

**GACL-NALCO ALKALIES & CHEMICALS
PRIVATE LIMITED**



**6TH ANNUAL REPORT
2020-21**

GACL-NALCO ALKALIES & CHEMICALS PRIVATE LIMITED

CIN: U24100GJ2015PTC085247

Website: www.gnal.co.in

DIRECTORS

Shri Milind Torawane, IAS, Chairman (*from 01.01.2021*)
Shri P K Gera, IAS(Retd.), Chairman (*upto 30.11.2020*)
Shri Kalikinkar Panda, Vice Chairman & Director
Shri G S Paliwal, Director (*from 01.09.2020*)
Shri S S Bhatt, Director
Smt. Binuta Patra, Director (*from 01.09.2020*)
Shri Sushil Kumar Padhee, Director (*upto 31.08.2020*)
Ms. Sonali Jingar, Director (*upto 31.08.2020*)

CHIEF EXECUTIVE OFFICER

Shri Ketan J Shah

CHIEF FINANCIAL OFFICER

Shri N B Tripathy

COMPANY SECRETARY

Shri Manish Mistry

STATUTORY AUDITORS

Prakash Chandra Jain & Co.
Chartered Accountants
74-76, Gayatri Chambers,
R C Dutt Road,
Alkapuri, Vadodara 390005
Phone: 0265-2334365

SECRETARIAL AUDITORS

Shri V L Vyas
Company Secretary in Practice
510, Yashkamal,
Sayajigunj,
Vadodara 390020

INTERNAL AUDITORS

R C Thakkar & Asso.
Chartered Accountants
432, 4th Floor
Paradise Complex
Nr. Kala Ghoda Circle
Sayajigunj
Vadodara 390005

BANKERS

Punjab National Bank:
Mid Corporate Branch
Sardar Bhavan, Raopura
Vadodara 390001

Large Corporate Branch
Neelkamal Building, Ashram Road,
Ahmedabad 380009

State Bank of India
IFSC Banking Unit
GIFT SEZ, GIFT City
Gandhinagar 382355

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Pvt. Ltd. (Unit : GNAL)
B-102 & 103, Shangrila Complex, First Floor,
Opp. HDFC Bank, Near Radhakrishna Char
Rasta, Akota
Vadodara : 390 020, GUJARAT (INDIA)
Phone : (0265) - 2356573
E-mail : vadodara@linkintime.co.in

SECURITY TRUSTEE

PNB Investment Services Limited
Regd. Office: 10, Rakesh Deep Building,
Yusuf Sarai Commercial Complex,
Gulmohar Enclave,
New Delhi – 110 049

REGISTERED OFFICE

GACL Corporate Building
P.O. Petrochemicals 391346,
Dist. Vadodara, Gujarat.

CORPORATE OFFICE

401-403, Yashkamal Building,
Sayajigunj,
Vadodara 390020, Gujarat

PROJECT SITE

Plot No. D/II/9, P.O. Dahej - 392130
Tal. Vagra, Dist. Bharuch,
Gujarat

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NOTICE

NOTICE IS HEREBY given that the Sixth (6th) Annual General Meeting (AGM) of the Shareholders of **GACL-NALCO ALKALIES & CHEMICALS PRIVATE LIMITED** will be held at “Board Room”, GACL Corporate Building, P.O. Petrochemicals - 391346, Dist. Vadodara on **Thursday, 22nd July 2021** at **03:15 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 2021 together with the Reports of the Board of Directors and Auditors thereon and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as Ordinary Resolution:

“**RESOLVED THAT** the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2021 together with the Reports of the Board of Directors and Auditors thereon, as circulated to the members, be and are hereby considered and adopted.”

2. To appoint a Director in place of Shri K K Panda (DIN: 08436491), who retires by rotation at this meeting and being eligible, offers himself for reappointment and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as Ordinary Resolution:

“**RESOLVED THAT** in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Shri K K Panda (DIN: 08436491), who retires by rotation at this Annual General Meeting, be and is hereby appointed as a Director of the Company.”

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

“**RESOLVED THAT** as per the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, M/s. K C Mehta & Co., Chartered Accountants, Vadodara, (Firm Registration No. 106237W) be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this 6th Annual General Meeting (AGM) till the conclusion of 11th AGM i.e. for a period of five (5) consecutive years on such remuneration as may be approved by the Board of Directors of the Company, plus reasonable out of pocket expenses incurred by them in connection with the audit of the Company.”

SPECIAL BUSINESS:

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

“**RESOLVED THAT** Shri Milind Torawane, IAS (DIN: 03632394), who was appointed as Director and Chairman of the Company w.e.f. 1st January 2021, be and is hereby appointed as Director and Chairman of the Company liable to retire by rotation.”

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

“RESOLVED THAT Shri G. S Paliwal (DIN: 06929759), who was appointed as Director of the Company w.e.f. 1st September 2020 be and is hereby appointed as Director of the Company liable to retire by rotation.”

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

“RESOLVED THAT Smt. Binuta Patra (DIN: 08840974), who was appointed as Woman Director of the Company w.e.f. 1st September 2020 be and is hereby appointed as Director of the Company liable to retire by rotation.”

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

“RESOLVED THAT pursuant to the provisions of Section 179, Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, and subject to such other approval(s) as may be necessary and in modifications of all the earlier resolutions passed in this regard, consent of the members, be and is hereby accorded to the Board of Directors of the Company to borrow, from time to time, 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.1,770 Crores (Rupees One Thousand Seven Hundred Seventy Crores only) outstanding at any point of time, in excess of the aggregate of the paid-up share capital of the Company, its free reserves and securities premium.”

“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 and matters as may be necessary in respect of the above resolution including to delegate such power, from time to time, to the principal officer(s) of the Company.”

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

“RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, and subject to such other approval(s) as may be necessary and in modification of the earlier resolutions passed in this regard, consent of the members, be and is hereby accorded to the Board of Directors of the Company, to create charge by way of hypothecation, mortgage, lien, pledge etc. in favour of its lenders / investors / agents / trustees (subject to the maximum limit of Rs.1770 Crores as approved under Section 180(1)(c) of the Companies Act, 2013) on all or any of the movable or immovable properties of the Company, both present and future to secure the various loans / credit facilities (fund based / non-fund based) granted / to be granted to the Company together with the interest at agreed rate, costs, charges, expenses and all other moneys payable by the Company under the Loan Agreement(s), Deed(s) of Hypothecation and any other deeds, documents,

agreements to be entered into between the Company and the lenders / investors / agents / trustees in respect of such loans / credit facilities granted / to be granted to the Company.”

“**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, deeds, matters and things as may be deemed necessary, desirable, proper or expedient for the purpose of giving effect to this Resolution and for matters connected therewith or incidental thereto.”

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

“**RESOLVED THAT** pursuant to the provisions of sections 4, 13, 15 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Management & Administration) Rules, 2014, including any modification(s) thereto or re-enactment(s) thereof from time to time, and subject to necessary approvals as may be required in this regard from appropriate authorities and subject to such terms and conditions as may be imposed by them, the consent of the members be and is hereby accorded for alteration of Clause III i.e. Object Clause of the Memorandum of Association of the Company, as follows:

The existing sub-clause under Clause III (A) i.e. the main objects of the company to be pursued by the company on its incorporation, be numbered as “1” to read as under:

1. To set up a caustic soda plant at Dahej and/or other places identified for such purpose and to set up auxiliary facilities to be built on Build, Own and Operate (BOO) basis by the company, including chemical plant(s) and power plant(s). And to manufacture, store, buy, sell, import, export and deal in Caustic Soda, Chlorine, Hydrogen, Hydrochloric Acid and other chemicals, chemical compounds, chemical products, by-products, alkalies, petrochemicals, chemical medicines, essences, solvents, plastic of all types, dyes, dye stuffs, intermediates, paints, varnishes, disinfectants, insecticides, fungicides, deodorants, bio-chemicals and sizing, bleaching and photographic materials and power.

After the sub-clause 1 numbered as above, the following new sub-clauses 1A to 1C be inserted as under:

- 1A. To generate, receive, purchase, develop, wheel, trade, exchange, use, sell, transmit, supply, distribute and accumulate electric power, solar power, hydraulic power, wind power, tidal power and power of all kinds and to transmit, distribute, sell and supply such power and generally to develop, generate and accumulate power at any other place or places and to transmit, distribute, sell and supply such power to various industries and other consumers including promoters/joint venture partners.

- 1B. To carry on, acquire, construct, layout, establish, fix, carry-out, maintain, manage, operate, repair, renovate, run and use, electrical and transmission lines and associated power stations, sub-stations, workshops, repair shops, power grids, gas grids, pipelines, tanks, reservoirs, wind farms, cables, wires, accumulators, circuits, capacitors, transmitters, transformers, breakers, meters, recorders, works apparatus and materials for the purpose of generation, transmission, distribution, supply and sale of power.
- 1C. To enter into any arrangement with the Central and/or State Government(s), authorities, national, local, municipal or any other person as may be required or deemed expedient, pursuant to Clauses 1A & 1B above, and to apply for and obtain any License, sanction, permission, consent, approval, privilege, grant, loan concession (whether statutory or otherwise), that may be required or deemed expedient and with the object aforesaid to enter into and to execute such agreements, guarantees, deeds and documents as may be deemed fit and proper, necessary or expedient for the purpose.”

The following new sub-clauses 49A to 49D be inserted after the existing sub-clause 49 of Clause III (B) i.e. Matters which are necessary for furtherance of the objects specified in clause III (A):

- 49A. To apply for and acquire permits, licences and quota rights and linkages from the Government of India or from State Government/s or from Foreign Government/s to acquire, import and export plants, equipment, machinery, spare-parts thereof, raw materials, including feed stock, oil and gas, petroleum products, coal, lignite, intermediates, finished products and processing materials connected with the business of the Company including in respect of power generation, distribution and transmission facilities of the Company.
- 49B. To enter into any arrangements with any Government or authorities, municipal, local or otherwise or Electricity Board/s or any person or company, in India or abroad that may seem conducive to the objects of the Company or any of them and to obtain from any such Government, authority, persons or Company, Board/s, any rights, sanction, privileges, charters, contracts, licences and concessions including in particular rights in respects of waters, waterways, roads and highways, power supply, transmission and distribution lines, pipelines, state or national grid, oil and gas exploration, mining, transportation, which the Company may think it desirable and to carry out exercise and comply therewith.
- 49C. To manufacture, import, export, deal in or prepare for market, revise, clean, restore, recondition, repair, remodel, resurrect, treat and otherwise manipulate and deal in and turn to account by process or means whatsoever all by-products, refuse, discharge, waste and effluents, steam, heat, energy and other products capable of being manufactured or produced out of or with the use of all or any raw material, inputs, ingredients, catalysts, substances or commodities used in the manufacture of all or any of the products, items or electricity which the Company is entitled to manufacture or deal in, generate, transmit,

co-generate and to make such other use of the same as may be thought fit.

- 49D. To acquire, obtain and use technical information, know-how, trade-mark, patent, licence, invention and expert advice for the production, generation, distribution, transmission of electricity and other forms of power and for the manufacture, sale and/or marketing of any product hereinbefore mentioned and to pay to or to the order of such firm, Company, body corporate, Government, authority or person any fee, royalty, shares, bonus, remuneration, commission and otherwise compensate them in any other manner for the services rendered by them.”

“RESOLVED FURTHER THAT for the purpose of giving effect to these Resolutions, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things and give such directions as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and to delegate all or any of the powers herein conferred by these Resolutions to any Director or Directors or to any Committee of Directors or any other executive(s) or officer(s) of the Company.”

By Order of the Board
For GACL-NALCO ALKALIES & CHEMICALS PRIVATE LIMITED

Sd/-
MANISH MISTRY
Company Secretary

Place: Vadodara
Date : 04.05.2021

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL 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.**
2. IN CASE OF BODY CORPORATE MEMBER(S) (VIZ COMPANIES ETC), AUTHORISATION IS TO BE DONE BY THE BOARD OF THAT BODY CORPORATE IN FAVOUR OF ANY PERSON AS PER THE PROVISIONS OF SECTION 113 OF COMPANIES ACT, 2013, WHO SHALL ACT AS THE REPRESENTATIVE OF THAT BODY CORPORATE AND SHALL HAVE SAME RIGHT AND POWERS ON BEHALF OF BODY CORPORATE AS IF IT WERE AN INDIVIDUAL MEMBER. THE AUTHORISED REPRESENTATIVE SHALL SEND THE CERTIFIED TRUE COPY OF THE RESOLUTION ALONG WITH REPRESENTATION LETTER AT THE REGISTERED OFFICE OF THE COMPANY TO REACH BEFORE THE DATE OF GENERAL MEETING.

3. All documents referred to in the accompanying Notice and the Explanatory Statement and Register of Directors and Key Managerial Personnel, Register of contracts or arrangements in which directors are interested shall be open for inspection at the Registered Office of the Company during normal business hours (08:30 A.M. to 5:15 P.M.) on all working days except Saturdays and Sundays, up to and including the date of the Annual General Meeting of the Company.
4. A Statement pursuant to Section 102 (1) of the Companies Act, 2013, in respect of business under Item Nos. 3 to 9 is annexed to the Notice. The particulars of qualification, experience and other Directorships etc. of the Directors proposed to be appointed / reappointed are given in the Annexure - I forming part of this Notice.

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3

M/s Prakash Chandra Jain & Co. (Firm Registration No. 002438C), Chartered Accountants, Vadodara, was appointed as the first Auditors of the Company by the members at its first Annual General Meeting (AGM) held on 12.08.2016 to hold office from 1st AGM till the conclusion of this 6th AGM of the Company. Thus, the term of M/s. Prakash Chandra Jain & Co. will be completed at this 6th Annual General Meeting of the members of the Company.

The Board of Directors of the Company at its Meeting held on 04.05.2021 approved, subject to approval of the shareholders, the appointment of M/s K C Mehta & Co., Chartered Accountants, Vadodara (Firm Registration No. 106237W) as Statutory Auditors of the Company to carry out Statutory Audit and Limited Review of quarterly Financial Results of the Company for a term of five consecutive years from the conclusion of this 6th AGM up to the conclusion of 11th AGM. The total remuneration of Rs.15.00 lakhs plus applicable taxes and reasonable out of pocket expenses will be payable to M/s. K C Mehta & Co., Chartered Accountants, Vadodara for the said term of five consecutive years.

The Company has received a consent letter from M/s. K C Mehta & Co., 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. M/s K C Mehta & Co., Chartered Accountants, Vadodara have also given their proposal for conducting limited review of quarterly financial results of the Company along with Peer Review Certificate.

As per the provisions of the Companies Act, 2013, your Directors recommend the Ordinary Resolution in respect of appointment of Statutory Auditors as set out in Item No. 3 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. 3 of the Notice.

Item No. 4

Shri Milind Torawane, IAS was appointed as Chairman and Director of the Company vice Shri P K Gera, IAS(Retired), w.e.f. 1st January 2021.

