assured of timely delivery of quality products through its well-established marketing network.



The Company is operating in a competitive market both in domestic and international sector. However, the increasing cost of gas & power and impact of appreciation of USD on the cost of imported materials such as Rock Phosphate and Potassium Chloride etc. are the areas of concern. The Company's total Wind Energy Generation Capacity has now gone up to 104.75 MW to augment its power requirement with eco-friendly renewable energy. Further, the Company has also taken actions to source power from IPPs on bilateral arrangements. In the international market, the Company competes with manufacturers in China and Middle East, who have their own typical locational 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 cyclical phase. While some products are in short supply, some others do not move satisfactorily. Owing to availability of 37 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. The Company has successfully started using Rock Phosphate of Morocco origin blending with the Rock Phosphate from Jordan. Efforts are on to search for other suppliers of the above materials of technical suitability for the designed plant at present, through domestic dealers / foreign suppliers.

MARKETING STRATEGY:

The Company deals in marketing of Caustic Soda (Lye, Flakes & Prills), Liquid Chlorine, Hydrochloric Acid, Chloromethanes, Hydrogen Peroxide, Sodium Cyanide, Sodium Ferrocyanide, Caustic Potash Lye & Flakes, Potassium Carbonate, Aluminum Chloride, Phosphoric Acid, Calcium Chloride Powder, CPW, Poly Aluminum Chloride, Chloro Toluene, 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 and are able to capture sizable domestic market for various grades of Poly Aluminum Chloride. We have also put up a Calcium Chloride facility at Vadodara Complex, as a value addition to Hydrochloric Acid. The Company has also put up Stable Bleaching Powder facility as a value addition to Chlorine at Dahej Complex.

Further, the Company has successfully started 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 a part of market development, the emphasis is to interact with customers and develop new market potential for the products. Providing prompt after sales service as & when required is part of this strategy and this helps the Company to increase the volume especially for new products.

GACL is also exporting some of its products viz. Caustic Soda Flakes, Caustic Soda Prills, Potassium Carbonate, Potassium Hydroxide Flakes, Hydrogen Peroxide, Liquid Chlorine, Phosphoric Acid, Aluminum Chloride, PAC 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 actions for imposition of Anti Dumping Duty within the W.T.O. guidelines.

SAFETY & ENVIRONMENT :

Our commitment to safety and preservation of environment has been encompassed in our "Quality Health, Safety and Environment (QHSE) Policy". The Company has achieved 3,903 Accident Free Days at Vadodara and 215 Accident Free Days at Dahej on 31.03.2014.

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

Adequate steps have been taken for Pollution Control, Green Belt Development besides due compliance with statutory requirements for the protection of environment. In Vadodara Complex, green belt has been developed and maintained in 28 acres of land having about 27,800 trees of various varieties. The Company has also developed and maintained about 30,000 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 blow down, treated sewage and drip irrigation. Nearly 33,275 nos. of trees planted and 78,491 M2 garden developed till 31.03.2014 at Dahej Complex.

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

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

The Company has registered Five Clean Development Mechanism Projects (CDM Projects) with UNFCCC under Kyoto Protocol.

CORPORATE SOCIAL RESPONSIBILITY:

Your Company, during the year under review, has continued to fulfil its Corporate Social Responsibilities to enhance Human Development Index (HDI) by undertaking various thematic activities in various areas. Promoting inclusive growth has been a priority area for GACL from both a social and business perspective. The Company strives to make a difference to its customers, to the society and to the nation's development directly through its products and services, as well as through its development initiatives and community outreach.

Your Company always comes forward with relevant aid, during national calamities, in one of such national calamity at Uttarakhand, your Company provided 1,000 Nos. of relief kits for flood victims.

Your Company has taken initiative to provide Underground Drainage Network and Sewage Treatment Plant Facility for entire Dahej Village. About 50% of job for Phase-I is completed.

Your Company has extended financial assistance to organize a National level "All India Conference on Live Stock and Dairy Development." Your Company has also taken care of promoting Women empowerment related activities by supporting "Mahila Utsav 2013" organized by SVADES. With a view to provide nutritive and hygienic Mid Day Meal to more than 1 lac children of Government schools and Government aided schools of Vadodara District, the Company has formed a consortium along with GSFC and GIPCL. The project is implemented and monitored through "The Akshaya Patra Foundation."

Efforts to uphold the cultural legacy were also embarked upon to preserve our cultural heritage. The Company has contributed to organize "Navratri Mahotsav-2013 for differently abled Children". Education and education related promotional activities are closely monitored by your Company; one such activity was taken up by your Company by providing financial assistance for establishing Chemical Engineering Laboratory for Pandit Deendayal Petroleum University (PDPU).

HUMAN RESOURCES DEVELOPMENT :

Employees are the primary assets for any organization. The Company comprehends this assessment. We believe in enriching every individual working with us and it has become an integral part of our work culture. We believe in, 'practice makes perfect' and to increase the efficiency level of the employees, we plan regular trainings and development programmes. In the Financial Year 2013-14, we have conducted 103 training programmes for our employees.

For the smooth operation of any organization, it is crucial to have harmonious Industrial Relations, we have made insistent efforts in achieving that in its true sense.

AWARDS AND RECOGNITIONS :

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

1. 1st & 2nd Runners up awarded by Baroda Productivity Council's GreEnv (Green Environment) 2011-12 and Good Housekeeping - 2012-13 for Vadodara and Dahej Complexes in May, 2013.
2. CHEMEXCIL Award 2010-11 awarded by Export Promotion Council, set-up by Ministry of Commerce & Industries, Government of India in August, 2013.
3. National Safety Award – 2011 awarded to our Vadodara and Dahej Complexes by Minister for Labour & Employment, Government of India in September, 2013.

INFORMATION TECHNOLOGY :

Your Company considers it essential to effectively use Information Technology (IT) and business analytics for raising productivity and achieving excellence in its business operations. The Company also believes that IT is an important enabler for integration of all activities, ensuring transaction efficiency, integrity, transparency and control. The Company has implanted its IT initiatives to corroborate its vision and business plan.

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

The Company has its own mail server to achieve fast and reliable messaging solutions. Information about Company is available on its website: www.gacl.com.

CAUTIONARY STATEMENT :

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

**For and on behalf of the Board
Sd/-**

Place : Gandhinagar

Date : 17th June, 2014

DR. VARESH SINHA, IAS

CHAIRMAN

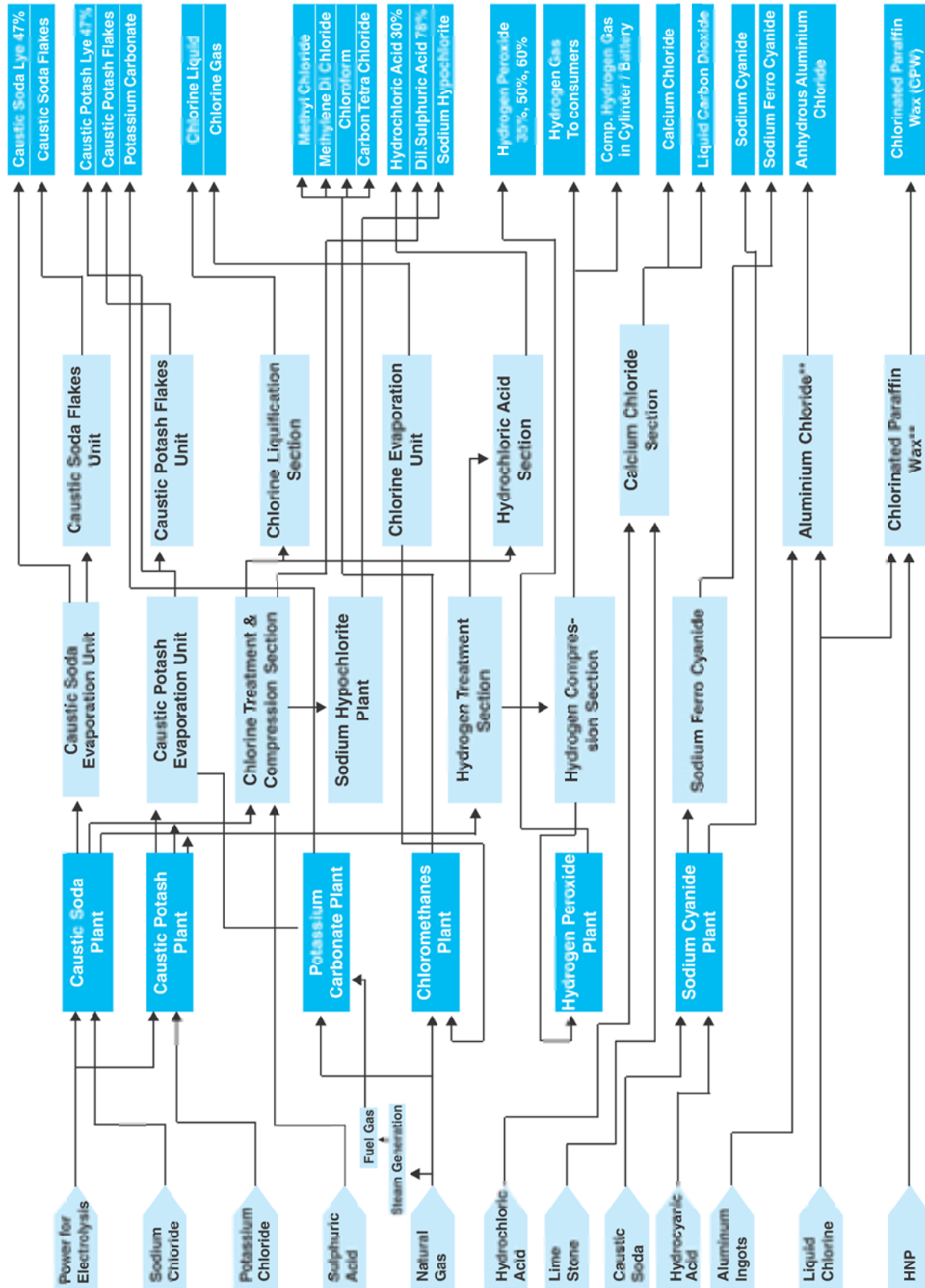


QUANTITATIVE DATA FOR TEN YEARS :

PARTICULARS	UNIT	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05
PRODUCTION :											
CAUSTIC SODA LYE	MT	379846	364733	383690	415124	414094	378276	398499	354266	310470	305930
CAUSTIC SODA FLAKES	MT	134593	137958	143809	166705	169594	137012	151761	135061	134346	121461
CAUSTIC SODA PRILLS	MT	17406	14976	16747	20822	18204	18902	13760	15118	11629	9788
CHLORINE GAS / LIQUID	MT	348380	333206	354942	382713	380236	346027	363911	325893	286995	283062
HYDROCHLORIC ACID (30%)	MT	326429	303920	273522	293329	313810	325379	331295	322009	303674	283290
CAUSTIC POTASH LYE	MT	18728	15906	23722	23596	21121	17206	17153	19008	18858	19000
POTASSIUM CARBONATE	MT	7001	6476	10553	11945	11002	6297	6546	9925	11046	13010
CAUSTIC POTASH FLAKES	MT	10234	7867	11891	11841	10315	10900	9940	9598	7066	6090
CHLOROMETHANES	MT	37888	34417	36026	35626	34558	31773	30914	27268	26166	25844
SODIUM CYANIDE	MT	1898	1844	2644	2635	2802	2039	2271	2457	2318	2512
PHOSPHORIC ACID (85%)	MT	25075	24125	23191	23645	21386	24160	28286	25928	24730	23900
HYDROGEN PEROXIDE (100%)	MT	29039	31329	27465	26304	26804	24359	17393	13126	13225	13551
ALUMINIUM CHLORIDE	MT	29189	23823	25542	27249	19891	18464	10558	9366	7638	5247
CALCIUM CHLORIDE	MT	9169	8204	8822	8789	8762	6768	6621	4266	6105	7585
POLY ALUMINIUM CHLORIDE	MT	27792	25903	28638	28972	22786	18714	13564	5226	-	-
CHLORINATED PARAFFIN WAX	MT	@8004	8577	7862	6943	7780	4833	4381	906	-	-
CHLORO TOLUENE PRODUCTS	MT	*@6154	4821	4107	1649	91	-	-	-	-	-
STABLE BLEACHING POWDER	MT	*@9006	6456	3304	139	-	-	-	-	-	-
POWER GENERATION	MU KWH	354.68	475.33	633.14	730.82	783.37	651.28	703.62	737.42	722.34	704.66
POWER GENERATION - WIND FARM	MU KWH	173.79	184.54	164.13	153.58	128.59	46.37	4.94	-	-	-
SALES :											
CAUSTIC SODA LYE	MT	222274	193874	211060	215028	211977	209965	218923	192536	154755	168000
CAUSTIC SODA FLAKES	MT	136076	135119	144648	165938	169356	138172	151576	135094	133316	122891
CAUSTIC SODA PRILLS	MT	16828	15481	16553	20617	18194	19059	13942	14759	11540	9917
CHLORINE GAS / LIQUID	MT	265875	257897	283552	305886	296665	259057	272446	237476	207788	212469
HYDROCHLORIC ACID (30%)	MT	291099	270689	230671	251508	273983	291302	298472	284021	270564	255873
CAUSTIC POTASH LYE	MT	2886	3420	3419	2613	2161	1916	2409	1710	2904	2205
POTASSIUM CARBONATE	MT	6379	7250	10061	12196	10550	6524	6512	9634	11126	12820
CAUSTIC POTASH FLAKES	MT	10041	8401	11677	11747	10170	11384	9554	9603	6937	6318
CHLOROMETHANES	MT	39360	32401	34916	35377	34719	32663	30174	27184	26143	25741
SODIUM CYANIDE	MT	1854	1911	2407	2648	2637	1994	2270	2458	2361	2543
PHOSPHORIC ACID (85%)	MT	24312	25656	22491	24051	21633	21690	29015	27019	22963	23618
HYDROGEN PEROXIDE (100%)	MT	28932	31018	27824	25871	26981	24382	20433	13269	13455	13170
ALUMINIUM CHLORIDE	MT	29095	25114	23607	25966	22455	16618	10953	9225	7758	5309
CALCIUM CHLORIDE	MT	8799	8995	8300	8809	8398	6802	7080	5622	9357	7535
POLY ALUMINIUM CHLORIDE	MT	28394	26530	30013	31345	23956	22701	14598	5251	-	-
CHLORINATED PARAFFIN WAX	MT	7501	8611	7783	7158	7800	4603	4502	764	-	-
HYDROCHLORIC ACID - CP	MT	13595	14559	12837	11682	12912	8225	7493	1546	-	-
BENZYL CHLORIDE	MT	2447	2067	1718	1172	91	-	-	-	-	-
BENZYL DEHYDE	MT	744	547	366	178	-	-	-	-	-	-
BENZYL ALCOHOL	MT	2704	2626	1455	165	-	-	-	-	-	-
HCL FROM HBC	MT	12024	7164	2772	1797	-	-	-	-	-	-
STABLE BLEACHING POWDER	MT	8984	6476	3131	74	-	-	-	-	-	-
POWER TO GUVNL / MGVCCL	MU KWH	13.26	33.90	28.64	34.13	44.99	7.60	4.13	54.16	179.35	165.37
SALES VOLUME (EXCL. INTER-UNIT)	Rs./Cr.	1882.85	1794.31	1698.22	1423.17	1278.08	1386.82	1133.63	1044.84	944.10	902.88

