



# Gujarat Alkalies and Chemicals Limited

(Promoted by Govt of Gujarat)

Regd. Office & Works : P.O. Petrochemicals - 391 346, Dist. Vadodara (Gujarat) INDIA.

Phone : +91-265-2232681, 3061200, 6540463 Fax : +91-265-2232130, 2230031

Website : [www.gacl.com](http://www.gacl.com) CIN : L24110GJ1973PLC002247

Ref. : SEC/SE/2017/

14<sup>th</sup> March, 2017

The General Manager Corporate Relations Department BSE Ltd. 1 <sup>st</sup> Floor, New Trading Ring Phiroze Jeejeebhoy Towers Dalal Street MUMBAI : 400 001	The General Manager Listing Department National Stock Exchange of India Ltd. "Exchange Plaza", C-1, Block 'G' Bandra-Kurla Complex Bandra (East) MUMBAI : 400 051
Ref. : Company Code No. : 530001	Ref. : Company Code No. : GUJALKALI

Dear Sir,

**Sub. : Investor Presentation**

We would like to inform that the Company has uploaded a Presentation being made from time to time to the Analysts / Investors on its website: [www.gacl.com](http://www.gacl.com). A copy of the Investors' Presentation is enclosed herewith for information.

Thanking you,

Yours faithfully,  
For GUJARAT ALKALIES AND CHEMICALS LIMITED

( S S BHATT )  
COMPANY SECRETARY & GM (LEGAL, CC & CSR)

Encl: as said



Dahej Complex: P.O. Dahej - 392130. Tal. Vagra, Dist. Bharuch (Gujarat) INDIA  
Phone : +91-2641-256315 / 6 / 7. Fax : +91-2641-256220



# **GUJARAT ALKALIES AND CHEMICALS LIMITED**

Regd. Office : P.O.PETROCHEMICLAS : 391346  
DIST. VADODARA, GUJARAT.  
[www.gacl.com](http://www.gacl.com)

**Dr. J N Singh, IAS, Chairman**

**Shri P K Taneja, IAS, Director**

**Shri Anil Mukim, IAS, Director**

**Shri J N Godbole, Independent Director**

**Dr. Rajiv I Modi, Independent Director**

**Mrs. Pallavi Shroff, Independent Director**

**Shri Rajiv Lochan Jain, Independent Director**

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

## Shareholding Pattern as on 31<sup>st</sup> December, 2016

Sr. No.	Name	No. of Shares	% of Total Share Capital
<b>1</b>	<b>Promoters (7 promoters)</b>	<b>3,39,86,310</b>	<b>46.28</b>
<b>2</b>	<b>Domestic Institutional Investors (DIIs)</b>	<b>31,99,257</b>	<b>4.36</b>
<b>3</b>	<b>Foreign Institutional Investors (FIIs)</b>	<b>22,69,596</b>	<b>3.09</b>
<b>4</b>	<b>Bodies Corporate</b>	<b>2,06,06,795</b>	<b>28.06</b>
<b>5</b>	<b>Others</b>	<b>1,33,74,970</b>	<b>18.21</b>
	<b>Total</b>	<b>7,34,36,928</b>	<b>100.00</b>

## GACL- Basic details

- Two complexes
  - Vadodara, started in 1976
  - Dahej, started in 1995
- Major products in Vadodara
  - Caustic soda, Caustic Potash, Hydrogen Peroxide, Chloro methanes, Sodium Cyanide
- Major products in Dahej
  - Caustic soda, Hydrogen Peroxide, Phosphoric Acid, Poly Aluminium Chloride, Anhydrous Aluminium Chloride, Sodium Chlorate
- Other investments
  - GIPCL, GCPTCL, Gujarat Guardian Ltd., Bhavnagar Energy Company Ltd. and GACL-NALCO Alkalies & Chemicals Pvt. Ltd (JV Company by GACL 60% & NALCO 40%).

