

SEC/ GACL/11

15th November, 2011

The Secretary Bombay Stock Exchange Ltd. Corporate Relation Department 1st Floor, New Trading Ring Phiroze Jeejeebhoy Towers Dalal Street MUMBAI : 400 001 Ref. : Company Code No. : 530001	The 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. : GUJALKALI
The Executive Director Vadodara Stock Exchange Ltd. Fortune Towers, Dalal Street Sayajigunj VADODARA : 390 005 Ref. : Company Code No. : 30001	

Dear Sir,

Sub: Memorandum of Understanding (MOU) with Evonik Industries AG, Germany.

We would like to inform you that the Company (GACL) has signed a non-binding Memorandum of Understanding (MOU) for setting up a 50:50 Joint Venture Company with Evonik Industries, AG, Germany, or any of its affiliates (herein collectively Evonik) for manufacturing Hydrogen Peroxide in Gujarat, India. It will be the largest sustainable Hydrogen Peroxide manufacturing facility in India based on Evonik's technology.

Pursuant to this MOU, Evonik and GACL are expected to conclude various agreements and achieve financial closure by December, 2012, subject to obtaining the relevant Government and Corporate approvals and fulfilling the other conditions precedent agreed between Evonik and GACL. The plant is estimated to be operational by end of 2014. The world scale new production unit of the JV Company with Evonik's latest technology would be located at Dahej, Gujarat. The JV Company's total H₂O₂ production capacity would be about 1,40,000-1,80,000 TPA.

GACL will also set-up a manufacturing facility for Propylene Oxide as a part of forward integration project on stand alone basis with a total capacity of 1,50,000-2,00,000 TPA at Dahej.

Thanking you,

Yours faithfully,

For GUJARAT ALKALIES AND CHEMICALS LTD


V. VYAS
COMPANY SECRETARY & CGM (LEGAL)