* Highest ever production @ on Jobwork basis

VADODARA COMPLEX WITH UNIQUE - PRODUCT MIX



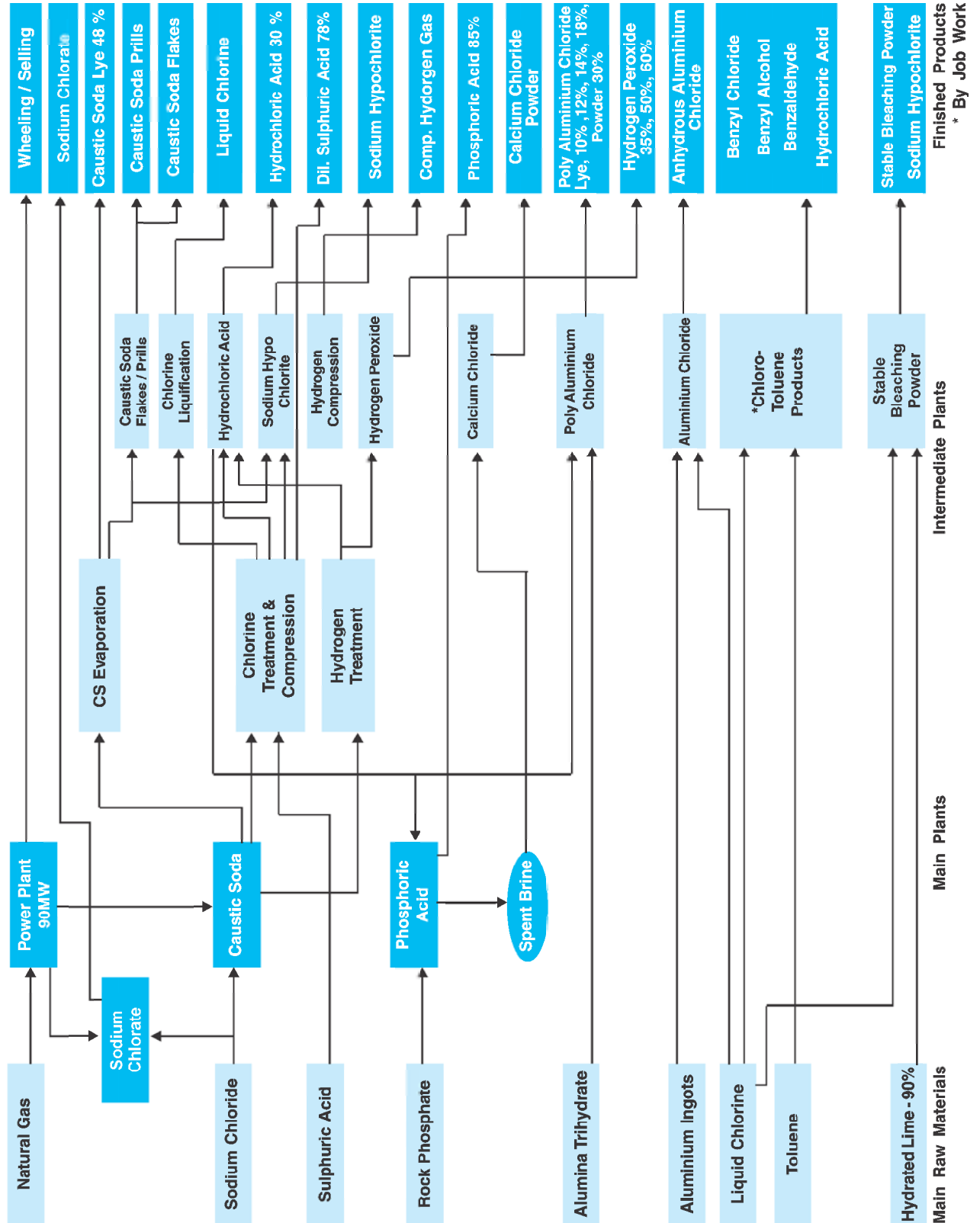
Finished Products
** By Job Work

Intermediate Plants

Main Plants

Main Raw Materials

DAHEJ COMPLEX WITH UNIQUE - PRODUCT MIX



FINANCIAL HIGHLIGHTS OF TEN YEARS

PARTICULARS	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05
OPERATING RESULTS [Rs. in Lakhs]										
GROSS INCOME	1,92,633	1,83,330	1,72,274	1,44,669	1,33,371	1,44,810	1,20,586	1,08,698	97,713	91,098
GROSS PROFIT	40,373	51,402	41,129	28,127	29,019	40,191	39,884	39,880	41,252	40,500
FINANCE COSTS	635	834	2,053	2,117	1,748	2,459	2,532	3,773	3,936	5,976
DEPRECIATION AND AMORTIZATION EXPENSE	15,065	15,152	15,115	13,312	12,155	10,943	9,896	8,732	7,847	7,683
PROFIT / (LOSS) BEFORE INVESTMENT ALLOWANCE RESERVE & TAXATION	24,673	35,416	23,961	12,698	15,116	26,789	27,456	27,375	29,469	26,841
PROVISION FOR IMPAIRMENT OF ASSET	-	-	-	-	-	471	-	-	-	-
PRIOR PERIOD ADJUSTMENTS(NET)	18	14	20	(13)	488	188	(95)	26	(1)	85
OTHER EXCEPTIONAL ITEM	-	1,719	1,599	-	-	-	-	-	-	-
PROFIT/(LOSS) BEFORE TAX	24,655	33,683	22,342	12,711	14,628	26,130	27,551	27,349	29,468	26,926
PROVISION FOR TAXATION :										
- CURRENT INCOME TAX-MAT	-	-	-	2,387	2,370	2,885	-	-	-	2,130
- DEFERRED INCOME TAX	1,358	882	1,139	(307)	3,848	3,980	1,788	809	2,866	10,368
- PROVISION FOR TAXATION INCLUDING WEALTH TAX	6,730	10,238	5,842	-	-	-	3,312	7,849	6,666	-
- UNDER FRINGE BENEFIT TAX	-	-	-	-	-	38	43	35	139	-
- MAT CREDIT ENTITLEMENT	-	-	-	(799)	(2,369)	-	-	-	-	-
- EXCESS PROVISION FOR INCOME TAX OF EARLIER YEARS WRITTEN BACK	(1,935)	(972)	-	-	(6,405)	-	-	-	-	-
PROFIT/(LOSS) AFTER TAX	18,502	23,535	15,361	11,430	17,184	19,227	22,408	18,656	19,797	14,428
DIVIDEND	2,937	2,570	2,203	2,203	2,203	2,203	2,570	1,836	1,469	1,102
TAX ON DIVIDEND	499	437	357	357	366	374	437	279	206	154
RETAINED EARNINGS/(LOSS)	15,066	20,528	12,801	8,870	14,615	16,650	19,401	16,541	18,122	13,172
SOURCES AND APPLICATION OF FUNDS [Rs. in Lakhs]										
SOURCE OF FUNDS :										
SHARE CAPITAL	7,344	7,344	7,344	7,344	7,344	7,344	7,344	7,344	7,344	7,344
RESERVES & SURPLUS	1,89,029	1,73,963	1,53,435	1,40,634	1,31,764	1,17,149	1,00,499	81,504	64,964	46,841
BORROWINGS (NET)	15,589	21,065	31,144	35,216	32,324	33,523	31,547	40,062	47,260	53,981
OTHER LONG TERM LIABILITIES	2,195	1,781	1,628	857	-	-	-	-	-	-
LONG TERM PROVISIONS	4,148	4,275	2,672	2,710	-	-	-	-	-	-
DEFERRED TAX (NET)	33,632	33,471	32,589	31,450	31,757	27,909	23,928	22,141	21,332	18,466
TOTAL FUNDS EMPLOYED	2,51,937	2,41,899	2,28,812	2,18,211	2,03,189	1,85,925	1,63,318	1,51,051	1,40,900	1,26,632
APPLICATION OF FUNDS :										
FIXED ASSETS (GROSS)	3,52,201	3,42,157	3,17,665	2,98,149	2,87,996	2,58,220	2,26,049	2,03,253	1,87,648	1,67,554
DEPRECIATION	1,80,625	1,65,716	1,53,390	1,41,260	1,27,100	1,09,518	99,668	89,923	81,314	73,485
FIXED ASSETS (NET)	1,71,576	1,76,441	1,64,275	1,56,889	1,60,896	1,48,702	1,26,381	1,13,330	1,06,334	94,069
INVESTMENTS	18,184	17,233	16,108	15,620	14,051	11,728	12,051	12,232	12,249	6,251
LONG TERM LOANS AND ADVANCES	4,102	3,436	10,763	9,968	-	-	-	-	-	-
OTHER NON-CURRENT ASSETS	5,018	4,158	2,742	2,231	-	-	-	-	-	-
CURRENT ASSETS (NET)	53,057	40,631	34,924	33,503	28,242	21,806	20,952	22,561	20,349	23,568
MISC. EXP. TO BE WRITTEN OFF	-	-	-	-	-	3,689	3,934	2,928	1,968	2,744
TOTAL FUNDS APPLIED	2,51,937	2,41,899	2,28,812	2,18,211	2,03,189	1,85,925	1,63,318	1,51,051	1,40,900	1,26,632
DEBT EQUITY RATIO	0.08 : 1	0.12 : 1	0.20 : 1	0.24 : 1	0.24 : 1	0.28 : 1	0.30 : 1	0.47 : 1	0.67:1	1.05:1
AMOUNT PER EQUITY SHARE OF RS.10/- [in Rs.]										
EARNING PER SHARE	25	32	21	15	23	26	30	25	27	20
SALES PER SHARE	256	244	231	194	174	189	154	142	160	155
DIVIDEND	4.00	3.50	3.00	3.00	3.00	3.00	3.50	2.50	2.00	1.50
BOOK VALUE	263	242	214	197	185	164	141	117	96	70
MARKET PRICE :										
HIGH	222	217	167	146	156	204	275	255	168	88
LOW	141	115	119	106	59	53	112	107	120	68

CORPORATE GOVERNANCE REPORT

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

A. MANDATORY REQUIREMENTS

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

At GACL, the Corporate Governance philosophy stems from the belief that good and sound Corporate Governance practices are 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 seven (7) Directors as on 31st March, 2014. The Managing Director is an Executive and Non Independent Director, all other Directors are Non Executive and Independent.

2.2. BRIEF RESUME OF DIRECTORS UNDER APPOINTMENT / REAPPOINTMENT:

The brief resume of Shri D J Pandian, IAS and Shri G C Murmu, IAS for reappointment as Directors and Shri Atanu Chakraborty, IAS for appointment as Managing Director are given in the Annexure attached with the Notice convening 41st Annual General Meeting of the Company, forming part of this Report.

2.3. NUMBER OF BOARD MEETINGS HELD AND DATES THEREOF :

During the Financial Year 2013-14, six (6) Board Meetings were held i.e. on 16.05.2013, 05.08.2013, 12.09.2013, 24.10.2013, 20.01.2014 and 24.02.2014.

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

As on 31.03.2014

Name	No. of Board Meetings of GACL attended	Attendance at last AGM of GACL held on 12.09.2013	Directorships in other Companies	Audit Committee and Shares / Debentures Transfers and Investors' Grievance Committee	
				Membership	Chairmanship out of Membership in Column No. 5
1	2	3	4	5	6
Dr. Varesh Sinha, IAS	6	Yes	6	NIL	NIL
Dr. Hasmukh Adhia, IAS (from 16.05.2013)	3	No	11	5	NIL
Shri D J Pandian, IAS	5	No	15	2	1

1	2	3	4	5	6
Shri G C Murmu, IAS	5	No	9	3	1
Shri G M Yadwadkar (upto 13.08.2013)	1	N.A.	NIL	2	NIL
Shri Ajoy Nath Jha (from 14.08.2013 upto 18.03.2014)	2	Yes	1	3	NIL
Padma Bhushan Dr. Sukh Dev	2	Yes	NIL	1	NIL
Shri J N Godbole	4	Yes	13	10	3
Shri M S Dagur, IAS (upto 26.02.2014)	6	Yes	4	2	1
Shri Atanu Chakraborty, IAS (from 27.02.2014)	N.A.	N.A.	11	5	1

N.A. = Not applicable

As on 31st March, 2014, neither any Director nor any relatives of Directors hold any Equity Share of the Company.

There is no inter-se relationships between Directors.

3. GENERAL BODY MEETINGS:

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

Financial Year	2012-13	2011-12	2010-11
AGM No.	40 th AGM	39 th AGM	38 th AGM
Date	12.09.2013	21.09.2012	16.09.2011
Time	at 01.00 p.m.	at 03.00 p.m.	at 04.00 p.m.
Venue	In the premises of the Company at P.O. : Petrochemicals : 391 346, Dist. : Vadodara		
Special Resolution passed	In all the above AGMs, the Company has passed Special Resolution in respect of re-appointment of M/s. Prakash Chandra Jain & Company, Chartered Accountants as Statutory Auditors of the Company.		

POSTAL BALLOT

During the Financial Year 2013-14, the Company has not passed any Resolution by Postal Ballot. At the forthcoming AGM there is no item on agenda requiring approval by Postal Ballot.

4. BOARD COMMITTEES:

4.1. The Board of Directors of the Company has constituted following Committees of Directors as on 31.03.2014 :

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

4.2. COMMITTEE MINUTES

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

(A) AUDIT COMMITTEE:

(i) BROAD TERMS OF REFERENCE

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



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

(ii) COMPOSITION

As at 31.03.2014, the Audit Committee comprised of four (4) Non Executive, Independent Directors viz. Shri J N Godbole as the Chairman; Dr. Hasmukh Adhia; IAS, Shri D J Pandian; IAS and *Padma Bhushan* Dr. Sukh Dev.

The Company Secretary acts as the Secretary to the Audit Committee.

(iii) MEETINGS AND ATTENDANCE

During the Financial Year 2013-14, five (5) Meetings of Audit Committee were held i.e. on 16.05.2013, 03.08.2013, 24.10.2013, 20.01.2014 and 19.03.2014. The number of Meetings attended by each Directors are as under :

Name	No. of Meetings attended
Shri J N Godbole, Chairman	5
Dr. Hasmukh Adhia, IAS (from 24.10.2013)	1
Shri D J Pandian, IAS	2
Shri G M Yadwadkar (upto 13.08.2013)	2
Shri Ajoy Nath Jha (from 24.10.2013 upto 18.03.2014)	1
<i>Padma Bhushan</i> Dr. Sukh Dev	1

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

(i) BROAD TERMS OF REFERENCE

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

The Board has designated Shri S S Bhatt, Company Secretary and Dy. General Manager (Legal) as the Compliance Officer and his contact details are:

Gujarat Alkalies and Chemicals Ltd.