As per Section 152(2) of the Companies Act, 2013 ("Act"), every director shall be appointed by Company in general meeting unless otherwise provided in the Articles. Further, as per Section 152(6)(a) of the Act, unless the Articles provides for retirement of all directors at every annual general meeting, not less than two-third of total number of directors of a public company, shall be persons whose period of office is liable to determination by retirement of directors by rotation and save as otherwise expressly provided in this Act, be appointed by the Company in general meeting. The Directors have evaluated performance of Shri Milind Torawane, IAS as per the performance evaluation criteria laid down in the policy formulated by the Board of Directors of the Company. As per the said Performance Evaluation Report, it is recommended to appoint Shri Milind Torawane, IAS as Chairman and Director of the Company. Brief profile of Shri Milind Torawane, IAS along with other details as required pursuant to provisions of the Companies Act, 2013 read with Secretarial Standards as applicable is given in the Annexure I forming part of this Notice. Accordingly, the Resolution at Item No. 4 to the Notice in respect of appointment of Shri Milind Torawane, IAS as Director liable to retire by rotation is recommended for your approval.

Except Shri Milind Torawane, 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. 4 of the Notice.

The Board recommends the Resolution at Item No. 4 of the Notice for your approval.

Item No. 5

Shri G S Paliwal was appointed as Director of the Company vice Ms. Sonali JIngar, w.e.f. 1st September 2020.

As per Section 152(2) of the Companies Act, 2013 ("Act"), every director shall be appointed by Company in general meeting unless otherwise provided in the Articles. Further, as per Section 152(6)(a) of the Act, unless the Articles provides for retirement of all directors at every annual general meeting, not less than two-third of total number of directors of a public company, shall be persons whose period of office is liable to determination by retirement of directors by rotation and save as otherwise expressly provided in this Act, be appointed by the Company in general meeting. The Directors have evaluated performance of Shri G S Paliwal as per the performance evaluation criteria laid down in the policy formulated by the Board of Directors of the Company. As per the said Performance Evaluation Report, it is recommended to appoint Shri G S Paliwal as Director of the Company. Brief profile of Shri G S Paliwal along with other details as required pursuant to provisions of the Companies Act, 2013 read with Secretarial Standards as applicable is given in the Annexure I forming part of this Notice. Accordingly, the Resolution at Item No. 5 to the Notice in respect of appointment of Shri G S Paliwal as Director liable to retire by rotation is recommended for your approval.

Except Shri G S Paliwal, 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. 5 of the Notice.

The Board recommends the Resolution at Item No. 5 of the Notice for your approval.

Item No. 6

Smt. Binuta Patra was appointed as Director of the Company vice Shri S K Padhee, w.e.f. 1st September 2020.

As per Section 152(2) of the Companies Act, 2013 ("Act"), every director shall be appointed by Company in general meeting unless otherwise provided in the Articles. Further, as per Section 152(6)(a) of the Act, unless the Articles provides for retirement of all directors at every annual general meeting, not less than two-third of total number of directors of a public company, shall be persons whose period of office is liable to determination by retirement of directors by rotation and save as otherwise expressly provided in this Act, be appointed by the Company in general meeting. The Directors have evaluated performance of Smt. Binuta Patra as per the performance evaluation criteria laid down in the policy formulated by the Board of Directors of the Company. As per the said Performance Evaluation Report, it is recommended to appoint Smt. Binuta Patra as Director of the Company. Brief profile of Smt. Binuta Patra along with other details as required pursuant to provisions of the Companies Act, 2013 read with Secretarial Standards as applicable is given in the Annexure I forming part of this Notice. Accordingly, the Resolution at Item No. 6 to the Notice in respect of appointment of Smt. Binuta Patra as Director liable to retire by rotation is recommended for your approval.

Except Smt. Binuta Patra, 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. 6 of the Notice.

The Board recommends the Resolution at Item No. 6 of the Notice for your approval.

Item No. 7

The Board of Directors of the Company at its Meeting held on 24.03.2021 noted the net Fund based Working Capital requirement of the Company for the Financial Year 2021-22 of Rs.120 Crore and Non-Fund based Working Capital requirement for Letter of Credit (LC) and Bank Guarantee (BG) of Rs.40 Crore (Total Rs.160 Crore) in addition to revised borrowings limit upto Rs.1610 Crores under Financial Closure II.

With the proposed working capital facility availment of Rs.160 Crore, the total borrowings of the Company would be increased from Rs.1610 Crore to Rs.1770 Crore (comprising of term loan of Rs.1610 Crore and working capital facility of Rs.160 Crore). Since, the aggregate borrowings upto Rs.1770 Crores exceeds the paid-up share capital, free reserves and securities premium of the Company and earlier limit of Rs.1610 Crore approved by the shareholders under Sections 180(1)(c) of the Companies Act, 2013 ("Act"), further approval of the shareholders by way of special resolution is required for borrowings upto the limit of Rs.1770 Crore in terms of the provisions of section 180(1)(c) of the Act.

The Board of Directors of the Company at its Meeting held on 04.05.2021 recommended the approval of shareholders to authorise the Board of Directors of the Company to exercise borrowing powers upto the limit of Rs.1770 Crore pursuant to the provisions of Section 180(1)(c) of the Act, notwithstanding that the moneys to be borrowed together with the monies already borrowed (apart from temporary loans obtained from the company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital, free reserves and security premium.

Hence, the approval of the shareholders by way of special resolution is required in terms of the above provisions of section 180(1)(c) of the Act. The Board, therefore, recommends the Special Resolutions at Item No. 7 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 Resolution at Item No. 7 of the Notice.

Item No. 8

The Board of Directors of the Company at its Meeting held on 24.03.2021 noted the net Fund based Working Capital requirement of the Company for the Financial Year 2021-22 of Rs.120 Crore and Non-Fund based Working Capital requirement for Letter of Credit (LC) and Bank Guarantee (BG) of Rs.40 Crore (Total Rs.160 Crore) in addition to revised borrowings limit upto Rs.1610 Crores under Financial Closure II.

With the proposed working capital facility availment of Rs.160 Crore, the total borrowings of the Company would be increased from Rs.1610 Crore to Rs.1770 Crore (comprising of term loan of Rs.1610 Crore and working capital facility of Rs.160 Crore). Since, the aggregate borrowings upto Rs.1770 Crores exceeds the paid-up share capital, free reserves and securities premium of the Company and earlier limit of Rs.1610 Crore approved by the shareholders under Section 180(1)(a) of the Companies Act, 2013 ("Act"), further approval of the shareholders by way of special resolution is required to create a charge by way of hypothecation, mortgage, lien, pledge etc. in favour of the lenders upto the limit of Rs.1770 Crore under Section 180(1)(a) of the Act.

As per the provisions of Section 180(1)(a) of the Act, a Company shall not sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking(s) of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertaking, unless approval of the shareholders by way of Special Resolution is obtained. In connection with the loans / credit facilities to be obtained by the Company as and when required from banks, financial institutions etc for business purposes, the Company might be required to create charges over its assets, properties by way of hypothecation, mortgage, lien, pledge etc. in favour of its lenders (up to the limits approved under Section 180(1)(c) of the Act), for the purposes of securing the loan/credit facilities extended by them to the Company. Further, upon occurrence of default under the relevant loan/facility agreements and other documents as may be executed by the Company with the lenders, the lenders would have certain rights in respect of the Company's assets, properties including the rights of sale / disposal thereof. Creation of charge/s as aforesaid and enforcement of assets by the Company's lenders upon occurrence of default may amount to a sale/disposal of the whole or substantially the whole of the

undertaking of the Company, pursuant to the provisions of Section 180(1)(a) of the Act.

The Board of Directors of the Company at its Meeting held on 04.05.2021 recommended the approval of shareholders to authorise the Board of Directors of the Company to create charges over its assets, properties by way of hypothecation, mortgage, lien, pledge etc. in favour of its lenders (up to the limits approved under Section 180(1)(c) of the Act), for the purposes of securing the loan/credit facilities extended by them to the Company.

Hence, the approval of the shareholders by way of special resolution is required in terms of the above provisions of section 180(1)(a) of the Act. The Board, therefore, recommends the Special Resolution at Item No. 8 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 Resolution at Item No. 8 of the Notice.

Item No. 9

Your Company (GNAL) is a joint venture company promoted by Gujarat Alkalies and Chemicals Limited (GACL) and National Aluminum Company Limited (NALCO). GACL and NALCO are holding 60% and 40% equity share capital in GNAL respectively. By virtue of the 60% shareholding of GACL in GNAL, GNAL is a subsidiary of GACL under the provisions of the Companies Act, 2013 ("Act").

GNAL is setting-up 800 TPD Caustic Soda Project and 130 MW Captive Power Plant (CPP) at Dahej. The installed capacity of the CPP is 130 MW, out of which the generation capacity is 102 to 117 MW. GNAL is into the main business of manufacturing of caustic soda and the major cost component of caustic soda group is electricity. The power generated through CPP will be used for captive purpose. Approximately 80-90% of the power generated through CPP will be utilized by GNAL for captive use and balance power may be transferred / supplied by GNAL to GACL or other customers including Government / local authority or other persons, subject to compliance of the Electricity Act / Rules for supply of such power.

Existing Main Object of the Memorandum of Association of the Company enables the Company to manufacture Caustic Soda and Power. It does not enable the Company to sell / supply / transfer the power generated by it to its customers in accordance with the applicable laws. The Company intends to transfer surplus power generated through its Captive Power Plant to GACL or other customers including Government / local authority or other persons, subject to compliance of the applicable laws. Further, the Company foresees promising opportunities in the power sector in the Country and it is, therefore, necessary to change the Main Object of the Memorandum of Association of the Company to enable the Company to venture into the area of generation, transmission and distribution of electricity. Accordingly, new Clauses 1A to 1C under Clause III-A (i.e. main objects to be pursued by the Company on its incorporation or "Main Objects") and Clauses 49A to 49D under Clause III-B (i.e. Matters which are necessary for furtherance of the Main Objects or "Ancillary Objects") are proposed to be inserted in Memorandum of Association of the Company.

As per the provisions of Section 13 of the Companies Act, 2013, the Company can alter its object clause by way of addition, deletion, modification, substitution, or in any other way, by passing special resolution. The Board of Directors of the Company at its Meeting held on 04.05.2021 recommended the same for approval of the shareholders.

The Board, therefore, recommends the Special 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 Resolutions.

By Order of the Board
For GACL-NALCO ALKALIES & CHEMICALS PRIVATE LIMITED

Sd/-
MANISH MISTRY
Company Secretary

Place: Vadodara
Date : 04.05.2021

ANNEXURE – I

DETAILS OF DIRECTORS SEEKING APPOINTMENT / REAPPOINTMENT BY THE SHAREHOLDERS OF THE COMPANY AT THE ENSUING ANNUAL GENERAL MEETING IN PURSUANCE OF THE COMPANIES ACT, 2013 READ WITH APPLICABLE SECRETARIAL STANDARDS

| Name of Director | Shri K K Panda | Shri Milind Torawane, IAS | Shri G S Paliwal | Smt. Binuta Patra |
|---|--|--|--|--|
| DIN | 08436491 | 03632394 | 06929759 | 08840974 |
| Date of Birth | 18.06.1963 | 30.08.1972 | 22.11.1971 | 31.08.1964 |
| Date of first appointment on the Board | 07.05.2019 | 01.01.2021 | 01.09.2020 | 01.09.2020 |
| No. of shares held in GNAL either by self or beneficially for other person as on 31.03.2021 | NIL | NIL | NIL | NIL |
| Relationship with other Directors / Key Managerial Personnel | No relationship with other Directors / Key Managerial Personnel. | No relationship with other Directors / Key Managerial Personnel. | No relationship with other Directors / Key Managerial Personnel. | No relationship with other Directors / Key Managerial Personnel. |
| Qualifications | B.Sc (Engineering, Electrical), M.S. (Pollution control), PDIS | Bachelor of Engineering (Electronic & Tele-Communication) and Masters in Public Administration at the Maxwell School of Syracuse University, USA. | Master Degree in Chemistry and Business Management from Indian Institute of Management (IIM), Kolkata | BSc. Engg. (Chemical) from Sambalpur University, Odisha and M.Tech. (Environmental Science & Engg.) from Utkal University, Odisha. |
| Nature of Expertise in specific functional areas/ Experience | <p>Shri Kalikinkar Panda has more than 33 years of experience and is currently working with NALCO as an Executive Director(Project-Mines)/c at Corporate Office, Bhubaneswar.</p> <p>He looked after various functions such as: Commissioning and Electrical maintenance of Aluminium Smelter, NALCO, in-charge of safety, environment, quality control and management standards implementation at Smelter and Captive Power Plant of NALCO; in-charge of Operation and Maintenance as General Manager in 1200 MW Captive Power Plant, NALCO; in-charge of Captive Power Plant as unit head and factory manager, NALCO; and in-charge of Project-Mines and Business Development at Corporate Office, Bhubaneswar.</p> <p>He completed B.Sc (Engineering, Electrical), M.S.</p> | <p>Shri Milind Torawane is an IAS Officer of 2000 batch. He is presently Secretary (Economic Affairs) to Government, Finance Department, Government of Gujarat. He has held various important positions in Government of Gujarat (GoG) like Municipal Commissioner-Surat Municipal Corporation, Secretary-Housing & Nirmal Gujarat, Additional Chief Executive-Gujarat Urban Development Mission etc. He had also served as the Managing Director of Gujarat Urban Development Company Limited. At present, he is Managing Director of Gujarat State Investment Limited. He is also a Managing Director of Gujarat Alkalies and Chemicals Limited.</p> <p>Apart from the above, he also holds directorships in Gujarat Mineral Development Corporation Limited, Gujarat Gas Limited, GSPC LNG Limited,</p> | <p>Shri G S Paliwal has more than 25 years of professional experience in the Chemical industry.</p> <p>Shri G S Paliwal is an Executive Director (Marketing) in Gujarat Alkalies and Chemicals Limited (GACL). He has joined GACL in October, 2013.</p> <p>He has worked in Chemical industry and has held several Management positions in Companies like Time Technoplast Limited, Jubilant Life Sciences Ltd., Gujarat Alkalies and Chemicals Limited in India. He is spearheading sales of 30 billion for Domestic (Indian) and International Markets for various Chlor-alkali and derivative products.</p> | <p>Ms. Binuta Patra is presently working as Dy. General Manager(R&D) with National Aluminium Company Limited (NALCO) at NALCO Research & Technology Centre, Bhubaneswar.</p> <p>She has worked in various capacities in Quality Control, Technical Services and R&D Departments of Smelter Plant, Angul, NALCO. She has over thirty four (34) years of rich experience in the field of aluminium electrolysis, carbon technology, quality control of raw materials and products of aluminium value chain, research and development in related areas including energy reduction, environmental issues, new product development, wastages generated in the industry and their disposal methodologies.</p> <p>She has successfully developed and executed many plant scale R&D projects related to quality improvement, process</p> |

