



CREDO MINERAL INDUSTRIES LIMITED

28TH ANNUAL REPORT FY 2022 – 2023



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1. COMPANY INFORMATION

1.1 BOARD OF DIRECTORS

| | |
|--------------------|---------------------|
| Shri Anand Patel | (Chairman) |
| Shri Rakesh Shah | (Managing Director) |
| Shri Naman Patel | (Director) |
| Shri Parasmal Shah | (Director) |
| Shri Vikas Chandra | (Director) |

1.2 BOARD COMMITTEES

Audit Committee

Shri Vikas Chandra
Shri Parasmal Shah
Shri Anand Patel

Nomination & Remuneration Committee

Shri Vikas Chandra
Shri Anand Patel
Shri Parasmal Shah

1.3 STATUTORY AUDITORS

M/s. Pankaj R. Shah & Associates
Chartered Accountants

1.4 KEY MANAGERIAL PERSONNEL

Mr. Kirtesh Shah Company Secretary
Mr. Krunal Shah CFO

1.5 REGISTERED OFFICE

305, Third Floor, Third Eye One,
Opp. Honest Restaurant,
Near Panchvati Five Roads,
C. G. Road, Ahmedabad-380006

1.6 REGISTRARS & TRANSFER AGENTS

Skyline Financial Services Pvt. Ltd.
A/506, Dattani Plaza, Andheri-Kurla Road,
Safeed Pool, Andheri East,
Mumbai - 400 072

1.7 PLANT LOCATION

Gujarat Credo Mineral Industries Limited
Survey No. 70/1, Naredi, Ta-Abdasa
Dist- Kutchh, Gujarat, INDIA

Gujarat Credo Alumina Chemicals Limited
Plot No. 5, Block-F, Sector-12N, Mundra SEZ,
Mundra, Kutchh, Gujarat, INDIA

1.8 JV PARTNER



(Govt. of Gujarat Enterprise)



Gujarat Credo Mineral Industries Limited

2. NOTICE OF ANNUAL GENERAL MEETING

NOTICE

Notice is hereby given that the 28th Annual General Meeting of the members of Credo Mineral Industries Limited will be held on Monday dated 11th September, 2023 at 4.00 P.M. at the registered office of the Company situated at 305, Third Floor, Third Eye One, Opp. Honest Restaurant, Near Panchvati Five Roads, C. G. Road, Ahmedabad - 380006, Gujarat, to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt:

- a) The audited standalone financial statements of the Company for the financial year ended on March 31, 2023 including the reports of the Board of Directors and Auditors thereon.
- b) The audited consolidated financial statements of the Company for the financial year ended on 31st March, 2023 including the reports of the Board of Directors and Auditors thereon.

- 2. To appoint a director in place of **Shri Anand Patel** (DIN: 00002277), who retires by rotation and being eligible, offers himself for re-appointment.**

SPECIAL BUSINESS:

3. To approve related party transactions.

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

“RESOLVED THAT pursuant to the provisions of Section 188 read with Rule 15 of the Companies (Meeting of Board and its Powers) Rules 2014 and other applicable provisions of the Companies Act, 2013 read with rules made thereunder (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force), the approval of the members of the Company be and is hereby accorded for entering into contract(s)/ arrangement(s)/ transaction(s) with Gujarat Credo Mineral Industries Limited and Gujarat Credo Alumina Chemicals Limited, related parties within the meaning of Section 2(76) of the Companies Act, 2013, for management fees, lease rent on plant & machinery on such terms and conditions, as the Board may deem fit, up to a maximum aggregate value of Rs. 6 crores for the Financial Year 2023-2024.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to take such steps as may be necessary in relation to the above related party transactions and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effects to this Resolution.”

2. NOTICE OF ANNUAL GENERAL MEETING

4. To approve the alteration in object clause of Memorandum of Association of the company.

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 13 and other applicable provisions of Companies Act, 2013 read with applicable rules made thereunder (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force), and subject to such approvals, consent as may be required, the consent of the members be and is hereby accorded to alter the main Object Clause of Memorandum of Association (MOA) of the Company and replace with the following object clauses in Clause III of the MOA of the Company;

1. To carry on the business in India or elsewhere as manufacturers, producers, processors, makers, convertors, refiners, importers, exporters, traders, buyers, sellers, retailers, wholesalers, suppliers, indenters, preservers, stockiest, agents, sub-agents, merchants, distributors, consignors, jobbers or otherwise deal in either solely or in partnership with others, all types of industrial chemicals, specialty chemicals, fine chemicals, performance chemical products, organic and inorganic chemicals and minerals, Alumina based chemicals and its associated products, silica and sodium based Chemicals and by products, Alumina Trihydrates, Activated Alumina, Sodium Aluminate, Sodium aluminium silicates, synthetic zeolites and Speciality Alumina Chemicals their derivatives, rare earth elements and their derivatives, raw materials for industries and its applications including electronic, defence and solar and all other advanced chemicals those derived from bauxite, laterites, silica, ores (present and future), ilmenite, lithium, rare earths, salt and potash, ferric and nonferric, alumina, Beneficiation of minerals, mineral dressing, concentration and processing of minerals including Bauxite and associated minerals and compound and by-products thereof, synthetic zeolite products, Ferric Oxides, Vanadium Pentoxides, Gallium, Titanium Oxides and other related elements and by products, bauxite and other mineral based products of any or all descriptions and other allied goods, minerals, deposits, substances, materials, by products used for industrial, commercial and other purposes present or future and to carry on any other metallurgical operation, survey, R&D activities and to do all incidental acts and things necessary for the attainment of the objectives.
2. To own and/or take on lease mines within India and overseas of Laterites, Bauxite, Salt, Industrial and strategic minerals, including lithium, ilmenite, coltan, vanadium and rare earths and other associated minerals and to do the mining, quarry, refine, process, fabricate, smelt, beneficiate thereof and to carry on the business as manufactures, importers, exporters, traders, commission agents, distributors of mining processing products and its allied activities.
3. To carry on the business of generation, accumulation, distribution, exploration, dealership and supply of and to generally deal in energy products including alternate and renewable energy, solar, wind, steam, hydrogen, biomass and power, rare earth elements and its derivatives from any source whatsoever.
4. To carry on the business of designing, engineering, procuring, developing and sourcing of technologies for establishment and operation of all kinds and grades of mineral and

2. NOTICE OF ANNUAL GENERAL MEETING

nonmineral based industrial, specialty and performance chemicals projects in India and overseas and to take up turn key, technical collaboration, managerial and equity & ownership stakes in industrial ventures within and outside India.

“RESOLVED FURTHER THAT the board of directors be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

5. To approve change of name of the company

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of section 4(4), 5, 13, 14 and all other applicable provisions of the Companies Act, 2013 and subject to the approval of Central Government (Power delegated to Registrar of Companies) or such other authority as may be prescribed, the consent of the members be and is hereby accorded to change the name of the Company from **“CREDO MINERAL INDUSTRIES LIMITED** to **CREDO ADVANCED CHEMICALS LIMITED”** and accordingly the name **“CREDO MINERAL INDUSTRIES LIMITED”** wherever it appears in the Memorandum and Articles of Association of the Company be substituted by the new name **“CREDO ADVANCED CHEMICALS LIMITED”**.

“RESOLVED FURTHER THAT the name clause being clause I of the Memorandum of Association of the company be altered, modified and amended accordingly and substituted by following clause mentioned as under:-

The Name of the Company is **“CREDO ADVANCED CHEMICALS LIMITED”**.

“RESOLVED FURTHER THAT the board of directors be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

6. To approve increase in authorized share capital and consequent alteration of the capital Clause V in the Memorandum of Association of the Company.

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

A. Increase in Authorized Share Capital

“RESOLVED THAT pursuant to the provisions of Section 61 and 64 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force) and the rules framed there under, the consent of members be and is hereby accorded to increase the Authorized Share Capital of the Company from existing Rs. 75,50,00,000 (Rupees Seventy Five Crores Fifty Lakhs only) divided into 7,55,00,000 (Seven Crores Fifty Five Lakhs) Equity Shares of Rs. 10/- each to Rs. 80,50,00,000 (Rupees Eighty Crores Fifty Lakhs only) divided into 8,05,00,000 (Eight Crores Five Lakhs) Equity Shares of Rs. 10/- each by creation of additional 50,00,000 (Fifty Lakhs) Equity

2. NOTICE OF ANNUAL GENERAL MEETING

Shares of Rs. 10/- each ranking pari passu in all respect with the existing Equity Shares of the Company.”

B. Alteration in the Capital Clause of Memorandum of Association

“**RESOLVED THAT** pursuant to the provisions of Section 13, 61 and 64 and other applicable provisions of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and the rules framed thereunder, consent of members be and is hereby accorded for substituting Clause V of the Memorandum of Association of the Company with the following clause:

“**Capital Clause V:** The Authorized Share Capital of the Company is Rs. 80,50,00,000 (Rupees Eighty Crores Fifty Lakhs only) divided into 8,05,00,000 (Eight Crores Five Lakhs) Equity Shares of Rs. 10/- each.”

“**RESOLVED FURTHER THAT** the board of directors be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

7. To approve the limit of investment(s), loans, guarantees and security in excess of limits specified under section 186 of the companies act, 2013.

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“**RESOLVED THAT** in supersession of all the earlier resolutions passed for approval of limit of investment(s), loans, guarantees and security in excess of limits specified under section 186 of the companies act, 2013 and pursuant to the provisions of Section 186 and rules framed thereunder and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force), the consent of the members be and is hereby accorded to give any loans/any other form of debt to any person or other body corporate and/or to give guarantee and/or to provide security in connection with a loan/any other form of debt to any other body corporate or person and to make investment or acquire by way of subscription, purchase or otherwise the securities of any other body corporate whether Indian or overseas from time to time in one or more tranches as the Board of Directors as in their absolute discretion deem beneficial and in the interest of the Company, for an amount not exceeding to Rs. 750 Crores (Rupees Seven Hundred Fifty Crores only) outstanding at any time notwithstanding that such investments, outstanding loans given or to be given and guarantees and security provided are in excess of the limits prescribed under Section 186 of the Companies Act, 2013.”

“**RESOLVED FURTHER THAT** the board of directors be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

8. To appoint Ms. Meena Ambani as Non-executive director of the company.

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

2. NOTICE OF ANNUAL GENERAL MEETING

“RESOLVED THAT pursuant to the provisions of Section 152 and all other applicable provisions of the Companies Act, 2013 (“the Act”) and the rules framed thereunder (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force), and pursuant to the recommendation and approval of the Nomination and Remuneration Committee and the Board of Directors of the Company, Ms. Meena Ambani (DIN: 00320690), who was appointed as an Additional Director (Non-Executive and Non-Independent) of the Board of the Company with effect from 17-08-2023 pursuant to the provisions of Section 161 of the Act and the articles of Association of the Company, and who holds office as an Additional Director up to the date of this Annual General Meeting of the Company, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act, proposing her candidature for the office of Director of the Company, being so eligible, be and is hereby appointed as a Director of the company under the category of Non-Executive and Non-Independent who shall be liable to retire by rotation.”

9. To approve the appointment of Shri Naman Patel as Managing Director of the company and fix his remuneration.

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification or re-enactment thereof for the time being in force), the Articles of Association of the Company and based on the recommendation of Nomination & Remuneration Committee and the board of directors of the Company, the consent of the members be and is hereby accorded to appoint Shri Naman Patel (DIN: 05143261) as Managing Director of the Company, in replacement of his existing designation of executive director, for a period of five years effective from 17-08-2023 on such terms and conditions with the power to the board to alter and vary the terms and conditions of appointment in such manner as may be agreed to between the Board and Shri Naman Patel.”

“RESOLVED FURTHER THAT pursuant to the provisions of Sections 197, 198 read with Schedule V and all other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification or re-enactment thereof for the time being in force), and based on the recommendation and approval of Nomination & Remuneration Committee and the board of directors of the Company, the consent of the members be and is hereby accorded to pay a remuneration of Rs. 1,00,000 per month for a period of 3 years to Shri Naman Patel subject to the limits specified under Part II of Schedule V to the Companies Act, 2013 with the power to the board to alter and vary the terms and conditions of remuneration in such manner as may be agreed to between the Board and Shri Naman Patel.”