## GACL- Basic details

- **Toll manufacturing**
  - **Chlorinated Paraffin (CPW)**
  - **Anhydrous Aluminium Chloride (ALC)**
  - **Chlorinated Toluene**
    - **Benzyl Chloride**
    - **Benzyl Alcohol**
    - **Benzyldehyde**
  
- **156.75 MW Wind Farms. Being increased to 171.45 MW by March 2017.**
  
- **Started transporting Caustic Soda Lye under multimodal logistics - through Railway Racks as well as through Sea to Eastern & Central India, since Dec.'2014.**
  
- **Stock point already started in Uttar Pradesh and proposed in the states like Maharashtra, Goa & Andhra Pradesh for making competitive presence in distant markets.**

## Glimpse of Growth Journey

<b>Projects Commissioned</b>	<b>Present Capacity</b>	<b>Commissioned / Expanded in</b>
Caustic Chlorine Plant at Baroda- Initial Capacity 37,425 TPA	153,450 TPA	1976,1981,1984, 1989 &1994
Caustic Chlorine Plant at Dahej – Initial Capacity 143,550 TPA	259,050 TPA	1998, 2007 & 2010
Caustic Potash Plant – Initial Capacity 16,500 TPA	39,600 TPA	1994 & 2016
Chloromethanes Plants – Initial Capacity 10,560 TPA	37950 TPA	1986, 1990, 2007 & 2010
Phosphoric Acid Plant	26400 TPA	1995

## Glimpse of Growth Journey

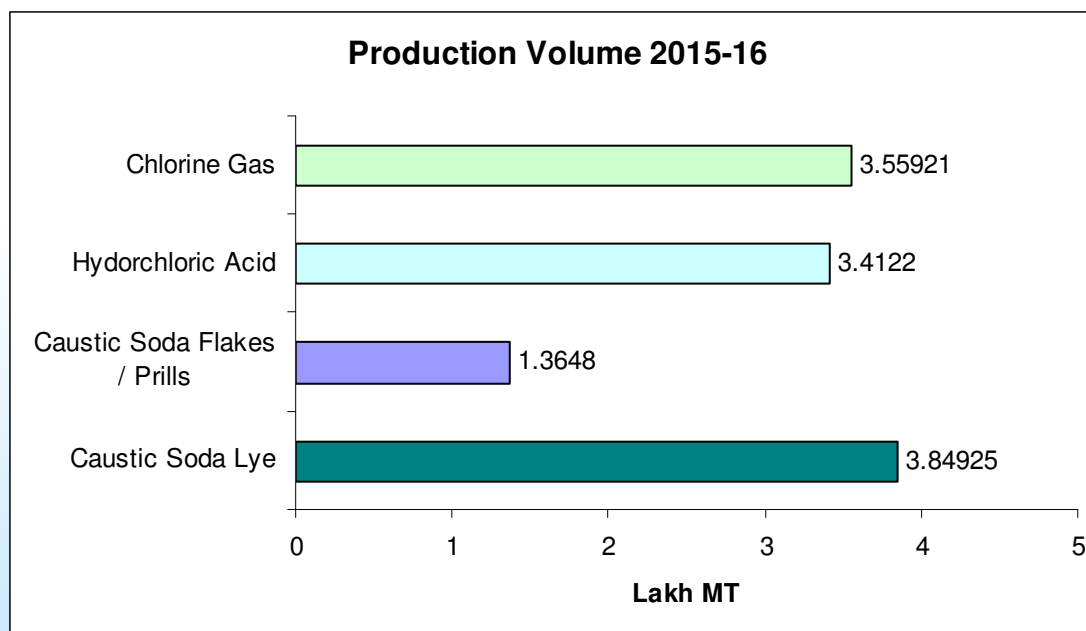
<b>Projects Commissioned</b>	<b>Present Capacity</b>	<b>Commissioned in</b>
Hydrogen Peroxide Plant – Initial Capacity 10,890 TPA	39080 TPA	1996, 2002, 2007 2010, 2011, 2012 & 2014
PAC Poly Aluminium Chloride	41250 TPA (PAC – 18)	2006, 2008
Stable Bleaching Powder	15000 TPA	2011
Wind Mill Projects (Various locations)	156.75 MW	2008-2016
Anhydrous Aluminium Chloride – Initial Capacity 16,500	26325 TPA	2008, 2010 & 2016
Sodium Chlorate Project	20000 TPA	2014