P.O. : Petrochemicals : 391 346

Dist. : Vadodara

e-mail: investor_relations@gacl.co.in; cosec@gacl.co.in

(ii) COMPOSITION

As at 31.03.2014, the Committee comprised of four (4) Members viz. Shri D J Pandian, IAS as the Chairman; Dr. Hasmukh Adhia; IAS, Shri G C Murmu IAS; and Shri Atanu Chakraborty, IAS.

(iii) MEETINGS AND ATTENDANCE

During the Financial Year 2013-14, four (4) Meetings of the Committee were held i.e. on 16.05.2013, 05.08.2013, 24.10.2013, and 20.01.2014. The number of Meetings attended by each Directors are as under :

Name	No. of Meetings attended
Shri D J Pandian, IAS	4
Dr. Hasmukh Adhia, IAS (from 24.10.2013)	NIL
Shri G C Murmu, IAS	4
Shri G M Yadwadkar (upto 13.08.2013)	1
Shri Ajoy Nath Jha (from 20.01.2014 upto 18.03.2014)	N.A.
Shri M S Dagur, IAS (upto 26.02.2014)	4
Shri Atanu Chakraborty, IAS (from 27.02.2014)	N.A.

(iv) Details of Shareholders' Complaints received and resolved or pending during the Financial Year 2013-14:

Nature of complaints	Received	Satisfactorily Resolved
Non receipt of Share Certificates / Demat	1	1
Letters / Complaints from SEBI / Stock Exchanges	NIL	NIL
Non receipt of Dividend	67	67
Non Receipt of Annual Reports	15	15
Others	NIL	NIL
Total	83	83

No. of pending Share Transfer as on 31.03.2014 - **NIL**

(C) PROJECT COMMITTEE :

(i) BROAD TERMS OF REFERENCE

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

(ii) COMPOSITION

As at 31.03.2014, the Committee comprised of six (6) Members viz. Shri D J Pandian, IAS as the Chairman; Dr. Has Mukh Adhia, IAS; Shri G C Murmu, IAS; *Padma Bhushan* Dr. Sukh Dev; Shri J N Godbole; and Shri Atanu Chakraborty, IAS.

During the Financial Year 2013-14, two (2) Meetings of the Committee were held on 17.08.2013 and 28.11.2013.

(D) PERSONNEL COMMITTEE:

(i) BROAD TERMS OF REFERENCE

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

(ii) COMPOSITION

As at 31.03.2014, the Committee comprised of four (4) Members viz. Shri D J Pandian, IAS as the Chairman; Shri G C Murmu, IAS; Shri J N Godbole; and Shri Atanu Chakraborty, IAS.

During the Financial Year 2013-14, two (2) Meetings of the Committee were held on 17.08.2013 and 05.03.2014.

(E) REMUNERATION COMMITTEE:

(i) REMUNERATION POLICY

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

(ii) COMPOSITION

As at 31.03.2014, the Committee comprised of three (3) Members viz. Dr. Has Mukh Adhia, IAS as the Chairman; Shri G C Murmu, IAS; and Shri J N Godbole.

Meeting of the Committee is held as and when necessary for considering remuneration of Directors. No Meeting of the Committee was held in the Financial Year 2013-14.

(iii) DETAILS OF REMUNERATION PAID TO DIRECTORS

EXECUTIVE DIRECTOR

Shri Atanu Chakraborty, IAS, is appointed as the Managing Director of the Company vice Shri M S Dagur, IAS w.e.f 27th February, 2014 till his services are withdrawn by the Government of Gujarat subject to limit of five years pursuant to provisions of Section 317 of the Companies Act, 1956.

The details of remuneration paid to the Managing Directors during the Financial Year 2013-14 are as under :

Remuneration	Shri Atanu Chakraborty, IAS	Shri M S Dagur, IAS
Charge Allowance	Rs.4,135.00	Rs. 77,405.00
Contribution to Pension Fund & Leave salary	-	-
Perquisites / Benefits	Rs.3,336.00	Rs.1,19,712.00
TOTAL.....	Rs.7,471.00	Rs. 1,97,117.00

NON-EXECUTIVE DIRECTORS

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

Details of Sitting Fees paid to Directors during the Financial Year 2013-14:

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.)
Dr. Varesh Sinha, IAS	No	No	30,000/-	-	*30,000/-
Dr. Hasmukh Adhia, IAS	No	No	15,000/-	5,000/-	*20,000/-
Shri D J Pandian, IAS	No	No	25,000/-	50,000/-	*75,000/-
Shri G C Murmu , IAS	No	No	25,000/-	20,000/-	**45,000/-
Shri G M Yadwadkar	No	Nominee of IDBI Bank Ltd.	5,000/-	15,000/-	***20,000/-
Shri Ajoy Nath Jha	No	Nominee of IDBI Bank Ltd.	10,000/-	5,000/-	***15,000/-
<i>Padma Bhushan</i> Dr. Sukh Dev	No	No	10,000/-	15,000/-	@25,000/-
Shri J N Godbole	No	No	20,000/-	45,000/-	@@65,000/-
TOTAL.....			1,40,000/-	1,55,000/-	2,95,000/-

* Sitting Fees deposited in Government Treasury.

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

*** Sitting Fees deposited with IDBI Bank Ltd.

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

@@ Rs.6,500/- deducted towards TDS.

5. DISCLOSURES:

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

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

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

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

- 5.3.** 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.

Disclosure pursuant to Clause 5A of the Listing Agreement in respect of Unclaimed Share Certificates lying with SHCIL in the said Suspense Account in demat mode as on 31.03.2014 :

(F.Y. 2013-14)

Particulars	Shareholders (Nos.)	Outstanding Shares (Nos.)
At the beginning of the year	272	8,365
No. of Shareholders who approached during the year	10	344
No. of Shareholders to whom Shares are dispatched	10	344
No. of Shareholders and unclaimed Shares at the end of the year	262	8,021

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

6. QUARTERLY COMPLIANCE REPORT:

The Company has submitted Corporate Governance Compliance Report in the prescribed format for each quarter during the Financial Year 2013-14 to Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. where the Company's Securities are listed, within fifteen (15) days from the close of respective quarter.

7. FINANCIAL RESULTS - 2013-14 :

(Rs. in Lakhs)

PARTICULARS	QUARTER				FOR F.Y. 2013-14
	I	II	III	IV	
Total Income	41,971	47,940	51,757	50,965	1,92,633
Total Expenses	(32,752)	(38,564)	(42,398)	(38,546)	(1,52,260)
Profit Before Interest, Depreciation and Tax	9,219	9,376	9,359	12,419	40,373
Finance Cost	(177)	(201)	(155)	(102)	(635)
Depreciation and Amortization Expense	(3,661)	(3,858)	(3,835)	(3,711)	(15,065)
Prior Period Adjustment (Net (-) DEBIT/+CREDIT)	(7)	-	5	(16)	(18)
Other Exceptional Item	-	-	-	-	-
Profit Before Tax	5,374	5,317	5,374	8,590	24,655
Less: Provision for Tax	(1,644)	(539)	(1,852)	(2,118)	(6,153)
Profit After Tax	3,730	4,778	3,522	6,472	18,502
Earning Per Share (Not Annualized)	5.08	6.51	4.80	8.81	25.20

8. CODE OF CONDUCT:

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

All the Board Members and Senior Management Personnel have affirmed compliance with the 'Code of Conduct' during the Financial Year 2013-14. A Declaration by the Managing Director to this effect is provided at **Annexure 'I'** which forms part of this Report.

9. DISCLOSURE OF ACCOUNTING TREATMENT:

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



10. CEO AND CFO CERTIFICATION:

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

11. INSIDER TRADING:

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

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

12. BOARD DISCLOSURE – RISK MANAGEMENT:

The Company has laid down procedures to inform to the Board on quarterly basis about the risk assessment and minimization procedure. A report on the Risk Management procedures identified and adopted by the Company was placed before the Board of Directors at its meetings held on 16.05.2013, 05.08.2013, 24.10.2013 and 20.01.2014.

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

The senior management personnel give disclosure on annual basis to the Board of all the material financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the Company at large. As per the disclosures received, no such transaction has taken place during the Financial Year 2013-14.

14. MEANS OF COMMUNICATION:

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

Period	Date of approval by the Board	Date of Publication	Newspapers
Unaudited Financial Results for 1 st Quarter ended on 30.06.2013	05.08.2013	06.08.2013	In prescribed format (Full) under Listing Agreement and / or Highlights (Abridged) Times of India – Ahmedabad
Unaudited Financial Results for 2 nd Quarter ended on 30.09.2013	24.10.2013	25.10.2013	Hindu Business Line – All edition Hindustan Times – Mint – All edition Financial Express (English) – All edition Financial Express (Gujarati) - Ahmedabad
Unaudited Financial Results for 3 rd Quarter ended on 31.12.2013	20.01.2014	21.01.2014	Business Standard – All edition The Indian Express, Ahmedabad, Vadodara The Economic Times (English, Gujarati) – Mumbai, Ahmedabad Gujarat Samachar - Ahmedabad, Vadodara
Audited Financial Results for 4 th quarter and for the year ended on 31.03.2014	14.05.2014	15.05.2014	Sandesh – Ahmedabad, Vadodara, Surat Divya Bhaskar - Ahmedabad, Surat Loksatta - Vadodara

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

15. SUBSIDIARY COMPANIES:

The Company has no subsidiary company.

16. GENERAL SHAREHOLDERS' INFORMATION:

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

B. NON-MANDATORY REQUIREMENTS

1. CHAIRMAN OF THE BOARD:

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

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

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

ANNEXURE 'I'

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

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

The Directors and Senior Management Personnel have affirmed compliance with the said code during the Financial Year 2013-14.

For **GUJARAT ALKALIES AND CHEMICALS LIMITED**

Place : VADODARA
Date : 03.05.2014

Sd/-
Atanu Chakraborty, IAS
Managing Director & CEO

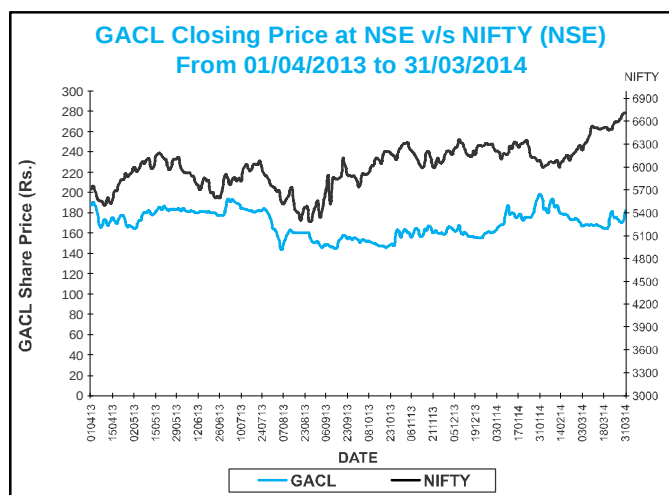
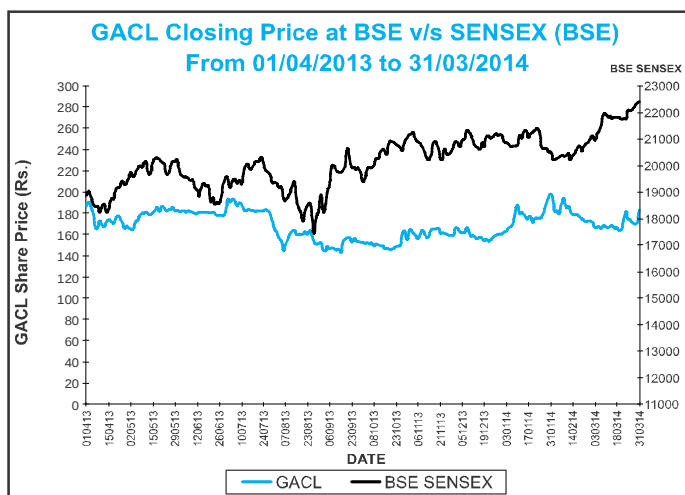
GENERAL INFORMATION FOR MEMBERS

1. **Day, Date and Time of 41st AGM** : Friday, the 22nd August, 2014 at 12.30 p.m.
2. **Venue of AGM** : In the premises of the Company at P.O. Petrochemicals– 391 346 Dist.Vadodara
3. **Dates of Book Closure** : 12th August, 2014 to 22nd August, 2014 (Both days inclusive)
4. **Dividend payment date** : On or after 26th August, 2014
5. **Listing on Stock Exchanges** :

Bombay Stock Exchange Ltd.
Phiroze Jeejeebhoy Towers
Dalal Street, Fort,
Mumbai : 400 001.
(Scrip Code : 530001)
(Scrip ID : GUJALKALI)

National Stock Exchange of India Ltd.
"Exchange Plaza"
Bandra-Kurla Complex, Bandra (East)
Mumbai : 400 051.
(Scrip Symbol : GUJALKALI)
6. **Company's ISIN No. with NSDL & CDSL** : **INE 186A01019**
7. **No.of Employees** : 1469
8. **Stock Market Data** : Monthly high and low market price and the volume of shares traded at the Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. are as follows.

Month	Bombay Stock Exchange			National Stock Exchange		
	High (Rs.)	Low (Rs.)	Volume (No.of Shares)	High (Rs.)	Low (Rs.)	Volume (No.of Shares)
April, 2013	222.40	160.05	1090048	222.50	162.30	2358659
May, 2013	192.00	164.00	517547	191.90	163.15	1018032
June, 2013	185.00	176.00	108188	186.95	175.00	286870
July, 2013	200.00	162.30	139482	198.90	160.95	478038
August, 2013	168.50	141.05	112228	169.90	141.00	2784122
September, 2013	160.00	142.10	65721	159.95	141.40	209880
October, 2013	165.85	135.20	108020	164.80	144.50	226919
November, 2013	169.70	153.10	97655	171.80	153.30	237443
December, 2013	170.00	152.50	250775	170.75	153.60	792190
January, 2014	199.50	160.00	422782	199.75	159.95	1498605
February, 2014	199.05	170.70	54081	199.00	170.10	180563
March, 2014	184.00	163.00	111332	184.00	163.85	233645
Total			3077859			10304966
Average 2013-14	184.67	156.67		185.02	157.43	
Average 2012-13	145.05	124.20		145.21	126.40	



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

MCS SHARE TRANSFER AGENT LTD. (Unit : GACL)

Neelam Apartment, 1st floor,

88, Sampatrao Colony, Productivity Road,

Vadodara 390 007.