“RESOLVED FURTHER THAT Shri Naman Patel shall function as Managing Director of the company and as such he shall have the substantial powers of management of the affairs of the company subject to the overall superintendence, control and guidance of the Board of Directors (including committees of the board) from time to time.”

2. NOTICE OF ANNUAL GENERAL MEETING

“RESOLVED FURTHER THAT the perquisite, allowances, bonuses, gratuity, etc., facilities as may be made available by the Company to Shri Naman Patel be decided by the Board of Directors considering amongst other things and also subject to overall ceilings as may be applicable as per Income Tax Act, 1961 or rules made thereunder and also subject to the limits fixed under Section II of Part II of Schedule V and or any other provisions of the Companies Act, 2013 from time to time.”

“RESOLVED FURTHER THAT where in any financial year during the tenure of Shri Naman Patel as a Managing Director, if the Company has no profits or its profits are inadequate, he shall be paid within such maximum remuneration as permissible under Section II of Part II of Schedule V of the Companies Act, 2013.”

10. To approve the appointment of Shri Rakesh Shah as Whole-time Director of the company and fix his remuneration.

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification or re-enactment thereof for the time being in force), the Articles of Association of the Company and based on the recommendation and approval of Nomination & Remuneration Committee and the board of directors of the Company, the consent of the members be and is hereby accorded to appoint Shri Rakesh Shah (DIN: 05143261) as Whole-time Director of the Company, in replacement of his existing designation of Managing Director, for a period of five years effective from 17-08-2023 on such terms and conditions with the power to the board to alter and vary the terms and conditions of appointment in such manner as may be agreed to between the Board and Shri Rakesh Shah.”

“RESOLVED FURTHER THAT pursuant to the provisions of Sections 197, 198 read with Schedule V and all other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification or re-enactment thereof for the time being in force), and based on the recommendation and approval of Nomination & Remuneration Committee and the board of directors of the Company, the consent of the members of the company be and is hereby accorded to pay a remuneration of Rs. 1,00,000 per month for a period of 3 years to Shri Rakesh Shah subject to the limits specified under Part II of Schedule V to the Companies Act, 2013 with the power to the board to alter and vary the terms and conditions of remuneration in such manner as may be agreed to between the Board and Shri Rakesh Shah.”

“RESOLVED FURTHER THAT Shri Rakesh Shah shall function as Whole-time Director of the company and as such he shall be in whole-time employment of the company subject to the overall superintendence, control and guidance of the Board of Directors (including committees of the board) from time to time.”

“RESOLVED FURTHER THAT the perquisite, allowances, bonuses, gratuity, etc., facilities as may be made available by the Company to Shri Rakesh Shah be decided by the Board of Directors

2. NOTICE OF ANNUAL GENERAL MEETING

considering amongst other things and also subject to overall ceilings as may be applicable as per Income Tax Act, 1961 or rules made thereunder and also subject to the limits fixed under Section II of Part II of Schedule V and or any other provisions of the Companies Act, 2013 from time to time.”

“RESOLVED FURTHER THAT where in any financial year during the tenure of Shri Rakesh Shah as a Whole-time Director, if the Company has no profits or its profits are inadequate, he shall be paid within such maximum remuneration as permissible under Section II of Part II of Schedule V of the Companies Act, 2013.”

11. To appoint Shri Rajiv Gandhi as an independent director of the company.

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

“RESOLVED THAT pursuant to the provisions of Section 149, 150 and 152 and all other applicable provisions of the Companies Act, 2013 (“the Act”) and the rules framed thereunder (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force), and pursuant to the recommendation and approval of the Nomination and Remuneration Committee and the Board of Directors of the Company, Shri Rajiv Gandhi (DIN: 00438037), who was appointed as an Additional Director (Independent) of the Board of the Company with effect from 17-08-2023 pursuant to the provisions of Section 161 of the Act and the Articles of Association of the Company, and who holds office as an Additional Director up to the date of this Annual General Meeting of the Company, and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act, proposing his candidature for the office of Director of the Company, being so eligible, be and is hereby appointed as an Independent Director of the company to hold office for a term of five years up to 16-08-2028 and whose office shall not be liable to retire by rotation.”

12. To appoint Shri Rushil Tamboli as an independent director of the company.

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

“RESOLVED THAT pursuant to the provisions of Section 149, 150 and 152 and all other applicable provisions of the Companies Act, 2013 (“the Act”) and the rules framed thereunder (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force), and pursuant to the recommendation and approval of the Nomination and Remuneration Committee and the Board of Directors of the Company, Shri Rushil Tamboli (DIN: 00438037), who was appointed as an Additional Director (Independent) of the Board of the Company with effect from 17-08-2023 pursuant to the provisions of Section 161 of the Act and the Articles of Association of the Company, and who holds office as an Additional Director up to the date of this Annual General Meeting of the Company, and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act, proposing his candidature for the office of Director of the Company, being so eligible, be and is hereby appointed as an Independent Director of the company to hold office for a term of five years up to 16-08-2028 and whose office shall not be liable to retire by rotation.”

2. NOTICE OF ANNUAL GENERAL MEETING

13. To appoint Shri Atishe Chordia as an independent director of the company.

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

“RESOLVED THAT pursuant to the provisions of Section 149, 150 and 152 and all other applicable provisions of the Companies Act, 2013 (“the Act”) and the rules framed thereunder (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force), and pursuant to the recommendation and approval of the Nomination and Remuneration Committee and the Board of Directors of the Company, Shri Atishe Chordia (DIN: 03609132), who was appointed as an Additional Director (Independent) of the Board of the Company with effect from 17-08-2023 pursuant to the provisions of Section 161 of the Act and the Articles of Association of the Company, and who holds office as an Additional Director up to the date of this Annual General Meeting of the Company, and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act, proposing his candidature for the office of Director of the Company, being so eligible, be and is hereby appointed as an Independent Director of the company to hold office for a term of five years up to 16-08-2028 and whose office shall not be liable to retire by rotation.”

14. To give consent for the merger of the Company’s two subsidiary companies namely Gujarat Credo Mineral Industries Limited and Gujarat Credo Alumina Chemicals Limited.

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

“RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013 read with all applicable rules and subject to such other approval as may be required, the consent of members be and is herewith accorded for the proposed merger of two subsidiary companies namely Gujarat Credo Mineral Industries Limited (GCMIL) and Gujarat Credo Alumina Chemicals Limited (GCACL) to get the synergy benefits of the merged entity, to overcome the transfer pricing and billing related issues, to simplify the organizational structure, to boost economies of scale and get the higher return on investments and to avail other corporate, industrial, taxation and government benefits, if any.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board of Directors of the Company be and is hereby empowered and authorized to take such steps as would be necessary for obtaining approvals, statutory or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and to execute deeds, applications, documents and writings that would be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as would be necessary, proper, expedient or incidental for giving effect to this resolution.”

15. To give consent for shifting of zeolite plant from Naredi to Mundra SEZ.

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

2. NOTICE OF ANNUAL GENERAL MEETING

“RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013 and the rules made thereunder and subject to the approval as may be required from any other statutory authority, if any, the consent of members be and is herewith accorded to shift zeolite plant of JV Company ‘Gujarat Credo Mineral Industries Limited’ (GCMIL) located at Survey No. 70/1, Village – Naredi, Ta. Abdasa, Dist. Kutch, Gujarat to the factory premises of Gujarat Credo Alumina Chemicals Limited (GCACL), a wholly owned subsidiary company located at Plot No. 5, Block-F, Sector 12N, Mundra SEZ, Ta. Mundra, Dist. Kutch, Gujarat considering techno-economical aspects.”

“RESOLVED FURTHER THAT the consent of the members be and is hereby accorded to generate renewable energy using wind power and solar or any related remunerative business/ industrial activity in the vacant land and existing infrastructure following the proposed relocation of the zeolite plant of GCMIL from Naredi to Mundra SEZ and execute the same, if considered economically viable.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board of Directors of the Company be and is hereby empowered and authorized to take such steps as would be necessary for obtaining approvals, statutory or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and to execute deeds, applications, documents and writings that would be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as would be necessary, proper, expedient or incidental for giving effect to this resolution.”

By order of the board of directors of
Credo Mineral Industries Limited

Date: 17-08-2023
Place: Ahmedabad

Kirtesh Shah
Company Secretary
A58436

Registered Office:
305, Third Floor, Third Eye One,
Opp. Honest Restaurant, Near Panchvati Five Roads,
C. G. Road, Ahmedabad - 380006, Gujarat.
CIN: U10300GJ1995PLC064782
E-mail: cs@credo.co.in

2. NOTICE OF ANNUAL GENERAL MEETING

Notes:

A member entitled to attend and vote at the annual general meeting (the “Meeting”) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the company. The instrument appointing the proxy should, however, be deposited at the registered office of the company not less than forty-eight hours before the commencement of the Meeting.

Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution/ Authority Letter authorizing their representative to attend and vote on their behalf at the Meeting.

Members are requested to bring their attendance slip along with their copy of annual report to the Meeting.

Pursuant to the provisions of the Section 72 of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014, members are entitled to make a nomination in respect of shares held by them in physical form. Members desirous of making a nomination are requested to send their requests in Form No. SH - 13 in duplicate (which will be made available on request), at the Registered Office of the Company.

Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days, between 11.00 a.m. to 4.00 p.m. up to the date of the Meeting.

Members are advised to refer to the Shareholders’ Reference provided in the Annual Report.

Important Communication to Members

The Ministry of Corporate Affairs has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members as a part of their “*Green Initiative in the Corporate Governance*”.

All members are requested to register and update their e-mail addresses with their respective DPs [Depository Participants] or Mail at: credo_cs@credo.co.in

2. NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 3:

As per Section 188 of the Companies Act, 2013 read with rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, prior approval of the members is required by way of a resolution where the transaction or transactions with respect to leasing of property any kind amounting to ten percent or more of the turnover of the company, and availing or rendering of any services, directly or through appointment of agent, amounting to ten percent or more of the turnover of the company.

The related party transactions entered/ to be entered with Gujarat Credo Mineral Industries Limited and Gujarat Credo Alumina Chemicals Limited for FY 2023-24 come within the purview of Section 188 of the Companies Act, 2013 and other applicable rules framed thereunder and accordingly the approval of members of the company is hereby sought by way of an ordinary resolution.

Members are further informed that the related party transaction with Gujarat Credo Mineral Industries Limited and Gujarat Credo Alumina Chemicals Limited are in the ordinary course of business and on an arm's length price basis and there were no material significant related party transactions made which may have potential conflict with the interest of the company.

The transactions mentioned hereunder are approved by the Board of Directors subject to the approval of shareholders by way of an ordinary resolution in the ensuing general meeting. The particulars of transactions entered or to be entered by the company with related parties as per Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014 are as under:

| 1. | Name of the related party | Gujarat Credo Mineral Industries Limited | Gujarat Credo Alumina Chemicals Limited | |
|----|---|---|--|--|
| 2. | Name of the directors or key managerial personnel who is related, if any | Shri Rakesh Shah Shri Anand Patel | Shri Rakesh Shah Shri Anand Patel Shri Naman Patel | |
| 3. | Nature of relationship | Subsidiary and Joint Venture Company | Wholly-owned Subsidiary Company | |
| 4. | Nature, material terms, monetary value and particulars of the contract or arrangements | Management Fees As per the Secondment Agreement Rs. 6,70,240 p.m. | Lease rent on equipment and machinery As per Lease Agreement for Plant and Machinery Rs. 7,50,000 p.m. | Management Fees As per the Secondment Agreement Rs. 25,00,000 p.m. |
| 5. | Any other information relevant or important for the members to take a decision on the proposed resolution | N/A | N/A | N/A |

2. NOTICE OF ANNUAL GENERAL MEETING

Save and except above, none of the Directors, Key Managerial Personnel and/ or their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution as set out in Item No. 3.

The Board recommends passing of the resolution as set out in Item No. 3 of the notice for approval of the members as an Ordinary Resolution.

ITEM NO. 4

The board of directors, in their board meeting held on 17-08-2023, have given their consent for change in the main object clause of the Memorandum of Association of the company which is subject to the final approval of members of the Company.