## Financial Details

*Rs. in Crore*

Sr. No.	Particulars	2016-17 (upto Q3)	2015-16	2014-15	2013-14	2012-13
1	TOTAL INCOME	1,578.33	2,012.32	1,997.07	1,926.33	1,833.31
2	PROFIT BEFORE TAX (PBT)	289.65	265.09	215.48	246.55	336.83
3	PROFIT AFTER TAX (PAT)	221.00	221.67	227.86	185.03	235.35
4	LOANS OUTSTANDING AS AT 31 <sup>ST</sup> MARCH	399.27	295.94	161.57	219.80	268.55



# HIGHLIGHTS OF NINE MONTHS



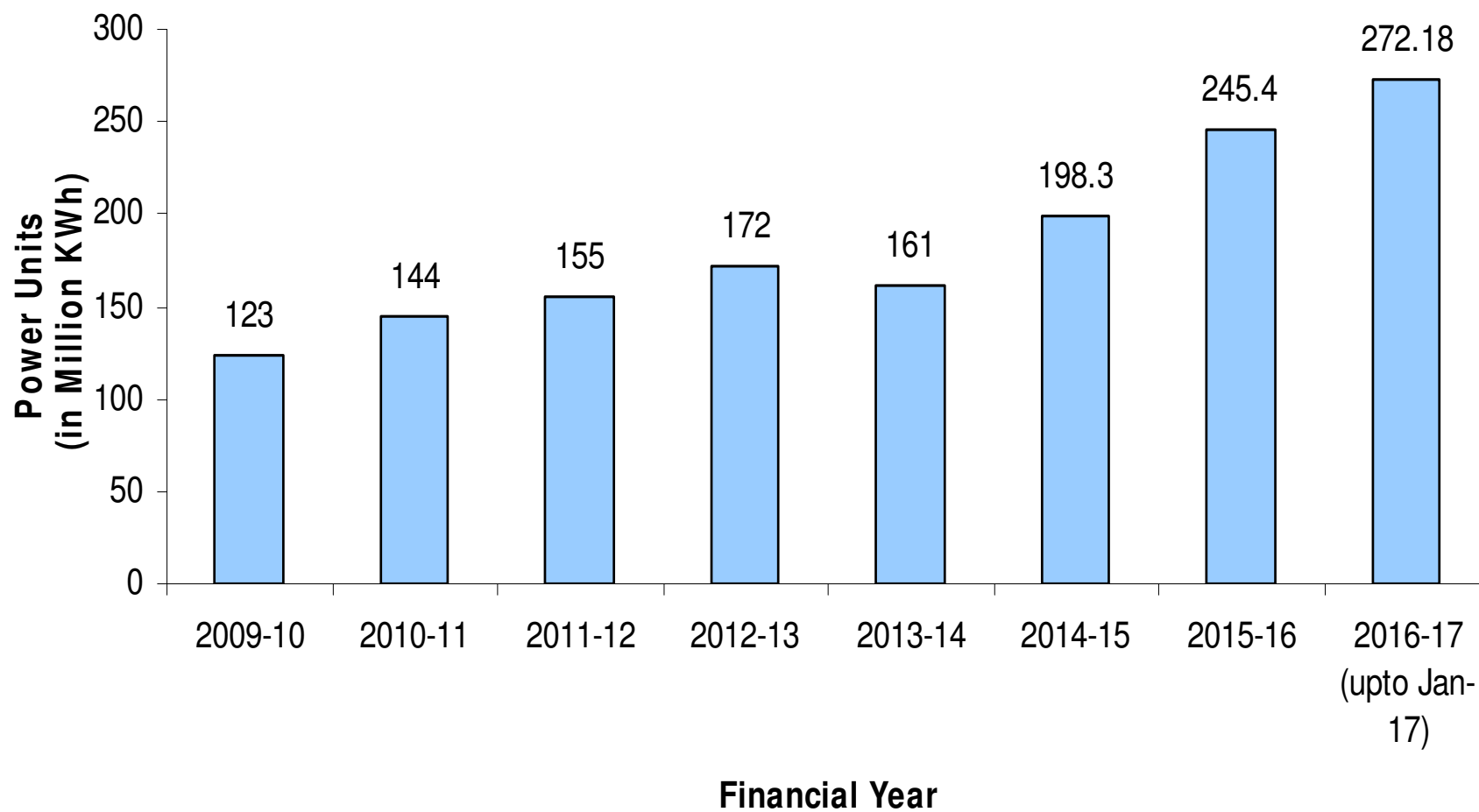
PARTICULARS	2015-16 NINE MONTHS	2016-17 NINE MONTHS	VARIANCE	
	( Rs. in crore )		(Rs. in crore)	( % )
PROFIT BEFORE TAX	146.74	289.65	142.91	97.39
PRODUCTION VOLUME ( MT )	10,72,773	11,51,304	78,531	7.32
EXTERNAL SALES VALUE	1,412.00	1,510.29	98.29	6.96
RAW MATERIAL COST (other than Natural Gas)*	335.52	337.81	2.29	0.68
NATURAL GAS COST – as Raw Material @	174.40	145.20	(29.20)	(16.74)
NET ELECTRICITY CHARGES #	339.23	307.72	(31.51)	(9.29)
PLF OF POWER PLANT AT DAHEJ (%)	30	42	12	40.00
SAVINGS IN POWER COST DUE TO WIND FARM CREDIT	134.00	161.13	27.13	20.25
PROFIT AFTER TAX	104.49	221.00	116.51	111.50