Phone : (0265)2339397/2314757/2350490, Fax : (0265)2341639

E-mail : mcsstalbaroda@yahoo.com

10. Share Transfer System :

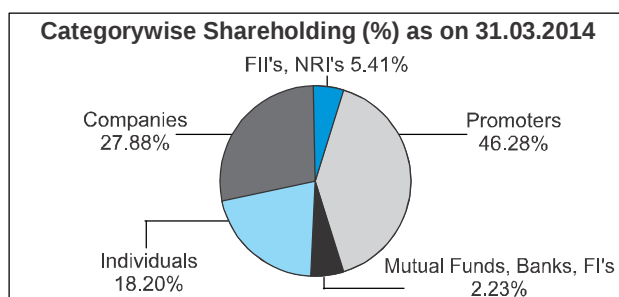
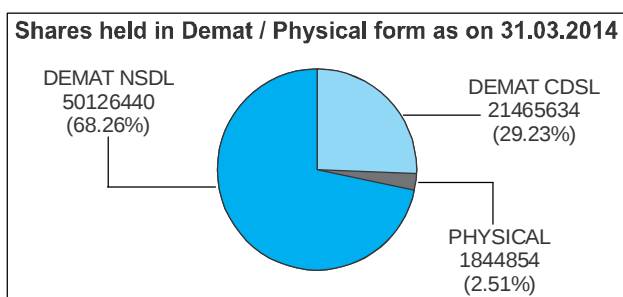
With a view to expedite the Share Transfer Procedure, the Board of Directors has delegated the powers to the Company Secretary and other Officers to consider and approve the requests received in respect of Securities related transactions upto One Thousand (1000) shares and accordingly Delegated Authorities 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 Shares / Debentures Transfers and Investors' Grievance Committee of Directors. Duly transferred share certificates are normally returned within a period of 12-15 days from the date of receipt, provided all the documents are in order in all respects. The total number of shares transferred, dematerialized and rematerialized during the Financial Year 2013-14 were 1,35,648 Nos.

11. (A) Distribution of Shareholding as on 31st March, 2014.

No. of Equity Shares held	No. of Shares	% of Shareholding	No. of Shareholders	% of Shareholders
Upto 500	51,84,750	7.06	46,814	91.18
501 to 1000	21,04,010	2.87	2,845	5.54
1001 to 2000	14,92,920	2.03	1,065	2.08
2001 to 3000	6,03,280	0.82	243	0.47
3001 to 4000	4,38,484	0.60	124	0.24
4001 to 5000	2,62,529	0.36	56	0.11
5001 to 10000	5,14,462	0.70	72	0.14
10001 to 50000	16,69,661	2.27	82	0.16
50001 to 100000	8,15,445	1.11	12	0.02
100001 and above	6,03,51,387	82.18	28	0.06
TOTAL as on 31.03.2014	7,34,36,928	100.00	51,341	100.00
TOTAL as on 31.03.2013	7,34,36,928	100.00	55,136	100.00

(B) Summary of Shareholders & Shares held in Physical and Demat mode as on 31st March, 2014 :

PARTICULARS	PHYSICAL	D E M A T		TOTAL
		NSDL	CDSL	
Total Shareholders (No.)	17,236	25,423	8,682	51,341
Percentage (%)	33.57	49.52	16.91	100.00
Total Shares (No.)	18,44,854	5,01,26,440	2,14,65,634	7,34,36,928
Percentage (%)	2.51	68.26	29.23	100.00
		7,15,92,074 Shares – 97.49 %		


12. Category of Shareholders as on 31st March, 2014 :

Category	Share-holders	Percentage (%)	Physical Holding	Electronic Holding	Total Shares	Percentage (%)
Promoters	7	0.01	00	3,39,86,310	3,39,86,310	46.28
Directors & their relatives	00	0.00	00	00	00	0.00
Mutual Funds, Banks, FI's	59	0.11	4,390	16,36,686	16,41,076	2.23
Individuals	50,203	97.80	18,30,444	1,15,33,944	1,33,64,388	18.20
Companies	634	1.23	6,103	2,04,63,670	2,04,69,773	27.88
FII's, NRI's	438	0.85	3,917	39,71,464	39,75,381	5.41
Total	51,341	100.00	18,44,854	7,15,92,074	7,34,36,928	100.00

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 COMPLIANCE OF THE CONDITIONS OF CORPORATE GOVERNANCE

To the Members of Gujarat Alkalies and Chemicals Ltd.

We have examined the compliance of the conditions of Corporate Governance by M/s. Gujarat Alkalies and Chemicals Limited, for the financial year ended March 31, 2014 as stipulated in Clause 49, as amended, of the Listing Agreement of the said Company with the Stock Exchanges in India.

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

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

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

We state that in respect of investor grievances received during the year ended 31st March, 2014, no grievances are pending for a period of exceeding one month against the Company as per the records maintained by the Company and have been presented to the Shares / Debentures Transfers and Investors' Grievance Committee.

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

Place : Vadodara

Date : 6th June, 2014

Sd/-

Niraj Trivedi

Company Secretary

CP. No. 3123

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 :
 - i) these statements do not contain any materially untrue statement or omit any material fact nor contain statement that might be misleading;
 - ii) 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:
 - i) significant changes in internal controls over financial reporting during the year;
 - ii) significant changes in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) 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/-

(ATANU CHAKRABORTY)

MANAGING DIRECTOR

Sd/-

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

CHIEF FINANCIAL OFFICER

Place : Gandhinagar

Date : 14th May, 2014

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

Report on the Financial Statements

We have audited the accompanying financial statements of Gujarat Alkalies and Chemicals Limited, which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required

and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
 - e) on the basis of written representations received from the Directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

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

(P. C. Nalwaya)
Partner

Place : Gandhinagar
Date : 14th May, 2014

Membership No. : 033710

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 of our report of even date on the accounts of Gujarat Alkalies and Chemicals Limited as at 31st March, 2014)

- | | |
|---|---|
| <p>i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.</p> <p>b) The Company has a programme of physical verification of all its fixed assets over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain fixed assets have been physically verified by the management during the year and according to the information and explanations given to us, no material discrepancies have been noticed on such verification.</p> <p>c) During the year, the Company has not disposed off a substantial part of its fixed assets.</p> <p>ii) a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.</p> <p>b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.</p> <p>c) On the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.</p> <p>iii) a) According to the information and the explanations given to us, there are no loans, secured or unsecured, granted or taken by the Company to or from companies firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, paragraphs 4(iii) (b) (c) (d) (e) (f) and (g) of the order are not applicable.</p> <p>iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.</p> | <p>v) a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 have been so entered.</p> <p>b) According to the information and explanations given to us, there are no transactions of purchase of goods and materials and sale of goods, materials and services aggregating during the year to Rs.500000/- or more in respect of each party, as per the register maintained under Section 301 of the Companies Act, 1956.</p> <p>vi) The Company has not renewed/accepted any deposit during the year from public and shareholders within the meaning of Sections 58A and 58AA of the Companies Act, 1956 and the rules framed there under.</p> <p>vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.</p> <p>viii) We have broadly reviewed, without carrying out detailed examination of the books of account maintained by the Company pursuant to the order made by the Central Government of the maintenance of Costs records under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained.</p> <p>ix) a) According to the information and explanations given to us and records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employee's State Insurance, Income tax, Sales-tax, Wealth Tax, Service Tax, Custom duty, Excise duty, cess and other material statutory dues as applicable with appropriate authorities. According to the information and explanations given to us, there were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employee's State Insurance, Income tax, Sales-tax, Wealth Tax, Service Tax, Custom duty, Excise duty, cess and other statutory dues outstanding as at 31.03.2014 for a period of more than six months from the date they became payable.</p> <p>b) According to the information and explanations given to us and records of the Company examined by us there are no dues of Sales tax, Income tax, Custom tax / Wealth tax, Excise duty/cess which have not been deposited on account of any dispute pending except as under:-</p> |
|---|---|

Sr. No.	Name of the statute	Nature of the dues	Amount (Rs. in Lakhs)	Period to which the Amount relates	Forum where dispute is pending
1.	Gujarat Sales Tax, 1969	Tax, Interest & Penalty	Interest & Penalty on purchase tax Rs.453.04	Second Appeal cum Revision Application for the F.Y. 1998-1999	Deputy Commissioner, CTO, Bharuch.
		Tax, Interest & Penalty	Purchase tax / Additional tax of Rs.1,882.85 plus Interest and Penalty of Rs. 1,838.08	Appeal preferred for the F.Y. 2000-01.	Jt.Commissioner of Appeals, Baroda.
		Tax, Interest & Penalty	Purchase tax of Rs. 1,803.31 plus Interest and Penalty of Rs. 4,038.61	Appeal preferred for the F.Y 2001-02	Jt.Commissioner of Appeals, Baroda.
		Tax, Interest & Penalty	Purchase tax of Rs. 1,638.95 plus Interest and Penalty of Rs. 3,456.31	Appeal preferred for the F.Y. 2002-03	Jt.Commissioner of Appeals, Baroda.
		Tax, Interest & Penalty	Sales Tax and Purchase tax of Rs.1,289.70 plus Interest and Penalty of Rs. 3,016.87	Appeal preferred for the F.Y. 2003-04	Jt.Commissioner of Appeals, Baroda.
		Tax, Interest & Penalty	Sales Tax and Purchase tax of Rs.685.99 plus Interest and Penalty of Rs. 277.84	Appeal preferred for the F.Y. 2004-05	Jt.Commissioner of Appeals, Baroda.
		Tax, Interest & Penalty	Purchase tax of Rs.279.67 plus Interest and Penalty of Rs. 223.38	Appeal preferred for the F.Y. 2005-06	Jt.Commissioner of Appeals, Baroda.
2	Central Excise & Service Tax Department	Penalty for Cenvat Credit	Rs. 34.78	July 2005 to Dec. 2005	CESTAT, Ahmedabad
		Cenvat credit on outward freight and penalty	Rs. 5.97	Various years	Commissioner Appeal Central Excise, Baroda
		Cenvat Credit on Rent-A-Cab services and penalty	Rs. 24.24	Various years	Commissioner Appeal Central Excise, Baroda
		Cenvat credit on Out- door catering services and penalty	Rs. 76.33	Various years	Appeal to be filed before CESTAT Ahmedabad
		Penalty on Banking and Financial services in the matter of ECB of USD 40 MN	Rs. 37.31	F. Y. 2008-2009	CESTAT, Ahmedabad
		Penalty on Cenvat credit availed for Wind Mill Project	Rs. 61.16	F. Y. 2008-2009	CESTAT, Ahmedabad

Sr. No.	Name of the statute	Nature of the dues	Amount (Rs. in Lakhs)	Period to which the Amount relates	Forum where dispute is pending
		Penalty	Rs. 462.11	Appeal preferred for F. Y. 1996-1997	Gujarat High Court, Ahmedabad.
		Penalty demanded on sale of scrap	Rs. 0.10	F. Y. 1998-2001	CESTAT, Ahmedabad
		Excise duty and penalty	Rs. 96.08	F. Y. 2009-2010	CESTAT, Ahmedabad
3	Income Tax	Tax & Interest	Rs. 123.00	F.Y. 2006-07	ITAT, High Court
		Tax & Interest	Rs. 117.79	F.Y. 2007-08	ITAT
		Tax & Interest	Rs. 471.39	F.Y. 2008-09	ITAT
		Tax & Interest	Rs. 1,519.09	F.Y. 2010-11	CIT (A)

- x) The Company has no accumulated losses as at March 31, 2014 and has not incurred cash losses during the financial year ended on that date or in the immediately preceding Financial Year.
- xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions or banks. Further, in our opinion and according to information and explanations given to us, the Company did not have any amount outstanding to debenture holders.
- xii) The Company has not made any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4 (xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xiii) In our opinion, the Company is not a chit fund or a nidhi mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xv) In our opinion, the terms and conditions on which the Company has given guarantees for loans taken by employees of the Company from Bank(s) and financial institutions are not prejudicial to the interest of the Company.
- xvi) In our opinion, the term loans availed by the Company have been applied for the purpose for which they were raised.
- xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, funds raised on short term basis have, *prima facie*, not been used during the year for long term investment.
- xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act.
- xix) According to the information and explanations given to us the Company has not issued any debentures during the year and no debentures are outstanding and therefore, no securities are required to be created.
- xx) The Company has not raised any money by way of Public / Rights / Preferential issue during the year.
- xxi) Based upon audit procedures performed and information and explanation given by the Management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

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

(P. C. Nalwaya)
Partner

Place : Gandhinagar
Date : 14th May, 2014

Membership No. : 033710

Balance Sheet

as at 31st March, 2014

[Rs. in Lakhs]

Particulars	Note No.	As At 31.03.2014	As At 31.03.2013
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	7,343.84	7,343.84
(b) Reserves and Surplus	3	1,89,028.96	1,73,963.06
(2) Non-Current Liabilities			
(a) Long-term borrowings	4	15,178.97	19,543.10
(b) Deferred tax liabilities (Net)	5	33,631.69	33,471.19
(c) Other Long term liabilities	6	2,195.25	1,781.44
(d) Long term provisions	7	4,148.53	4,275.35
(3) Current Liabilities			
(a) Short-term borrowings	8	409.85	1,521.81
(b) Trade payables	9	9,613.93	8,581.85
(c) Other current liabilities	10	8,688.91	8,790.13
(d) Short-term provisions	11	33,584.03	31,114.55
Total		3,03,823.96	2,90,386.32
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12	1,61,524.52	1,50,529.20
(ii) Capital work-in-progress	12	10,051.26	25,911.75
(b) Non-current investments	13	17,972.08	16,974.01
(c) Long term loans and advances	14	4,102.39	3,435.98
(d) Other non-current assets	15	5,017.81	4,158.27
(2) Current assets			
(a) Current investments	16	211.59	259.25
(b) Inventories	17	17,465.75	15,214.51
(c) Trade receivables	18	29,883.13	27,204.47
(d) Cash and Bank Balances	19	23,746.27	15,194.31
(e) Short-term loans and advances	20	33,849.16	31,504.57
Total		3,03,823.96	2,90,386.32
Significant Accounting Policies	1		

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

For **Prakash Chandra Jain & Co.**

Chartered Accountants

Firm Reg. No. : 002438C

For and on behalf of the Board

Atanu Chakraborty, IAS
Managing Director

Dr. Varesb Sinha, IAS
Chairman

Dr. Hasmukh Adhia, IAS
Director

D.J. Pandian, IAS
Director

CA. P. C. Nalwaya
Partner
M. No. 033710

J.N. Godbole
Director

G.C. Murmu, IAS
Director

S. S. Bhatt
Company Secretary
& Dy. General Manager (Legal)

CA. (Dr.) H. B. Patel
Chief Financial Officer

Place : Gandhinagar
Date : 14th May, 2014

Place : Gandhinagar
Date : 14th May, 2014

Statement of Profit and Loss

for the year ended 31st March, 2014

[Rs. in Lakhs]