Further, with the successful implementation and execution of the Company's foray into downstream value-added industrial projects, the Company has progressed from a basic mineral processor to an established producer of alumina-based chemicals and synthetic zeolites. As such the Company's focus has moved towards industrial chemicals and higher value-added products, therefore there is a need to review the main object in the Memorandum of Association to represent the above metamorphosis of the Company's activities and code of Industrial Activities as per NIC Code.

As per Section 13 of the companies act, 2013 and the rules made thereunder, approval of the members by way of passing a special resolution is required to change the object clause of the memorandum of association of the company.

None of the Directors, Key Managerial Personnel and/ or their relatives are, in any way, concerned or interested financially or otherwise, in the proposed resolution as set out in Item No. 4.

The Board recommends passing of the resolution as set out in Item No. 4 of the notice for approval of the members as a Special Resolution.

ITEM NO. 5

Credo Mineral Industries Limited (CMIL) is engaged into the business of manufacturing Specialty Alumina Chemicals, Alumina Tri-Hydrate, Special Hydrates, Alumina based Advanced Chemicals and Inorganic Chemicals, Zeolite, etc., running through its SPVs & subsidiaries.

Since CMIL is engaged into the business of advanced and specialty chemicals, it is proposed to change the name of the company (CMIL) in line with chemical segments to justify the objectives of the Company. For this purpose, it is proposed to change the name of the company from CREDO MINERAL INDUSTRIES LIMITED to CREDO ADVANCED CHEMICALS LIMITED as the new name is more relevant to reflect its business segment.

As per Section 4, 13 of the companies act, 2013 and the rules made thereunder, approval of the members by way of passing a special resolution is required to change the object clause of the memorandum of association of the company and also the activity code as per National Industrial Classification (NIC) code guideline.

2. NOTICE OF ANNUAL GENERAL MEETING

None of the Directors, Key Managerial Personnel and/ or their relatives are, in any way, concerned or interested financially or otherwise, in the proposed resolution as set out in Item No. 5.

The Board recommends passing of the resolution as set out in Item No. 5 of the notice for approval of the members as a Special Resolution.

ITEM NO. 6

The company proposes to raise capital by way of issuing shares to meet various long-term financial requirements. In order to expand the capital base, it is now proposed to increase the authorized equity share capital of the Company from Rs. 75.50 Cr to Rs. 80.50 Cr. Pursuant to Sections 61(1) (a) and 64(1) (a) of the Companies Act, 2013, and the rules made there under, the Company requires the approval of the members for an increase in the authorised share capital and for the alteration of Capital Clause V of the Memorandum of Association of the Company. Accordingly, the Board recommends the relevant resolutions for the approval of the members.

The Pre and Post Capital Structures would be as under (Authorized, issued subscribed and paid up capital of the Company):

| Sr. No. | Particulars | Existing Share Capital | Capital after increase of Authorized Share Capital |
|---------|--|------------------------|--|
| 1. | Authorized Share Capital | Rs. 75,50,00,000/- | Rs. 80,50,00,000/- |
| 2. | Subscribed, Issued and Paid Up Capital | Rs. 75,00,00,000/- | Rs. 75,00,00,000/- |

None of the Directors, Key Managerial Personnel and/ or their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution as set out in Item No. 6.

The Board recommends passing of the resolution as set out in Item No. 6 of the notice for approval of the members as an Ordinary Resolution.

ITEM NO. 7

Pursuant to the provisions of section 186(3) of the Companies Act, 2013 and rules made thereunder, the Company needs to obtain prior approval of shareholders by way of a special resolution in case the amount of investment, loan, guarantee or security proposed to be made is more than the higher of sixty percent of the paid-up share capital, free reserves and securities premium account or one hundred percent of free reserves and securities premium account.

The company has in place expansion plans for Gujarat Credo Alumina Chemicals Limited (GCACL), a wholly owned subsidiary company. Financing of the proposed expansion will be done through internal resources, issuance of fresh equity, and term loans from banks/ financial institutions. Further, the company has a few more subsidiary companies which may also require corporate guarantee of the company, as and when required by the lenders to meet collateral requirements,

2. NOTICE OF ANNUAL GENERAL MEETING

for their working capital requirements, research and development, and other business purposes. As a holding company, it is proposed to make investments and to provide unsecured loans, give corporate guarantees, and provide security to the subsidiary companies as and when required.

The existing limit of the Company is Rs. 300 Crores (Rupees Three Hundred Crores only) vide special resolution passed by the shareholders of the company at an Annual General Meeting held on 30-09-2016. The Company proposes to obtain approval of shareholders by way of special resolution for an amount not exceeding Rs. 750 Crores (Rupees Seven Hundred Fifty Crores only) outstanding at any time notwithstanding that such investments, outstanding loans given or to be given, and guarantees and security provided/ to be provided are in excess of the limits prescribed under Section 186 of the Companies Act, 2013.

None of the Directors, Key Managerial Personnel and/ or their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution as set out in Item No. 7.

The Board recommends passing of the resolution as set out in Item No. 7 of the notice for approval of the members as a Special Resolution.

ITEM NO. 8

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and as per the recommendation made by the Nomination and Remuneration Committee, Ms. Meena Ramniklal Ambani was appointed as an Additional Director of the company w.e.f. 17-08-2023 by the board of directors under the category of Non-Executive and Non-Independent Director who shall hold office up to the ensuing annual general meeting of the company.

Ms. Meena Ambani is an active participant in Private Equity & Industrial linked ventures and a keen analytical follower of the commodity & financial markets in India and overseas. The Board is of the view that her knowledge, skills, expertise, and experience will be of immense benefit and value to the Company.

The Company has received consent in writing from her to act as a Director and an intimation that she is not disqualified under section 164(2) of the Companies Act, 2013. The company has received valid notice in writing from the member(s) proposing her candidature for the office of Director under the category of Non-Executive and Non-Independent Director.

Pursuant to Secretarial Standards-2 issued by the Institute of Company Secretaries of India, additional information about Ms. Meena Ramniklal Ambani is annexed in **Annexure I** to this Notice.

Save and except above, none of the Directors, Key Managerial Personnel and/ or their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution as set out in Item No. 8.

The Board recommends passing of the resolution as set out in Item No. 8 of the notice for approval of the members as an Ordinary Resolution.

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ITEM NO. 9

Shri Naman Patel has been associated with the company as an executive director since 01-04-2016. He is heading the company's transformation to one of India & Asia's leading players in the field of Alumina Chemicals and High-Performance Materials. The entire business being complex in nature, sophisticated in technology, and very inclusive requires a highly motivated, committed, and able technocrat to meet these challenges. Shri Naman Patel has demonstrated these qualities well during the successful and timely implementation of the Mundra project of Gujarat Credo Alumina Chemicals Limited (GCACL), a wholly owned subsidiary company.

The board of directors, at its meeting dated 17-08-2023, has appointed Shri Naman Patel as Managing Director of the Company, in replacement of his existing designation of Executive Director, for a period of 5 (five) years starting from 17-08-2023 to 16-08-2028 at a remuneration of Rs. 1,00,000/- p.m. for a period of 3 financial years subject to the approval of members by passing a special resolution pursuant to Sections 196, 197, and Schedule V of the Companies Act, 2013.

Shri Naman Patel is not disqualified from being re-appointed as a director in terms of Section 164 of the Act and has given his consent to act as Managing Director of the Company. He satisfies all the conditions, as set out in Section 196 (3) of the Act and Part I of Schedule V to the Act, for being eligible for his appointment.

The Company has not committed any default in respect of any of its debts or interest payable thereon for a continuous period of 30 days in the preceding financial year and in the current financial year.

A statement in terms of the requirements as per sub-clause (iv) of the proviso to subparagraph (B) of paragraph (1) of Section II of Part II of Schedule V to the Act, the information is as furnished below:

| I. General information: | | | | |
|---|------------------------------|----------------|----------------|----------------|
| (1) Nature of industry | Manufacturing and processing | | | |
| (2) Date or expected date of commencement of commercial production | N/A | | | |
| (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus | Not Applicable | | | |
| (4) Financial performance based on given indicators | (Rs. In Lakhs) | | | |
| | Particulars | 2022-23 | 2021-22 | 2020-21 |
| | Revenue from operations | 360.74 | 268.67 | 225.00 |
| | Other income | 195.81 | 246.06 | 263.90 |
| | Total Income | 556.55 | 514.73 | 488.90 |

2. NOTICE OF ANNUAL GENERAL MEETING

| | | | | |
|--|---|--------------|-------------|-------------|
| | Total Expenses | 517.58 | 506.77 | 486.04 |
| | Profit/ (loss) before exceptional Items and tax | 38.97 | 7.95 | 2.86 |
| | Exceptional Expenses | - | - | - |
| | Profit/(loss) before tax | 38.97 | 7.95 | 2.86 |
| | Less: Provision for Taxation: | | | |
| | Current Tax | - | - | - |
| | Deferred Tax | (4.59) | - | - |
| | Profit/(loss) for the period | 43.56 | 7.95 | 2.86 |
| (5) Foreign investments or collaborations, if any. | Chem Asia Technologies Pte Ltd No. of Shares held: 79,77,960 (10.64%) | | | |
| II. Information about the appointee: | | | | |
| (1) Background details | Name: Naman Madhav Patel DIN: 05143261 Date of Birth: 15 October 1988 Education Qualification: - Bachelor of Science in Business Administration, Carnegie Mellon University, USA - International Baccalaureate, United World College of South East Asia, Singapore Professional Experience: - Over 11 years of leadership experience in the manufacturing industry | | | |
| (2) Past remuneration | Rs. 1,00,000 p.m. | | | |
| (3) Recognition or awards | NIL | | | |
| (4) Job profile and his suitability | Shri Naman Patel is associated with the Company as an executive director since 01-04-2016. He is heading the GCACL's transformation to one of India & Asia's leading players in the field of Alumina Chemicals and High-Performance Materials. He has successfully and timely implemented the Mundra project of GCACL, a wholly owned subsidiary company. He is also looking after day to day operations of the company and its subsidiaries. | | | |

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| | |
|---|--|
| (5) Remuneration proposed | Rs. 1,00,000 p.m. |
| (6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin) | The remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior management in other companies. |
| (7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel or other director, if any. | Shri Naman Patel is a managing director at Gujarat Credo Alumina Chemicals Limited (GCACL), a wholly owned subsidiary company. |
| III. Other information: | |
| (1) Reasons of loss or inadequate profits | On a consolidated basis, the company has earned a profit of Rs. 23.15 Cr. However, on a standalone basis, profit after tax is Rs. 0.43 Cr. The company holds controlling interests in its operating subsidiaries which are market leaders in their respective businesses. The Company as a result of these operations, benefits from an integrated structure. The reason for the inadequacy of profit is mainly due to interest paid on secured and unsecured loans. |
| (2) Steps taken or proposed to be taken for improvement | The production capacity of the subsidiary company 'Gujarat Credo Alumina Chemicals Limited' is being increased by debottlenecking the plant and further expansion plans. |
| (3) Expected increase in productivity and profits in measurable terms | The bottom line will increase significantly after increase in the production capacity of the plant. |

Pursuant to Secretarial Standards-2 issued by the Institute of Company Secretaries of India, additional information about Shri Naman Patel is annexed in **Annexure I** to this Notice.

None of the Directors, Key Managerial Personnel and/ or their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution as set out in Item No. 9.

The Board recommends passing of the resolution as set out in Item No. 9 of the notice for approval of the members as a Special Resolution.

ITEM NO. 10

Shri Rakesh Shah is a qualified Chartered Accountant and Company Secretary. He possesses more than 15 years of professional experience in the finance & legal field. He has been associated with the company as a promoter director since 16-09-2009. Further, he was appointed as a Managing Director of the company with effect from 22-02-2011. He is heading the finance & legal division of the company and its subsidiaries.