\* Raw material cost increased due to favourable Price variance of Rs.17.30 crore (5.16%) and unfavourable Quantity variance of Rs.19.59 crore (5.84%)

@ Natural Gas cost decreased due to favourable price variance of Rs.84.68 crore (48.55%) and unfavourable quantity variance of Rs.55.48 crore (31.81%)

# Net Electricity charges decreased due to favourable quantity variance of Rs.40.23 crore (11.86%) and unfavourable price variance of Rs.8.72 crore (2.57%)

## Windmill Power Generated



## Installed Capacity at GACL

PRODUCTS	VADODARA	DAHEJ	TOTAL CAPACITY
Caustic Soda Lye	1,69,950	2,59,050	4,29,000
Caustic Soda Flakes/Prills	53,000	1,65,000	2,18,000
Chloromethanes	37,950	-	37,950
Caustic Potash Lye	18,810	-	18,810
Potassium Carbonate	13,200	-	13,200
Hydrogen Peroxide – 100%	12,540	26,540	39,080
Phosphoric Acid – 85%	-	26,400	26,400
Aluminium Chloride (Jobwork/O&M)	10,800	26,300	37,100
Poly Aluminium Chloride	-	41,250	41,250
Chlorinated Paraffin (CPW) – (Jobwork)	12,000	-	12,000
Stable Bleaching Powder	-	15,000	15,000
Sodium Chlorate	-	20,000	20,000

## Actual Production V/s. Installed Capacity of Major Products in 2015-16

MAJOR PRODUCTS	UNIT	INSTALLED CAPACITY	ACTUAL PRODUCTION	% CAPACITY UTILISATION
Caustic Soda Lye	MT	429000	384925	89.72
Caustic Soda Flakes/Prills	MT	218000	136480	62.60*
Hydrochloric Acid	MT	342000	341220	99.77
Chlorine Gas	MT	391938	355873	90.80
Chloromethanes	MT	37950	38000	100.13
Phosphoric Acid	MT	26400	27392	103.76
Hydrogen Peroxide	MT	39080	43168	110.46
Caustic Potash Lye (KOH)	MT	18810	24309	129.23
Anhydrous Aluminium Chloride	MT	37100	31238	84.19
Poly Aluminium Chloride	MT	41250	33481	81.16

\* Conversion from CS Lye to Flakes is based on the market requirement.

