

GUJARAT ALKALIES AND CHEMICALS LIMITED

PRESS NOTE

GACL RECOMMENDS DIVIDEND OF ` 3/- PER SHARE.

Gandhinagar, Wednesday, the 25th May 2011

The Board of Directors in the meeting held at Gandhinagar on 25th May, 2011 has approved the Unaudited Financial Results for the fourth quarter and Audited Financial Results for the year ended on 31st March, 2011.

Dr. Guruprasad Mohapatra, IAS, Managing Director of the Company informed that the Company has achieved Net External Sales (excluding Excise Duty) of `1,423.17 crore for the year ended 31<sup>st</sup> March, 2011 as against `1,278.08 crore in the previous year despite keen competition and market volatility.

For the quarter ended 31.03.2011, the Company has achieved Net Sales of `400.72 crore as against `306.22 crore in the corresponding quarter of the previous year i.e. growth by 30.86% in Q-4 over the Q-4 of the previous year.

He further informed that the Board has recommended a Dividend of 30% on equity Shares of Rs.10/- each. i.e. `3/- per share.

Dr. Mohapatra stated that the Company has achieved the total production (which includes inter unit consumption) to 15,26,107 MT during

the year as against 15,23,029 MT in the previous year.

The capacity utilization of the majority of the plants at Baroda and Dahej complexes achieved at cent percent or more during the year.

The first three quarters of the year saw severe industry slowdown and erosion in price realization for Caustic Soda Group and Caustic Potash Group products impacting performance and growth. Lately, with the improvement in the domestic as well as Global Chlor-Alkali scenario, the realizations have scaled up during Q-4 giving Profit Before Tax of `65.03 crore as against aggregate Profit Before Tax of `62.09 crore in the first three quarters of the financial year 2010-11.

During the year, the Company could control the rising operating costs through cost control measures and pricing review consistently. These measures enabled Company to achieve the Gross Profit of `279.85 crore for the year before Interest, depreciation, tax and exceptional items as compared to Gross Profit of `290.19 crore in the previous year.

Dr. Mohapatra added that the Company could generate Cash Profit of `259.96 crore for the year despite adverse performance of the first three quarters, as against `272.71 crore in the previous year.

Profit Before Tax for the year is of `127.12 crore as against `146.27 crore in the previous year

The Profit Before Tax for the quarter ended could significantly improve to `65.03 crore as compared to `35.72 crore in the corresponding quarter of previous year mainly due to improvement in price realization of Caustic Soda Group products.

The Profit After Tax for the year has been achieved at `114.31 crore as against `171.84 crore in the previous year.

The Profit After Tax for the quarter ended on 31.03.2011 has been achieved at `55.99 crore as against `85.63 crore (which included exceptional item of Income tax provision written back of `64.06 crore) in the corresponding quarter of previous year.

As on 31.03.2011, the Debt : Equity Ratio stands at 0.15 : 1 as against 0.17 : 1. The Price Earning Ratio has also improved to 8.12 times as against 5.37 times as compared to previous year.

Dr. Mohapatra further stated that during the F. Y. 2010-11, the Company has commissioned 25 TPD Calcium Chloride Project at Vadodara complex and 45 TPD Stable Bleaching Powder Project at Dahej complex.

He further informed that during the Financial Year 2011-12, the Company plans to commission the expansion of Hydrogen Peroxide unit in Dahej from 38 TPD (100% Basis) to 80 TPD (100% Basis), which would further improve the top line and bottom line of the Company.

Dr. Mohapatra, said that the Company has already got three Projects registered with United Nations Framework Convention on Climate Change (UNFCCC) under Clean Development Mechanism (CDM) Projects and has taken action for few more projects including Wind Mill projects to be registered during the Financial Yea 2011-12.

GACL has registered a joint venture Company with Dow Europe GmbH to set up a 2,00,000 TPA Chloromethanes plant at Dahej with 50-50 equity partnership. The engineering activities of this project are going on at full stream.

The Company's announced projects involving an investment of about Rs.2,600 crore are progressing as scheduled and are expected to go on stream by FY 2014-15.