2. NOTICE OF ANNUAL GENERAL MEETING

The board of directors, at its meeting dated 17-08-2023, has appointed Shri Rakesh Shah as Whole-time Director of the Company, in replacement of his existing designation of Managing Director, for a period of 5 (five) years starting from 17-08-2023 to 16-08-2028 at a remuneration of Rs. 1,00,000/- p.m. for a period of 3 financial years subject to the approval of members by passing a special resolution pursuant to Sections 196, 197, and Schedule V of the Companies Act, 2013.

Shri Rakesh Shah is not disqualified from being re-appointed as a director in terms of Section 164 of the Act and has given his consent to act as Whole-time Director of the Company. He satisfies all the conditions, as set out in Section 196 (3) of the Act and Part I of Schedule V to the Act, for being eligible for his appointment.

The Company has not committed any default in respect of any of its debts or interest payable thereon for a continuous period of 30 days in the preceding financial year and in the current financial year.

A statement in terms of the requirements as per sub-clause (iv) of the proviso to subparagraph (B) of paragraph (1) of Section II of Part II of Schedule V to the Act, the information is as furnished below:

| I. General information: | | | | |
|---|--|----------------|----------------|----------------|
| (1) Nature of industry | Manufacturing | | | |
| (2) Date or expected date of commencement of commercial production | N/A | | | |
| (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus | Not Applicable | | | |
| (4) Financial performance based on given indicators | (Rs. In Lakhs) | | | |
| | Particulars | 2022-23 | 2021-22 | 2020-21 |
| | Revenue from operations | 360.74 | 268.67 | 225.00 |
| | Other income | 195.81 | 246.06 | 263.90 |
| | Total Income | 556.55 | 514.73 | 488.90 |
| | Total Expenses | 517.58 | 506.77 | 486.04 |
| | Profit/ (loss) before exceptional Items and tax | 38.97 | 7.95 | 2.86 |
| | Exceptional Expenses | - | - | - |
| | Profit/(loss) before tax | 38.97 | 7.95 | 2.86 |

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| | | | | |
|---|--|--------------|-------------|-------------|
| | Less: Provision for Taxation: | | | |
| | Current Tax | - | - | - |
| | Deferred Tax | (4.59) | - | - |
| | Profit/(loss) for the period | 43.56 | 7.95 | 2.86 |
| (5) Foreign investments or collaborations, if any. | Chem Asia Technologies Pte Ltd No. of Shares held: 79,77,960 (10.64%) | | | |
| II. Information about the appointee: | | | | |
| (1) Background details | Name: Rakesh Sukhraj Shah DIN: 02076051 Date of Birth: 09/05/1972 Education Qualification: - Qualified CA, CS, L.L.B & ISA Professional Experience: - Over 15 years of leadership experience in the manufacturing industry and in the field of finance. | | | |
| (2) Past remuneration | Rs. 1,00,000 p.m. | | | |
| (3) Recognition or awards | NIL | | | |
| (4) Job profile and his suitability | Shri Rakesh Shah is a qualified Chartered Accountant and Company Secretary. He possesses more than 15 years of professional experience in the finance & legal field. He has been associated with the company as a promoter director since 16-09-2009. Further, he was appointed as a Managing Director of the company with effect from 22-02-2011. He is heading the finance & legal division of the company and its subsidiaries. | | | |
| (5) Remuneration proposed | Rs. 1,00,000 p.m. | | | |
| (6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin) | The remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior management in other companies. | | | |
| (7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel or other director, if any. | Shri Rakesh Shah is a managing director at Gujarat Credo Mineral Industries Limited, a JV and subsidiary company. | | | |
| III. Other information: | | | | |

2. NOTICE OF ANNUAL GENERAL MEETING

| | |
|---|--|
| (1) Reasons of loss or inadequate profits | On a consolidated basis, the company has earned a profit of Rs. 23.15 Cr. However, on a standalone basis, profit after tax is Rs. 0.43 Cr. The company holds controlling interests in its operating subsidiaries which are market leaders in their respective businesses. The Company as a result of these operations, benefits from an integrated structure. The reason for the inadequacy of profit is mainly due to interest paid on secured and unsecured loans. |
| (2) Steps taken or proposed to be taken for improvement | The production capacity of the subsidiary company 'Gujarat Credo Alumina Chemicals Limited' is being increased by debottlenecking the plant and further expansion plans. |
| (3) Expected increase in productivity and profits in measurable terms | The bottom line will increase significantly after increase in the production capacity of the plant. |

Pursuant to Secretarial Standards-2 issued by the Institute of Company Secretaries of India, additional information about Shri Rakesh Shah is annexed in **Annexure I** to this Notice.

None of the Directors, Key Managerial Personnel and/ or their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution as set out in Item No. 10.

The Board recommends passing of the resolution as set out in Item No. 10 of the notice for approval of the members as a Special Resolution.

ITEM NO. 11

Pursuant to the provisions of Section 149, 150, 152 and 161(1) of the Companies Act, 2013 and as per the recommendation made by the Nomination and Remuneration Committee, Shri Rajiv Gandhi was appointed as an Additional Director of the company w.e.f. 17-08-2023 by the board of directors under the category of Independent Director who shall hold office up to the ensuing annual general meeting of the company. It is proposed to seek approval of the members to appoint him as an Independent Director for a term of five years up to 16-08-2028. Further, he shall not be liable to retire by rotation as provided under Section 152(6) of the Companies Act, 2013.

Shri Rajiv Gandhi is a first generation entrepreneur. He founded Hester Biosciences Limited which is Asia's largest single location animal vaccine and health products manufacturing company based in Ahmedabad. He serves as an independent director for our company's subsidiary company as well. The Board is of the view that his knowledge, skills, expertise, and experience will be of immense benefit and value to the Company.

The Company has received consent in writing to act as a Director, a declaration of independence, and an intimation that he is not disqualified under section 164(2) of the Companies Act, 2013. The company has also received valid notice in writing from the member(s) proposing his candidature for the office of Director under the category of Independent Director.

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Pursuant to Secretarial Standards-2 issued by the Institute of Company Secretaries of India, additional information about Shri Rajiv Gandhi is annexed in **Annexure I** to this Notice.

Save and except above, none of the Directors, Key Managerial Personnel and/ or their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution as set out in Item No. 11.

The Board recommends passing of the resolution as set out in Item No. 11 of the notice for approval of the members as an Ordinary Resolution.

ITEM NO. 12

Pursuant to the provisions of Section 149, 150, 152 and 161(1) of the Companies Act, 2013 and as per the recommendation made by the Nomination and Remuneration Committee, Shri Rushil Tamboli was appointed as an Additional Director of the company w.e.f. 17-08-2023 by the board of directors under the category of Independent Director who shall hold office up to the ensuing annual general meeting of the company. It is proposed to seek approval of the members to appoint him as an Independent Director for a term of five years up to 16-08-2028. Further, he shall not be liable to retire by rotation as provided under Section 152(6) of the Companies Act, 2013.

Shri Rushil Tamboli is a graduate in Industrial Engineering from Pennsylvania State University, University Park, USA. He and his family are promoters of Steelcast Limited, a listed company and currently, he is a Whole-time Director of Steelcast Limited. The Board is of the view that his extensive experience and all-encompassing knowledge of sectors in the domestic and international market will be of immense benefit and value to the Company.

The Company has received consent in writing to act as a Director, a declaration of independence, and an intimation that he is not disqualified under section 164(2) of the Companies Act, 2013. The company has also received valid notice in writing from the member(s) proposing his candidature for the office of Director under the category of Independent Director.

Pursuant to Secretarial Standards-2 issued by the Institute of Company Secretaries of India, additional information about Shri Rushil Tamboli is annexed in **Annexure I** to this Notice.

Save and except above, none of the Directors, Key Managerial Personnel and/ or their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution as set out in Item No. 12.

The Board recommends passing of the resolution as set out in Item No. 12 of the notice for approval of the members as an Ordinary Resolution.

ITEM NO. 13

Pursuant to the provisions of Section 149, 150, 152, and 161(1) of the Companies Act, 2013 and as per the recommendation made by the Nomination and Remuneration Committee, Shri Atishe Chordia was appointed as an Additional Director of the company w.e.f. 17-08-2023 by the board of directors under the category of Independent Director who shall hold office up to the ensuing annual general meeting of the company. It is proposed to seek approval of the members to appoint

2. NOTICE OF ANNUAL GENERAL MEETING

him as an Independent Director for a term of five years up to 16-08-2028. Further, he shall not be liable to retire by rotation as provided under Section 152(6) of the Companies Act, 2013.

Shri Atishe Chordia is Bachelor of Science in Mechanical Engineering, Bachelor of Science in Economics from Carnegie Mellon University, Pittsburgh. He is Co-founder and CEO of Doodleblue Innovations Private Limited where he leads the digital transformation of global brands, enterprises, and governments. He has also worked G2 Systems LLC, New York, Nathan Associates, Inc., Washington DC, Engineers for a sustainable World, Nairobi. He has overall work and leadership experience of about 15 years. The Board is of the view that his knowledge, skills, expertise, and experience will be of immense benefit and value to the Company.

The Company has received consent in writing to act as a Director, a declaration of independence, and an intimation that he is not disqualified under section 164(2) of the Companies Act, 2013. The company has also received valid notice in writing from the member(s) proposing his candidature for the office of Director under the category of Independent Director.

Pursuant to Secretarial Standards-2 issued by the Institute of Company Secretaries of India, additional information about Shri Atishe Chordia is annexed in **Annexure I** to this Notice.

Save and except above, none of the Directors, Key Managerial Personnel and/ or their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution as set out in Item No. 13.

The Board recommends passing of the resolution as set out in Item No. 13 of the notice for approval of the members as an Ordinary Resolution.

ITEM NO. 14

Gujarat Credo Mineral Industries Limited (GCMIL) was established as a joint venture company between Credo Mineral Industries Limited (CMIL) and Gujarat Mineral Development Corporation Limited (GMDC) vide Shareholders' Agreement dated 21.11.2011 with 26% stake held by GMDC and 74% stake held by CMIL. GCMIL operates 10,000 MTPA Zeolite 4A manufacturing plant at Village Naredi, Kutch where GMDC is joint venture partner with 26% equity.

Gujarat Credo Alumina Chemicals Limited (GCACL) was incorporated as a wholly owned subsidiary company of Credo Mineral Industries Limited. GCACL operates 65,000 MTPA Alumina Tri-hydrate producing refinery and 25,000 MTPA Sodium Aluminium Silicate manufacturing complex at Mundra SEZ where GMDC is not a stakeholder.

CMIL has imminent expansion plans in GCACL with a fresh investment of approx. Rs. 400 Cr to manufacture further value addition products including special hydrates & specialty chemicals. Whereas expansion in GCMIL is not possible.

It is proposed to merge GCMIL and GCACL for the following benefits to the merged entity:

- ✓ The merged entity will benefit from the GMDC affiliation with world class chemical grade alumina refinery for the further value addition expansion projects based on NPG Bauxite.
- ✓ The merged entity can get direct supply of bauxite from GMDC without the issue of transfer pricing and other billing related issues.

2. NOTICE OF ANNUAL GENERAL MEETING

- ✓ The merged entity can have a simplified organisation structure which will reduce unnecessary paper work and boost project implementations.
- ✓ The merged entity can achieve better economies of scale and higher rate of return on investments for all its stakeholders.

None of the Directors, Key Managerial Personnel and/ or their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution as set out in Item No. 14.

The Board recommends passing of the resolution as set out in Item No. 14 of the notice for approval of the members as an Ordinary Resolution.

ITEM NO. 15

The company proposes to shift the zeolite plant of JV Company Gujarat Credo Mineral Industries Limited (GCMIL) located at Survey No. 70/1, Village – Naredi, Ta. Abdasa, Dist. Kutch, Gujarat to the factory premises of Gujarat Credo Alumina Chemicals Limited (GCACL), a wholly owned subsidiary company located at Plot No. 5, Block-F, Sector 12N, Mundra SEZ, Ta. Mundra, Dist. Kutch, Gujarat.