Particulars	Note No.	2013-14	2012-13
I. Revenue from operations	21	2,10,070.85	2,01,280.31
Less : Excise Duty		20,464.55	19,819.96
Total		1,89,606.30	1,81,460.35
II. Other Income	22	3,027.16	1,870.26
III. Total Revenue (I + II)		1,92,633.46	1,83,330.61
IV. Expenses:			
Cost of materials consumed	23	71,722.45	71,475.01
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	24	(446.76)	370.58
Employee benefit expense	25	15,144.42	11,889.61
Finance costs	26	635.85	833.58
Depreciation and amortization expense	12	15,064.58	15,152.02
Other expenses	27	65,839.71	48,193.30
Total Expenses		1,67,960.25	1,47,914.10
V. Profit before exceptional and extraordinary items and tax (III - IV)		24,673.21	35,416.51
VI. Exceptional Items			
(a) Prior Period Items (Net)	28	17.79	13.86
(b) Other Exceptional Item		-	1,719.67
VII. Profit before tax (V - VI)		24,655.42	33,682.98
VIII. Tax expense:			
(a) Current tax		6,729.64	10,237.27
(b) Deferred tax		1,358.06	882.24
(c) Provision for Income Tax for Earlier years written back	29	(1,934.88)	(971.96)
IX. Profit for the period (VII - VIII)		18,502.60	23,535.43
X. Earning per equity share (face value Rs.10/-each):	30		
(1) Basic (Rs.)		25.20	32.05
(2) Diluted (Rs.)		25.20	32.05
Significant Accounting Policies	1		

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

For **Prakash Chandra Jain & Co.**

Chartered Accountants

Firm Reg. No. : 002438C

For and on behalf of the Board

Atanu Chakraborty, IAS
Managing Director

Dr. Varesn Sinha, IAS
Chairman

Dr. Hasmukh Adhia, IAS
Director

D.J. Pandian, IAS
Director

CA. P. C. Nalwaya
Partner
M. No. 033710

J.N. Godbole
Director

G.C. Murmu, IAS
Director

S. S. Bhatt
Company Secretary
& Dy. General Manager (Legal)

CA. (Dr.) H. B. Patel
Chief Financial Officer

Place : Gandhinagar
Date : 14th May, 2014

Place : Gandhinagar
Date : 14th May, 2014

Cash Flow Statement

for the year ended 31st March, 2014

[Rs. in Lakhs]

PARTICULARS	2013-2014	2012-2013
A CASH FLOW FROM OPERATING ACTIVITIES	23,644.83	42,337.91
B CASH FLOW FROM INVESTING ACTIVITIES	(6,565.16)	(21,755.66)
C CASH FLOW FROM FINANCING ACTIVITIES	(8,527.71)	(11,177.13)
D CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	15,194.31	5,789.19
E CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	23,746.27	15,194.31
F TOTAL CASH FLOW DURING THE YEAR (A+B+C) or (E-D)	8,551.96	9,405.12
A CASH FLOW FROM OPERATING ACTIVITIES :		
NET PROFIT / (LOSS) BEFORE TAX AND EXTRAORDINARY ITEMS	24,655.42	33,682.98
ADJUSTMENTS FOR :		
ADDITION / (DEDUCTION)		
DEPRECIATION AND AMORTIZATION EXPENSES (Includes Prior Period Rs. 5.97 lakhs, Previous Year Rs. 9.73 lakhs)	15,070.55	15,161.75
INTEREST INCOME	(1,892.48)	(959.49)
DIVIDEND RECEIVED	(1,055.01)	(903.76)
INTEREST EXPENSE	635.85	833.58
PROFIT ON SALE OF ASSETS	(0.69)	(0.01)
LOSS ON SALE OF ASSETS	15.38	9.19
PROVISION/(REVERSAL) FOR DIMINUTION IN VALUE OF INVESTMENTS	49.59	4.61
SUB TOTAL	12,823.19	14,145.87
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	37,478.61	47,828.85
DECREASE OR (INCREASE) IN ASSETS :		
TRADE AND OTHER RECEIVABLES	(49.31)	(5,648.52)
INVENTORIES	(2,472.93)	2,092.09
INCREASE / (DECREASE) IN LIABILITIES :		
TRADE PAYABLES AND OTHER LIABILITIES	(3,325.92)	5,173.52
CASH GENERATED FROM OPERATIONS BEFORE TAX	31,630.45	49,445.94
DIRECT TAXES PAID	(7,985.62)	(7,108.03)
CASH FLOW BEFORE EXTRAORDINARY ITEMS	23,644.83	42,337.91
EXTRAORDINARY ITEMS	-	-
NET CASH FLOW FROM OPERATING ACTIVITIES : (TOTAL : A)	23,644.83	42,337.91



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014 (contd.)

[Rs. in Lakhs]

P A R T I C U L A R S	2013-2014	2012-2013
B CASH FLOW FROM INVESTING ACTIVITIES :		
PURCHASE OF FIXED ASSETS	(7,609.99)	(21,641.55)
SALE OR ADJUSTMENT OF FIXED ASSETS	10.17	209.70
PURCHASE OF INVESTMENTS	(1,000.00)	(1,130.00)
SALE OF INVESTMENTS	-	0.10
INTEREST RECEIVED	1,892.48	959.49
DIVIDEND RECEIVED	1,055.01	903.76
OTHER CAPITAL EXPENDITURE (RECOATING & REMEMBRANING)	(912.83)	(1,057.16)
NET CASH FLOW FROM INVESTMENT ACTIVITIES - (TOTAL - B)	(6,565.16)	(21,755.66)
C CASH FLOW FROM FINANCING ACTIVITIES :		
INTEREST AND FINANCE CHARGES PAID	(645.04)	(936.65)
DIVIDEND PAID	(3,007.11)	(2,560.51)
PROCEEDS/(REPAYMENT) OF LONG TERM BORROWINGS	(3,763.60)	(1,800.34)
PROCEEDS/(REPAYMENT) OF SHORT TERM BORROWINGS	(1,111.96)	(5,879.63)
NET CASH FLOW FROM FINANCING ACTIVITIES - (TOTAL - C)	(8,527.71)	(11,177.13)
D CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR :		
CASH AND CHEQUES ON HAND	737.84	1,476.61
BALANCES WITH BANKS	14,456.47	4,312.58
NET CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR - (TOTAL - D)	15,194.31	5,789.19
E CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR :		
CASH AND CHEQUES ON HAND	162.57	737.84
BALANCES WITH BANKS	23,583.70	14,456.47
NET CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR - (TOTAL - E)	23,746.27	15,194.31
F TOTAL CASH FLOW DURING THE YEAR (A+B+C) OR (E-D)	8,551.96	9,405.12

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

As per our attached Report of even date

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

For and on behalf of the Board

Atanu Chakraborty, IAS
Managing Director

Dr. Varesb Sinha, IAS
Chairman

CA. P. C. Nalwaya
Partner
M. No. 033710

J.N. Godbole
Director

G.C. Murmu, IAS
Director

Dr. Hasmukh Adhia, IAS
Director

D.J. Pandian, IAS
Director

Place : Gandhinagar
Date : 14th May, 2014

S. S. Bhatt
Company Secretary
& Dy. General Manager (Legal)

CA. (Dr.) H. B. Patel
Chief Financial Officer

Place : Gandhinagar
Date : 14th May, 2014

NOTE

F.Y. 2013-2014

1 - SIGNIFICANT ACCOUNTING POLICIES

(1) Accounting Convention

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

(2) Revenue Recognition

(A) Sales

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

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

(a) Other Operating Income :

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

(b) Other Income :

- (i) Dividend Income

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

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

- (i) Tangible Assets are stated at cost of acquisition or construction less accumulated depreciation. In case of

capital expenditure, such costs of acquisition or construction are capitalised upto the date the assets are put to use. Interest, commitment and other charges on borrowings, as also expenditure directly attributable to specific project upto its commissioning are accumulated as cost of relevant projects.

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

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

(b) Accounting for Finance Lease :

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

(iv) The Residual value payable on the termination of finance lease is accounted as Revenue Expenditure.

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

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

(d) Depreciation :

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

(e) Expenditure by way of contributions :

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

(4) Investments

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

(5) Foreign Exchange Transactions

- (i) Transactions in foreign currency are recorded at the exchange rates prevailing or approximately close to the exchange rate prevailing at the time of transaction. Any difference arising on actual payment / realisation is accounted under exchange variation account.
- (ii) The liability in respect of the loans repayable in foreign currencies has been translated into rupees taking into consideration the exchange rates prevailing on the date of the Balance Sheet. The increase / decrease in the liability, if material, arising on realignment of foreign

currencies where the loans are utilised for procurement of tangible assets is adjusted to the cost of such assets at the year end.

- (iii) Other current assets & liabilities at the end of the year are being valued at the exchange rate prevailing on the date of Balance Sheet and difference arising is accounted as exchange difference and charged/credited to Statement of Profit and Loss.

(6) Inventories

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

(7) CENVAT and Value Added Tax Credit

- (i) CENVAT and VAT Credit available on the material (inputs) is adjusted against purchases.
- (ii) Cenvat Credit and VAT available on capital goods is adjusted against the cost of the capital assets.
- (iii) The CENVAT and VAT credit available on purchase of raw materials, other eligible inputs and capital goods is utilised against excise duty and VAT payable on clearance / sale of

goods produced. The unutilised CENVAT and VAT credit is shown under the head "Loans and Advances".

- (iv) CENVAT and VAT benefits are accounted on accrual basis.

(8) Taxation

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

(9) Other Capital Expenditure

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

(10) 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 / losses are recognised in the Statement of Profit & Loss.

(c) Long term Employee Benefits :

The obligation for long term employee benefits such as long term compensated absences, long service awards etc. is recognised on the basis of actuarial valuation on projected unit credit method. Actuarial gains / losses are recognised in the Statement of Profit & Loss.

(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 item". "Exceptional items" are accounted depending on the nature of transaction.

(13) Borrowing Cost

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

(14) Impairment of Assets

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

2 - SHARE CAPITAL

[Rs. in Lakhs]

Particulars	As At 31.03.2014	As At 31.03.2013
Equity Share Capital		
(a) Authorised :		
10,00,00,000 Equity Shares of Rs.10/- each (Previous Year 10,00,00,000 shares of Rs.10/- each)	10,000.00	10,000.00
50,00,000 Redeemable Cumulative Preference Shares of Rs.100/- each (Previous Year 50,00,000 shares of Rs.100/- each)	5,000.00	5,000.00
	15,000.00	15,000.00
(b) Issued :		
7,34,39,875 Equity Shares of Rs.10/- each (Previous Year 7,34,39,875 shares of Rs.10/- each)	7,343.99	7,343.99
(c) Subscribed & Fully Paid-up :		
7,34,36,928 Equity Shares of Rs.10/- each (Previous Year 7,34,36,928 shares of Rs.10/- each)	7,343.69	7,343.69
(d) Subscribed & Not Fully Paid-up (forefeited) :		
2,947 Equity Shares of Rs.10/- each (Previous Year 2,947 shares of Rs.10/- each)	0.15	0.15
Total	7,343.84	7,343.84

Reconciliation of the number of equity shares :

Particulars	2013-14		2012-13	
	Number	(Rs. in lakhs)	Number	(Rs. in lakhs)
Shares outstanding at the beginning of the period	7,34,36,928	7,343.84	7,34,36,928	7,343.84
Shares outstanding at the end of the period	7,34,36,928	7,343.84	7,34,36,928	7,343.84

Rights, preferences and restrictions attached to shares :

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

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

Sr. No.	Name of Shareholder	As at 31 st March, 2014		As at 31 st March, 2013	
		No. of shares held	% of shares held	No. of shares held	% of shares held
1	Lok Prakashan Ltd.	1,60,75,325	21.89	1,54,02,059	20.98
2	Gujarat State Investment Ltd.	1,53,29,373	20.87	1,25,13,438	17.04
3	Gujarat Industrial Investment Corporation Ltd.	71,19,028	9.69	71,19,028	9.69
4	Gujarat Mineral Development Corporation Ltd.	41,45,433	5.64	40,80,433	5.56

3 - RESERVES AND SURPLUS

[Rs. in Lakhs]

	As At 31.03.2014	As At 31.03.2013
a. Capital Reserves :	0.24	0.24
b. Securities Premium Account :	23,423.18	23,423.18
c. General Reserve :		
Opening Balance	98,380.34	86,612.34
Add : Transferred from Surplus Balance in the Statement of Profit and Loss.	9,251.00	11,768.00
Closing Balance	1,07,631.34	98,380.34
d. Surplus in the Statement of Profit and Loss		
Opening Balance	52,159.30	43,398.98
Add : Net Profit for the current year	18,502.60	23,535.43
Less : Appropriations :		
Proposed Dividend	2,937.48	2,570.29
Tax on Proposed Dividend	499.22	436.82
Transfer to General Reserves	9,251.00	11,768.00
Closing Balance	57,974.20	52,159.30
Total :	1,89,028.96	1,73,963.06

4 - LONG TERM BORROWINGS

[Rs. in Lakhs]

	As At 31.03.2014	As At 31.03.2013
Secured :		
Term Loans from Banks :		
External Commercial Borrowings from ICICI Bank*	7,988.67	10,857.00
External Commercial Borrowings from HDFC Bank **	7,189.80	8,685.60
	15,178.47	19,542.60
Unsecured :		
Long term maturities of finance lease obligations	0.50	0.50
	0.50	0.50
Total :	15,178.97	19,543.10

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

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

5 - DEFERRED TAX LIABILITIES (NET)

The break-up of net deferred tax liability on account of timing differences as at 31st March, 2014 is as under :

[Rs. in Lakhs]

	As At 31.03.2014		As At 31.03.2013	
	Assets	Liability	Assets	Liability
Depreciation	-	33,201.11	-	32,964.63
Lease Assets	-	624.24	-	653.48
Expenditure u/s 43B of the I.T. Act	1,220.27	309.45	1,066.94	163.13
Other Capital Expenses	-	1,170.55	-	1,180.02
Provision for doubtful debts	453.39	-	423.13	-
Total :	1,673.66	35,305.35	1,490.07	34,961.26
Net Deferred Tax Liability *		33,631.69		33,471.19

* During the year, there is increase in deferred tax liability of Rs.1,358.06 lakhs and reversal of excess provision of deferred tax liability of Rs. 1,197.56 lakhs of earlier year.

6 - OTHER LONG TERM LIABILITIES

[Rs. in Lakhs]

		As At 31.03.2014	As At 31.03.2013
[A] Trade Payables :		27.23	50.10
[B] Others :			
Sundry Creditors	700.80		379.21
Security Deposits	881.65		847.80
Outstanding Liabilities for purchase / Expenses	431.81		361.65
Employee Benefits	2.90		1.01
Advances received from Customers	150.86		141.67
		2,168.02	1,731.34
Total :		2,195.25	1,781.44

7 - LONG TERM PROVISIONS

[Rs. in Lakhs]

	As At 31.03.2014	As At 31.03.2013
(A) Provision for Employees' Benefits :		
(i) Gratuity	(787.40)	(425.63)
(ii) Leave Encashment	3,162.86	2,925.54
(iii) Long Service Award	53.41	55.78
(B) Provision for Other Liabilities (Refer Note No. 31) :	1,719.66	1,719.66
Total :	4,148.53	4,275.35

8 - SHORT TERM BORROWINGS

[Rs. in Lakhs]

	As At 31.03.2014	As At 31.03.2013
Secured :		
Loans repayable on demand from Banks #	409.85	1,521.81
Total :	409.85	1,521.81

The Company has working capital facilities with various Banks carrying interest rate ranging from 10.40% to 15.00%. These facilities are secured by first charge by hypothecation of stocks and book debts and second charge over the immovable assets of the Company.