## Alkali Industries V/s. GACL Capacity Utilisation

Financial Year	Capacity Utilisation (Alkali Industries)	Capacity Utilisation (GACL)
<b>2011-12</b>	<b>82%</b>	<b>89%</b>
<b>2012-13</b>	<b>81%</b>	<b>85%</b>
<b>2013-14</b>	<b>79%</b>	<b>89%</b>
<b>2014-15</b>	<b>81%</b>	<b>89%</b>
<b>2015-16</b>	<b>85%</b>	<b>90%</b>

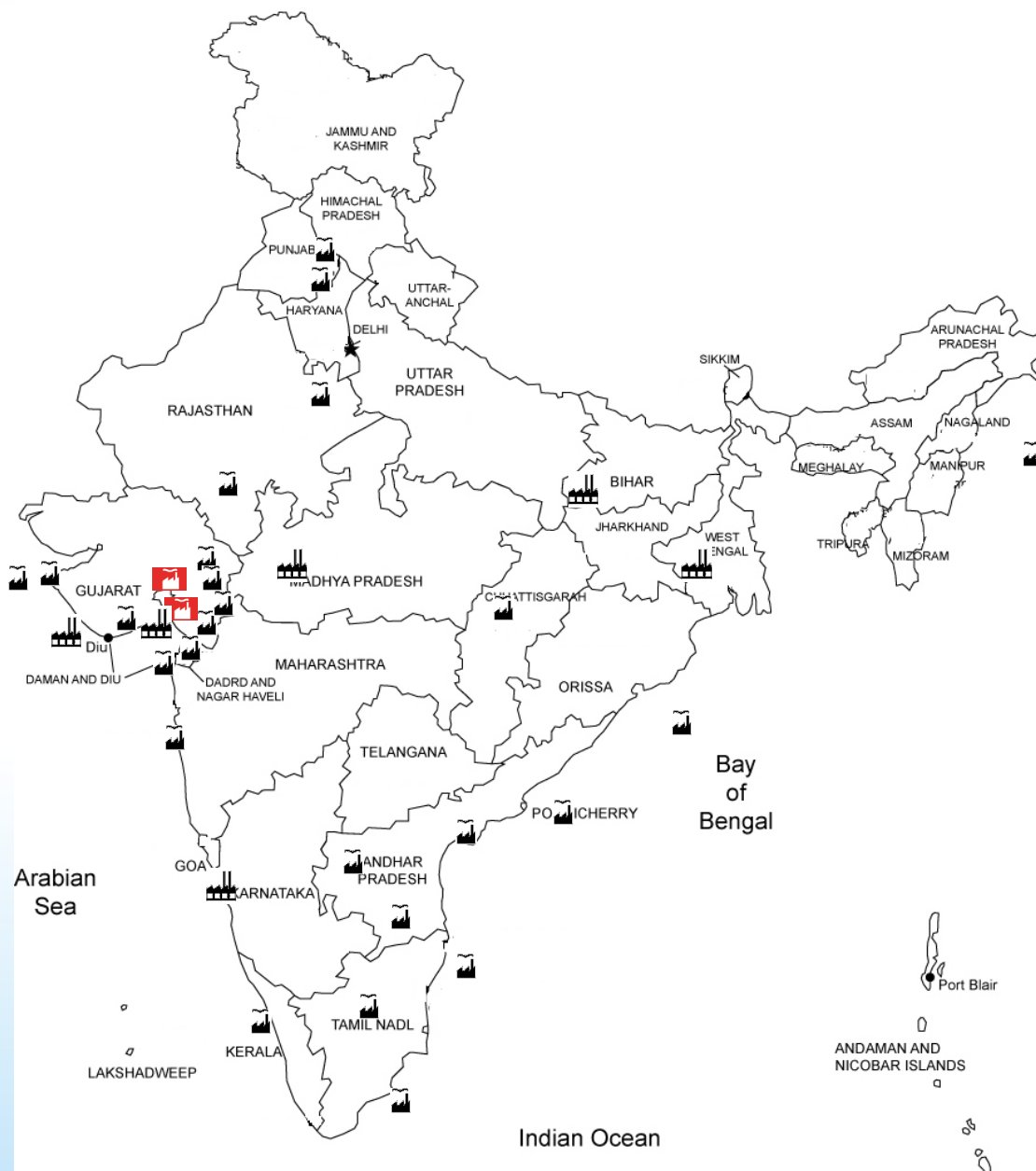
## Export of Major Products

(Rs. In Lacs)