The following are the Techno-Economical reasons/ grounds for the proposed shifting:

- 1) Zeolite 4A manufacturing is being done at Naredi plant initially using technology supplied by CSMCRI, Govt. of India Research Institute. This technology was based on using low grade Bauxite of Kutchh as a source of Alumina, but the digestion process developed by CSMCRI has performed efficiently, hence the reliance on ATH as a feedstock instead.
- 2) As per present market scenario and demand, the plant of 10,000 TPA is small in capacity and operating small size stand-alone plants with all utility facilities like steam, cooling water, RO water, compressed air etc. is unviable.
- 3) The plant is situated 3 km from Naredi village and adjacent to Naredi bauxite mine of GMDC. The area surrounding the plant bears alkaline soil and lake/talavs in vicinity to the plant also have alkaline water. Being the only industrial unit in the area, GPCB blames the company for alkalinity of soil and water in the area and has penalized the company frequently for reason which not factual. The company has conducted a study of soil and water quality through Gujarat Environment Management Institute which has vindicated our stand accordingly.
- 4) The Company has asked GWSSB and GWIL for water supply and after much difficulties they permitted to draw water from their Mangwana head work by tanker which is 30 KM away from the plant resulting in abnormally high costs.
- 5) The plant is situated in backward area of Abdasa Taluka of Kutchh and availability of skilled manpower and labours is very difficult.
- 6) Notorious elements having vested interests are using govt. platform like GPCB and local administration to create problems for the company.
- 7) Presently, the company uses ATH from GCACL Mundra plant as a source of alumina and stopped using low grade bauxite. If the plant is shifted to Mundra, the PGL (pregnant liquor) available there can be directly used thereby eliminating a major process of dissolution resulting in important cost savings.
- 8) At GCACL Mundra premises, all utilities like steam, air, RO water, cooling water are being shared with other manufacturing facilities which will reduce the cost of production.

2. NOTICE OF ANNUAL GENERAL MEETING

Laboratory facility is also shared between all different chemicals manufacturing sub units there.

- 9) At GCACL Mundra, adequate availability of skilled and semi skilled manpower is an advantage.
- 10) Naredi plant is connected with PGVCL power supply which is erratic with frequent breakdowns and voltage fluctuations that damages plant machineries like electric motors, pumps, control valves and other electronic equipment resulting in production losses and huge maintenance cost.

It is proposed to generate renewable energy using wind power and solar or any related remunerative business/ industrial activity in the vacant land and existing infrastructure following the proposed relocation of the zeolite plant of GCMIL from Naredi to Mundra SEZ, if considered economically viable.

None of the Directors, Key Managerial Personnel and/ or their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution as set out in Item No. 15.

The Board recommends passing of the resolution as set out in Item No. 15 of the notice for approval of the members as an Ordinary Resolution.

By order of the board of directors of
Credo Mineral Industries Limited

Date: 17-08-2023
Place: Ahmedabad

Kirtesh Shah
Company Secretary
A58436

Registered Office:
305, Third Floor, Third Eye One,
Opp. Honest Restaurant, Near Panchvati Five Roads,
C. G. Road, Ahmedabad - 380006, Gujarat.
CIN: U10300GJ1995PLC064782
E-mail: cs@credo.co.in

2. NOTICE OF ANNUAL GENERAL MEETING
Annexure I
**DISCLOSURE RELATING TO APPOINTMENT/ REAPPOINTMENT OF DIRECTORS
PURSUANT TO SECRETARIAL STANDARD ON GENERAL MEETINGS (SS-2)**

| Name of the Director | Anand Patel | Naman Patel | Rakesh Shah | Meena Ambani | Rajiv Gandhi | Rushil Tamboli | Atishe Chordia |
|---------------------------|---|---|---|--|---|--|--|
| Date of Birth | 26/06/1972 | 15/10/1988 | 09/05/1972 | 22/02/1960 | 11/07/1962 | 14/06/1989 | 08/10/1988 |
| Qualification | MBA, Johnson School at Cornell University Management Education Program, IIM-Ahmedabad M.E. (Mechanical Engineering), Stevens Institute of Technology B.E. (Mechanical Engineering), L.D. College of Engineering | Bachelor of Science in Business Administration, Carnegie Mellon University, USA International Baccalaureate, United World College of South East Asia, Singapore | CA CS LLB ISA | Graduate in Arts & Commerce | Bachelor in Commerce - 1983, Bombay University | Bachelor of Science in Industrial Engineering, The Pennsylvania State University International Baccalaureate Diploma, United World College of South East Asia, Singapore | Bachelor of Science in Mechanical Engineering, Carnegie Mellon University, Pittsburgh, USA Bachelor of Science in Economics, Carnegie Mellon University, Pittsburgh, USA |
| Experience | Over 25 years of leadership experience in the Engineering and Manufacturing industry. | Over 11 years of leadership experience in the manufacturing industry. | Over 15 years of leadership experience in the manufacturing industry and in the field of finance. | Over 20 years of experience in the field of commodity & financial markets in India and overseas. | Having more than 35 years of experience in the animal vaccine and health products manufacturing industry. | Over 12 years of experience in Steelcast Limited in various capacities. Currently, Whole-time Director of Steelcast Limited. | Over 15 years of leadership experience in the software systems and engineering field. |
| Date of first appointment | 01/04/2016 | 01/04/2016 | 16/09/2009 | 17-08-2023 | 17-08-2023 | 17-08-2023 | 17-08-2023 |
| Terms and Conditions of | He is retiring as a director under section 152 (6) of | The appointment is for a period of 5 years. He shall be | The appointment is for a period of 5 years. He shall be | She is proposed to be appointed as non-executive non- | The appointment is for a period of 5 years. He shall not | The appointment is for a period of 5 years. He shall not | The appointment is for a period of 5 years. He shall not |

2. NOTICE OF ANNUAL GENERAL MEETING

| appointment/ re-appointment | the act and is eligible to be re-appointed subject to the approval of members. | liable to retire by rotation. | liable to retire by rotation. | independent director. She shall be liable to retire by rotation. | be liable to retire by rotation. | be liable to retire by rotation. | be liable to retire by rotation. |
|------------------------------------|--|---|--|---|---|----------------------------------|---|
| Details of remuneration | N/A | Rs. 1,00,000/- | Rs. 1,00,000/- | N/A | N/A | N/A | N/A |
| Details of remuneration last drawn | N/A | Rs. 1,00,000/- | Rs. 1,00,000/- | N/A | N/A | N/A | N/A |
| Shareholding in the Company | NIL | 34,25,475 Equity Shares (4.57%) | NIL | 20,75,329 Equity Shares (2.77%) | NIL | NIL | NIL |
| Directorship in other Companies | Gujarat Apollo Industries Limited Gujarat Credo Alumina Chemicals Limited Dedhrota Bauxite Mine Private Limited Gujarat Credo Mineral Industries Limited Gujarat Credo Rare Earths Limited Krishitek Industries Private Limited PFH Agri Equipment India Private Limited AEML Investments Limited | Gujarat Apollo Industries Limited Credo Mineral Industries Limited Gujarat Credo Alumina Chemicals Limited Rocktech Mineral Development (Guj.) Private Limited Gujarat Credo Rare Earths Limited Omkareshwar Mines & Minerals Private Limited Noble Tradelink Private Limited | Credo Mineral Industries Limited Tatvang Industries Private Limited Gujarat Credo Alumina Chemicals Limited Gujarat Credo Mineral Industries Limited Rocktech Mineral Development (Guj.) Private Limited Gujarat Credo Rare Earths Limited CSB Projects Private Limited Tatvang Infrastructure Private Limited Zenitech AIF Investment | Triguna Agency Private Limited Gujarat Credo Alumina Chemicals Limited Rembrant Trading Private Limited | Hester Biosciences Limited Steelcast Limited Biolink Healthcare Limited Gujarat Credo Alumina Chemicals Limited Texas Lifesciences Private Limited Gujarat Credo Mineral Industries Limited Aerotrans Services Private Limited Blue Ray Aviation Private Limited Gujarat Airconnect Private Limited Hester Aviation Services Private Limited Hester Diagnostics Private Limited | Steelcast Limited | Doodleblue Innovations Private Limited Purple Elephant Technologies Private Limited Drucker & Grove Fintech Private Limited |

2. NOTICE OF ANNUAL GENERAL MEETING

| | | | | | | | |
|--|--|---|--|-----|--|--|-----|
| | - Youth Empowerment Sansthan | | Strategies Private Limited Tatvang Projects Private Limited | | | | |
| Membership/ Chairmanship of Committees of other Companies | Gujarat Apollo Industries Limited - Member, Nomination and Remuneration Committee - Member, CSR Committee - Member, Risk Management Committee AEML Investments Limited - Chairman, CSR Committee Gujarat Credo Mineral Industries Limited - Member, Nomination and Remuneration Committee | Gujarat Apollo Industries Limited - Chairman, Nomination and Remuneration Committee - Member, Audit Committee | N/A | N/A | Hester Biosciences Limited - Chairman, CSR Committee - Member, Stakeholders Grievance and Redressal Committee Steelcast Limited - Chairman, Nomination and Remuneration Committee Gujarat Credo Mineral Industries Limited - Chairman, Audit Committee | Steelcast Limited Member, Risk Management Committee | N/A |
| Relationship with other Directors, Manager and other Key Managerial Personnel of the company | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| No. board meetings attended during FY 2022-23 | 6 | 6 | 6 | N/A | N/A | N/A | N/A |

3. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report

Company Overview-Present & Future / Global scenario

India, under the wise and able leadership of our Hon'ble Prime Minister Shri Narendra Modi, has safely recovered from the dramatic ill effects of the pandemic that the entire world has had to face. The Indian economy has gradually returned back to its original growth rates.

However, the economic situation overseas, and geo political issues including the Russo - Ukrainian conflict have had an adverse effect on energy and commodity supply demand. This has resulted in inflationary pressures causing pain to consumers worldwide. India cannot be isolated from these events though the level of stress being experienced is lesser.

CREDO, a name synonymous with "trust", continues being uniquely positioned to stride on its journey of solid growth by developing its base of industrial consumers and communities we serve beyond these challenging times. The year under review for the group has been that of consolidation and development with momentous achievements.

Business Overview

In this year, we are pleased to report that the CREDO family has continued to remain strong because of our values – particularly, integrity, fair dealing and ethical practices that are the underpinnings of our focus on doing the right thing. Our appreciation and gratitude go to our wonderful people, for the encouraging performance at both our operating subsidiaries by delivering all around growth. In both our businesses we have continued to expand our market penetration and increased the share of our product ranges within and outside India. Leading end user industries have placed their trust in our brands and have committed off take arrangements on long term basis. We continue our efforts to build long term loyalty by investing in our relationships with them.

Credo Group's unique operations cover an integrated circuit that starts from Gujarat's own generated and mined raw materials and reaches the markets in the form of Alumina Hydrates, Synthetic Zeolites and Beneficiated Bauxite grades as value added products. The group strives to continue its efforts to enhance value to its businesses for the benefit of its stakeholders while simultaneously following best governance and disclosure policies, good working conditions for its team of engineers, contractors, workmen and administrative personnel.

The year under review continued to witness milestones in the growth journey of the Credo Group.

Both plants performed with distinctions. For all our products, being related to health, hygiene and water treatment, higher offtake was experienced in consumption which supported increased dispatches.

Credo's JVC with the State PSU, GMDC Ltd., Gujarat Credo Mineral Industries Ltd (GCMIL), had high production of Synthetic Zeolite for applications in the detergent and hygiene segments. Production capacity continues to remain fully booked year round.

GCMIL continued to deliver DBLB product on its supply commitments to its main off take buyer Gujarat Credo Alumina Chemicals for its Mundra Specialty Chemicals complex.

Credo's wholly owned subsidiary, Gujarat Credo Alumina Chemicals Ltd. (GCACL) achieved higher production at its nameplate capacity at its Chemical Grade Alumina Complex at APSEZ, Mundra,

3. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Dist. Kutchh during the year. GCACL strengthened sale of its quality chemical products. Exports continued to its main markets of Asia Pacific region. The company has received admirable support from its skilled team and sincerity of the highly qualified, motivated and hardworking group of engineers, workmen, technicians and commercial executives to face challenges successfully. On the quality front, GCACL continued its quest for higher quality parameters maintaining ISO 14000 & 45000 certification by Bureau Veritas. Brownfield value addition expansion programs were successfully implemented.