9 - TRADE PAYABLES

[Rs. in Lakhs]

	As At 31.03.2014	As At 31.03.2013
- Micro, Small and Medium Enterprise *	740.28	1,148.42
- Others	8,873.65	7,433.43
Total :	9,613.93	8,581.85

* Amount overdue as on 31st March, 2014 to Micro, Small and Medium Enterprises on account of principal amount with interest in aggregate is Rs. Nil (Previous Year Rs. Nil). No interest during the year has been paid to Micro, Small and Medium Enterprises on delayed payments.

10 - OTHER CURRENT LIABILITIES

[Rs. in Lakhs]

	As At 31.03.2014	As At 31.03.2013
(a) Current maturities of long term debts	6,390.93	5,790.40
(b) Interest accrued but not due on borrowings	51.29	60.48
(c) Unpaid dividends	90.88	88.41
(d) Other payables :		
(i) Other Statutory Liabilities	1,389.17	1,117.86
(ii) Advance received from customers	318.01	492.95
(iii) Payables for capital goods	334.03	1,128.98
(iv) Security Deposits / Earnest Money Deposits	102.47	84.57
(v) Miscellaneous Liabilities	12.13	26.48
Total :	8,688.91	8,790.13

11 - SHORT TERM PROVISIONS

[Rs. in Lakhs]

	As At 31.03.2014	As At 31.03.2013
(a) Provision for Employees' Benefits :		
Salary & Reimbursements	1,765.04	1,673.22
Gratuity	(123.02)	(77.18)
Leave Encashment	425.41	358.08
Long Service Award	34.06	37.83
(b) Others :		
(i) Provisions for outstanding liabilities for purchase & Expenses	6,572.57	10,634.54
(ii) Proposed Dividend *	2,937.48	2,570.29
(iii) Tax on Proposed Dividend	499.22	436.82
(iv) Provision for Taxation	21,473.27	15,480.95
Total :	33,584.03	31,114.55

* The Board of Directors of the Company has recommended dividend of Rs. 4.00 per Share on 7,34,36,928 Equity Shares of Rs.10/- each.

12 - FIXED ASSETS

[Rs. in Lakhs]

Sr. No.	FIXED ASSETS	GROSS BLOCK (AT COST)			DEPRECIATION / AMORTIZATION				NET BLOCK		
		As at 01.04.13	Additions / Adjustment	Deductions/ Adjustment	As at 31.03.14	Up to 31.03.13	For the year	Deductions/ Adjustment	Up to 31.03.14	As at 31.03.14	As at 31.03.13
	TANGIBLE ASSETS :										
1	Free hold Land	102.75	-	-	102.75	-	-	-	-	102.75	102.75
2	Lease hold Land *	1,493.94	-	-	1,493.94	138.91	15.09	-	154.00	1,339.94	1,355.03
3	Buildings, Roads and Culverts	17,468.32	2,196.03	-	19,664.35	3,930.86	475.03	-	4,405.89	15,258.46	13,537.46
4	Plant and Equipment ***	2,82,930.21	22,951.88	64.04	3,05,818.05	1,52,867.64	13,118.94	60.45	1,65,926.13	1,39,891.92	1,30,062.57
	Plant and machinery under lease	3,745.27	-	81.84	3,663.43	3,086.18	158.40	77.75	3,166.83	496.60	659.09
5	Furniture, Fixtures and Equipments	1,489.45	24.00	1.17	1,512.28	858.50	52.20	0.33	910.37	601.91	630.95
6	Vehicles	392.52	5.99	39.57	358.94	181.66	41.23	23.23	199.66	159.28	210.86
7	Others :										
	(a) Recoating / Remembraning @	6,879.19	912.83	-	7,792.02	3,235.43	1,112.78	-	4,348.21	3,443.81	3,643.76
	(b) Power, Water & Services #	1,743.81	-	-	1,743.81	1,417.08	96.88	-	1,513.96	229.85	326.73
	Grand Total	3,16,245.46	26,090.73	186.62	3,42,149.57	1,65,716.26	15,070.55	161.76	1,80,625.05	1,61,524.52	1,50,529.20
	Previous Year	(3,10,645.34)	(5,961.32)	(361.20)	(3,16,245.46)	(1,50,782.20)	(15,076.38)	(142.32)	(1,65,716.26)	(1,50,529.20)	
	Expenditure on New Projects ##										
	Capital Work-in-progress										
										9,567.72	24,438.69
										483.54	1,473.06

* Lease hold land amortised during Financial Year 2013-14 for the expired period of the lease of Rs.4.00 lakhs (Ref. Sr. No. 3 (c) of Note No. 1).

The lease deed in respect of Plot No. 3 for the balance land admeasuring 44,032 sq. mtrs acquired at Dahej Complex having value of Rs.15.86 lakhs is pending for execution.

*** Depreciation and amortization for the year includes Net Debit of Rs. 5.97 lakhs for prior period adjustment (Previous Year Net Debit of Rs. 9.73 lakhs)

Additions in Plant and Equipment includes Rs.1,606.93 Lakhs (Previous Year Rs.1,089.83 Lakhs) on account of exchange difference during the year.

@ The Gross value and depreciation /amortization amounting to Rs.2,693.52 lakhs of Recoating / Remembraning is eliminated from Gross Block and Depreciation / amortization for those assets which are fully written off till 31.03.2013.

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

Expenditure on New Projects includes advance payment and provision made for lease hold lands allotted pending execution of lease deeds :

(i) Rs.1,774.24 lakhs (Previous Year Rs.1,734.95 lakhs) towards Plot No.42/1 at Dahej admeasuring 5,20,000 sq. mtrs.

(ii) Rs.4,725.04 lakhs (Previous Year Rs.4,668.08 lakhs) towards Plot No. D-II/9 at Dahej admeasuring 10,20,900 sq. mtrs.

(iii) Rs.945.39 lakhs (Previous Year Rs.935.23 lakhs) towards Plot No. B-37 to B-44 at village Atali admeasuring 50,714.48 sq. mtrs.

13 - NON-CURRENT INVESTMENTS

[Rs. in Lakhs]

	Nos.	Face Value Rs.	As At 31.03.2014	As At 31.03.2013
TRADE INVESTMENTS :				
Investment in Equity Instruments :				
1 (Quoted) :				
1 Gujarat Industries Power Company Limited	2,30,88,980	10	8,139.82	8,139.82
2 Gujarat State Fertilizers and Chemicals Limited	75,00,000	2	1,500.00	1,500.00
3 Gujarat Lease Financing Limited	2,50,000	10	104.68	104.68
Less : Provision for Diminution in the value of Investments			101.81	99.88
			2.87	4.80
Total - 1			9,642.69	9,644.62
2 (Unquoted) :				
1 Gujarat Data Electronics Limited	40,000	10	4.00	4.00
Less : Provision for Diminution in the value of Investments			4.00	4.00
			-	-
2 Gujarat Venture Finance Limited	1,80,000	10	18.00	18.00
3 Gujarat Guardian Limited	74,25,000	10	742.50	742.50
4 Gujarat State Petroleum Corporation Limited	2,15,43,200	1	1,349.99	1,349.99
5 Gujarat Chemical Port Terminal Company Limited	6,13,90,000	1	613.90	613.90
6 Vadodara Enviro Channel Limited	7,151	10	-	-
7 Bhavnagar Energy Company Limited *	3,60,50,000	10	3,605.00	2,605.00
8 GSPC Gas Company Limited	40,00,000	10	2,000.00	2,000.00
Total - 2			8,329.39	7,329.39
GRAND TOTAL			17,972.08	16,974.01
Aggregate Value of Quoted Investments			9,642.69	9,644.62
Market Value of Quoted Investments			19,406.38	21,532.12
Aggregate Value of Unquoted Investments			8,329.39	7,329.39

* The Company during the year has paid Rs.1,000/- lakhs as Share Application Money in Bhavnagar Energy Company Ltd. (BECL). BECL during the year has allotted total 2,13,00,000 Equity Shares to the Company.

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
			2013-14	2012-13			2013-14	2012-13	2013-14	2012-13		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	Investments in Equity Instruments											
1	Gujarat Industries Power Company Limited	Others	2,30,88,980	2,30,88,980	Quoted	Fully paid	15.265%	15.265%	8,139.82	8,139.82	Y	-
2	Gujarat State Fertilizers and Chemicals Limited	Others	75,00,000	75,00,000	Quoted	Fully paid	1.882%	1.882%	1,500.00	1,500.00	Y	-
3	Gujarat Lease Financing Limited	Others	2,50,000	2,50,000	Quoted	Fully paid	0.922%	0.922%	2.87	4.80	N	Market Value
4	Gujarat Data Electronics Limited	Others	40,000	40,000	Unquoted	Fully paid	8.000%	8.000%	-	-	N	Net of diminution provision
5	Gujarat Venture Finance Limited	Others	1,80,000	1,80,000	Unquoted	Fully paid	16.331%	16.331%	18.00	18.00	Y	
6	Gujarat Guardian Limited	Others	74,25,000	74,25,000	Unquoted	Fully paid	4.729%	4.729%	742.50	742.50	Y	
7	Gujarat State Petroleum Corporation Limited	Others	2,15,43,200	2,15,43,200	Unquoted	Fully paid	0.895%	0.938%	1,349.99	1,349.99	Y	
8	Gujarat Chemical Port Terminal Company Limited	Others	6,13,90,000	6,13,90,000	Unquoted	Fully paid	3.991%	3.991%	613.90	613.90	Y	
9	Vadodara Enviro Channel Limited	Others	7,151	7,151	Unquoted	Fully paid	14.286%	14.286%	-	-	Y	
10	Bhavnagar Energy Company Limited	Others	3,60,50,000	2,50,00,000	Unquoted	Fully paid	6.455%	6.725%	3,605.00	2,605.00	Y	
11	GSPC Gas Company Limited	Others	40,00,000	40,00,000	Unquoted	Fully paid	4.727%	4.727%	2,000.00	2,000.00	Y	
	Total								17,972.08	16,974.01		

14 - LONG TERM LOANS AND ADVANCES

[Rs. in Lakhs]

	As At 31.03.2014	As At 31.03.2013
Unsecured - Considered Good		
(a) Capital Advances	1,101.59	98.41
(b) Security Deposits	1,936.81	1,936.63
(c) Other Loans and Advances :		
(i) Advances to Suppliers	629.15	641.82
Less : Provision for Doubtful debts	(15.09)	(15.09)
	614.06	626.73
(ii) Loans to Employees	19.17	19.63
(iii) Duty Draw back receivable	17.30	6.01
(iv) Prepaid Expenses	1.39	3.17
(v) CENVAT & VAT credit receivable	412.07	745.40
	1,063.99	1,400.94
Total :	4,102.39	3,435.98

15 - OTHER NON-CURRENT ASSETS

[Rs. in Lakhs]

	As At 31.03.2014	As At 31.03.2013
(i) Trade receivables		
Unsecured Receivable - considered Doubtful *	1,818.67	1,669.47
Less : Provision for doubtful debts	1,333.85	1,304.16
	484.82	365.31
(ii) Others		
Unsecured Receivables considered good :		
(i) Balance with Excise & Custom (Refer Note No. 31)	1,338.44	944.28
(ii) Other Deposits**	124.17	-
(iii) Non-Current stores & spare parts	3,070.38	2,848.68
	4,532.99	3,792.96
Total :	5,017.81	4,158.27

* The Trade Receivables include overdue outstanding from various parties aggregating to Rs.1,451.78 lakhs (Previous Year Rs.1,452.62 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.1,184.84 lakhs (Previous Year Rs.1,155.15 lakhs) exists for such doubtful debts as on 31.03.2014.

** Rs.124.17 lakhs (Previous Year NIL) penalty imposed for non-utilisation of Plot No. CH-17 recovered by GIDC from balance lying with them against surrender of part land. The said penalty as per GACL is not leviable and hence treated as paid under protest.

16 - CURRENT INVESTMENTS

[Rs. in Lakhs]

	Nos.	Face Value Rs.	As At 31.03.2014	As At 31.03.2013
(A) Investment in Equity Instruments (Quoted) :				
1 IDBI Bank Ltd.	3,18,800	10	259.03	259.03
Less :- Provision for Diminution in value of Investments			50.85	3.19
			208.18	255.84
2 Housing Development Finance Corporation Ltd.	1,18,700	2	3.16	3.16
3 HDFC Bank Ltd.	2,500	2	0.05	0.05
			211.39	259.05
(B) Investment in Govt. Securities (Unquoted):				
Six Year National Saving Certificate*			0.20	0.20
			0.20	0.20
TOTAL :			211.59	259.25
Aggregate Value of Quoted Investments			211.39	259.05
Market Value of Quoted Investment			1,276.09	1,252.23
Aggregate Value of Unquoted Investments			0.20	0.20

* National Saving Certificates are pledged for renewal of licence.