MAJOR PRODUCTS	F.Y. 2014-15	F.Y. 2015-16	Till Dec.'2016
Caustic Soda Lye	1,912	2,088	2,339
Caustic Soda Flakes/Prills	7,212	12,090	8,484
Hydrochloric Acid	344	366	281
Liquid Chlorine	78	54	48
Chloromethanes	100	66	20
Phosphoric Acid	90	129	77
Hydrogen Peroxide (50%)	165	341	273
Anhydrous Aluminium Chloride	3,511	3,015	2,786
Poly Aluminium Chloride	493	771	729
Sodium Cyanide	62	75	0
Benzyl Alcohol	1,868	2,116	1,647
Benzyl Chloride	396	253	112
Chlorinate Paraffin (CPW)	310	170	157
<b>TOTAL</b>	<b>16,541</b>	<b>21,534</b>	<b>16,953</b>

\* Exports include Deemed Export

**Presence - India  
Base Chemicals -  
Caustic  
Soda/Chlorine**

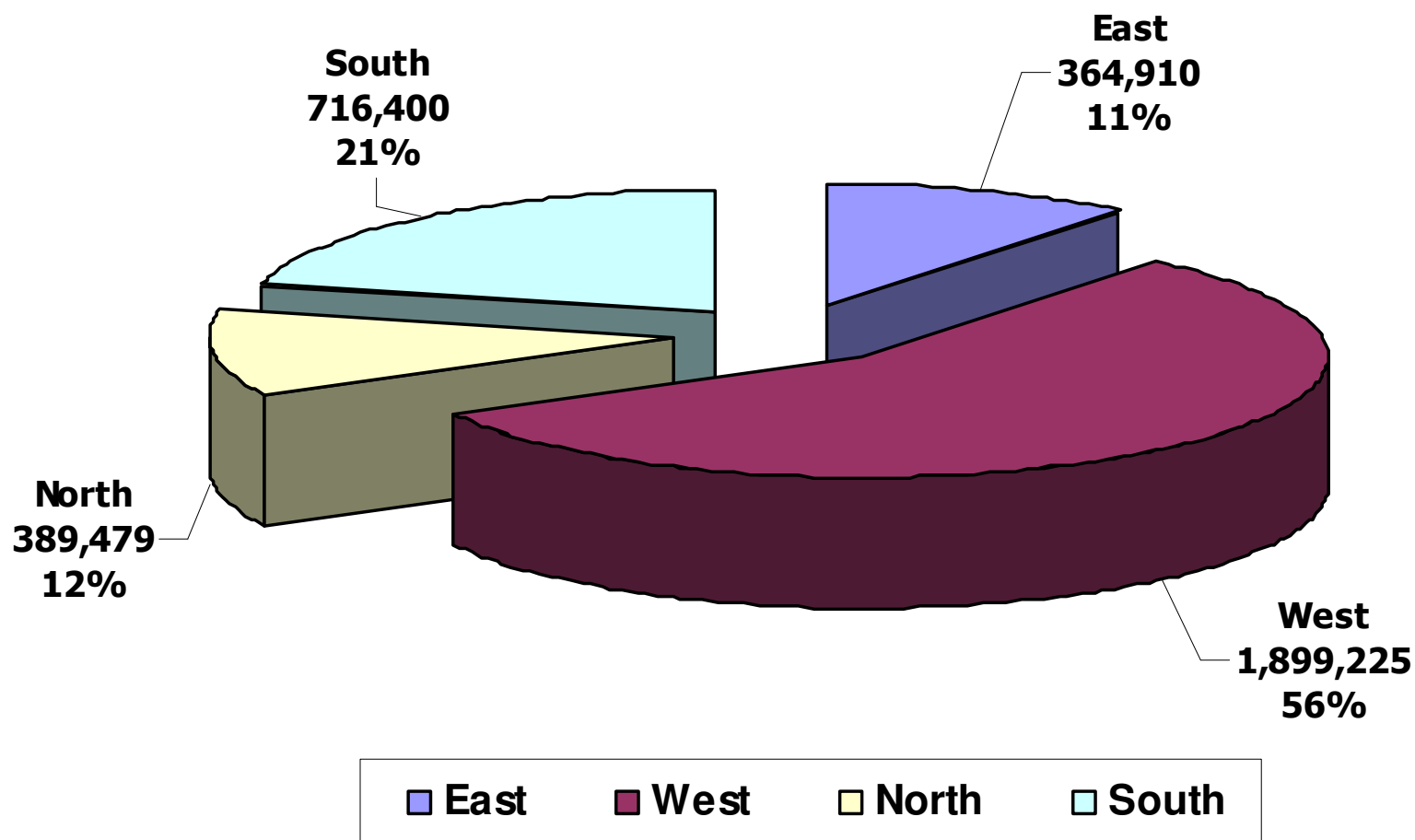


**GACL**



## Caustic Soda (Regional distribution)

**Regionwise Installed Capacity (MTPA) As On 31.03.2016**



## GACL- Strategic advantages

<b>Land</b>	<b>600 acres for expansion at Dahej</b>
<b>Rail connectivity</b>	<b>Across boundary limits at Dahej</b>
<b>Port connectivity</b>	<b>GCPTL 4 km from Dahej complex</b>
<b>Dealer network</b>	<b>Strong, with best companies</b>
<b>Clean power</b>	<b>171.45 MW wind power (existing &amp; planned) 15 MW solar power (planned)</b>
<b>Co-promoted companies</b>	<b>GCPTL – Chemical Port GIPCL – Power Company BECL – Power Company in Bhavnagar</b>
<b>Product basket</b>	<b>Multiple products from basic Chemicals to value added chemicals</b>
<b>Customer proximity</b>	<b>Bulk Consumers situated in nearby area</b>

## Major Challenges :

### 1) Contribution & market share of flagship products

- **Ever increasing competition for market share**
- **Urgent need for expansions**
- **Highly dependent on a single bulk product i.e. Caustic Soda**
- **A good product basket but low production capacity of Chlorine based products**

### 2) Chlorine disposal – major bottleneck

- **Additional in-house consumption to improve capacity utilisation**