Credo Group's both plants remain well managed by a dedicated team of technically experienced engineers and technicians who have demonstrated grit and commitment to maintaining operations under the most challenging of situations while at the same time, strictly following the Group's ethos on 'Safety & Health First' for all our stakeholders.

We have no doubt that India and therefore the Credo Group shall bravely and successfully perform during these challenging times and come out stronger than ever before!

Jai Hind!

4. REPORT ON CORPORATE SOCIAL RESPONSIBILITY

REPORT ON CORPORATE SOCIAL RESPONSIBILITY

The CREDO Group has always had a meaningful Corporate Social Responsibility policy that is to reach out to underserved communities and to bring meaningful difference to civil society at large with a focus on its immediate environment. The CSR activities of the Group continues to contribute towards employment, education, health care providing essential services like housing facilities, safe drinking water, medical facilities in matching with scale of business operation.

Corporate Social Responsibility is taken most seriously at Credo.

We continue to strive to serve communities where we are active in our operations, in the fields of health, environment, education and infrastructure.

5. REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company, CMIL believes that Corporate Governance reflects the culture and mindset of the organization. The sound corporate governance designs the system and practice of ensuring accountability, transparency, fairness in all of its transaction in the widest sense and to meet its stakeholders' aspirations and societal expectations.

Your Company, CMIL strives towards adopting best governance and disclosure policies to be applied to all areas of operations to ensure its Values, Integrity, Commitment, Passion and to maximize value for all of its stakeholders.

6. DIRECTORS' REPORT

DIRECTORS' REPORT

To,
The Members,
Credo Mineral Industries Limited

Your directors have pleasure in presenting the Company's **28th Annual Report** together with the Audited Financial Statements and the Auditors Report for the year ended on 31st March, 2023.

1. FINANCIAL SUMMARY / HIGHLIGHTS

| PARTICULARS | (Amount in INR) | |
|---|--------------------|--------------------|
| | 2022-23 | 2021-22 |
| Revenue from Operation | 3,60,74,000 | 2,68,66,607 |
| Other Income | 1,95,80,642 | 2,46,06,171 |
| Total Revenue | 5,56,54,642 | 5,14,72,778 |
| Operating & Other Expenses | 2,57,83,278 | 2,13,77,043 |
| Profit Before Depreciation, Interest and Tax | 2,98,71,364 | 3,00,95,735 |
| Finance Cost | 2,39,17,562 | 2,71,28,768 |
| Depreciation and Amortization Expenses | 20,56,849 | 21,71,570 |
| Profit Before Tax | 38,96,953 | 7,95,397 |
| Tax Expenses | (4,59,227) | 0 |
| Profit After Tax | 43,56,180 | 7,95,397 |
| Prior Year Adjustments | 0 | 0 |
| Balance Brought Forward | 0 | 0 |
| Other Comprehensive income | 4,62,286 | 0 |
| Profit Available for Appropriation | 48,18,466 | 7,95,397 |
| APPROPRIATIONS: | | |
| Amount Transferred to General Reserves | 0 | 0 |
| Proposed Dividend | 0 | 0 |
| Provision for Tax on Dividend | 0 | 0 |

2. FINANCIAL PERFORMANCE AND THE STATE OF THE COMPANY'S AFFAIRS

The company holds controlling interests in its operating subsidiaries which are market leaders in their respective businesses. CMIL as a result of these operations, benefits from an integrated structure well strategized to meet growing demands and dominance in the field of Alumina based inorganic chemicals.

Details of future outlook/prospects have been given in Management's Discussion and Analysis Report.

6. DIRECTORS' REPORT

During the year under report, the Company's standalone total revenue is INR 5,56,54,642/- as compared to INR 5,14,72,778/-. The profit after tax is INR 43,56,180/- as compared to INR 7,95,397/- during the previous financial year.

The Group's consolidated total income is INR 2,31,78,20,105/- with Profit After Tax is INR 23,14,82,555/- and EBITDA is INR 71,23,98,292/- which is 31.14% for the financial year 2022-23.

Key highlights on consolidated financial performance:

- Total Income: The total income increased by 21.35% to INR 2,31,78,20,105/- in comparison to INR 1,91,00,29,541/- in the previous financial year.
- EBITDA: The EBITDA increased by 82.55% to INR 71,23,98,292/- in comparison to INR 37,92,49,801/- in the previous financial year.
- PAT: The PAT of the Company also increased to INR 23,14,82,555/- in comparison to INR 96,692/- in the previous financial year.
- EPS is INR 3.37 as compared to INR 0.0014 in the previous financial year.

3. HIGHLIGHTS OF PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES AND THEIR CONTRIBUTION TO THE OVERALL PERFORMANCE OF THE COMPANY DURING THE PERIOD UNDER REPORT

A statement containing salient features of the financial statement of our subsidiaries/ joint venture company in the prescribed format AOC-1 is appended as **Annexure - 1** to the Board Report. The statement also provides the details of performance of subsidiaries, associates and joint venture companies and their contribution to the overall performance of the company during the period under report pursuant to section 134(3)(q) of the Companies Act, 2013 and rule 8(5)(iv) of the Companies (Accounts) Rules, 2014.

In accordance with IND-AS 110 on Consolidated Financial Statements read with IND-AS 28 on Accounting for Investments in Associates & Joint Ventures and also as per Section 129 of the Act, the audited Consolidated Financial Statements are furnished in this Report.

4. DETAILS OF SUBSIDIARIES/ JOINT VENTURE/ ASSOCIATE COMPANIES

The Company have the following subsidiaries, associate and joint ventures companies as on 31.03.2023:

- Gujarat Credo Mineral Industries Limited** is a subsidiary Company and Joint Venture Company in which CMIL is holding 74% stake in this company. The said company is promoted by Gujarat Mineral Development Corporation Limited ('GMDC' – A Govt. of Gujarat Enterprise) & CMIL by Joint Venture Agreement. The company has complied with terms & conditions of JV agreement.
- Gujarat Credo Alumina Chemicals Limited** is a wholly owned subsidiary Company in which CMIL is holding 100% stake.

6. DIRECTORS' REPORT

- iii **Rocktech Mineral Development (Guj.) Private Limited** is a subsidiary Company in which CMIL is holding 99.15% stake.
- iv **Lucent Mines and Mineral Private Limited** is a wholly owned subsidiary company in which CMIL is holding 100% stake.
- v **Gujarat Credo Rare Earths Limited (GCREL)** is wholly owned subsidiary company in which CMIL is holding 100% stake.

5. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Audited Financial Statements for the financial year 2022-2023, forming part of this Annual Report, have been prepared in accordance with Indian Accounting Standards (Ind-AS) notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standard) Rules, 2015 and presentation requirements of Division II of Schedule III of Companies Act, 2013.

6. DIVIDEND & RESERVES

With a view to conserve resources for future business operations of the Company, your directors do not recommend any dividend for the financial year ended on March 31, 2023.

During the financial year under review, an amount of INR 43,56,180/- was transferred to reserves of the Company as retained earnings as compared to INR 7,95,397/- in the previous financial year.

7. PUBLIC DEPOSITS

The company has not accepted any deposits during the year and there are no outstanding deposits within the meaning of provisions of sections 73 to 76 of the Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014, and as such no amount of principal or interest was outstanding as on the date of the Balance Sheet.

The details relating to the deposits covered under Chapter V of the Act are as under:

- Deposit accepted during the year: **Nil**
- Remained unpaid or unclaimed as at the end of the year: **Nil**
- whether there has been any default in repayment of deposits or payment of interest thereon during the year: **None**
- The details of deposits which are not in compliance with the requirements of Chapter V of the Act: **None**

8. TRANSFER OF UNPAID/ UNCLAIMED DIVIDEND

The Company does not have any amount of Unpaid/ Unclaimed Dividend which is required to be transferred to the Investors Education & Protection fund as required under provisions of the Companies Act, 2013.

6. DIRECTORS' REPORT

9. DIRECTORS AND KEY MANAGERIAL PERSONNEL AND CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board comprises of the following Directors and KMPs as on 31.03.2023:

| | |
|--------------------|----------------------|
| Shri Anand Patel | Executive Director |
| Shri Rakesh Shah | Managing Director |
| Shri Naman Patel | Executive Director |
| Shri Vikas Chandra | Independent Director |
| Shri Parasmal Shah | Independent Director |
| Mr. Krunal Shah | CFO |
| Mr. Kirtesh Shah | Company Secretary |

➤ Changes in Board of Directors and Key Managerial Personnel

No changes in directors and key managerial personnel have taken place within the Company during the year under report.

➤ Directors retire by rotation

As per the provisions of Section 152(6) of the Companies Act, 2013, Shri Anand Patel, Director of the Company will retire by rotation at the ensuing Annual General Meeting and being eligible for re-appointment and has offered himself for re-appointment. The Board recommends to the shareholders for his re-appointment in the larger interest of the company.

➤ Number of board meetings held

In keeping with provisions of Section 173 of the Companies Act, 2013 the Board met at a regular interval to discuss and decide on business strategies / policies and to review the financial as well as operational performance of the Company. During the financial year under review, the Board met 6 (Six) times with due compliance of Secretarial Standard-1 notified under the Act.

All the meetings of the Board of Directors of the Company are scheduled well in advance. The agenda of the meeting was prepared and all necessary papers were circulated to members of the Board in advance. All members of the Board have access to all information of the Company and are free to recommend inclusion of any matter in the agenda for discussions.

The attendance of the directors in the meeting are as follows:

| No. | Date of Meeting | Shri Anand Patel | Shri Rakesh Shah | Shri Naman Patel | Shri Vikas Chandra | Shri Parasmal Shah |
|-----|-----------------|------------------|------------------|------------------|--------------------|--------------------|
| 1 | 26-05-2022 | Yes | Yes | Yes | No | Yes |
| 2 | 05-09-2022 | Yes | Yes | Yes | No | No |
| 3 | 03-11-2022 | Yes | Yes | Yes | Yes | No |
| 4 | 01-12-2022 | Yes | Yes | Yes | No | No |
| 5 | 04-01-2023 | Yes | Yes | Yes | No | No |
| 6 | 13-02-2023 | Yes | Yes | Yes | No | No |

6. DIRECTORS' REPORT

A separate meeting of Independent Directors was held on 13-02-2023 in compliance with the provisions of the Companies Act, 2013 for;

- Evaluation of performance of Non-Independent Directors and the Board of Directors of the Company as a whole.
- Evaluation of performance of the Chairman of the Company, taking into views of Executive and Non-Executive Directors.
- Evaluation of the quality, content and timeliness of flow of information between the management and the board that is necessary for the board to effectively and reasonably perform its duties.

10. DISCLOSURE U/S 164(2) & 184 (2) OF THE COMPANIES ACT, 2013

The company has received the disclosure in form DIR-8 & MBP-1 from its directors being appointed and has noted that none of the directors are disqualified under section 164(2) & 184(2) of the Companies Act, 2013 read with rule 14(1) of Companies (Appointment and Qualification of Directors) Rules, 2014.

11. COMMITTEES OF THE BOARD

Your Company has following two committees that have been established as part of best corporate governance practices and in compliance with section 177 & 178 of the Companies Act, 2013. During the year under review, the committee meetings were held on the following dates.

| AUDIT COMMITTEE | NOMINATION AND REMUNERATION COMMITTEE |
|-----------------|---------------------------------------|
| 29-08-2022 | 29-08-2022 |

12. CHANGE IN THE NATURE OF BUSINESS, IF ANY

There is no change in nature of business activities held in the company from last year to current year.

13. SHARE CAPITAL

During the year under review, authorised share capital of the company has been increased from INR 71,00,00,000 to INR 75,50,00,000. The authorised share capital of the Company as on 31.03.2023 is INR 75,50,00,000 and the paid-up share capital of the Company as on 31.03.2023 is INR 75,00,00,000.

Further,

a) Issue of equity shares with differential rights.

The company has not issued any equity shares with differential rights during the year under review.

b) Issue of sweat equity shares

The Company has not issued any Sweat Equity Shares during the year under review.

c) Issue of employee stock options

The Company has not provided any Stock Option Scheme to the employees.