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
			2013-14	2012-13					2013-14	2012-13	2013-14	2012-13		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)		
A	Investments in Equity Instruments													
1	IDBI Bank Ltd.	Others	3,18,800	3,18,800	Quoted	Fully paid	0.147%	0.024%	208.18	255.84	N	Market Value		
2	Housing Development Finance Corporation Limited	Others	1,18,700	1,18,700	Quoted	Fully paid	0.008%	0.008%	3.16	3.16	Y	-		
3	HDFC Bank Ltd.	Others	2,500	2,500	Quoted	Fully paid	0.000%	0.000%	0.05	0.05	Y	-		
B	Investments in Government or Trust securities													
1	Six Year National Saving Certificate	Others	-	-	Unquoted	Fully paid	-	-	0.20	0.20	Y	-		
	Total								211.59	259.25				

17 - INVENTORIES

[Rs. in Lakhs]

		As At 31.03.2014	As At 31.03.2013
(a) Raw Materials and Components Goods-in-Transit	2,940.41 3,239.86	6,180.27 598.96	4,011.00 234.25
(b) Work-in-Progress			4,245.25
(c) Finished Goods Goods-in-Transit	6,408.86 126.57	6,535.43	583.22 5,967.81
(d) Stores and Spares Goods-in-Transit	3,748.92 4.12		136.60 6,104.41
(e) Others : Packing Materials Furnace Oil Building Materials	318.66 13.14 66.25	3,753.04	3,891.22 9.80
			3,901.02
		398.05	297.65
			10.54
			72.42
		398.05	380.61
Total :		17,465.75	15,214.51

18 - TRADE RECEIVABLES

[Rs. in Lakhs]

		As At 31.03.2014	As At 31.03.2013
Outstanding for a period exceeding six months from the due date :			
Secured	115.84		22.38
Unsecured - Considered Good	137.07		257.60
		252.91	279.98
Outstanding for a period not exceeding six months from the due date:			
Secured	5,296.56		5,367.05
Unsecured - Considered Good	24,333.66		21,557.44
		29,630.22	26,924.49
Total :		29,883.13	27,204.47

19 - CASH AND BANK BALANCES

[Rs. in Lakhs]

		As At 31.03.2014	As At 31.03.2013
A Cash and Cash Equivalents :			
Balances with Bank :			
Current Account		992.82	1,868.06
Cheques, Drafts on hand		159.47	736.13
Cash on hand		2.93	1.59
Others :			
Stamps on hand		0.17	0.12
Deposit with Corporate Bodies		22,500.00	12,500.00
B Other Bank Balances :			
Unpaid Dividend		90.88	88.41
Total :		23,746.27	15,194.31

20 - SHORT TERM LOANS AND ADVANCES

[Rs. in Lakhs]

	As At 31.03.2014	As At 31.03.2013
Unsecured - Considered Good		
Advances to Suppliers	1,892.73	7,398.44
Loans to Employees	145.64	64.67
Duty Drawback Receivable	117.31	169.22
Prepaid Expenses	35.59	23.84
Advance payment of Income Tax	28,329.59	20,343.98
CENVAT & VAT Credit receivable	2,600.01	2,308.97
Security Deposits	86.05	28.35
Balance with Excise & Custom authorities	120.38	290.07
Other Loans and Advances	521.86	877.03
Total :	33,849.16	31,504.57

21 - REVENUE FROM OPERATIONS

[Rs. in Lakhs]

	2013-14		2012-13	
(i) SALE OF PRODUCTS				
[A] MANUFACTURING OPERATIONS :-				
1 Caustic Soda Lye	52,942.64		52,487.37	
2 Caustic Soda Flakes	37,764.30		41,339.61	
3 Caustic Soda Prills	4,994.62		4,950.06	
4 Chloromethanes	10,260.17		8,224.14	
5 Sodium Cyanide	3,506.54		4,677.29	
6 Caustic Potash Lye	2,157.69		2,365.79	
7 Caustic Potash Flakes	7,277.15		5,677.12	
8 Potassium Carbonate	5,275.07		5,065.62	
9 Hydrogen Peroxide (100%)	15,066.61		14,917.69	
10 Phosphoric Acid (85%)	15,422.74		15,172.48	
11 Poly Aluminium Chloride	3,312.20		2,881.36	
12 Aluminium Chloride	10,805.35		8,977.01	
13 Chlorinated Paraffin Wax	3,655.82		3,724.83	
14 Benzyl Alcohol	3,396.66		2,946.54	
15 Liquid Chlorine	3,460.90		(1,378.62)	
16 Others	8,986.85		7,402.96	
		1,88,285.31		1,79,431.25
[B] EXCISE DUTY		20,464.55		19,819.96
Total (i)		2,08,749.86		1,99,251.21
(ii) OTHER OPERATING REVENUE				
Sale of Scrap	312.26		320.71	
Insurance claims received	12.73		636.68	
Export Incentives	223.57		386.48	
Excess Provision of Expenses no longer required (Net)	214.78		256.69	
Freight Outward Recovered/Paid (Net)	-		51.40	
Other Receipts	557.65		377.14	
Total (ii)		1,320.99		2,029.10
Total :		2,10,070.85		2,01,280.31

22 - OTHER INCOME

[Rs. in Lakhs]

	2013-14	2012-13
Interest Income (Gross) *		
a) From Non-Current Assets	228.94	115.87
b) From Current Assets	1,663.54	843.62
Dividend Income		
a) From Non-Current Investments	1,026.57	885.81
b) From Current Investments	28.44	17.95
Other Non-operating Income		
a) Net Exchange rate variation	71.60	-
b) Rent received *	2.27	2.12
c) Profit on sale of Fixed Assets	0.69	0.01
d) Miscellaneous Income	5.11	4.88
Total :	3,027.16	1,870.26
* Includes Tax deducted at source.	183.44	91.52

23 - COST OF MATERIALS CONSUMED

[Rs. in Lakhs]

	2013-14	2012-13
1 Natural Gas	27,679.99	31,681.30
2 Potassium Chloride	8,385.28	7,494.80
3 Salt	6,761.35	6,424.86
4 Rock Phosphate	6,330.53	6,360.83
5 Aluminium Ingots	8,256.25	6,678.49
6 Alumina Trihydrate Powder	1,431.45	1,427.22
7 Heavy Normal Paraffin	3,457.61	3,424.39
8 Toluene	4,474.23	3,397.16
9 Others	4,945.76	4,585.96
Total :	71,722.45	71,475.01

NOTE :

VALUE OF RAW MATERIALS CONSUMED

IMPORTED

INDIGENOUS

2013-14		2012-13	
Value Rs. in Lakhs	Percentage %	Value Rs. in Lakhs	Percentage %
15,893.42	22.16	15,149.79	21.20
55,829.03	77.84	56,325.22	78.80
71,722.45	100.00	71,475.01	100.00

24 - CHANGE IN INVENTORIES OF FINISHED GOODS AND PROCESS STOCK

[Rs. in Lakhs]

		2013-14	2012-13
Closing Stock :			
Finished Goods	6,535.43		6,104.41
Process Stock	598.96		583.22
		7,134.39	6,687.63
Less : Opening Stock :			
Finished Goods	6,104.41		6,493.91
Process Stocks	583.22		564.30
		6,687.63	7,058.21
(Increase) / Decrease :		(446.76)	370.58

25 - EMPLOYEES BENEFITS EXPENSE*

[Rs. in Lakhs]

	2013-14	2012-13
a) Salaries and Wages	12,139.85	9,558.08
b) Contribution to		
(i) Provident Fund	555.05	482.12
(ii) Superannuation Scheme	575.00	481.40
(iii) Gratuity Fund	289.80	(11.46)
c) Staff Welfare Expenses	1,584.72	1,379.47
Total :	15,144.42	11,889.61

*During the year, Company has settled the pending wage settlement for union employees.

26 - FINANCE COST

[Rs. in Lakhs]

	2013-14	2012-13
(a) Interest Expense :		
Term Loans	526.16	624.55
On Working Capital Loans	2.24	6.35
Intercompany Deposits / Short Term Loans	-	44.25
Lease Assets	0.04	0.04
Others	33.48	54.21
(b) Other Borrowing Costs :		
Bank Charges	73.93	92.01
(c) Net Exchange rate variation	-	12.17
Total :	635.85	833.58

27 - OTHER EXPENSES

[Rs. in Lakhs]

		2013-14	2012-13
Power		37,347.94	23,826.12
Fuel, Natural Gas and Water Charges		7,675.15	5,797.55
Stores and Spare-parts consumed		2,199.10	2,533.79
Repairs, Maintenance and Replacement			
Building	0.06		-
Plant and Machinery	1,851.91		1,969.84
Others	2,279.19		1,864.08
		4,131.16	3,833.92
Job Work / Processing Charges		3,258.59	2,603.71
Safety & Environment Expenses		119.24	150.21
Insurance		528.12	843.01
Packing Materials Consumption		4,760.56	4,433.88
Rent (includes Lease Rent and charges Rs.565.80 lakhs Previous Year Rs.157.10 lakhs)		577.10	157.26
Rates and Taxes		40.40	29.34
Printing and Stationery		54.60	41.24
Postage and Telephone		78.28	80.12
Vehicle Running and Maintenance including Hire Charges		376.95	354.73
Directors' Fees		2.95	2.15
Auditors' Remuneration and Expenses		10.35	10.35
Membership and Subscription Fees		16.09	16.88
Travelling and Conveyance		55.45	66.21
Legal and Professional Charges		293.24	143.38
Research and Development Expenses (Including Capital Expenditure of Rs. Nil, Previous Year Rs. Nil lacs)		99.94	85.50
Loss on Sale of Fixed Assets		15.38	9.19
Donations & Other CSR Cost		694.47	177.74
Provision for Doubtful Debts / Advances		29.69	33.09
General Expenses		922.55	892.62
Commission on Sales		259.76	264.43
Other Marketing Expenses		2,137.10	1,892.41
Freight Outward (Net)		6.74	-
Difference of Excise Duty paid / (recovered)*		95.94	(66.61)
Provision for Diminution of Investment		49.59	4.61
Difference of Excise Duty on Opening and Closing Stock of finished goods		3.28	(23.53)
		65,839.71	48,193.30

	2013-14		2012-13	
	Value Rs. in Lakhs	Percentage %	Value Rs. in Lakhs	Percentage %
Consumption value of Stores, Spare-parts :				
- Imported	172.53	7.85	161.91	6.39
- Indigenous	2,026.57	92.15	2,371.88	93.61
	2,199.10	100.00	2,533.79	100.00

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

28 - PRIOR PERIOD ADJUSTMENT (NET)

[Rs. in Lakhs]

	2013-14	2012-13
EXPENDITURE :		
Manufacturing & Operating Expenses	-	1.43
Administrative, General and Marketing Expenses	11.82	2.70
Depreciation (Net)	5.97	9.73
	17.79	13.86
Net Debit / (Credit) Total :	17.79	13.86

29 - Tax expense includes Rs.1,934.88 lakhs being reversal of excess provision towards :-

- Income Tax of Rs.737.32 lakhs (Previous Year Rs.971.96 lakhs).
- Deferred tax liability of Rs.1,197.56 lakhs (Previous Year Nil).

30 - Earning per Share :

Sr. No.	Particulars	Units	2013-14	2012-13
1	Net Profit After Tax available for Equity Shareholders	Rs.	1,85,02,59,916.51	2,35,35,43,137.69
2	Number of Equity Shares of Rs.10/- each	Number	7,34,36,928	7,34,36,928
3	Basic Earning Per Share	Rs.	25.20	32.05

31 - An Amount of Rs.1,257.54 lakhs (Previous Year Rs.924.23 lakhs) has been paid under protest towards demand of Excise Duty along with interest and penalty and is reflected in the Balance Sheet under Other Non-current Assets. The provision for the same was made in the year 2012-13 of Rs.1,719.66 lakhs. The amount paid has not been charged to the Statement of Profit and Loss.

[Rs. in Lakhs]

32 - Contingent Liabilities and Commitments (to the extent not provided for)	As At 31.03.2014	As At 31.03.2013
(i) Contingent Liabilities :		
(a) Claims against the Company not acknowledged as debt	7,051.11	6,579.31
(b) Various pending cases before Labour court and Industrial Tribunal	Not ascertainable	Not ascertainable
(c) Disputed Purchase Tax liability (1998-99 to 2005-06)	20,884.60	20,907.18
(d) Disputed Income Tax liability :		
(i) Pending Before Appellate Authorities in respect of which the Company is in appeal	13,165.00	9,625.00
(ii) Decided in Company's favour by Appellate Authorities and Department is in further appeal	9,165.00	9,386.21
	50,265.71	46,497.70
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.		

	As At 31.03.2014	As At 31.03.2013
(e) Guarantees :		
(i) The Company has given 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. Total loans outstanding under the arrangement, are :	25.59	54.11
(ii) Guarantees given by the Company's Bankers for various purposes are :	4,164.29	3,775.00
(f) Sponser Support Agreement executed with Bhavnagar Energy Co. Ltd. and their lenders.	Not ascertainable	-
Total (i)	54,455.59	50,326.81
(ii) Commitments :		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	7,963.41	4,545.74
(b) Other commitments - liability to GIDC for leasehold land at Dahej (including on pending execution of leasededeeds)	Not ascertainable	Not ascertainable
Total (ii)	7,963.41	4,545.74
Total :	62,419.00	54,872.55

33 - The Company's operations fall under single segment namely "Chemicals", hence no separate disclosure of segment reporting is required to be made as required under Accounting Standard -17 of Institute of Chartered Accountants of India.

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

(i) Defined Contribution Plans :

An amount of Rs.575.00 lakhs (Previous Year Rs.481.40 lakhs) contributed to employees superannuation trust is recognised as an expense and included in "Employee Benefits Expenses" (Note 25) of Statement of Profit & Loss.

(ii) Defined Benefit Plans : - As per Actuarial Valuation as on March 31, 2014 :-

[Rs. in Lakhs]

Particulars	Gratuity	
	31.03.2014	31.03.2013
I Expense recognised in the Statement of Profit and Loss for the year ended		
1. Current Service Cost	181.65	170.50
2. Interest Cost	463.64	415.98
3. Expected Return on Plan Assets	(554.08)	(506.75)
4. Past Service Cost (Non Vested Benefit) Recognised	-	-
5. Past Service Cost (Vested Benefit) Recognised	-	-
6. Actuarial (Gain) / Loss	196.05	(93.16)
7. Total Expenses	287.26	(13.43)
II Net Assets / (Liability) recognised in the Balance Sheet as on	31.03.2014	31.03.2013
1. Present Value of Defined Benefit Obligation	5,637.18	5,151.50
2. Fair Value of Plan Assets	6,547.60	5,654.32
3. Funded Status [Surplus / (Deficit)]	910.42	502.82
4. Net Asset / (Liability)	910.42	502.82

[Rs. in Lakhs]

Particulars		Gratuity	
		31.03.2014	31.03.2013
III	Change in Present value of Obligation during the year ended		
1.	Present Value of Defined Benefit Obligation at the beginning of the year	5,151.50	5,199.74
2.	Current Service Cost	181.65	170.50
3.	Interest Cost	463.64	415.98
4.	Past Service Cost (Non Vested Benefit)	-	-
5.	Past Service Cost (Vested Benefit)	-	-
6.	Benefit paid	(338.74)	(535.08)
7.	Actuarial (Gain) / Loss on obligation	179.13	(99.64)
8.	Present Value of Defined Benefit Obligation at the end of the year	5,637.18	5,151.50
IV	Change in Fair value of Plan Assets during the year ended		
1.	Fair Value of Plan Assets at the beginning of the year	5,654.32	5,514.42
2.	Expected Return on Plan Assets	554.08	506.75
3.	Contribution by Employer	694.86	174.71
4.	Actual Benefit Paid	(338.74)	(535.08)
5.	Actuarial Gain / (Loss) on Plan Assets	(16.92)	(6.48)
6.	Fair Value of Plan Assets at the end of the year	6,547.60	5,654.32
7.	Actuarial Gain / (Loss) to be recognised	-	-
V	Actual Return on Plan Assets		
1.	Expected Return on Plan Assets	554.08	506.75
2.	Actuarial Gain / (Loss) on Plan Assets	-	-
3.	Actual Return on Plan Assets	554.08	506.75
VI	Balance Sheet Reconciliation		
1.	Opening Net Liability	(502.82)	(314.68)
2.	Expenses Recognised in Profit & Loss Account	287.26	(13.43)
3.	Employer's Contribution	(694.86)	(174.71)
4.	Amount Recognised in Balance Sheet (Asset) / Liability	(910.42)	(502.82)

[Rs. in Lakhs]

Particulars		Leave Salary	
		31.03.2014	31.03.2013
I	Expense recognised in the Statement of Profit and Loss for the year ended		
1.	Current Service Cost	149.24	141.09
2.	Interest Cost	295.53	258.25
3.	Expected Return on Plan Assets	-	-
4.	Past Service Cost	-	-
5.	Actuarial (Gain) / Loss	184.27	83.86
6.	Total Expenses	629.04	483.20

[Rs. in Lakhs]

Particulars		Leave Salary	
II	Net Assets / (Liability) recognised in the Balance Sheet as on	31.03.2014	31.03.2013
1.	Present Value of Unfunded Obligations	3,588.27	3,283.62
2.	Unrecognised past Service Cost	-	-
3.	Fair Value of Plan Assets	-	-
4.	Net Liability as at March	3,588.27	3,283.62
III	Change in Present value of Obligation during the year ended	31.03.2014	31.03.2013
1.	Present Value of Unfunded Obligation at the beginning of the year	3,283.62	3,228.14
2.	Current Service Cost	149.24	141.09
3.	Interest Cost	295.53	258.25
4.	Actuarial (Gain) / Loss on obligation	184.27	83.86
5.	Benefit paid	(324.39)	(427.72)
6.	Present Value of Defined Benefit Obligation at the end of the year	3,588.27	3,283.62

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

100%.