| | | | | |
|---|---|---|---|---|
| | (Pollution control), PDIS. | <p>Gujarat Urja Vikas Nigam Limited, Gujarat State Electricity Corporation Limited, Gujarat State Financial Services Limited.</p> <p>Shri Milind Torawane, IAS was awarded the best District Development Officer [District – Narmada (Rajpipla)] in the year 2004-05. He was also declared the best Collector and District Magistrate in the year 2007-08 and 2009-10 by the Government of Gujarat.</p> | | <p>efficiency improvement, new product development, waste water treatment etc in smelter plant of NALCO. She has presented 20 technical papers in national and international conferences and has filed patents in the areas related to Aluminium. She has presented technical papers in TMS 2012 in USA & in ICSOBA 2017, Germany. She has undergone training on Aluminium related fields, in Australia & Switzerland.</p> <p>She is a life member of Indian Institute of Metals and a lead auditor of ISO 9000QMS.</p> |
| Names of other Companies in which Directorship is held | NIL | <ul style="list-style-type: none"> • Gujarat Alkalies and Chemicals Ltd. • Gujarat State Investment Ltd. • Gujarat Gas Limited • Gujarat Urja Vikas Nigam Ltd. • Gujarat Industries Power Co. Ltd. • Gujarat State Financial Services Ltd. • GSPC LNG Limited • Gujarat Mineral Development Corporation Ltd. • Gujarat State Electricity Corporation Ltd. | Gujarat Chemical Port Ltd. | NIL |
| Names of the Committees of the Board of Companies in which Membership/ Chairmanship is held | <p>GACL-NALCO Alkalies & Chemicals Pvt. Ltd.</p> <p>Project Committee - Member</p> | <p>Gujarat Alkalies and Chemicals Ltd.</p> <p>Audit Committee - Member Stakeholders' Relationship-cum-Investors' Grievance Committee - Member Corporate Social Responsibility Committee - Member Project Committee - Member Personnel Committee - Member Selection Committee - Member Risk Management-cum-Safety Committee - Member Corporate Environment Responsibility Committee - Member</p> <p>Gujarat Gas Ltd.</p> | <p>GACL-NALCO Alkalies & Chemicals Pvt. Ltd.</p> <p>Project Committee - Chairman</p> | <p>GACL-NALCO Alkalies & Chemicals Pvt. Ltd.</p> <p>CSR Committee - Member</p> |

| | | | | |
|--|--|---|--|--|
| | | <p>Audit Committee – Member Stakeholders' Relationship Committee – Member Risk Management-cum-Safety Committee – Chairman Project Committee – Chairman</p> <p>Gujarat Mineral Development Corporation Ltd.</p> <p>Audit Committee – Member Nomination and Remuneration Committee – Member Stakeholders' Relationship Committee – Member Corporate Social Responsibility Committee - Member</p> | | |
|--|--|---|--|--|

BOARD'S REPORT

To,
The Members,
GACL-NALCO ALKALIES & CHEMICALS PRIVATE LIMITED
VADODARA

Your Directors present this 6th Annual Report of the Company on the business and the operation of the Company together with the Audited Financial Statements for the year ended on 31st March 2021 and the report of the Auditors thereon.

PERFORMANCE AND FINANCIAL RESULTS**FINANCIAL SUMMARY**

The financial statements have been prepared in accordance with "Ind AS" as notified under the Companies (Indian Accounting Standard) Rules, 2015.

a) Sources of Financing and Project Expenditure:

During the year, equity share capital of Rs.90 Crore was received from promoters by way of rights issue of equity shares. The total paid-up equity as at end of the year was Rs.690 Crore. Also, to meet project expenditure, Rupee Term Loan (RTL) of Rs.200 Crore and External Commercial Borrowings (ECB) of USD 25 Million (equivalent to Rs.188.67 Crore) was drawn during the financial year. At the end of the year, the project expenditure incurred was Rs.1610.75 Crore as against the overall approved project cost of Rs.2300 Crore.

b) Business Operations:

Since the project is on the stage of implementation, there was no business operation during the year. The details of other income and expenditure during the year considered in Statement of Profit & Loss are furnished below:

| Particulars | <i>(Rs. In lakhs)</i> | |
|--|---------------------------------|-------------------------|
| | For the year 2020-21 | For the year 2019-20 |
| Revenue from Operations | -- | -- |
| Other Income | 59.17 | 137.94 |
| Total Income | 59.17 | 137.94 |
| Less: Employees benefit expenses | 99.32 | 72.75 |
| Other Expenses | 111.44 | 142.92 |
| Profit / (Loss) before Depreciation, Finance Cost, Exceptional items and Tax Expense | (151.59) | (77.73) |
| Less: Depreciation / Amortisation / Impairment | 18.61 | 11.57 |
| Profit / (Loss) before Finance Cost, Exceptional items and Tax Expense | (170.20) | (89.30) |
| Less: Finance Cost | -- | -- |
| Profit / (Loss) before Exceptional items and Tax Expense | (170.20) | (89.30) |

| | | |
|--|-----------------|----------|
| Add / (Less): Exceptional Items | -- | -- |
| Profit / (Loss) Before Tax Expense | (170.20) | (89.30) |
| Less: | | |
| Tax Expense (Current & Deferred) | 15.38 | 38.42 |
| Excess provision of earlier years written back | -- | (2.84) |
| Profit / (Loss) for the year (1) | (185.58) | (124.88) |
| Other Comprehensive Income / (Loss) (2) | -- | -- |
| Total (1 + 2) | (185.58) | (124.88) |
| Earnings Per Share | (0.03) | (0.03) |

Project Implementation

The project implementation activities of the company had major impact due to National election and unprecedented Monsoon in the previous financial year. With lot many extra efforts the Company has recovered from the same and achieved good progress in the months from November till February in the last financial year. However, the Project progress got affected again due to unprecedented crisis created by Covid-19 Pandemic from March 2021 followed by exceptionally high rain and extended monsoon in the year under review.

Impact of Covid-19 pandemic

The countrywide lockdown, labour migration issues and due to various directives/ advisories both by central and state government in view of the Covid-19 Pandemic brought the project to standstill conditions during the period from April 2020 till June 2020. All the offices of contractors, consultants and suppliers were also shutdown. The Engineering and Procurement teams restored to Work-From-Home (WFH) operations. Work was restored, but much lesser pace than expected. The Lockdown across the country, resulted in closing down the manufacturing facilities, causing delay in manufacturing and supply of plant and machineries. There were additional constraints related to logistics and supply chain resulted in non-delivery of ready material from manufacturers' facilities. The prevailing uncertainties also impacted the project. Later on, due to the exceptionally high rain and extended monsoon during the period of June to September 2020, the project progress was again affected adversely.

Actions Undertaken & Observed Impact

In order to mitigate the risk of spread of Covid-19, the Company had undertaken various steps including certain precautionary measures, adoption of work from home policy, managed to get the permission for early starting the construction activities following the Government directives to avoid spread of corona virus. The Company has provided various benefits to retain the workforce at site and organized the permissions for all the contractors for transportation of their staff and labourers. The Company has also extended support cashflows by making timely payments, organizing virtual inspections custom clearance etc.

Meetings / negotiations conducted with suppliers, contractors and consultants with the help of telephone / virtual meeting mode. The contractors encouraged to make use of the situation to complete documentation works. An integrated project schedule was finalised for both Caustic Soda Plant and Captive Power Plant along with other infrastructure targeting commissioning of Caustic Soda as early as possible. Even as

the project was recovering from the above impact, the resurgence of Covid-19 in the March 2021 had again put a shadow on the progress of the project by shortage of sufficient manpower at site and delivery of the remaining items in some manufacturing areas. The efforts were made to recover the time loss so that project can be commissioned in the beginning of third quarter of the financial year 2021-22.

Status of the project

The overall progress achieved for the project (i.e. Caustic Soda Plant and Captive Power Plant) as at the end of financial year was 89.98%. Overall engineering, procurement and construction progress achieved was 99.75%, 95.80% and 85.09% respectively. The construction activities at the site both in Caustic Soda Plant (CSP) and Captive Power Plant (CPP) and 220 KV transmission line were at advance stage.

Captive Power Plant

The overall progress achieved of the Captive Power Plant was 81.65% at the end of the financial year. Overall engineering, procurement and construction progress achieved was 99.5%, 89.7% and 70.6% respectively.

During the year, the Company initiated the process of engaging the services of Contractor for the operation and maintenance of Captive Power Plant.

Caustic Soda Plant

The overall progress achieved of the Caustic Soda Plant was 95.6% at the end of the financial year. The engineering work for the Caustic Soda was completed. Overall, procurement and construction progress achieved was 99.9%, 95.1% respectively. The procurement activities of almost all items completed barring few miscellaneous bulk items and later finalized items. Ordering of Cross-country Caustic Soda supply line and engagement EPCM services of Sulphate Removal System (SRS) completed. Ordering of SRS equipment and storm water pipeline are in progress. The completion level of major activities are: Civil work (concrete): 98.5%, Structural Erection: 96.9%, Piping: 95.6%, Equipment Erection: 88.5%, Electrical works (cable laying):86.8%, Instrument (cable laying):87.5%.

Pre-commissioning activities started on 1st February 2021 and is in progress on electrical and instrumentation systems with alternate arrangement of power and utilities.

During the year, the Company awarded contract for Operation and Maintenance (O&M) services for Caustic Soda Plant to M/s Priserve Infrastructure Pvt. Ltd. for a period of five (5) years.

Financial Closure/Creation of Charge

Due to GST implications and covid-19 impact during the year, project outlay estimate was revised from Rs.2000 Crore to Rs.2300 Crore for implementation of 800 TPD Caustic Soda Plant and 2x65 MW Captive Power Plant. The additional project cost of Rs.300 Crore was approved by the Board to be funded by the lenders in the debt:equity ratio (DER) of 70:30. For financing increase in project cost of Rs.300 Crore, additional borrowing of Rs.210 Crore was sanctioned by the existing lenders

viz., Punjab National Bank (PNB) and State Bank of India (SBI), making the total sanctioned borrowings to Rs.1610 Crore. The Board also raised equity portion of Rs.90 Crore during the financial year. With these, Financial Closure II was completed in February 2021.

The Company has executed necessary documents with the lenders and security trustee for the additional facility of Rs.210 Crore sanctioned by the lenders. The Company has filed necessary forms with respect to modification in charge in respect of deed of hypothecation and Mortgage Deed (Memorandum of Entry Constructive Delivery) in favor of the Security Trustee viz., PNB Investment Services Limited.

Agreements

The Company has completed the Product Off-take Agreements with GACL (one of its Promoters) for products for its own consumption and same is in advance stage of completion with NALCO for supply of Caustic Soda.

Credit Rating

During the year, CARE Rating Limited has reaffirmed the “Care A Stable” rating for Rs.1610 Crore long term facility consisting of Rupee Term Loan (RTL) facility from Punjab National Bank(PNB) of Rs.880 Crore and External Commercial Borrowings (ECB) facility of USD 100 Million (not exceeding Rs.730 Crore) from the State Bank of India (SBI) and Rs.200 Crore short term borrowings.

DIVIDEND AND RESERVES

Since, the Company has not started its operation during the year under review, the Directors do not recommend any dividend and no amount is to be transferred to the reserve.

SHARE CAPITAL

During the Financial Year, the members of the Company approved the increase in the Authorised Share Capital of the Company from Rs.600 Crore to Rs.690 Crore. The Company during the year raised its paid-up share capital by issuing 9,00,00,000 equity shares of Rs.10/- each i.e. Rs.90 Crore, on rights basis to its existing shareholders of the Company. With this, paid-up share capital of the Company increased to Rs.690 Crore during the year.

AMENDMENT IN MEMORANDUM OF ASSOCIATION

The Company is setting-up 800 TPD Caustic Soda Project and 130 MW Captive Power Plant (CPP) at Dahej. The installed capacity of the CPP is 130 MW, out of which the generation capacity is 102 to 117 MW. The Company is into the main business of manufacturing of caustic soda and the major cost component of caustic soda group is electricity. The power generated through CPP will be used for captive purpose. Approximately 80-90% of the power generated through CPP will be utilized by the Company for captive use and balance power may be supplied by the Company to its Holding Company (GACL) or other customers including Government / local authority

or other persons, subject to compliance of the Electricity Act / Rules for supply of such power.

Existing Main Object of the Memorandum of Association of the Company enables the Company to manufacture Caustic Soda and Power. It does not enable the Company to sell / supply / transfer the power generated by it to its customers in accordance with the applicable laws. The Company intends to transfer surplus power generated through its Captive Power Plant to GACL or other customers including Government / local authority or other persons, subject to compliance of the applicable laws. Further, the Company foresees promising opportunities in the power sector in the Country and it is, therefore, necessary to change the Main Object of the Memorandum of Association of the Company to enable the Company to venture into the area of generation, transmission and distribution of electricity. As per the provisions of Section 13 of the Companies Act, 2013, the Company can alter its object clause by way of addition, deletion, modification, substitution, or in any other way, by passing special resolution.

The Board of Directors of the Company at its Meeting held on 4th May 2021 approved, subject to approval of the shareholders, the amendments in the Main Object and other Objects of the Memorandum of Association of the Company to enable the Company to venture into the area of generation, transmission and distribution of electricity. Accordingly, the Board recommends the Special Resolution in the Notice for your approval.

MATERIAL SUBSIDIARY

The Company is subsidiary company of GACL. As per the Audited Annual Financial Statements for the financial year ended 31.03.2020, net worth of the Company had exceeded 10% of the consolidated net-worth of GACL and therefore, your Company had become Material Subsidiary Company of GACL w.e.f. 01.04.2020.

Various requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and obligations of GNAL on becoming Material Subsidiary Company of GACL were complied with during the year under review.

DISCLOSURES UNDER SECTION 134(3)(L) OF THE COMPANIES ACT, 2013

Except as disclosed elsewhere in this report, no material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and date of this report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS / OUTGO

The Company has not started its operation during the year under review and hence, details relating to conservation of energy, technology absorption are not applicable.

During the financial year, the Company does not have any foreign exchange earnings and outgo from revenue account. However, the Company has received 25 Million USD (Rs.188.67 Crore) ECB Loan from State Bank of India and paid Rs.30.11 Crore in different Foreign Currency, towards purchase of capital equipment and payment of interest on ECB loan.

SUBSIDIARY, JOINT VENTURE OR ASSOCIATE COMPANY

Your Company is the joint venture Company of Gujarat Alkalies and Chemicals Limited (GACL), a Company promoted by the Government of Gujarat and National Aluminium Company Limited (NALCO), a Government of India Enterprise (a Navratna Company). GACL and NALCO are holding 60% and 40% share capital in the Company. Your Company is a subsidiary of GACL as per the provisions of the Companies Act, 2013 and rules made thereunder and Material Subsidiary Company of GACL as per the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Your Company is also an Associate Company of NALCO.

INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has in place adequate internal financial controls with reference to financial reporting. As per the relevant provisions of the Companies Act, 2013, the Statutory Auditors have expressed their views on the adequacy of Internal Financial Controls over financial reporting and they were operating effectively as at 31st March 2021 as stated in their Audit Report ended on that date.

