GACL - NALCO Alkalies & Chemicals Private Ltd.

ANNUAL ACCOUNTS FOR THE YEAR 2020-21

Corporate Office: 401-403, Yashkamal Building, Sayajigunj, Dist. Vadodara – 390 005
Regd. Office: GACL P. O. Petrochemicals – 391 346, Dist.:Vadodara, Gujarat, INDIA.
Phone: +91-265-2222434

Prakash Chandra Jain & Co.
Chartered Accountants

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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.

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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

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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.

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- 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

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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:

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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

Pratibha Sharma
Partner
Membership No. 400755
UDIN : 21400755AAAABD2551

PRAKASH CHANDRA JAIN & CO.
FRN-002438C
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Place- Mumbai
Date- 04.05.2021

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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.

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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

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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

PRAKASH CHANDRA JAIN & CHARTERED ACCOUNTANTS FRN-002438C MUMBAI

Pratibha Sharma
Partner
Membership No. 400755
UDIN : 21400755AAAABD2551

Place- Mumbai
Date- 04.05.2021

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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

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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

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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

PRAKASH CHANDRA JAIN & CO. FRN-002438C MUMBAI CHARTERED ACCOUNTANTS

Pratibha Sharma
Partner
Membership No. 400755
UDIN : 21400755AAAABD2551

Place- Mumbai
Date- 04.05.2021

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GACL - NALCO Alkalies & Chemicals Private Limited

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 Equpment	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:			
- Oustanding 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

Mastry N.B.Tripathy

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

GACL-NALCO Alkalies & Chemicals Pvt. Ltd. VADODARA

As per our report of even date attached.

For Prakashchandra Jain & Co.

Chartered Accountants

FRN - 002438C

PRAKASH CHANDRA JAIN & CO. FRN-002438C MUMBAI CHARTERED ACCOUNTANTS

(Pratibha Sharma)

Partner

M No.400755

Place: Vadodara

Date: 04/05/2021

UDIN: 21400755AAAABD2551

Mumbai

GACL - NALCO Alkalies & Chemicals Private Limited

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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

(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

GACL-NALCO Alkalies & Chemicals Pvt. Ltd. VADODARA

As per our report of even date attached.

For Prakashchandra Jain & Co.
Chartered Accountants
FRN - 002438C

PRAKASH CHANDRA JAIN & CO. FRN 002438C MUMBAI CHARTERED ACCOUNTANTS

(Pratibha Sharma)
Partner
M No.400755

Place: Vodadara
Date: 04/05/2021

GACL - NALCO Alkalies & Chemicals Private Limited

GNAL

Cash Flow Statement for the year ended March 31, 2021.

(Rs. In lakhs)

Particulars	For the year ended 31.3.2021	For the year ended 31.3.2020
A. Cashflow from Operating activities:		
Net profit / (Loss) before tax	(170.20)	(89.30)
Adjustments for:		
Depreciation and amortisation	18.61	11.57
Gain on sale of PPE	-	-
Interest income	(33.40)	(42.67)
Operating profit/ (Loss) before changes on working capital	(184.99)	(120.40)
Adjustments for increae/ (Decrease) in operating assets		
Other financial assets	90.55	(238.99)
Other assets	(6,966.10)	(13,628.41)
Adjustments for increae/ (Decrease) in operating liabilities		
Trade payable	1,299.47	56.70
Other financial liabilities	-	-
Other liabilities	(10.40)	(37.31)
Cash generated / ((Used in) before tax	**(5,771.47)**	**(13,968.41)**
Income tax (paid) / refunded	(35.67)	(70.57)
Net Cash flow from operating activities after tax	**(5,807.14)**	**(14,038.98)**
B. Cashflow from Investing activities:		
(Purchases) of PPE & CWIP including capital advances	(33,154.52)	(63,997.95)
Sale of PPE	-	2.46
Interst Income	33.40	42.67
Bank balance not considered as Cash & cash equivalent	1,200.64	(5,637.64)
Net Cashflow from / (used in) Investing activities	**(31,920.48)**	**(69,590.46)**
C. Cashflow from Financing activities:		
Proceeds from Issue of Shares	9,000.00	20,117.27
Proceeds from borrowings (Net of trasaction cost - Ref Note 13)	36,877.39	65,297.78
Finance Cost	(3,972.08)	(1,432.45)
Net Cashflow from / (used in) Financing activities	**41,905.31**	**83,982.60**
D. Net Increase / (Decrease) in Cash & Cash Equivalents:	**4,177.69**	**353.16**
E. Cash & Cash Equivalents - At beginning of the period	**5,328.86**	4,975.70
F. Cash & Cash Equivalents - At end of the period	**9,506.55**	5,328.86

Notes:

1 **Cash and cash equivalents comprises of :**		
Balance with Banks	**9,506.55**	**5,328.86**

2 The Cash Flow Statement has been prepared under the Indirect Method as set out in Ind As-7 "Statement of Cash Flows".

3 The Company has capitilsed borrowing cost (net) of Rs. 3,972.08 lakhs (P.Y. Rs.1,436.09 lakhs) to Property, Plant and Equipments (Capital Work in Progress) in accordance with the Ind AS 23-Borrowing Cost.

4 **Change in liability arising from financial activities:**

Borrowing Non-current:		
Balance	70,110.34	4,812.56
Cashflow	38,152.74	63,530.51
Foreign Exchange and non-cash movement (net off)	(1,275.35)	1,767.27
Closing Balance	1,06,987.73	70,110.34

See accompanying notes to financial statements

For and on behalf of Board of Directors

Mistry N.B.Tripathy

(M V Mistry) Company Secretary

(N B Tripathy) Chief Financial Officer

(K J Shah) Chief Executive Officer

(K K Panda) Director DIN-08436491

(S S Bhatt) Director DIN-2025125

GACL-NALCO Alkalies & Chemicals Pvt. Ltd. VADODARA

As per our report of even date attached.