- **Future projects must also have an add-on project to consume chlorine**

## - Major Challenges :

### 3) Very high logistics cost

- Bulk commodity products can't be sustained within 500 kms, if transported by road,
- Uncompetitive in other distant States,
- Advantages of railway corridor from Dahej and Sea route from GCPTCL are not used so far, for distribution of various distant places,
- Both plants located in Caustic soda surplus State of Gujarat

### 4) Optimizing Power cost keeping an eye on the power cost of co-producers

- NG based power plant is costlier than coal based power plants
- Need to look at coal based power plant
- Potential to use the power of BECL, in future
- Focus on Renewable energy to bring down the average price of energy basket

## New Expansion Projects

<b>Projects</b>	<b>Capacity</b>	<b>Cost ( Rs. Crs.)</b>	<b>Status</b>
CS New plant with Coal based Power plant (A JV with NALCO)	800 TPD + 130 MW	2000	Approved by Board.
CLM (New)	300 TPD	683	Approved by Board.
CLM Expansion	60 TPD	120	Under Implementation.
Phosphoric acid (New)	100 TPD	300	Under Implementation
New Hydrogen peroxide Plant	42 TPD	143	Under Implementation
Hydrazine Hydrate	30 TPD	163	Under Implementation
Caustic Potash Expansion	60 TPD	40	Under Implementation
New Wind Farm	14.7 MW	100	Under Implementation
Solar Power Plant	15 MW	100	Under Implementation <sup>20</sup>

## Chlorine balance at Dahej

Production		Dispatch/Consumption	
Particulars	Capacity (TPD)	Particulars	Consumption (TPD)
Existing complex	695	Phosphoric Acid	240
New JV/ Subsidiary	710	Aluminium Chloride	75
		Chloromethanes (new)	315
		Other Captive use	100
		Long Term Supply Contract	345
		Net Merchant Sale	330
<b>Total</b>	<b>1405</b>	<b>Grand Total</b>	<b>1405</b>

# THANK YOU

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