RISK MANAGEMENT

The Board approved the Risk Management Policy of the Company along with Risk Management Report as recommended by the Project Committee. The Board also approved the Internal Risk Assessment Committee comprising of Chief Financial Officer as its Chairman and other members i.e. Primary Owner and Cross Functioning Team Members. The Risk Assessment Committee is meeting frequently to assess the various risks identified as per the Risk Management Report approved and its mitigation plan and to submit its Report to the Project Committee and the Board on regular basis.

CORPORATE SOCIAL RESPONSIBILITY

As on 31st March 2020, the net worth of the Company (i.e. Rs.596.96 Crore) exceeded the thresholds of Rs.500 Crore under the provisions of Section 135 of the Companies Act, 2013 and hence, provisions related to Corporate Social Responsibility (CSR) as mentioned in the Companies Act, 2013 and rules made thereunder were applicable from the financial year 2020-21. The Board of Directors of the Company at its Meeting held on 20th May 2020 constituted CSR Committee of the Company comprising of Shri K K Panda and Shri S S Bhatt as Members of the Committee, which was subsequently, reconstituted effective from 1st September 2020 by the Circular Resolution of the Directors, to comprise of Shri S S Bhatt and Smt. Binuta Patra as Members of the Committee.

The CSR Committee has formulated and recommended to the Board, a CSR Policy identifying the activities to be carried out by the Company and the said CSR Policy was approved by the Board of Directors at their Meeting held on 24th July, 2020. The CSR Policy may be accessed on the Company's website at the weblink:

[http://www.gnal.co.in/writereaddata/Portal/Images/CSR%20Policy-GNAL\(Version-1-24-07-2020\).pdf](http://www.gnal.co.in/writereaddata/Portal/Images/CSR%20Policy-GNAL(Version-1-24-07-2020).pdf)

As per the provisions of Section 135 of the Companies Act, 2013, the statutory amount of CSR of Rs.1.42 Lakhs (i.e. 2% of the average net profits of the last three Financial

Years) was required to be spent by the Company towards various CSR activities during the Financial Year 2020-21. The Board approved the CSR Budget of Rs.6.00 lakhs for the Financial Year 2020-21. As against the CSR Budget of Rs.6.00 lakhs, the Company had spent Rs.6.00 lakhs as its CSR obligation in various areas affected due to Covid-19 pandemic during the Financial Year 2020-21. In this manner, your Company has met its CSR obligation under Section 135 of the Companies Act, 2013.

The Annual Report on CSR activities for the Financial Year 2020-21 is annexed herewith as **Annexure I**.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Appointment / reappointment / cessation of Directors and Key Managerial Personnel

As per Section 152 of the Companies Act, 2013 and Articles of Association of the Company, Shri K K Panda, Director will retire by rotation and being eligible, offers himself for reappointment at the ensuing Annual General Meeting of the Company.

During the year, Mr. P K Gera, IAS(Retd.) ceased as Chairman and Director of the Company w.e.f. 30th November 2020. The Board places on record the sincere appreciation and invaluable services rendered and contribution made by him during his tenure as Chairman of the Company i.e. from 1st March 2016 to 30th November 2020. Mr. Milind Torawane, IAS was appointed as Chairman and Director of the Company w.e.f. 1st January 2021 vice Mr. P.K. Gera, IAS(Retd.)

During the year, Mr. S K Padhee and Ms. Sonali Jingar ceased as Directors of the Company w.e.f. 31st August 2020. The Board places on record its sincere appreciations and pays rich tributes for the valuable services rendered and contributions made by them during their tenure as Directors of the Company. Mr. G. S. Paliwal was appointed as Director vice Ms. Sonali Jingar w.e.f. 1st September, 2020 and Ms. Binuta Patra was appointed as Director vice Mr. S K Padhee w.e.f. 1st September, 2020.

As per Section 152 of the Companies Act, 2013 and Articles of Association of the Company, the appointments of Mr. Milind Torawane, IAS, Mr. G S Paliwal and Ms. Binuta Patra as Directors liable to retire by rotation are recommended by the Board for your approval.

The Board of Directors of the Company at its Meeting held on 28th October 2020 reappointed Shri Manish V Mistry as Company Secretary of the Company for a further period of 2 years w.e.f. 2nd January 2021 or till the Board appoints another Company Secretary, whichever is earlier. The Board at its Meeting held on 28th January 2021 extended the term of Shri Ketan J Shah as Chief Executive Officer of the Company for a further period of 6 months w.e.f. 1st April 2021 i.e. upto 30th September 2021.

As per the provisions of Section 203 of the Companies Act, 2013, Shri Ketan J Shah, Chief Executive Officer; Shri N B Tripathy, Chief Financial Officer and Shri Manish V Mistry, Company Secretary are the Key Managerial Personnel of the Company.

B. Board Evaluation

As per the provisions of the Companies Act, 2013, the Board carried out an annual performance evaluation of the Board, its Committees, Individual Director and Chairperson. The manner in which the evaluation has been carried out has been explained hereunder:

The Company has developed separate checklist for performance evaluation of the Board, its Committees and individual Directors i.e. (i) Performance evaluation of Non-executive Directors other than Managing Director, Whole-time Director and Executive Director and (ii) Performance evaluation of the Board, its Committees and Chairperson of the Company. The checklists were circulated to all the Board Members for their feedbacks.

The Company has adopted internal evaluation process and accordingly, each Director is required to evaluate the performance of other directors. The performance evaluation of the Board, its Committees and of the Chairperson shall be done by the entire Board.

The Directors are required to give their ratings / comments / feedback as per the parameters defined under the respective checklists. The Director(s) whose tenure in the Company during the financial year is 3 months or less, is / are not subject to performance evaluation nor he / she shall carry out performance evaluation of other Directors, Board, its Committees.

The duly completed checklist is required to be submitted to the Company Secretary. The Company Secretary shall prepare summary of report based on the checklist received from the Directors and shall put up the same before the Board for its review and approval.

C. Meetings of the board of directors, its committees

During the financial year, six (6) Board meetings were held on 20th May 2020, 24th July 2020, 28th October 2020, 25th November 2020, 28th January 2021 and 24th March 2021. The maximum interval between any two meetings was well within the maximum period prescribed under the Companies Act, 2013.

During the financial year, one (1) Share Allotment Committee Meeting was held on 1st January 2021 and six (6) Project Committee Meetings were held on 20th May 2020, 24th July 2020, 28th October 2020, 27th November 2020, 28th January 2021 and 24th March 2021 and two (2) Corporate Social Responsibility Committee Meetings were held on 24th July 2020 and 24th March 2021.

AUDITORS

A. Statutory Auditors

M/s Prakash Chandra Jain & Co. (Firm Registration No. 002438C), Chartered Accountants, Vadodara, the first Auditors of the Company is retiring at this 6th Annual General Meeting (AGM) of the Company.

The Auditor's Report to the Members for the year under review does not contain any qualification, reservation or adverse remark or disclaimer.

The Board of Directors of the Company at its Meeting held on 4th May 2021, approved, subject to approval of the shareholders, the appointment of M/s. K C Mehta & Co., Chartered Accountants, Vadodara, (Firm Regn. No. 106237W) as the Statutory Auditors of the Company for a period of five (5) consecutive years from the conclusion of 6th AGM till the conclusion of 11th AGM. You are, therefore, requested to appoint M/s. K C Mehta & Co., Chartered Accountants, Vadodara as the Statutory Auditors of the Company to hold office for the said period.

B. Internal Auditors

The Company has appointed M/s R C Thakkar & Associates, Chartered Accountants, as Internal Auditors of the Company for conducting Internal Audit of the Company for the financial year 2020-21 to 2022-23. The Internal Auditors independently evaluate the internal controls, adherence to and compliance with the procedures, guidelines and statutory requirements. Internal Audit Report is submitted to Board on quarterly basis. Based on the reports of the Internal Auditors, the corrective actions, if any, are taken by the Management.

The Company has, in all material respects, adequate internal financial control system and such internal financial controls were operating effectively as at 31.03.2021.

C. Cost Auditors

The Company is not subject to maintenance of cost records and cost audit in absence of any operation during the financial year.

D. Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Shri Vijay L Vyas, Practicing Company Secretary, Vadodara to undertake the Secretarial Audit of the Company for the financial year 2020-21. The Report of the Secretarial Auditors is annexed herewith as **Annexure II**. The Report does not contain any qualification, reservation or adverse remark or disclaimer.

PARTICULARS OF EMPLOYEES

There was no employee who (i) if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was equal to or in excess of one crore and two lakh rupees; (ii) if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was equal to or in excess of eight lakh and fifty thousand rupees per month; and if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, was in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

PARTICULARS OF CONTRACT OR ARRANGEMENTS WITH RELATED PARTIES

During the year, the Company has entered into transactions with related parties, i.e. Gujarat Alkalies and Chemicals Limited (GACL) and National Aluminium Company Limited (NALCO) with respect to payment of lease rental, subscription of shares issued by the Company and payment of deputation allowance to the employees deputed by GACL and NALCO, reimbursement of other expenses etc which are forming part of the financial statements for the year ended 31.03.2021.

The Board of Directors of the Company at its meeting held on 20th May 2020 approved to enter into Product Off-take Agreement with NALCO for supply of Caustic Soda pursuant to Joint Venture-cum-Shareholders Agreement between GACL and NALCO (JV Partners). The Board of Directors at the said Meeting also approved to enter into Product Off-take Agreement with GACL for supply of balance products (i.e. Caustic Soda, Chlorine, HCl, Hydrogen etc in quantities as may be required for its own consumption by GACL) pursuant to Joint Venture-cum-Shareholders Agreement between GACL and NALCO (JV Partners).

These transactions, when entered into, would be considered as Related Party Transactions as per the provisions of the Companies Act, 2013 and rules made thereunder and in the ordinary course of business and at arm's length. Necessary approvals for the same were accorded by the Board of Directors of the Company at the aforesaid meeting and necessary shareholders' approval would be obtained, as and when applicable in line with the provisions of the Companies Act, 2013. The Company is on the stage of project implementation. Therefore, actual transaction under the Agreements will start once the commercial production is achieved.

Since, all the contracts / arrangements / transactions with Related Parties during the year were in the ordinary course of business and the same were at arm's length and not being material transaction as defined under the Act / Rules, disclosure in Form AOC-2 under Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is not required.

Your Directors draw attention of the Members to Note No. 25 to the Financial Statements which sets out Related Party disclosures.

LOANS, GUARANTEES OR INVESTMENTS

The Company has not given / made any loans, guarantees and investments under Section 186 of the Companies Act, 2013.

ANNUAL RETURN

In accordance with the amended provisions of Section 134(3)(a) of the Companies Act, 2013, an Annual Return of the Company for the financial year 2020-21 in Form MGT-7 is available on the website of the Company at www.gnal.co.in.

VIGIL MECHANISM / WHISTLE BLOWER MECHANISM

The Board of Directors of the Company at its Meeting held on 7th May 2019 approved the 'Vigil Mechanism-cum-Whistle Blower Policy' as per the requirements of Section 177 of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of

Boards and its powers) Rules, 2014. The Policy is applicable to all Directors and Employees of the Company.

As per the Policy, a whistle blower can make protected disclosures to the Chairman or to the Audit Committee. During the Financial Year 2020-21, no unethical and improper practice or any other wrongful conduct in the Company by any person was reported under the said Policy.

The Vigil Mechanism-cum-Whistle Blower Policy may be accessed on the Company's website at the weblink i.e.

<http://www.gnal.co.in/writereaddata/Portal/Images/pdf/Vigil-Mechanism-cum-Whistle-Blower-Policy.pdf>

CODE OF CONDUCT

The Board of Directors of the Company at its Meeting held on 7th May 2019 has approved and adopted "Code of Conduct" for the Directors as well as Senior Management Personnel of the Company.

The Code of Conduct for the Directors and Senior Management Personnel are available on the Company's website at weblinks: <http://www.gnal.co.in/writereaddata/Portal/Images/pdf/Code-of-Conduct-Directors.pdf> and <http://www.gnal.co.in/writereaddata/Portal/Images/pdf/Code-of-Conduct-Senior-Management.pdf>

All the Board Members and the Senior Management Personnel have affirmed compliance with the "Code of Conduct" during the Financial Year 2020-21. A declaration by the Chief Executive Officer to this effect is provided at **Annexure III** which forms part of this Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors state that -

- a) in the preparation of the annual accounts for financial year ended 31st March 2021, the applicable accounting standards have been followed and there is no material departures from the same;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that year;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts for the financial year ended 31st March, 2021 on a going concern basis;

- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Your Company has constituted "Internal Complaint Committee" for prevention of Sexual Harassment of Women at Workplace under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year, four (4) meetings of Internal Complaint Committee were held on 24th June 2020, 18th September 2020, 22nd December 2020 and 31st March 2021. No complaint of Sexual Harassment against any employee of the Company was received during the year.

SECRETARIAL STANDARDS

The Directors state that applicable Secretarial Standards on Board Meetings (SS-1) and on General Meetings (SS-2) issued by the Institute of Company Secretaries of India have been duly followed by the Company.

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items since there were no transactions in these matters and/or they are not applicable to the Company during the year under review:

1. details relating to deposits covered under Chapter V of the Act;
2. a statement on declaration given by Independent Directors under sub-section (6) of Section 149;
3. Company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided in section 178;
4. no significant or material orders were passed by the Regulators / Courts or Tribunals which would impact the going concern status of the Company and its future operations;
5. There has been no change in the nature of business of the Company;
6. No fraud has been reported by the Auditors to the Board;
7. There has been no change in the nature of business of the Company;
8. There is no proceeding pending under the Insolvency and Bankruptcy Code, 2016;
9. There was no instance of one-time settlement with any Bank or Financial Institution.

ACKNOWLEDGEMENTS

Your Directors take this opportunity to thank the Government of India, Government of Gujarat, Promoter Shareholders, Bankers, other business associates, employees and other regulatory authorities for their support to the Company.

**For and on behalf of the Board
GACL-NALCO Alkalies & Chemicals Private Limited**

Sd/-
Chairman

Place: Vadodara
Date : 04.05.2021

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2020-21

1. Brief outline on CSR Policy of the Company.

The Company, through its CSR initiatives, shall continue to enhance value creation in the society and in the community in which it operates, through its services, conduct & initiatives, so as to promote sustainable growth for the society and community, in fulfillment of its role as a Socially Responsible Corporate Citizen with environmental concern. The Ultimate Objective of CSR activities at GNAL is to improve the “Human Development Index.”

In line with above, the CSR policy is formulated to ensure an increased commitment at all levels in the organisation towards CSR, to operate its business in an economically, socially and environmentally sustainable manner, while recognizing the interest of all its stakeholders.