6. DIRECTORS' REPORT

d) Provision of money by Company for purchase of its own shares by employees or by trustees for the benefit of employees

The Company has not bought back or provided for buyback of any of its securities during the year under review. Further, the Company didn't make any provision of money for purchase of its own Shares by employees or by trustees for the benefit of employee.

e) Issue of Bonus Shares

The Company has not issued any Bonus Shares during the year under review.

f) Issue of Preference Shares

The company has not issued any preference shares during the year under review.

During the year under review, the board of directors, in its duly held meeting on 01-12-2022, has allotted 93,12,986 equity shares of INR 10/- each at a premium of INR 17/- each under the right issue of shares.

14. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

During the financial year under report, no significant or material orders have been passed by any of the regulators or courts or tribunals impacting the going concern status and operations of the Company in the future.

15. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROL WITH REFERENCE TO THE FINANCIAL STATEMENTS

The company has an adequate internal control system which is commensurate with the size and nature of the business. The scope and authority of the internal audit functions are well defined. Detailed manuals are in place to ensure that all the assets are safeguarded, protected against loss and all transactions are authorized, recorded and reported correctly.

The Audit Committee of the Board actively reviews, every quarter, the adequacy and effectiveness of the internal control systems and suggests improvements necessary to strengthen the same.

Your Company has laid down the set of standards, processes and structure which enables it to implement internal financial control across the organization and ensure that the same are adequate and operating.

The Company's internal financial controls with reference to financial statements are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with applicable accounting principles. The company's internal financial controls with reference to financial statements include those policies and procedures that:

- i. pertains to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- ii. 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 in accordance with authorisations of management and Directors of the Company; and

6. DIRECTORS' REPORT

- iii. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the Company's assets that could have a material effect on the Financial Statements.

Further, the Internal Audit Department monitors and evaluates the efficacy and adequacy of internal financial control system in the company, its compliance with the operating norms/parameters, accounting procedures and policies for safeguarding of its assets, prevention and detection of frauds, errors in reporting mechanism, accuracy and completeness of the accounting records and timely preparation of accurate and reliable financial disclosures about the company. Based on the reports of the internal auditors, the process owners undertake corrective actions in their respective areas and thereby ensure compliances of major observations / suggestion of internal auditors and action taken thereon is regularly reported to Audit Committee.

The board periodically reviews the adequacy of internal financial controls. During the year, such controls were tested and no reportable material weaknesses were observed.

16. STATUTORY AUDITORS

M/s Pankaj R. Shah & Associates (FRN: 107361W) Chartered Accountants, Ahmedabad have been appointed as Statutory Auditors of the Company by the members at their 26th Annual General Meeting held on 30th September, 2021 to hold office till the conclusion of Annual General Meeting for the F.Y. 2025-2026.

17. SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 your Board appointed M/s B. Kumar Tank & Associates, Practicing Company Secretary, as the Secretarial Auditor of the company for the financial year ended on 31st March, 2023. The Secretarial Auditor have confirmed that the Company has complied with the applicable laws and that there are adequate systems and processes in the Company commensurate with its size and scale of operations to monitor and ensure compliance with the applicable laws.

The Secretarial Audit Report is issued in Form MR-3 by M/s. B. Kumar Tank & Associates, Practicing Company Secretary, in respect of the Secretarial Audit of the Company for the year ended on 31st March, 2023.

The Secretarial Audit Report pursuant to Section 204 of the Companies Act, 2013 forms part of this Report as "**Annexure 3**".

18. EXPLANATION OR CLARIFICATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND COMPANY SECRETARY IN PRACTISE IN THEIR REPORTS.

No qualification, reservation or adverse remarks or disclaimers were received by the company from the Statutory Auditor and Secretarial Auditor in their report.

19. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

6. DIRECTORS' REPORT

The particulars as to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo required to be disclosed in terms of Section 134 of the Companies Act, 2013 & Rule 8 of the Companies (Accounts) Rules, 2014 are not applicable to the company during the year under review.

20. CORPORATE SOCIAL RESPONSIBILITY

The company did not attract any criteria required for Corporate Social Responsibility during the financial year under report and hence not required to comply the provision of Section 135 of the Companies Act, 2013 including rules framed there under during the year under review.

21. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY COMPANY

Particulars of loans and advances made by the company are as under:

(Amount in INR)

| Sr. No. | Name of Companies | Relation with Company | Closing balance as on 31.03.2023 |
|---------|---|------------------------------------|----------------------------------|
| 1 | Gujarat Credo Mineral Industries Limited | Joint Venture & Subsidiary Company | 8,79,00,000 |
| 2 | Gujarat Credo Alumina Chemicals Limited | Wholly owned Subsidiary Company | 32,42,50,422 |
| 3 | Rocktech Mineral Development (Guj.) Private Limited | Subsidiary Company | 76,110 |
| 4 | Lucent Mines and Mineral Private Limited | Wholly owned Subsidiary Company | 54,34,555 |

Particulars of investments made by the company in the equity shares of the subsidiary companies are as under:

(Amount in INR)

| Sr. No. | Name of Companies | Relation with Company | Closing balance as on 31.03.2023 |
|---------|---|------------------------------------|----------------------------------|
| 1 | Gujarat Credo Mineral Industries Limited | Joint Venture & Subsidiary Company | 14,05,92,000 |
| 2 | Gujarat Credo Alumina Chemicals Limited | Wholly owned Subsidiary Company | 1,46,06,47,100 |
| 3 | Rocktech Mineral Development (Guj.) Private Limited | Subsidiary Company | 3,03,40,000 |
| 4 | Lucent Mines and Mineral Private Limited | Wholly owned Subsidiary Company | 35,23,35,120 |
| 5 | Gujarat Credo Rare Earths Limited | Wholly owned Subsidiary Company | 5,00,000 |

Particulars of guarantees provided by the company are as under:

| Sr. No. | Name of Companies | Relation with Company | Guarantee provided to | Amount of Credit Facilities for which guarantee has been provided |
|---------|--|------------------------------------|-----------------------|---|
| 1 | Gujarat Credo Mineral Industries Limited | Joint Venture & Subsidiary Company | HDFC Bank | INR 35.02 Crores |
| 2 | Gujarat Credo Alumina Chemicals Limited | Wholly owned Subsidiary Company | PNB Consortium | INR 278.80 Crores |

6. DIRECTORS' REPORT

22. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the year under review, Company has entered into transactions with the related parties as defined under the Companies Act, 2013 which were in the ordinary course of business and on arm's length basis and hence the company does not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant related party transactions made by the company with promoters or directors which may have potential conflict with the interest of the Company at large. All the related party transactions were placed before the board and audit committee, and are pre-approved by the board and audit committee in their meeting. Details of related party transactions are mentioned in "**Annexure 2**" to the Directors' Report in Form No. AOC-2.

23. DECLARATION BY INDEPENDENT DIRECTORS

All Independent Directors have given their declaration to the Board that they meet the criteria prescribed for independence under Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and rules made there under.

24. BOARD EVALUATION

The Nomination & Remuneration Committee formulated a policy on board evaluation, evaluation of functioning of the committees of the board and individual director, and also specified that such evaluation will be done by the Board.

Pursuant to section 134(3)(p) of the Companies Act, 2013 read with rule 8 (4) of the Companies (Accounts) Rule, 2014 during the year under review, the board evaluation was performed after seeking inputs from all the directors and included criteria such as the board composition and structure, effectiveness of board processes. A separate exercise was carried out to evaluate the performance of each of the individual directors including the Board's chairman who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgments, safeguarding of minority shareholders' interest etc.

25. VIGIL MECHANISM/ WHISTLE BLOWER POLICY

Your company has a robust vigil mechanism in the form of a Code of Conduct ("CoC") which enables all its employees/ stakeholders to report concerns about unethical or inappropriate behaviour, actual or suspected fraud, leak of unpublished price sensitive information, unfair or unethical actions or any other violation of the CoC to the Management of the Company. The Vigil Mechanism policy of the Company meets the requirements of the vigil mechanism framework under the Companies Act, 2013. The Policy provides for adequate safeguards against the victimization of employees and directors who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases. As a part of the best practice and transparency, the Board has taken all precautions to protect the rights of employees/ stakeholders and create a fair and transparent atmosphere in the Company.

26. STATEMENT INDICATING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY

The Board of Directors has developed and implemented a Risk Management Policy for the Company. It has identified and assessed internal and external risks, with potential impact and

6. DIRECTORS' REPORT

likelihood that may impact the Company in achieving its strategic objectives or may threaten its existence. The policy lays down the procedures for risk identification, description, evaluation, estimation, reporting and development of an action plan. The policy includes the identification of elements of risks which mainly covers Strategic Risk, Operational Risk, Financial Risk and Hazardous Risks.

The key cornerstones of your Company's Risk Management Framework are:

- Periodic assessment and prioritization of risks that affect the business of your Company;
- Development and deployment of risk mitigation plans to reduce vulnerability to prioritized risks;
- Focus on both the results and efforts required to mitigate the risks;
- Defined review and monitoring mechanism wherein the functional teams, the top management and the Board review the progress of the mitigation plans;
- Integration of Risk Management with strategic business plan, annual operating plans, performance management system and significant business decisions;
- Constant scanning of external environment for new and emerging risks;
- Install adequate internal controls to ensure that the limits are adhered to.

27. DIRECTORS RESPONSIBILITY STATEMENT

In terms of Section 134(3)(c) of the Companies Act, 2013, the Board of Directors states that:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.;
- b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the Directors had prepared the annual accounts on a going concern basis;
- e) the Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

28. PARTICULARS OF EMPLOYEES / DIRECTORS

In accordance with the provisions of section 197 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended, Company has no employee as at 31st March, 2023 employed throughout the year who was in receipt of remuneration of INR 1,02,00,000/- or more per annum and INR 8,50,000/- or more per month.

6. DIRECTORS' REPORT

29. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company is committed to create a safe and healthy work environment, where every employee is treated with respect and is able to work without fear of discrimination, prejudice, gender bias, or any form of harassment at the workplace.

The Company has in place a policy on prevention, prohibition and redressal of sexual harassment at workplace and has complied with provisions relating to the constitution of Internal Complaints Committee in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (as amended). During the year under review, no complaints on sexual harassment were received.

30. SECRETARIAL STANDARDS

Your Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Act.

31. INTERNAL AUDITORS

M/s Richa Shah & Co., Chartered Accountants, Ahmedabad. (FRN: 151397W), have conducted the Internal Audit for the financial year 2022-2023. Further the report with no audit qualifications, reservation, adverse remark or disclaimer on Internal Auditor of the Company for the financial year 2022-2023 has been received.

Further, the Board has re-appointed M/s Richa Shah & Co., Chartered Accountants, Ahmedabad (FRN: 151397W), as Internal Auditors of the Company for the financial year 2023-2024. The required consent to act as the Internal Auditors of the Company for the financial year 2023-2024 has been received by the Company from the said Internal Auditors, on terms & conditions as mutually agreed upon between the Internal Auditors and the Board / management of the Company.

32. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SECTION 143(12) OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT

During the year under report, neither the Statutory Auditors nor the Secretarial Auditors have reported to the Audit Committee, under Section 143(12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees.

33. OTHER DISCLOSURES

- The company has neither made any application nor any proceeding is pending under the Insolvency and Bankruptcy Code, 2016.
- The requirement to disclose the details of difference between amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable.

6. DIRECTORS' REPORT

- The requirement of attaching extract of annual return in the Form MGT-9 with the Board Report has been done away vide notification dated 28.08.2020 by the Ministry of Corporate Affairs.

34. INDEBTEDNESS OF COMPANY

Details of the loans taken by the Company as per provisions of the Companies Act, 2013 form part of the notes to the financial statements of the Company.

35. MATERIAL CHANGES AND COMMITMENT, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT.

There were no material changes and commitments, that would affect financial position of the company from the end of the financial year of the company to which the financial statements relate and the date of the directors' report.

36. INDUSTRIAL RELATION

During the year under report, harmonious relations were maintained with Clients, Government Department and Banks etc. by your company.

37. STATUTORY COMPLIANCES

All Statutory Compliances prescribed under the Companies Act, 2013 have been complied with by the Company during the year under review.