(iv) Actuarial assumptions :

2013-14

2012-13

1.	Discount rate	9.00% p.a.	8.00% p.a.
2.	Expected return on plan assets	9.50% p.a.	9.50% p.a.
3.	Salary growth rate	7.50% 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.

35 - In respect of expired finance leases, the minimum lease payments and present value as on 31.03.2014 amount to :

Finance Lease :-

[Rs. in Lakhs]

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



36 - Related Party Information :

(1) List of Related Parties :

Key Management Personnel : Shri M S Dagur, IAS, Managing Director
(up to 26th February, 2014)
Shri Atanu Chakraborty, IAS, Managing Director
(from 27th February, 2014)

(2) Transactions with related parties :

Details related to parties referred to in (1) above.

[Rs. in Lakhs]

Sr. No.	Nature of Transaction	2013-2014	2012-2013
01	Sitting Fees to all Directors	2.95	2.15
02	Remuneration to Managing Directors	2.04	0.93

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

[Rs. in Lakhs]

Sr. No.	Particulars	2013-2014	2012-2013
(a)	Audit Fees	5.50	5.50
(b)	Tax Audit Fees	2.20	2.20
(c)	Quarterly / Half Yearly Review Audit	6.27	6.27
(d)	Cash Flow Certification	1.65	1.65
(e)	Other Certification	2.00	2.00
(f)	Out of Pocket Expenses	1.00	1.00
	TOTAL	18.62	18.62

38 - Income and Expenditure in Foreign Currency :

[Rs. in Lakhs]

Sr. No.	Particulars	2013-2014	2012-2013
(a)	Earnings in Foreign Exchange - Export of Goods on F.O.B. basis	25,232.33	22,589.52
(b)	Value of Imports on CIF basis in respect of :		
(i)	Raw Materials	15,099.74	12,248.32
(ii)	Membranes for Remembraning	219.79	290.43
(iii)	Stores & Spare parts	432.11	143.50
(iv)	Capital Goods	440.14	1,556.04
(v)	Others	0.08	20.57
(c)	Expenditure in Foreign Currency (on accrual basis) on account of :		
(i)	Interest	983.55	1,095.81
(ii)	Foreign Tour Expenses	1.92	2.79
(iii)	Bank Charges & Commission	4.62	4.14
(iv)	Subscription	1.70	4.42
(v)	Commission on Exports Sales	35.20	27.83
(vi)	Lease Rent (For ISO Tank)	88.72	76.56
(vii)	Other Export Expenses	44.79	34.71

- 39 - 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 :

Particulars	As on 31-03-2014			As on 31-03-2013		
		Rs. in Lakhs	Amount in FC		Rs. in Lakhs	Amount in FC
Receivables for Export	US \$	788.12	13,15,398	US \$	779.90	14,36,607
	GBP	120.61	1,20,895	GBP	80.18	97,512
	EURO	22.27	26,936	EURO	11.31	16,728

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

Particulars	As on 31-03-2014			As on 31-03-2013		
		Rs. in Lakhs	Amount in FC		Rs. in Lakhs	Amount in FC
Payables for Imports	US\$	951.44	15,87,976	US \$	-	-
Commission Payables on export	US\$	13.62	22,726	US \$	7.39	13,617
	GBP	0.51	510	GBP	1.26	1,532
	EURO	-	-	EURO	2.84	4,080

Amount payable on account of ECB Borrowings :

Particulars	As on 31-03-2014			As on 31-03-2013		
		Rs. in Lakhs	Amount in FC		Rs. in Lakhs	Amount in FC
ECB	US \$	21,620.69	3,60,85,610	US \$	25,393.48	4,67,78,079

- 40 - Borrowing cost capitalised during the year is Rs.457.39 lakhs (Previous Year Rs.471.26 lakhs) for acquisition of long term assets.
- 41 - (a) Previous Year's figures have been regrouped / reclassified wherever necessary to correspond with current year's classification / disclosure.
- (b) Balances shown under Secured/Unsecured Loan, Advances, Deposits, Debtors, Creditors, Loans and Materials with others etc. are subject to confirmation / reconciliation, if any. The management does not expect any material difference affecting the current year's financial statements.

As per our attached Report of even date

For **Prakash Chandra Jain & Co.**

Chartered Accountants

Firm Reg. No. : 002438C

For and on behalf of the Board

Atanu Chakraborty, IAS
Managing Director

Dr. Varesh Sinha, IAS
Chairman

CA. P. C. Nalwaya
Partner
M. No. 033710

J.N. Godbole
Director

G.C. Murmu, IAS
Director

Dr. Hasmukh Adhia, IAS
Director

D.J. Pandian, IAS
Director

S. S. Bhatt
Company Secretary
& Dy. General Manager (Legal)

CA. (Dr.) H. B. Patel
Chief Financial Officer

Place : Gandhinagar
Date : 14th May, 2014

Place : Gandhinagar
Date : 14th May, 2014



GUJARAT ALKALIES AND CHEMICALS LIMITED

(CIN : L24110GJ1973PLC002247)

ATTENDANCE SLIP

I/We _____

Folio No.	
D.P. ID	
Client ID	

hereby record my/our present at the **41ST ANNUAL GENERAL MEETING** of the Company held in the premises of the Company at **PO. : Petrochemicals : 391 346, Dist. : Vadodara at 12.30 p.m. on Friday, the 22nd August, 2014.**

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

41ST ANNUAL GENERAL MEETING

Friday, the 22nd August, 2014 at 12.30 p.m.

PROXY FORM

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 41ST ANNUAL GENERAL MEETING of the Company to be held on Friday, the 22nd August, 2014 at 12.30 p.m. 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
Ordinary Business			
1.	Adoption of Accounts.		
2.	Declaration of Dividend on Equity Shares.		
3.	Re-appointment of Shri D J Pandian, IAS, who retires by rotation and being eligible, offers himself for re-appointment.		
4.	Re-appointment of Shri G C Murmu, IAS, who retires by rotation and being eligible, offers himself for re-appointment.		
5.	Appointment of Statutory Auditors.		
Special Business			
6.	Appointment of Shri J N Godbole as an Independent Director.		
7.	Appointment of <i>Padma Bhushan</i> Dr. Sukh Dev as an Independent Director.		
8.	Appointment and remuneration of Shri Atanu Chakraborty, IAS as Managing Director.		
9.	Special Resolution for borrowing limits under Section 180 (1) (c) of the Companies Act, 2013.		
10.	Special Resolution for creating charge etc. on Company's properties under Section 180 (1) (a) of the Companies Act, 2013.		
11.	Special Resolution regarding Articles of Association of the Company for aligning them with the provisions of the Companies Act, 2013.		
12.	Fixation of Remuneration of Cost Auditors.		

Signed this _____ day of _____ 2014

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 41st 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.

[illegible]

GLOBAL FOOTPRINT

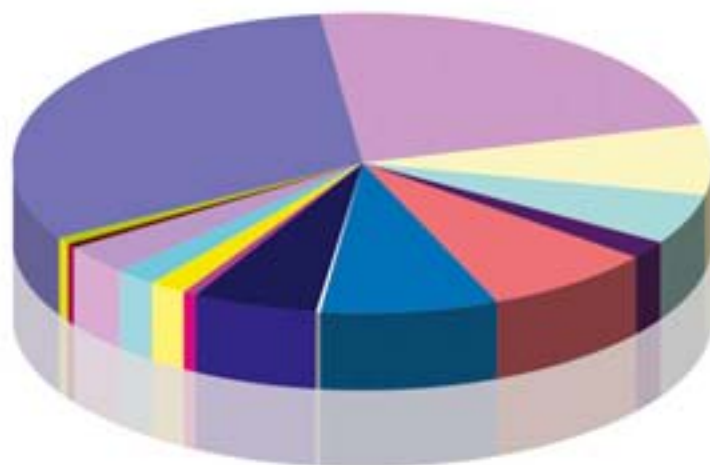


GACL has also established its presence in global markets like Europe, West Asia, South East Asia, Africa, Middle East/Far East and SAARC countries.

GROUPWISE TOTAL SALES (EXCLUDING INTER UNIT TRANSFER & EXCISE DUTY RECOVERED)

₹ 1882.85 crores - F.Y. 2013-14 (₹ 1794.31 crores - F.Y. 2012-13)

₹ in crores



CAUSTIC SODA GROUP - ₹ 589.53 (31.31%)	HYDROGEN PEROXIDE GROUP - ₹ 150.67 (8.00%)	POLY ALUMINUM CHLORIDE - ₹ 33.12 (1.76%)
CAUSTIC SODA FLAKES GROUP - ₹ 427.59 (22.71%)	PHOSPHORIC ACID GROUP - ₹ 154.23 (8.19%)	CHLORINATED PARAFFIN WAX - ₹ 36.42 (1.94%)
CAUSTIC POTASH LYE GROUP - ₹ 147.10 (7.81%)	POWER - ₹ 2.99 (0.16%)	CHLORO TOLUENE GROUP - ₹ 60.99 (3.24%)
CHLOROMETHANE GROUP - ₹ 102.60 (5.45%)	ALUMINUM CHLORIDE - ₹ 108.85 (5.74%)	STABLE BLEACHING POWDER - ₹ 7.99 (0.42%)
SODIUM CYANIDE GROUP - ₹ 35.43 (1.88%)	CALCIUM CHLORIDE - ₹ 11.24 (0.60%)	OTHERS - ₹ 14.89 (0.79%)

PROMOTING INCLUSIVE GROWTH



With a view to Promoting inclusive growth through its development and community outreach initiatives, GACL has been providing nutritive and hygienic Mid-Day Meal to more than one lakh children of government schools and aided schools of Vadodara District. The Company has formed a consortium along with GSFC and GIPCL. The project is implemented and monitored through 'The AkshayaPatra Foundation.'



QUARTERWISE NET SALES





GUJARAT ALKALIES AND CHEMICALS LIMITED



Gujarat Alkalies and Chemicals Limited

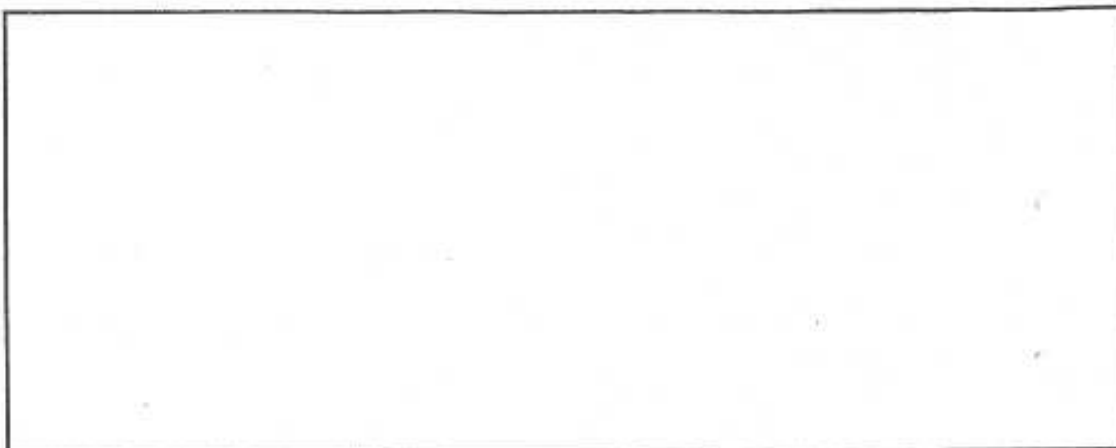
REGD. OFFICE : P.O. PETROCHEMICALS - 391 346. DIST. VADODARA, GUJARAT, INDIA.

www.gacl.com

CIN No.: L24110GJ1973PLC002247

FORM A

1	Name of the Company	Gujarat Alkalies and Chemicals Limited
2	Annual Financial Statements for the year ended	31 st March, 2014
3	Type of Audit Observation	Un-qualified
4	Frequency of Observation	Not Applicable since Un-qualified
5	To be Signed by	
	Managing Director	 Atanu Chakraborty, IAS
	CFO	 CA. (Dr.) N. B. Patel
	Auditor of the Company	 CA. P. C. Nalwaya Partner – M. No. 033710 Prakash Chandra Jain & Co. Chartered Accountants Firm Reg. No. 002438C
	Audit Committee Chairman	 Shri J. M. Godbole Director



Dear Member,

Sub. : Information for e-Voting

Pursuant to the provisions of Clause 35B of the Listing Agreement and Section 108 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014, the Company is pleased to provide e-Voting facility to the Members to cast their votes electronically on all Resolutions set-forth in the Notice convening the 41st Annual General Meeting (AGM) to be held on Friday, the 22nd August, 2014 at 12.30 p.m. The Company has engaged the services of Central Depository Services (India) Ltd. (CDSL) to provide the e-Voting facility. The e-Voting facility is available at the link www.evotingindia.com during the voting period commencing from **16th August, 2014 at 9.00 a.m.** and ending on **18th August, 2014 at 6.00 p.m.** The instructions for e-Voting procedure are shown in the Notice of the 41st AGM at Point No. 12 of the Notes.

If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on earlier voting of any company, then your existing password is to be used. For the first time user of CDSL e-Voting system, shareholder need to enter User ID, Pan Card/ Default Pan Card and either of bank details or Date of Birth while log in to www.evotingindia.com to create password or to vote directly. The details of User ID and Pan Card / Default Pan Card mentioned hereunder. In case, bank details and date of birth have not been provided to your DP / Company, you may enter number of Shares held by you as on the cut off date i.e. 9th July, 2014 in the column of bank details.

Your EVSN, User ID and PAN/Default PAN are as under:

EVSN (Electronic Voting Sequence Number)	140710010
USER ID	
PAN / DEFAULT PAN	

On successful creation of password by you, you can exercise your right to vote by e-Voting process.

If you find any difficulty, you may contact us or our R&T Agent on following numbers:

GACL	:	Gujarat Alkalies and Chemicals Limited (0265) 2232681/2232682 Ext. No.453 Mr. D. C. Katbamna (M) : 9909029336 Mr. R. A. Gandhi (M) : 9979891843
R&T Agent	:	MCS Share Transfer Agent Ltd. (Unit : GACL) (0265)-2339397, 2314757, 2350490 Mr. S. M. Gandhi (M) : 9898277664 Mr. R. K. Patel (M) : 9904841496