2. Composition of CSR Committee:

| Sl. No. | Name of Director | Designation/ Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---------|---|---|---|--|
| 1. | Shri S S Bhatt | Chairman (Non-Executive Director) | 2 | 2 |
| 2. | Smt. Binuta Patra (w.e.f. 1 st September 2020) | Member (Non-Executive Director) | 2 | 1 |
| 3. | Shri K K Panda (upto 31 st August 2020) | Chairman (Non-Executive Director) | 2 | 1 |

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

The CSR Policy may be accessed on the Company’s website at the weblink:
[http://www.gnal.co.in/writereaddata/Portal/Images/CSR%20Policy-GNAL\(Version-1-24-07-2020\).pdf](http://www.gnal.co.in/writereaddata/Portal/Images/CSR%20Policy-GNAL(Version-1-24-07-2020).pdf)

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report). – N.A.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: Nil
6. Average net profit of the company as per section 135(5).

(Rs. In Lakhs)

| Sr. No. | Particulars | 2017-18 | 2018-19 | 2019-20 |
|---------|---------------------------------------|---------|---------|---------|
| 1 | Profit u/s. 135 read with Section 198 | -61.08 | 363.81 | -89.30 |
| 2 | Average of three years Net Profit | 71.14 | | |

7. (a) Two percent of average net profit of the company as per section 135(5)

| Sr. No. | Particulars | Amount (Rs. in Lakhs) |
|---------|--------------------------------------|-----------------------|
| 1 | Average of three years Net Profit | 71.14 |
| 2 | 2% of Average three years Net Profit | 1.42 |

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. – Not Applicable

(c) Amount required to be set off for the financial year, if any. – Not Applicable

(d) Total CSR obligation for the financial year (7a+7b- 7c):. Rs.1.42 lakhs

8. (a) CSR amount spent or unspent for the financial year:

| Total Amount Spent for the Financial Year (Rs. In Lakhs) | Amount Unspent (Rs. In Lakhs) | | | | |
|--|--|------------------|--|---------|------------------|
| | Total Amount transferred to Unspent CSR Account as per section 135(6). | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5). | | |
| | Amount. | Date of transfer | Name of the Fund | Amount. | Date of transfer |
| 6.00 | N.A. | N.A. | N.A. | N.A. | N.A. |

(b) Details of CSR amount spent against ongoing projects for the financial year: N.A.

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

| (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | |
|---------|--|--|----------------------|--------------------------|-----------|--|---|---|--------------------------|
| Sl. No. | Name of the Project | Item from the list of activities in schedule VII to the Act. | Local area (Yes/No). | Location of the project. | | Amount spent for the project (in Rs.). | Mode of implementation - Direct (Yes/No). | Mode of implementation Through implementing agency. | |
| | | | | State. | District. | | | Name. | CSR registration number. |
| 1. | Distribution of food grains to needy during the lockdown period due to Covid-19 pandemic | Cl. (xii) Disaster management, including relief, rehabilitation and reconstruction activities | Yes | Gujarat | Bharuch | 5.81 | Yes, Direct | N.A. | N.A. |
| 2. | Distribution of homeopathy immunity booster medicines due to Covid-19 pandemic | Cl. (i) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water. Cl. (xii) Disaster management, including relief, rehabilitation and reconstruction activities | Yes | Gujarat | Bharuch | 0.19 | Yes, Direct | N.A. | N.A. |
| | TOTAL | | | | | 6.00 | | | |

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs.6.00 lakhs

(g) Excess amount for set off, if any:

(Rs. In Lakhs)

| Sl. No. | Particular | Amount |
|---------|---|--------|
| (i) | Two percent of average net profit of the company as per section 135(5) | 1.42 |
| (ii) | Total amount spent for the Financial Year | 6.00 |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | 4.58 |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | 0.00 |
| (v) | Amount available for set off in succeeding financial years [(iii)-(iv)] | 4.58 |

9. (a) Details of Unspent CSR amount for the preceding three financial years: N.A.
- (b) Details of CSR amount spent in the financial year for **ongoing projects** of the preceding financial year(s): N.A.
10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: **(asset-wise details)**.
- (a) Date of creation or acquisition of the capital asset(s). – N.A.
- (b) Amount of CSR spent for creation or acquisition of capital asset. – N.A.
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. – N.A.
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). – N.A.
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). – N.A.

| | |
|-----------------------------------|----------------------------------|
| Sd/- (Chief Executive Officer) | Sd/- (Chairman CSR Committee) |
|-----------------------------------|----------------------------------|

CS V L VYAS,
COMPANY SECRETARY IN PRACTICE

SECRETARIAL AUDIT REPORT

FORM NO. MR - 3

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

04th May, 2021

To,
The Members,
GACL-NALCO Alkalies & Chemicals Private Limited
VADODARA – 391346

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **GACL-NALCO Alkalies & Chemicals Private Limited (CIN: U24100GJ2015PTC085247)** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

I have conducted verification & examination of records, as provided by the Company through email or in electronic mode, due to Covid-19 pandemic situation and following restrictions and guidelines issued by the Government, for the purpose of issuing this report.

Based on my verification of **GACL-NALCO Alkalies & Chemicals Private Limited's** books, papers, minute books, certificates, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended March 31, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:-

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;

- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **Not applicable**
 - ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **Not applicable**
 - iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; - **Not applicable**
 - iv) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 2015; - **Not applicable**
 - v) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - **Not applicable**
 - vi) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
 - vii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not applicable**; and
 - viii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not applicable**

I have also examined compliance with the applicable clauses of the following:-

- i) the Secretarial Standards issued by The Institute of Company Secretaries of India; and
- ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; **The Company is not a listed entity, but the Company is a material subsidiary of Gujarat Alkalies and Chemicals Limited, a listed Company, w.e.f. 01st April, 2020 as per Regulations 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., mentioned above.

I further report that –

The Board of Directors of the Company is duly constituted and all the Directors are Non-Executive Directors. The Company has appointed a Woman Director. The Company is not required to appoint any Independent Director as per Rule 4(2) of the Companies (appointment and Qualifications of Directors) Rules, 2014 and the explanation given under Regulation 24 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. During the period under review the changes in the composition of the Board of Directors were carried out in compliance with the provisions of the Act;

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system

exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Urgent business, if any, is considered at a shorter notice with the consent of the Directors present. Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes. Recording of meetings held by video conferencing are maintained by the Company.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. I have relied on the representations made by the Company and its officers in respect of the systems and processes and mechanism formed for compliances under the applicable laws.

I further report that during the audit period, -

- i) the Company had made a Rights issue of the 9,00,00,000 equity shares and the 9,00,00,000 equity shares were allotted to the applicants / existing shareholders on 1st January, 2021;
- ii) at the Extra Ordinary General Meeting held on 30th November, 2020, the members have passed Special Resolutions under section 179 and section 180 of the Companies Act 2013 for increasing the borrowing powers to Rs.1610 crores and creation of mortgage/security for the increased borrowing limit. An Ordinary Resolution under sections 61 and 64 of the Act, for increasing the Authorised equity Share Capital to Rs.690,00,00,000/-, was also passed at the said EOGM;
- iii) There were no instances of (a) Merger / amalgamation / reconstruction etc.; and (b) Foreign technical collaborations.

Sd/-
CS VIJAY L VYAS
COMPANY SECRETARY IN PRACTICE
FCS No.: 1602; C P No.: 13175
UDIN NO. **F001602C000232987**

Place : VADODARA
Date : 04th May, 2021

04th May 2021

To,
GACL – NALCO Alkalies & Chemicals Private Limited
GACL Corporate Building,
P.O Petrochemicals,
Vadodara – 391346,

My report of even date is to be read along with this letter –

1. Maintenance of Secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.

2. Due to the current restrictions and conditions announced by the Government on account of Corona Pandemic the Company has provided scanned copies of the registers and records required for audit along with a declaration from the CEO and Company Secretary regarding completeness and correctness of the records and registers so provided. Reliance has been placed on the same for the purpose of the Secretarial Audit Report for the year 2020-21.
3. I have followed the audit practices and processes as were appropriate in the prevalent pandemic situation to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.
4. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
5. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
7. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy of effectiveness with which the management has conducted the affairs of the company.

Thanking you,

Yours faithfully,

Sd/-

CS VIJAY L VYAS
COMPANY SECRETARY IN PRACTICE
FCS: 1602 : CP: 13175

Annexure - III

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

The Board has adopted 'Code of Conduct' for Directors and Senior Management Personnel of the Company pursuant to provisions of the Companies Act, 2013 and rules made thereunder.

The Directors and Senior Management Personnel have affirmed compliance with the said Code of Conduct of the Company for the Financial Year 2020-21.

For GACL-NALCO ALKALIES & CHEMICALS PRIVATE LIMITED

Sd/-
(KETAN J SHAH)
CHIEF EXECUTIVE OFFICER

Place: Vadodara
Date: 4th May 2021

INDEPENDENT AUDITOR'S REPORT**To the Members of****GACL-NALCO ALKALIES & CHEMICALS Private Limited****Report on the Audit of the Financial Statements****Opinion**

We have audited the financial statements of GACL-NALCO ALKALIES & CHEMICALS Private Limited ("the Company"), which comprise the balance sheet as at 31st March 2021, the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the loss, *changes in equity* and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our Audit opinion.

Emphasis of Matter

The Company, at present, is in final stage of implementation of project and effects of resurgence of COVID – 2019 pandemic on project completion will depend on the future developments, which are highly uncertain. Our opinion is not modified in respect of this matter. (*Refer Note 29 to the notes to accounts*).

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Board's Report including Annexure to Board's Report but does not include the financial statements and our auditor's report thereon.

In connection with our audit of the financial statements, our responsibility is to read other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 Ind AS and accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure A** statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- c) The Balance Sheet, the Statement of Profit and Loss, Statement of Changes in Equity, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "*Annexure B*".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company has long-term contracts but no derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For and on behalf of
Prakash Chandra Jain & Co.
Chartered Accountants
Firm Registration No. 002438C

Sd/-
Pratibha Sharma
Partner
Membership No. 400755
UDIN : 21400755AAAABD2551

Place- Mumbai
Date- 04.05.2021

Annexure – A to the Independent Auditor’s Report**Referred to in paragraph 1 under “Report on other legal and regulatory requirements” of our report of even date**

- i.
 - a. The Company has maintained proper records regarding fixed assets showing full particulars, but tagging of fixed assets is yet to be done.
 - b. As explained to us, the company’s fixed asset has been physical verified by external agency. The report does not state any material discrepancies.
 - c. The Company does not own any immovable property, therefore the provisions of clause i(c) are not applicable to the company
- ii. The Company does not have any inventory, therefore the provisions of clause 3(ii) are not applicable to the company
- iii. As per the information and explanation given to us, the Company has not granted loans, secured or unsecured to companies, firms, Limited Liability Partnerships or parties covered in the register maintained under section 189 of the Act. Accordingly, provisions of clause 3(iii) (a), (b) and (c) are not applicable to the Company.
- iv. The company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security during the year.
- v. The Company has not accepted any deposits during the year from the public within the meaning of the provisions of sections 73 to 76 or any other relevant provisions of the Act and rules made there under. Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- vi. According to the information and explanations given to us, the Central Government has not specified maintenance of cost records under Section (1) section 148 of the Act. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- vii.
 - 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 Income tax, Service Tax, Custom duty, Goods and Service tax, 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 Income tax, Custom duty, Goods and Service tax, cess and other statutory dues outstanding as at 31.03.2021 for a period of more than six months from the date they became payable.
 - b According to the information and explanations given to us and records of the Company examined by us there are no dues of Income tax, Custom tax, Goods and Service tax, cess which have not been deposited on account of any dispute pending.
- viii. According to the information and explanations provided to us and based on the records examined by us, the Company has not defaulted in repayment of dues to banks during the year. The Company has not raised any funds through debentures or from financial institutions or the Government. The Company has availed part of the term loan and External Commercial Borrowings from banks.

- ix. According to information and explanation given to us and based on the records examined by us, the Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). The company during the year raised money through issue of shares on rights basis.
- x. According to the information and explanations provided to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of the audit.
- xi. According to information and explanation provided to us and based on the records examined by us, the Company has not paid/provided for managerial remuneration during the year. Hence, the provisions of clause 3(xi) of the Order are not applicable to the company.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- xiii. According to the information and explanation provided to us and based on our examination of records of the Company, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable.
- xv. According to the information and explanation provided to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with the directors or persons connected with them. Accordingly, provisions of clause 3(xv) of the Order are not applicable.
- xvi. The Company is not required to be registered under section 45- IA of the Reserve Bank of India Act, 1934.

For and on behalf of
Prakash Chandra Jain & Co.
Chartered Accountants
Firm Registration No. 002438C

Sd/-
Pratibha Sharma
Partner
Membership No. 400755
UDIN : 21400755AAAABD2551

Place- Mumbai
Date- 04.05.2021

Annexure – B to the Independent Auditor’s Report

Referred to in paragraph 2(f) under “Report on other legal and regulatory requirements” of our report of even date

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of GACL-NALCO ALKALIES & CHEMICALS Private Limited (“the Company”) as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For and on behalf of

Prakash Chandra Jain & Co.