For Prakashchandra Jain & Co.
Chartered Accountants
FRN - 002438C

PRAKASH CHANDRA JAIN & CO. FRN-002438C MUMBAI CHARTERED ACCOUNTANTS

(Pratibha Sharma)
Partner
M No.400755

Place: Vadodara
Date: 04/05/2021

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

PRAKASH CHANDRA JAIN & CO. FRN-002438C MUMBAI CHARTERED ACCOUNTANTS

GACL-NALCO Alkalies & Chemicals Pvt. Ltd. VADODARA

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

PRAKASH CHANDRA JAIN & CO. FRN-002438C MUMBAI CHARTERED ACCOUNTANTS

GACL-NALCO Alkalies & Chemicals Pvt. Ltd. VADODARA

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.

PRAKASH CHANDRA JAIN & CO. FRN-002437C MUMBAI CHARTERED ACCOUNTANTS

GACL-NALCO Alkalies & Chemicals Pvt. Ltd. VADODARA

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

PRAKASH CHANDRA JAIN & CO. CHARTERED ACCOUNTANTS FRN-002438C MUMBAI

GACL-NALCO Alkalies & Chemicals Pvt. Ltd. VADODARA

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.

PRAKASH CHANDRA JAIN & CO. FRN-002438C MUMBAI CHARTERED ACCOUNTANTS

GACL-NALCO Alkalies & Chemicals Pvt. Ltd. VADODARA

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 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.

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.

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PRAKASH CHANDRA JAIN & CO. FRN-002438C MUMBAI CHARTERED ACCOUNTANTS

GACL-NALCO Alkalies & Chemicals Pvt. Ltd. VADODARA

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**

PRAKASH CHANDRA JAIN & CO. FRN-002438C MUMBAI CHARTERED ACCOUNTANTS

GACL-NALCO Alkalies & Chemicals Pvt. Ltd. VADODARA

Notes to the financial statements

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 leashold land is leased by GIDC and all rights/interest therunder 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**	-

PRAKASH CHANDRA JAIN & CO. CHARTERED ACCOUNTANTS FRN-002438C MUMBAI

GACL-NALCO Alkalies & Chemicals Pvt. Ltd. VADODARA

Notes to the financial statements

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 Advace	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 againstissuance of BG of equivalent amount and (b) Rs. 44,37.00 lakhs held as precondition to ECB sanction held for servicing IDC of ECB

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 each	69,000.00	60,000.00
Issued, subscribed and piad up:		
69,00,00,000 (previous year 60,00,00,000) equity shares of Rs. 10 each	69,000.00	60,000.00
Total	**69,000.00**	**60,000.00**

PRAKASH CHANDRA JAIN & CO. FRN-002438C MUMBAI CHARTERED ACCOUNTANTS

GACL-NALCO Alkalies & Chemicals Pvt. Ltd. VADODARA

Notes to the financial statements

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

(Rs. In lakhs)

Particulars	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**

PRAKASH CHANDRA JAIN & CO. FRN-002438C MUMBAI CHARTERED ACCOUNTANTS

GACL-NALCO Alkalies & Chemicals Pvt. Ltd. VADODARA

Notes to the financial statements

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 laon	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 prncipal - 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.

Particulars	Year ended	No. of instalments after the Balance Sheet date	Amount of each instalment
State Bank of India	**31.3.2021**	**9 half yearly installments**	**Variable from 4% to 16% of loan amount**

Commencement of repayment of prncipal - 30th September 2022

Date of Maturity - 30th Setember 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**

PRAKASH CHANDRA JAIN & CO. FRN-002438C MUMBAI CHARTERED ACCOUNTANTS

GACL-NALCO Alkalies & Chemicals Pvt. Ltd VADODARA

Notes to the financial statements

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;	--	--
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 allownces	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**

PRAKASH CHANDRA JAIN & CO. FRN-002438C MUMBAI CHARTERED ACCOUNTANTS

GACL-NALCO Alkalies & Chemicals Pvt. Ltd. VADODARA

Notes to the financial statements

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 Intagible 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**

PRAKASH CHANDRA ... FRN-0024..C MUMBAI CHARTERED ACCOUNTANTS

GACL-NALCO Alkalies & Chemicals Pvt. Ltd. VADODARA

M.B. Tripathi

Notes to the financial statements

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.

Notes to the financial statements

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. 01.01.20221
Sri K K Panda - Vice Chairman	Key Management Personnel (KMP)
Sri S S Bhatt - Director	Key Management Personnel (KMP)
Sri S K Padhee - Drector	Key Management Personnel (KMP) upto 31.08.2020
Sri G S Paliwal - Director	Key Management Personnel (KMP) w.e.f. 01.09.20220
Smt Sonali Jignar - Director	Key Management Personnel (KMP) upto 31.08.2020
Smt Vinuta 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:

(Rs. In lakhs)

Nature of Transaction	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 - Director	0.05	0.08

PRAKASH CHANDRA JAIN & CO. CHARTERED ACCOUNTANTS FRN-002438C MUMBAI

GACL-NALCO Alkalies & Chemicals Pvt. Ltd. VADODARA

Notes to the financial statements

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:

Partculars	**For the year ended 31.03.2021**	For the year 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.

GACL - NALCO Alkalies & Chemicals Private Limited

Notes to the financial statements

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

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

As per our report of even date attached.

For Prakashchandra Jain & Co.

Chartered Accountants

FRN - 002438C

(Pratibha Sharma)

Partner

M No.400755

Place: Vadodara

Date: 04/05/2021