Chartered Accountants

Firm Registration No. 002438C

Sd/-

Pratibha Sharma

Partner

Membership No. 400755

UDIN : 21400755AAAABD2551

Place- Mumbai

Date- 04.05.2021

| Balance Sheet as at March 31, 2021. | | (Rs. In lakhs) | |
|---|-------------------------|-------------------------|------------------------|
| Particulars | Note No. | As at 31.3.2021 | As at 31.3.2020 |
| ASSETS | | | |
| 1. Non-current assets | | | |
| a) Property, Plant and Equipment | 2 | 67.48 | 48.89 |
| b) Capital work-in-progress | 3 | 1,39,932.65 | 1,01,078.40 |
| c) Right-of-use asset. | 4 | 7,804.52 | 7,892.63 |
| d) Intangible assets | 5 | 41.00 | 0.19 |
| e) Financial Assets: Others | 6 | 26.56 | - |
| f) Other non-current assets | 6 | 27,775.94 | 24,825.44 |
| Total non-current assets | | 1,75,648.15 | 1,33,845.55 |
| 2. Current assets: | | | |
| a) Financial Assets: | | | |
| Cash & Cash Equivalents | 7 | 9,506.55 | 5,328.86 |
| Other Bank Balances | 8 | 5,052.84 | 6,253.48 |
| Others | 9 | 126.06 | 243.18 |
| b) Other current assets | 6 | 3.74 | - |
| c) Current tax assets (Net) | | 20.91 | 0.62 |
| Total current assets | | 14,710.10 | 11,826.14 |
| TOTAL ASSETS | | 1,90,358.25 | 1,45,671.69 |
| EQUITIES AND LIABILITIES | | | |
| 1. Equity | | | |
| a) Share Capital | 10 | 69,000.00 | 60,000.00 |
| b) Other equity | 11 | (489.62) | (304.04) |
| Total Equity | | 68,510.38 | 59,695.96 |
| 2. Liabilities | | | |
| Non-current liabilities | | | |
| a) Financial Liabilities: | | | |
| Borrowings | 12 | 1,06,987.73 | 70,110.34 |
| Total non-current liabilities | | 1,06,987.73 | 70,110.34 |
| Current liabilities | | | |
| a) Financial Liabilities: | | | |
| (i) Trade Payables: | | | |
| - Outstanding dues to Micro and Small enterprises | | - | - |
| - Others | 13 | 1,377.95 | 78.47 |
| (ii) Others | 14 | 13,383.40 | 15,677.72 |
| b) Other current liabilities | 15 | 98.79 | 109.20 |
| Total current liabilities | | 14,860.14 | 15,865.39 |
| TOTAL EQUITIES AND LIABILITIES | | 1,90,358.25 | 1,45,671.69 |
| See accompanying notes to financial statements (1 - 31) | | | |
| For and on behalf of Board of Directors | | | |
| | | | |
| Sd/- | Sd/- | Sd/- | Sd/- |
| (M V Mistry) | (N B Tripathy) | (K J Shah) | (K K Panda) |
| Company Secretary | Chief Financial Officer | Chief Executive Officer | Director |
| | | | DIN-08436491 |
| | | | DIN-2025125 |
| As per our report of even date attached. | | | |
| For Prakashchandra Jain & Co. | | | |
| Chartered Accountants | | | |
| FRN - 002438C | | | |
| | | | Sd/- |
| | | | (Pratibha Sharma) |
| Place: Vadodara | | | Partner |
| Date: 04/05/2021 | | | M No.400755 |

Statement of Profit and Loss for the year ended March 31, 2021.

| (Rs. In lakhs) | | | | |
|---|--|-------------------------|---------------------------------|---------------------------------|
| Particulars | | Note No. | For the year ended 31.3.2021 | For the year ended 31.3.2020 |
| INCOME | | | | |
| i) | Revenue from operations | | - | - |
| ii) | Other Income | 16 | 59.17 | 137.94 |
| iii) | Total Income (i+ii) | | 59.17 | 137.94 |
| iv) EXPENSES | | | | |
| a) | Employee benefit expenses | 17 | 99.32 | 72.75 |
| b) | Depreciation and amortisation | 18 | 18.61 | 11.57 |
| c) | Other expenses | 19 | 111.44 | 142.92 |
| | Total expenses | | 229.37 | 227.24 |
| v) | Profit / (Loss) before tax (iii - iv) | | (170.20) | (89.30) |
| vi) | Tax expense: | 20 | | |
| | Current Tax for the year | | 15.38 | 38.42 |
| | Excess provision of earlier years written back | | - | (2.84) |
| | Deferred Tax | | - | - |
| vii) | Profit / (Loss) for the period (v - vi) | | (185.58) | (124.88) |
| viii) | Other Comprehensive income | | - | - |
| ix) | Total comprehensive income / (Loss) for the period | | (185.58) | (124.88) |
| | Earning per equity share (face value of Rs.10 each) | | | |
| | Basic & Diluted (Ref Note No. 23) | | (0.03) | (0.03) |
| See accompanying notes to financial statements (1 - 31) | | | | |
| For and on behalf of Board of Directors | | | | |
| | | | | |
| | Sd/- | Sd/- | Sd/- | Sd/- |
| | (M V Mistry) | (N B Tripathy) | (K J Shah) | (K K Panda) |
| | (S S Bhatt) | | | |
| | Company Secretary | Chief Financial Officer | Chief Executive Officer | Director |
| | | | | DIN-08436491 |
| | | | | DIN-2025125 |
| | | | | For Prakashchandra Jain & Co. |
| | | | | Chartered Accountants |
| | | | | FRN - 002438C |
| | | | | Sd/- |
| | | | | (Pratibha Sharma) |
| | Place: Vadodara | | | Partner |
| | Date: 04/05/2021 | | | M No.400755 |

Statement of Changes in Equity for the year ended March 31, 2021.

| Statement of Changes in Equity for the year ended March 31, 2021. | | | | |
|---|-------------------------|-------------------------|--------------|------------------|
| Particulars | | | | (Rs. In lakhs) |
| EQUIT SHARE CAPITAL | | | | |
| As at 1st April 2019 | | | | 39,882.73 |
| Additions | | | | 20,117.27 |
| As at 31st March 2020 | | | | 60,000.00 |
| As at 1st April 2020 | | | | 60,000.00 |
| Additions | | | | 9,000.00 |
| As at 31st March 2021 | | | | 69,000.00 |
| OTHER EQUITY | | | | |
| As at 1st April 2019 | | | | (179.16) |
| Profit / (Loss) for the year | | | | (124.88) |
| Other comprehensive income for the year (net of taxes) | | | | - |
| As at 31st March, 2020 | | | | (304.04) |
| As at 1st April 2020 | | | | (304.04) |
| Profit / (Loss) for the year | | | | (185.58) |
| Other comprehensive income for the year (net of taxes) | | | | - |
| As at 31st March, 2021 | | | | (489.62) |
| See accompanying notes to financial statements (1 - 31) | | | | |
| For and on behalf of Board of Directors | | | | |
| Sd/- | Sd/- | Sd/- | Sd/- | Sd/- |
| (M V Mistry) | (N B Tripathy) | (K J Shah) | (K K Panda) | (S S Bhatt) |
| Company Secretary | Chief Financial Officer | Chief Executive Officer | Director | Director |
| | | | DIN-08436491 | DIN-2025125 |
| As per our report of even date attached. | | | | |
| For Prakashchandra Jain & Co. | | | | |
| Chartered Accountants | | | | |
| FRN - 002438C | | | | |
| Sd/- | | | | |
| (Pratibha Sharma) | | | | |
| Place: Vadodara | | | | Partner |
| Date: 04/05/2021 | | | | M No.400755 |

Notes to the Financial Statements

Note No. 1:

I. General Information:

1. GACL-NALCO Alkalies & Chemicals Private Limited (the Company), having CIN U24100GJ2015PTC085247 is a Private Limited company incorporated and domiciled in India and has registered office at GACL Corporate Building, PO: Petrochemicals – 391346, District - Vadodara, Gujarat, India. The equity shares of the company are held by Gujarat Alkalies and Chemicals Limited (GACL), a Company promoted by Government of Gujarat and National Aluminium Company Limited (NALCO), a Government of India company, at 60:40 ratio respectively. The Company is a joint venture between GACL and NALCO and both the equity owners are listed on the stock exchanges.

The Company is setting up a green field project of 800 TPD caustic soda manufacturing plant along with a 2X65 MW coal-based cogeneration power plant at Dahej PCPIR region of Gujarat at an investment of Rs. 2,300 crores.

2. Statement of Compliance:

The Financial Statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

3. Application of new Indian Accounting Standards:

All the Indian Accounting Standards issued under section 133 of the Companies Act, 2013 and notified by the Ministry of Corporate Affairs (MCA) under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorized have been considered in preparation of these Financial Statements.

II. Significant Accounting Policies:

1. Basis of preparation and presentation:

The Financial Statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below:

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 – Presentation of Financial Statements based on the nature of business and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

Use of estimates:

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and

expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in notes below. Accounting estimates could change from period to period. Actual results could differ from these estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and if material, then effects are disclosed in the notes to the financial statements.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability.
- Level 3 inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or company's assumptions about pricing by market participants.

2. Property, Plant and Equipment:

Property, Plant and Equipment (PPE) are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management. The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of the assets are as follows:

| Asset | Useful life |
|-------------------------------|--------------|
| Furniture and Fixture | 10 years |
| Computers and its peripherals | 3 to 6 years |
| Office Equipment | 5 years |

Assets in the course of construction for production of goods and/or services or for administrative purposes or for which classification is not yet determined and are not put to use are included under **capital work-in-progress** and are carried at cost. Advances paid towards the acquisition of property plant and equipment and outstanding at Balance Sheet date is classified as Capital advances under "Other Non-Current Assets".

An item of PPE is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the net sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

Depreciation is recognized so as to write off cost of assets less their residual values over their useful life, using the straight-line method. The useful life as prescribed under Schedule II of Companies Act has been followed. The residual value of assets is maintained at 5 % of original cost. The estimated useful lives, residual value and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in the estimate accounted for on a prospective basis.

Depreciation on subsequent expenditure on PPE arising on account of capital improvement or other factors is provided for prospectively over the remaining useful life.

Depreciation on additions/deletions during the year is provided for on a pro-rata basis with reference to the date of additions/deletions except low value items not exceeding Rs.5,000/- which are fully depreciated at the time of addition.

3. Intangible Assets:

Intangible assets with finite useful life that are acquired separately are carried at cost less accumulated amortization. Amortization is recognized on straight line basis over their estimated useful lives without retaining any residual value. The estimated useful lives and amortization method are reviewed at the end of each reporting period, with the effect of any changes in the estimate accounted for on a prospective basis.

The estimated useful lives of intangible assets are as follow:

| Asset | Useful life |
|---------------------|-------------|
| Accounting Software | 5 years |

4. Impairment of Tangible and intangible assets:

Tangible assets (Property, Plant and Equipment including Capital Works in Progress) and Intangible assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment is recognized in the Statement of Profit and Loss and is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

5. Income Recognition:

Income is measured at the fair value of the consideration received or receivable.

Interest Income:

Interest income from financial assets is recognized when it is probable that the economic benefits will flow to the company and the amount of income can be

measured reliably. Interest income is accrued on the time basis by reference to the principal outstanding and at the effective interest rate applicable.

Other Income:

Other income is recognized on accrual basis except when realization of such income is uncertain.

6. Leases:

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

(A) Lease Liability

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using incremental borrowing rate.

(B) Right-of-use assets

Initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives.

Subsequent measurement:

(A) Lease Liability

Company measure the lease liability by (a) increasing the carrying amount to reflect interest on the lease liability; (b) reducing the carrying amount to reflect the lease payments made; and (c) remeasuring the carrying amount to reflect any reassessment or lease modifications.

(B) Right-of-use assets

Subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight line basis over the shorter of the lease term and useful life of the under lying asset.

Impairment

Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

Short term Lease:

Short term lease is that, at the commencement date, has a lease term of 12 months or less. A lease that contains a purchase option is not a short-term lease. If the company elected to apply short term lease, the lessee shall recognise the lease payments associated with those leases as an expense on either a straight-line basis over the

lease term or another systematic basis. The lessee shall apply another systematic basis if that basis is more representative of the pattern of the lessee's benefit.

As a lessor

Leases for which the company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Lease income is recognised in the statement of profit and loss on straight line basis over the lease term.

7. Foreign currency transaction:

The functional currency of the Company is Indian Rupees which represents the currency of the primary economic environment in which the Company operates.

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognized in statement of profit or loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

8. Borrowing Costs:

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognized in statement of profit or loss in the period in which they are incurred.

Borrowing costs consist of interest and transaction costs that the Company incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

9. Employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short-term employee benefits expected to be paid in exchange for services rendered as a liability. These benefits include salary, wages, bonus, compensated absences, etc.

10. Income Taxes:

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current Tax:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'Profit Before Tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred Tax:

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax expense for the year:

Current and deferred tax expense is recognized in the Statement of Profit and Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

11. Provision, Contingent liabilities and Contingent assets:

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into

account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent assets are disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

Contingent liabilities are disclosed in the Financial Statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote.

12. Financial instruments:

The Company determines the classification of its financial assets and liabilities at initial recognition. The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

Initial Recognition:

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognized in the statement of profit and loss.

Subsequent Measurement

I. Financial assets

a. Cash and Cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

b. Financial assets carried at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c. Financial assets at fair value through Other Comprehensive Income (FVTOCI)

Financial Assets are subsequently measured at fair value through Other Comprehensive Income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as

equity instruments to present the subsequent changes in fair value in Other Comprehensive Income based on its business model.

d. Financial assets at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition.

e. Impairment of Financial Assets

The Company recognizes loss allowances using the Expected Credit Loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in profit or loss.

f. Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On derecognition of a financial asset in its entirety, (except for equity instruments designated as FVTOCI), the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in statement of profit and loss.

II. Financial liabilities

a. Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost, using the effective interest rate method where the time value of money is significant. Interest bearing issued debt are initially measured at fair value and are subsequently measured at amortized cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognized over the term of the borrowings in the statement of profit and loss.

The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

b. Derecognition of financial liabilities

The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

13. Earning per share:

Basic earnings per share are computed by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The Company did not have any potentially dilutive securities in any of the period presented.

III. Critical Accounting judgements, Assumptions and Key source of estimation uncertainty:

Inherent in the application of many of the accounting policies used in preparing the Financial Statements is the need for Management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. Actual outcomes could differ from the estimates and assumptions used.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised, and future periods are affected.

Key source of judgments, assumptions and estimates in the preparation of the Financial Statements which may cause a material adjustment to the carrying amounts of assets and liabilities are in respect of useful lives of Property, Plant and Equipment.

| Notes to the financial statements | | | |
|---|----------------------------------|-------------------------|-----------------------|
| Note 2, Property, Plant and Equipment | | | (Rs. In lakhs) |
| Tangible Assets | Furnitures & Fixtures | Office Equipment | Total |
| As at 1st April 2019 | 31.79 | 31.93 | 63.72 |
| Additions | - | 10.41 | 10.41 |
| Deduction / Adjustments | 3.58 | - | 3.58 |
| As at 31st March 2020 | 28.21 | 42.34 | 70.55 |
| Additions | 0.16 | 33.57 | 33.73 |
| Deduction / Adjustments | - | - | - |
| As at 31st March 2021 | 28.37 | 75.91 | 104.28 |
| Accumulated Depreciation | | | |
| As at 1st April 2019 | 3.81 | 7.50 | 11.31 |
| Additions | 2.67 | 8.80 | 11.47 |
| Deduction / Adjustments | 1.12 | - | 1.12 |
| As at 31st March 2020 | 5.36 | 16.30 | 21.66 |
| Additions | 4.40 | 10.74 | 15.14 |
| Deduction / Adjustments | - | - | - |
| As at 31st March 2021 | 9.76 | 27.04 | 36.80 |
| Net Block | | | |
| As at 31st March 2020 | 22.85 | 26.04 | 48.89 |
| As at 31st March 2021 | 18.61 | 48.87 | 67.48 |
| Note - 3, Capital Work-in-progress: | | | |
| Particulars | As at 31.3.2021 | As at 31.3.2020 | |
| Capital Work-in-progress | 1,18,898.04 | 70,618.63 | |
| Stock of plant & machineries including in transit | 21,034.61 | 30,459.77 | |
| | 1,39,932.65 | 1,01,078.40 | |
| (i) Assets pledged as security: | | | |
| All movable and Immovable assets including Plant and Machineries and other assets are pledged as security on pari passu basis to the bankers under a mortgage. The Company is not allowed to sell these assets to other entity. | | | |
| (ii) Capital Work in Progress mentioned above includes the following amounts capitalised during the year in the course of construction: | | | |
| Particulars | As at 31.3.2021 | As at 31.3.2020 | |
| Employee Benefit Expenses | 194.42 | 152.43 | |
| Depreciation and Amortisation Expense | 88.11 | 88.28 | |
| Finance Costs | 3,972.08 | 1,432.45 | |
| Project Insurance and Consultancy fees | 89.63 | 51.65 | |
| Foreign Exchange Loss / (Gain) | 1,104.50 | 2,302.77 | |
| | 5,448.74 | 4,027.58 | |
| Note 4, Right-to-use Assets: | | | |
| Particulars of Assets | Leasehold land | Total | |
| As at 1st April 2019 | - | - | |
| Additions | 7,980.91 | 7,980.91 | |
| Deduction / Adjustments | - | - | |
| As at 31st March 2020 | 7,980.91 | 7,980.91 | |
| Additions | - | - | |
| Deduction / Adjustments | - | - | |
| As at 31st March 2021 | 7,980.91 | 7,980.91 | |
| Accumulated Depreciation | | | |
| As at 1st April 2019 | - | - | |
| Additions | 88.28 | 88.28 | |
| Deduction / Adjustments | - | - | |
| As at 31st March 2020 | 88.28 | 88.28 | |
| Additions | 88.11 | 88.11 | |
| Deduction / Adjustments | - | - | |
| As at 31st March 2021 | 176.39 | 176.39 | |
| Net Block | | | |
| As at 31st March 2020 | 7,892.63 | 7,892.63 | |
| As at 31st March 2021 | 7,804.52 | 7,804.52 | |
| The Above leasehold land is leased by GIDC and all rights/interest thereunder are pledged as security to the bankers under a mortgage. | | | |

| Note 5, Intangible Assets: | | | |
|---|--|--------------------------|------------------------|
| Particulars of Assets | | Computer Software | Total |
| As at 1st April 2019 | | 0.52 | 0.52 |
| Additions | | - | - |
| Deduction / Adjustments | | - | - |
| As at 31st March 2020 | | 0.52 | 0.52 |
| Additions | | 44.28 | 44.28 |
| Deduction / Adjustments | | - | - |
| As at 31st March 2021 | | 44.80 | 44.80 |
| Accumulated Depreciation | | | |
| As at 1st April 2019 | | 0.23 | 0.23 |
| Additions | | 0.10 | 0.10 |
| Deduction / Adjustments | | - | - |
| As at 31st March 2020 | | 0.33 | 0.33 |
| Additions | | 3.47 | 3.47 |
| Deduction / Adjustments | | - | - |
| As at 31st March 2021 | | 3.80 | 3.80 |
| Net Block | | | |
| As at 31st March 2020 | | 0.19 | 0.19 |
| As at 31st March 2021 | | 41.00 | 41.00 |
| Note - 6, Other Assets: | | | |
| A. Other Non-Current Financial Assets: | | | |
| Particulars | | As at 31.3.2021 | As at 31.3.2020 |
| Unsecured, considered good | | | |
| Security Deposits | | 26.56 | - |
| Total | | 26.56 | - |
| B. Other Non-Current Assets: | | | |
| Particulars | | As at 31.3.2021 | As at 31.3.2020 |
| Secured, considered good | | | |
| Capital advances | | 4,073.97 | 8,085.82 |
| Unsecured, considered good | | | |
| Balance with Govt. authorities | | 23,685.96 | 16,739.62 |
| Expenses paid in Advance | | 16.01 | - |
| | | 27,775.94 | 24,825.44 |
| C, Other Current Assets: | | | |
| Particulars | | As at 31.3.2021 | As at 31.3.2020 |
| Unsecured, considered good | | | |
| Expenses paid in Advance | | 3.74 | - |
| Total | | 3.74 | - |

| Note 7, Cash and Cash Equivalents (at amortised cost) | | | |
|--|--|------------------------|------------------------------------|
| Particulars | | As at 31.3.2021 | As at 31.3.2020 |
| - In Current Account | | 9,506.55 | 5,328.86 |
| - In deposit accounts | | - | - |
| Total | | 9,506.55 | 5,328.86 |
| Note 8, Other Bank balances (at amortised cost) | | | |
| Particulars | | As at 31.3.2021 | As at 31.3.2020 |
| Deposit with bank held as margin money against BG | | 5,052.84 | 6,253.48 |
| Total | | 5,052.84 | 6,253.48 |
| The above include: (a) Rs. 615.84 lakhs held as margin money against issuance of BG of equivalent amount and (b) Rs. 44,37.00 lakhs held as precondition to ECB sanction held for servicing IDC of | | | |
| Note 9, Other financial assets (at amortised cost) | | | |
| Particulars | | As at 31.3.2021 | As at 31.3.2020 |
| Unsecured, considered good | | | |
| Security deposits | | 47.19 | 27.24 |
| Interest Receivable | | 67.32 | 183.57 |
| Others | | 11.55 | 32.37 |
| Total | | 126.06 | 243.18 |
| Note 10, Equity Share Capital | | | |
| Particulars | | As at 31.3.2021 | As at 31.3.2020 |
| Authorized: | | | |
| 69,00,00,000 (Previous year | | | |
| 60,00,00,000) equity shares of Rs. 10 | | 69,000.00 | 60,000.00 |
| Issued, subscribed and paid up: | | | |
| 69,00,00,000 (previous year | | | |
| 60,00,00,000) equity shares of Rs. 10 | | 69,000.00 | 60,000.00 |
| Total | | 69,000.00 | 60,000.00 |
| Reconciliation of number of equity shares outstanding at the beginning and at the end of reporting period is as under: | | | |
| Particulars | | No. of Shares | Share Capital (Rs.in lakhs) |
| As at 1st April 2019 | | 39,88,27,334 | 39,882.73 |
| Additions | | 20,11,72,666 | 20,117.27 |
| As at 31st March 2020 | | 60,00,00,000 | 60,000.00 |
| Additions | | 9,00,00,000 | 9,000.00 |
| As at 31st March 2021 | | 69,00,00,000 | 69,000.00 |

Details of aggregate number of equity shares issued for consideration other than cash:

| Particulars | Face Value | Year of Issue |
|--|--------------------|----------------|
| 39,88,27,334 (PY 39,88,27,334) equity shares of Rs.10 each | Rs. 10 each | 2017-18 |

*Equity Shares was issued to GACL in lieu of cost of 39.1 hectares of land at DII/9, PCPIR Zone of Gujarat Industrial Estate, Dahej, Gujarat.

Details of Shareholder holding more than 5 percent share in Company:

| Particulars | As at 31 March, 2021 | | As at 31 March, 2020 | |
|--------------|----------------------|-------------------|----------------------|-------------------|
| | No. of shares | Extent of Holding | No. of shares | Extent of Holding |
| GACL | 41,40,00,000 | 60.00% | 36,00,00,000 | 60.00% |
| NALCO | 27,60,00,000 | 40.00% | 24,00,00,000 | 40.00% |

Right, Preferences and restrictions attached to Equity Shares

For all matters submitted to vote in a shareholders meeting of the Company every holder of an equity share as reflected in the records of the Company on the date of the shareholders meeting shall have one vote in respect of each share held. Any dividend declared by the company shall be paid to each holder of Equity shares in proportion to the number of shares held to total equity shares outstanding as on that date. In the event of liquidation of the Company all preferential amounts, if any, shall be discharged by the Company. The remaining assets of the Company shall be distributed to the holders of equity shares in proportion to the number of shares held to the total equity shares outstanding as on that date.

Note 11, Other Equity

| Particulars | (Rs. In lakhs) | |
|-------------------|-----------------|-----------------|
| | As at 31.3.2021 | As at 31.3.2020 |
| Retained Earnings | (489.62) | (304.04) |
| Total | (489.62) | (304.04) |

Particulars relating to Other Equity

| Particulars | As at 31.3.2021 | As at 31.3.2020 |
|-----------------------------------|-----------------|-----------------|
| Balance at beginning of the year | (304.04) | (179.16) |
| Profit / (loss) for the year | (185.58) | (124.88) |
| Balance at end of the year | (489.62) | (304.04) |

Note 12, Borrowings

| Particulars | As at 31.3.2021 | As at 31.3.2020 |
|---|--------------------|------------------|
| Secured at amortised cost | | |
| Rupee Term Loan from Punjab National Bank | 44,859.19 | 25,010.58 |
| USD ECB from State bank of India | 62,128.54 | 45,099.76 |
| Balance at end of the year | 1,06,987.73 | 70,110.34 |

Reconciliation of change in borrowing from financial activities - RTL from PNB

| Particulars | As at 31.3.2021 | As at 31.3.2020 |
|-----------------------------------|------------------|------------------|
| Opening balance | 25,010.58 | 4,812.56 |
| Proceeds raised | 20,000.00 | 20,000.00 |
| Non-cash changes | 22.24 | 24.38 |
| Interest payable /(Paid) | (173.63) | 173.64 |
| Balance at end of the year | 44,859.19 | 25,010.58 |

| Reconciliation of change in borrowing from financial activities - USD ECB from SBI | | | | |
|---|------------------------|------------------------|------------------------|------------------------|
| Particulars | As at 31.3.2021 | As at 31.3.2020 | As at 31.3.2021 | As at 31.3.2020 |
| Opening balance | | | 45,099.76 | - |
| Proceeds raised | 85,000,000 USD | 60,000,000 USD | 18,667.00 | 42,967.00 |
| Non-cash changes | | | (1,275.35) | 1,767.27 |
| Interest payable / (Paid) | | | (362.87) | 365.49 |
| Balance at end of the year | | | 62,128.54 | 45,099.76 |

Term loan from bank consists of the following

| Particulars | Year ended | Current maturity of each loan | Amount of each loan outstanding |
|-----------------------------|------------------|-------------------------------|---------------------------------|
| Punjab National Bank | 31.3.2021 | Nil | 44,859.19 |
| State Bank of India | 31.3.2021 | Nil | 62,128.54 |

Nature of Security:

1. First charge on pari passu basis by way of mortgage / assignment / charge, both present and future, of (a) all movable and immovable assets; (b) benefits and claims on project contracts; and (c) all bank accounts.

2. Second charge by way of hypothecation on all current assets of the company.

The terms of repayment of the above loans are as follows:

| Particulars | Year ended | No. of instalments after the Balance Sheet date | Amount of each instalment |
|--|------------------|---|---|
| Punjab National Bank | 31.3.2021 | 36 quarterly installments | 2,444.44 |
| Commencement of repayment of principal - 30th September 2022 | | | |
| Date of Maturity - 30th June 2031 | | | |
| Rate of Interest - One year PNB MCLR, presently 7.35 % (PY 8.05 %) | | | |
| Interest is payable on monthly basis. | | | |
| State Bank of India | 31.3.2021 | 9 half yearly installments | Variable from 4% to 16% of loan amount |
| Commencement of repayment of principal - 30th September 2022 | | | |
| Date of Maturity - 30th September 2026 | | | |
| Rate of Interest - 6 months USD LIBOR plus 1.30 % | | | |
| Interest is payable on half yearly basis. | | | |

| Note 13: Trade Payable | | | |
|--|--|------------------------------------|-----------------------------|
| Particulars | | As at 31.3.2021 | As at 31.3.2020 |
| Due to Small and Micro Enterprise | | - | - |
| Others | | 1,377.95 | 78.47 |
| Total | | 1,377.95 | 78.47 |
| Disclosure related to Micro, Small and Medium Enterprises: | | | |
| On the basis of confirmation obtained from the supplier who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) and based on the information available with the company, the following are the details: | | | |
| Particulars | | As at 31.3.2021 | As at 31.3.2020 |
| (a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year | | -- | -- |
| (b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year; | | -- | -- |
| (c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006; | | -- | -- |
| (d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and | | -- | -- |
| (e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises | | -- | -- |
| Note 14: Other Financial Current Liabilities (at amortised cost) | | | |
| Particulars | | As at 31.3.2021 | As at 31.3.2020 |
| Capital creditors | | 1,350.37 | 4,089.85 |
| Retention Money | | 12,033.03 | 11,587.87 |
| Total | | 13,383.40 | 15,677.72 |
| Note 15: Other Current Liabilities | | | |
| Particulars | | As at 31.3.2021 | As at 31.3.2020 |
| Liabilities of employees | | 57.79 | 48.24 |
| Statutory dues payable | | 41.00 | 60.96 |
| Total | | 98.79 | 109.20 |
| Note 16: Other Income | | | |
| Particulars | | For the year ended 31.03.21 | For the year ended 31.03.20 |
| Gain on sale of current Investments | | 25.77 | 95.27 |
| Interest Income | | 33.40 | 42.67 |
| Total | | 59.17 | 137.94 |

Note 17: Employee Benefit Expenses

| Particulars | For the year ended 31.03.21 | For the year ended 31.03.20 |
|---|-----------------------------|-----------------------------|
| Salaries and allowances | 279.95 | 216.75 |
| Contribution to provident and other funds | 13.79 | 8.43 |
| Less: Capitalised | (194.42) | (152.43) |
| Total | 99.32 | 72.75 |

The Code on Social Security ,2020 ('Code') relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code become effective.

Note 18: Depreciation & Amortisation:

| Particulars | For the year ended 31.03.21 | For the year ended 31.03.20 |
|-----------------------------------|-----------------------------|-----------------------------|
| Depreciation on PPE | 15.14 | 11.47 |
| Amortisation of Intangible assets | 3.47 | 0.10 |
| Total | 18.61 | 11.57 |

Note 19: Other Expenses

| Particulars | For the year ended 31.03.21 | For the year ended 31.03.20 |
|--------------------------------|-----------------------------|-----------------------------|
| Consultancy / Professional fee | 13.52 | 14.74 |
| Vehicle Hiring Expenses | 13.96 | 17.08 |
| Audit Fees | 2.80 | 2.70 |
| Rent | 30.14 | 49.17 |
| Electricity charges | 2.95 | 3.32 |
| Travelling Expenses | 7.78 | 20.58 |
| Share Issue Expenses | 0.75 | 20.81 |
| Insurance expenses | 90.19 | 47.38 |
| Other Miscellaneous expenses | 38.98 | 18.79 |
| | 201.07 | 194.57 |
| Less Amount Capitalised | (89.63) | (51.65) |
| Total | 111.44 | 142.92 |

Payment to auditors

| Particulars | For the year ended 31.03.21 | For the year ended 31.03.20 |
|--------------------|-----------------------------|-----------------------------|
| As auditor | 1.50 | 1.50 |
| For other services | 1.30 | 1.20 |
| Total | 2.80 | 2.70 |

Note 20: Tax Expense

| Particulars | For the year ended 31.03.21 | For the year ended 31.03.20 |
|--|-----------------------------|-----------------------------|
| Current Tax in relation to: | | |
| Current Year | 15.38 | 38.42 |
| Excess provision of earlier years written back | - | (2.84) |
| Deferred Tax | - | - |
| Total | 15.38 | 35.58 |

The income tax expense for the year can be reconciled to the accounting profit as follows

| Particulars | For the year ended 31.03.21 | For the year ended 31.03.20 |
|--|-----------------------------|-----------------------------|
| Profit & Loss before tax | (170.20) | (89.30) |
| Income tax expense calculated at 26 % (PY 27.82) | (44.25) | (24.84) |
| Effect of expenses not deductible | 59.63 | 63.26 |
| Earlier year tax expense / (income) | - | (2.84) |
| Total | 15.38 | 35.58 |

| Note 21: Finance Cost | | | |
|--|--|--------------------------------|--------------------------------|
| Particulars | | For the year ended 31.03.21 | For the year ended 31.03.20 |
| Interest Expenses | | 3,949.96 | 1,394.65 |
| Other borrowing cost | | 22.12 | 37.80 |
| Less Amount Capitalised | | (3,972.08) | (1,432.45) |
| Total | | - | - |
| Note 22: Contingent Liabilities not provided for | | | |
| Particulars | | As at 31.3.2021 | As at 31.3.2020 |
| Contingent Liabilities not provided for in respect of : | | | |
| Bank Gurantees | | 615.84 | 615.84 |
| Commitments: | | | |
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | | 19,884.88 | 42,854.44 |
| Claims of contractors and suppliers | | 7,319.17 | - |
| Total | | 27,819.89 | 43,470.28 |
| Note 23: Earning per share | | | |
| Particulars | | For the year ended 31.03.21 | For the year ended 31.03.20 |
| Profit after tax for the | | (185.58) | (124.88) |
| Weighted average number of equity shares (in Nos.) | | 62,21,91,781 | 56,22,76,742 |
| Basic and Diluted earnings per equity share (in Rs.) | | (0.03) | (0.03) |
| Face Value per equity share (in Rs.) | | 10.00 | 10.00 |
| Note 24: Leases | | | |
| As lessee | | | |
| A: Finance Lease: | | | |
| Disclosure regarding finance lease: | | | |
| Particulars | | For the year ended 31.03.21 | For the year ended 31.03.20 |
| Depreciation/amortisation charge for right-of-use assets by class of underlying asset;* | | 88.11 | 88.29 |
| Interest expense on lease liabilities | | - | - |
| *Lease amortisation is capitalised up to the time of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management, i.e. till the plant gets commissioned. In the current year, Rs.88.11 lakhs (P.Y - Rs.88.28 lakhs) is capitalised in capital work-in-progress (Refer note 5). | | | |
| B: Short term Lease: | | | |
| The Company has obtained certain office premises for its business operations which are not non-cancellable under leave and license agreement and are renewable by mutual consent on mutually agreeable terms. The Company has given refundable interest free security deposits in accordance with the agreed terms. These refundable security deposits have not been valued at amortised cost under relevant Ind AS, because of small value in nature. | | | |
| Lease payments during the year: | | | |
| Particulars | | For the year ended 31.03.21 | For the year ended 31.03.20 |
| Lease payments | | 30.14 | 49.17 |
| As Lessor: | | | |
| The company has not given any asset on lease. | | | |

Note 25: Related party disclosure:

Name of the related party and description of their relationship as under:

| Name of Related Parties | Nature of Relationship |
|-----------------------------------|--|
| Gujarat Alkalies & Chemicals Ltd. | Joint Venturer |
| National Aluminum Company Ltd. | Joint Venturer |
| Sri P K Gera - Chairman | Key Management Personnel (KMP) upto 30.11.2020. |
| Sri M Torwane - Chairman | Key Management Personnel (KMP) w.e.f. 01.01.2021 |
| Sri K K Panda - Vice Chairman | Key Management Personnel (KMP) |
| Sri S S Bhatt - Director | Key Management Personnel (KMP) |
| Sri S K Padhee - Director | Key Management Personnel (KMP) upto 31.08.2020 |
| Sri G S Paliwal - Director | Key Management Personnel (KMP) w.e.f. 01.09.2020 |
| Smt Sonali Jignar - Director | Key Management Personnel (KMP) upto 31.08.2020 |
| Smt Binuta Patra - Director | Key Management Personnel (KMP) w.e.f. 01.09.2020 |
| Sri Ketan Shah - CEO | Key Management Personnel (KMP) |
| Sri N B Tripathy - CFO | Key Management Personnel (KMP) |
| Sri M V Mistry - CS | Key Management Personnel (KMP) |

The following transactions were carried out with the related parties in ordinary course of business during the year:

| Nature of Transaction | (Rs. In lakhs) | |
|---|------------------------|------------------------|
| | Current Year | Previous Year |
| A. Joint Venturer | | |
| Contribution towards equity: | | |
| Gujarat Alkalies & Chemicals Ltd. | 5,400.00 | 12,070.36 |
| National Aluminum Company Ltd. | 3,600.00 | 8,046.91 |
| Total | 9,000.00 | 20,117.27 |
| Expenses incurred on behalf of GNAL and reimbursed / to be reimbursed: | | |
| National Aluminum Company Ltd. | 70.10 | 65.89 |
| Gujarat Alkalies & Chemicals Ltd. | 1,330.74 | - |
| Total | 1,400.84 | 65.89 |
| Expenses incurred by GNAL and reimbursed / to be reimbursed: | | |
| Gujarat Alkalies & Chemicals Ltd. | | |
| Rent and electricity charges paid for 401-403 Yashkamal | 30.14 | 60.33 |
| Construction of boundary wall (P.Y. sale of furniture) | 48.37 | 2.90 |
| B. Key Management Personnel : | | |
| Director's - Incidental expenses: | | |
| Sri P K Gera - Chairman | 0.10 | 0.10 |
| Sri M Torwane - Chairman | 0.05 | - |
| Sri K K Panda, Vice chairman | 0.20 | 0.05 |
| Sri S S Bhatt - Director | 0.15 | 0.15 |
| Sri S K Padhee - | 0.05 | 0.08 |
| Smt. Sonali Jignar - Director | 0.03 | 0.07 |
| Sri G S Paliwal - | 0.12 | - |
| Smt. Vinuta Patra - Director | 0.08 | - |
| Total | 0.78 | 0.45 |
| KMP remuneration and deputation allowance | | |
| Sri Ketan Shah, CEO | 31.42 | 26.01 |
| Sri N B Tripathy, CFO | 14.22 | 8.97 |
| Sri M V Mistry, Company secretary | 0.57 | 0.54 |
| Total | 46.21 | 35.52 |
| Balances payable as at the end of the year | | |
| Particulars | As at 31.3.2021 | As at 31.3.2020 |
| Gujarat Alkalies & Chemicals Ltd. | 1,282.40 | - |
| National Aluminum Company Ltd. | 70.10 | 78.51 |
| Total | 1,352.50 | 78.51 |

Note 26: Financial Instrument disclosure:**Capital Management**

The capital structure of the Company consists of both equity and debt. The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence.

Management of the Company reviews the capital structure on a regular basis. As part of this review, the management considers the cost of capital, risks associated with each class of capital requirements and maintenance of adequate liquidity.

Categories of Financial Instruments:

| Particulars | As at 31.3.2021 | As at 31.3.2020 |
|--|--------------------|-----------------|
| Financial Assets | | |
| Measured at Fair Value through Profit or loss (FVTPL) | | |
| Investment in Mutual Funds | - | - |
| Measured at Amortised Cost | | |
| a. Cash and Cash equivalents | 9,506.55 | 5,328.86 |
| b. Other Bank Balances | 5,052.84 | 6,253.48 |
| c. Other Financial Assets | 152.62 | 243.18 |
| Total Financial Assets | 14,712.01 | 11,825.52 |
| Financial Liabilities | | |
| Measured at Amortised Cost | | |
| a. Borrowings | 1,06,987.73 | 70,110.34 |
| b. Trade Payables | 1,377.95 | 78.47 |
| c. Other Financial Liabilities | 13,383.40 | 15,677.72 |
| Total Financial Liabilities | 1,21,749.08 | 85,866.53 |

Financial Risk Management

The Company's principal financial liabilities, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's capex operations. The Company's principal financial assets include deposits and cash and cash equivalents.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The senior Management ensures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

a. Market Risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of the business. The major components of market risk are price risk and interest rate risk.

i. Price Risk

Investment of short-term surplus funds of the Company in liquid schemes of fixed deposits and mutual funds provides high level of liquidity from a portfolio of money market securities.

ii. Interest Rate Risk

The Company's main interest rate risk arises from the long term borrowings with floating rates. The Company's floating rates borrowings are carried at amortised cost. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

| Sensitivity analysis | | | | |
|---|----------------------|-------------------------|--------------------------|-----------------------|
| The sensitivity analysis below have been determined based on the exposure to interest rates for instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. | | | | |
| If the interest rates had been 50 basis points higher / lower and all other variables were held constant, the Company's interest expense would be impacted to the extent of Rs.389.78 lakhs (PY: Rs.133.47 lakhs). However, there would be no impact on profit before tax, since interest is capitalised. | | | | |
| b. Liquidity Risk | | | | |
| Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages its funds mainly from capital infusion and borrowings. | | | | |
| The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The information included in the tables have been drawn up based on the undiscounted cashflows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company maybe required to pay. | | | | |
| | | | | (Rs. in lakhs) |
| Particulars | Within 1 year | 1 year - 3 years | more than 3 years | Total |
| As at 31 March 2021 | | | | |
| a. Borrowings | - | 38,202.53 | 68,785.20 | 1,06,987.73 |
| b. Trade Payables | 1,377.95 | - | - | 1,377.95 |
| c. Other Financial Liabilities | 13,383.40 | - | - | 13,383.40 |
| Total | 14,761.35 | 38,202.53 | 68,785.20 | 1,21,749.08 |
| As at 31 March 2020 | | | | |
| a. Borrowings | - | - | 70,110.34 | 70,110.34 |
| b. Trade Payables | 78.47 | - | - | 78.47 |
| c. Other Financial Liabilities | 15,677.72 | - | - | 15,677.72 |
| Total | 15,756.19 | - | 70,110.34 | 85,866.53 |
| The Company has access to committed credit facilities of Rs.880 crs RTL and 100 million USD (PY 750 crs RTL and 100 million USD). The used and unused credit facilities at the end of the reporting year are mentioned below. The Company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets. | | | | |
| Particulars | | As at 31.3.2021 | As at 31.3.2020 | |
| Rupee Term Loan from PNB | | (Rs. in lakhs) | | |
| Amount used | | 45,000.00 | 25,000.00 | |
| Amount unused | | 43,000.00 | 50,000.00 | |
| USD Term Loan, ECB from SBI | | In million USD | | |
| Amount used | | 85.00 | 60.00 | |
| Amount unused | | 15.00 | 40.00 | |

c. Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk off financial loss from defaults. The Company's exposure and wherever appropriate, the credit ratings of its counterparties are continuously monitored and spread amongst various counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management of the Company. Financial instruments that are subject to concentrations of credit risk, principally consist of balance with banks, investments in mutual funds, other receivables and loans and advances. None of the financial instruments of the Company result in material concentrations of credit risks. Balances with banks were not past due or impaired as at the year end. In other financial assets that are not past dues and not impaired, there were no indication of default in repayment as at the year end.

27. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

28. Corporate Social Responsibilities (CSR):

During the year, Company was required to spent Rs.1.42 lakhs (Previous year - Not applicable) towards CSR activities, as required in terms of Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility policy) Rules. The CSR budget for the year was Rs.6.00 lakhs. Details of CSR expenses for the year are as under:

| Particulars | ended 31.03.2021 | ended 31.03.2020 |
|---------------------------------------|---------------------|---------------------|
| Construction/acquisition of any asset | - | Not applicable |
| Others | 6.00 | Not applicable |
| Total CSR Expenses | 6.00 | - |
| Amount pending to be spent | - | - |

29. Estimation of uncertainties due to COVID-19 pandemic:

The Company, at present, is in the final stage of implementing the project. The recent resurgence of COVID-19 pandemic is a challenge. The Company is putting all efforts and closely monitoring the situation.

30. Previous year's figures are regrouped / reclassified wherever necessary to correspond with current year's classification/ disclosure.

31. Approval of financial statements

The financial statements were approved for issue by the Board of Directors on 4th May 2021.

For and on behalf of Board of Directors

| Sd/- | Sd/- | Sd/- | Sd/- | Sd/- |
|-------------------|-------------------------|-------------------------|--------------|---------------|
| (M V Mistry) | (N B Tripathy) | (K J Shah) | (K K Panda) | (S S Bhatt) |
| Company Secretary | Chief Financial Officer | Chief Executive Officer | Director | Director |
| | | | DIN-08436491 | DIN-2025125 |

As per our report of even date attached.

For Prakashchandra Jain & Co.

Chartered Accountants

FRN - 002438C

Sd/-

(Pratibha Sharma)

Place: Vadodara

Partner

Date: 04/05/2021

M No.400755



GACL-NALCO ALKALIES & CHEMICALS PRIVATE LIMITED

(CIN : U24100GJ2015PTC085247)

Regd. Office : GACL Corporate Building, P.O. Petrochemicals - 391 346, Dist. Vadodara, GUJARAT(INDIA)

Phone : +91-0265-39991000/6111000, Fax : +91-0265-2231208

PROXY FORM

6th ANNUAL GENERAL MEETING

Thursday, the 22nd July 2021 at 03:15 P.M.

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
- (2) Name _____ Address _____
E-mail ID _____ Signature _____ or failing him
- (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 6th ANNUAL GENERAL MEETING of the Company to be held on Thursday, the 22nd July 2021 at 03:15 P.M. at Board Room, GACL Corporate Building, P.O. 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. | Appointment of Shri K K Panda as Director of the Company | | |
| 3. | Appointment of M/s K C Mehta & Co., as Statutory Auditors of the Company | | |
| Special Business: | | | |
| 4. | Appointment of Shri Milind Torawane, IAS as Director liable to retire by rotation | | |
| 5. | Appointment of Shri G S Paliwal as Director liable to retire by rotation | | |
| 6. | Appointment of Smt. Binuta Patra as Director liable to retire by rotation | | |
| 7. | Special Resolution for exercising borrowing powers by the Board pursuant to section 180(1)(c) of the Companies Act, 2013. | | |
| 8. | Special Resolution for creation of charge, mortgage etc on the properties of the Company under section 180(1)(a) of the Companies Act, 2013. | | |
| 9. | Special Resolution for amendment in the Object Clause of the Memorandum of Association of the Company. | | |

Signed this _____ day of _____, 2021.

Member's Folio No. : _____

Signature of Member(s) _____

Signature of Proxy holder(s) _____

| |
|--|
| Affix Revenue Stamp of Re.1/- |
|--|

- Notes :
- 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.
 - For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 6th ANNUAL GENERAL MEETING.
 - 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.
 - Please complete all details including details of Member(s) in above box before submission.



GACL-NALCO ALKALIES & CHEMICALS PRIVATE LIMITED
(CIN : U24100GJ2015PTC085247)

ATTENDANCE SLIP

I/We _____

Folio No.

| |
|--|
| |
|--|

hereby record my/our present at the 6th ANNUAL GENERAL MEETING of the Company held at Board Room, GACL Corporate Building, P.O. Petrochemicals - 391 346, Dist. Vadodara at 03:15 P.M. on Thursday, the 22nd July 2021.

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.