38. ACKNOWLEDGEMENTS

Your directors place on records their deep sense of appreciation for continuous support from the Company's employees, customers, vendors, investors and lenders. Your directors also wish to place on record their deep sense of appreciation to the government of various countries, the government of India, the governments of various states in India and concerned government departments/ agencies for their cooperation.

For and on behalf of Board of Directors of
CREDO MINERAL INDUSTRIES LIMITED

Rakesh Shah
Managing Director
DIN: 02076051

Anand Patel
Director
DIN: 00002277

Date: 17-08-2023
Place: Ahmedabad

6. DIRECTORS' REPORT

Annexure-1 to the Directors' Report

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in INR)

| Sr. No. | Particulars | Details | | | | |
|---------|---|--|---|---|--|-----------------------------------|
| | | Lucent Mines and Mineral Private Limited | Rocktech Mineral Development (Guj.) Private Limited | Gujarat Credo Alumina Chemicals Limited | Gujarat Credo Mineral Industries Limited | Gujarat Credo Rare Earths Limited |
| 1. | Name of the subsidiary | | | | | |
| 2. | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | No | No | No | No | No |
| 3. | Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries | No | No | No | No | No |
| 4. | Share capital | 3,00,00,000 | 3,06,00,000 | 13,92,98,140 | 19,00,00,000 | 5,00,000 |
| 5. | Reserves & surplus | 66,04,07,329 | 64,39,735 | 1,28,62,45,532 | 25,77,43,281 | (1,53,899) |
| 6. | Total assets | 69,62,38,704 | 3,73,20,595 | 4,98,22,66,890 | 98,60,06,920 | 3,49,101 |
| 7. | Total Liabilities | 58,31,375 | 2,80,860 | 3,55,67,23,218 | 53,82,63,639 | 3,000 |
| 8. | Investments | Nil | Nil | Nil | Nil | Nil |
| 9. | Turnover | Nil | Nil | 1,87,94,87,439 | 82,55,87,337 | Nil |
| 10. | Profit before taxation | (2,16,095) | (62,785) | 33,10,70,873 | 3,22,50,445 | (1,53,899) |
| 11. | Provision for taxation | Nil | Nil | 7,90,33,464 | 1,80,04,935 | Nil |
| 12. | Profit after taxation | (2,16,095) | (62,785) | 25,20,37,409 | 1,42,45,511 | (1,53,899) |
| 13. | Proposed Dividend | Nil | Nil | Nil | Nil | Nil |
| 14. | % of shareholding | 100% | 99.15% | 100% | 74% | 100% |

6. DIRECTORS' REPORT

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

| Sl. No. | Particulars | Details |
|---------|---|--|
| | Name of associates/Joint Ventures | Gujarat Credo Mineral Industries Limited |
| 1. | Latest audited Balance Sheet Date | 31 st March, 2023 |
| 2. | No. of Shares of Associates /Joint Ventures held by the company on the year end | 1,40,60,000 |
| 3. | Amount of Investment in Associates/Joint Venture | 14,06,00,000/- |
| | Extend of Holding% | 74% |
| 4. | Description of how there is significant influence | The company holds 74% stake in Gujarat Credo Mineral Industries Limited and by virtue of this holding, significant influence is there. |
| 5. | Reason why the associate/ joint venture is not consolidated | N/A (Consolidated financial statement has been prepared.) |
| 6. | Net worth attributable to shareholding as per latest audited Balance Sheet (44,77,43,281/- *74/100) | 33,13,30,028/- |
| 7. | Profit/Loss for the year | INR 1,42,45,511/- |
| 8. | i. Considered in Consolidation | ✓ |
| 9. | ii Not Considered in Consolidation | - |

For and on behalf of Board of Directors of
CREDO MINERAL INDUSTRIES LIMITED

Rakesh Shah
Managing Director
DIN: 02076051

Anand Patel
Director
DIN: 00002277

Kirtesh Shah
Company Secretary

Krunal Shah
CFO

Date: 17-08-2023
Place: Ahmedabad

6. DIRECTORS' REPORT

Annexure - 2 to the Directors' Report

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis: N/A
2. Details of material contracts or arrangement or transactions at arm's length basis

| Name of the related party and nature of relationship | Nature of contracts/ arrangements/ transactions | Duration of the contracts/ arrangements/ transactions | Salient terms of the contracts/ arrangements/ transactions including the value, if any | Date(s) of approval by the Board, if any | Amount paid as advance, if any |
|---|--|---|--|--|--------------------------------|
| CSB Projects Private Limited Shri Rakesh Shah is director of the company | Leave and License Agreement for a period of 3 Years executed on 08.02.2022 & 28.06.2022 | 08-02-2022 to 27-06-2022 & 28-06-2022 to 27-06-2025 | As per Leave and License Agreement INR 10,000 per month | 29-01-2022 & 27-06-2022 | NIL |
| Gujarat Credo Alumina Chemicals Limited A wholly owned subsidiary company | Lease Agreement for Plant and Machinery for a period of 54 months executed on 01.04.2019 | 01-04-2019 to 30-09-2023 | As per Lease Agreement for Plant and Machinery INR 90,00,000/- | 05-09-2022 | NIL |
| | Management Fee | 01-04-2022 to 31-03-2023 | As per the secondment agreement INR 2,02,58,000/- | 05-09-2022 | NIL |
| Gujarat Credo Mineral Industries Limited A JV and subsidiary company | Management Fees | 01-04-2022 to 31-03-2023 | As per the secondment agreement INR 68,16,000/- | 05-09-2022 | NIL |

For and on behalf of Board of Directors of
CREDO MINERAL INDUSTRIES LIMITED

Rakesh Shah
Managing Director
DIN: 02076051

Anand Patel
Director
DIN: 00002277

Date: 17-08-2023
Place: Ahmedabad

7. SECRETARIAL AUDIT REPORT

FORM NO. MR-3
SECRETARIAL AUDIT REPORT OF
CREDO MINERAL INDUSTRIES LIMITED
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
CREDO MINERAL INDUSTRIES LIMITED
305, Third Floor, Third Eye One, Opp. Honest Restaurant,
Near Panchvati Five Roads, C. G. Road, Ahmedabad, Gujarat - 380006

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Credo Mineral Industries Limited** (CIN: U10300GJ1995PLC064782) (hereinafter called "the company"). The 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.

Based on our verification of the Company's books, papers, minute books, 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, the explanations and clarifications given to us and representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2023 ("Audit Period"), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and legal compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023 according to the provisions of the following list of laws and regulations:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and rules made thereunder;
Not applicable to the company as Company is not a Listed Company
- (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 Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings. During the year under review, except company has filed FLA return, no such other events were there relating to FEMA Act in the Company.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') **are not applicable to the company being an Unlisted Public company** :-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

7. SECRETARIAL AUDIT REPORT

- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f. 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; The Company has duly complied with the provisions said Act during the year under review.
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
 - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- (vi) As per our information and as confirmed by the Company, there is no any laws which is specifically applicable to the company during the year under report.

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

- i) Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI):

During the Audit period under review and as per representations and clarifications provided by the management, I confirm that the company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. and in case of delay in filing of E-forms, the compliance has been completed with additional fees/without additional fees.

We further report that

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
- 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 except where the consent of Directors was received for circulation of agenda and notes to the agenda at a shorter notice, 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. There were no dissenting views by any member of the Board of Directors during the period under report. Further, decisions taken at the Board Meetings were properly recorded in the Minutes book of the company.

7. SECRETARIAL AUDIT REPORT

- All decisions at the Board Meetings are carried out with requisite majority and unanimously wherever required, as recorded in the minutes.

I further report that there are adequate system 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 further report that during the audit period, there was no event/action having major bearing on the affairs of the company.

I further report that during the audit period the company has;

- Details of Loans/Guarantees/Investment given/provided during the year

Corporate Guarantee of **INR 35.02 CR** to HDFC Bank in relation to the credit facilities availed by Gujarat Credo Mineral Industries Limited, a subsidiary company.

- The Company has altered capital clause V of the Memorandum of Association by increasing the authorized share capital by Ordinary Resolution in the 27th Annual General Meeting held on 30.09.2022 to Rs. 75,50,00,000.
- During the year under review, the board of directors, in its duly held meeting on 01-12-2022, has allotted 93,12,986 equity shares of Rs. 10/- each at a premium of Rs. 17/- each under the right issue of shares.

I further report that during the audit period the Company **has not made any:**

- Public / Preferential Issue of Shares / Debentures / Sweat Equity etc (except right issue mentioned above).
- Redemption / Buy Back of Securities.
- Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013.
- Merger / Amalgamation / Reconstruction etc.
- Foreign Technical Collaborations.

This Report should be read along with our letter of even date annexed as Annexure 1 and forms part of this Report for all purposes.

FOR B. KUMAR TANK & ASSOCIATES
PRACTICING COMPANY SECRETARIES

Date:- 29.07.2023
Place: Ahmedabad

(Bharatkumar P. Tank)
ACS: 20605 COP: 7563
UDIN:-A020605E000704915

7. SECRETARIAL AUDIT REPORT

Annexure 1

To,
The Members,
CREDO MINERAL INDUSTRIES LIMITED
305, Third Floor, Third Eye One, Opp. Honest Restaurant,
Near Panchvati Five Roads, C. G. Road, Ahmedabad, Gujarat - 380006

Our 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. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate 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. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

FOR B. KUMAR TANK & ASSOCIATES
PRACTICING COMPANY SECRETARIES

Date:- 29.07.2023
Place: Ahmedabad

(Bharatkumar P. Tank)
ACS: 20605 COP: 7563
UDIN:-A020605E000704915

8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To The Members of Credo Mineral Industries Limited

Report on the audit of the Standalone Ind AS Financial Statements: -

Opinion: -

We have audited the accompanying standalone Ind AS Financial Statements of Credo Mineral Industries Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2023, the Statement of Profit and Loss and the Cash Flow Statement, Statement of changes in Equity for the year then ended and a summary of the 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 standalone Ind AS Financial Statements give the information required by the Companies Act, 2013 ("the Act") 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 31st March 2023, its profit, total comprehensive income, 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 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 Ind AS 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 Ind AS Financial Statements under the provisions of the Act 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 opinion.

Key audit matters: -

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS Financial Statements of the current period. These matters were addressed in the context of our audit of the Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

Information other than the Ind AS Financial Statements and auditors' report thereon: -

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the Ind AS Financial Statements and our auditor's report thereon.

Our opinion on the Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially

8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

inconsistent with the standalone Ind AS 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.

Management's Responsibility for the Standalone Ind AS 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 Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows, statement of changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2016, as amended. This responsibility also includes 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 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 Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS Financial Statements, management 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 management 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 Responsibility for the audit of the Ind AS Financial Statements: -

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 Ind AS Financial Statement, 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 financial controls relevant to the audit in order to design audit procedure that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we

8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

are also responsible for expressing our opinion 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 the 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 Ind AS 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 Ind AS Financial Statements, including the disclosures, and whether the Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone Ind AS Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone Ind AS 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 works; and (ii) to evaluate the effect of any identified misstatements in the standalone Ind AS 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 Ind AS Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstance, we determine that a matter should not be communicate 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, 2020 ("The Order") issued by the Central Government of India in terms of subsection 11 of section 143 of the Act, we give in the Annexure – A, a statement on the matter specified in the paragraph 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit, 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

8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

from our examination of those books;

- (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, 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 Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2016, as amended;
- (e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 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 and the operating effectiveness of such controls; refer to our separate report in Annexure – B. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(6) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (h) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has no pending litigations which can significantly impact its financial position.
 - ii. The company has made the provision, as required under the applicable laws or accounting standards for material foreseeable losses, if any, on long term contracts including derivative contracts.
 - iii. The company is not required to transfer any amount to the Investor Education and Protection fund.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

For, M/s Pankaj R. Shah & Associates
Chartered Accountants
(Registration No. 107361W)

CA Chintan Shah
Partner
(Membership No. 110142)
UDIN: 23110142BGZHJK1986
Place: Ahmedabad
Date: 17-08-2023

8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

ANNEXURE - A" TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF CREDO MINERAL INDUSTRIES LIMITED

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirements of our report of even date to the Ind AS Financial Statements of the Company for the year ended March 31, 2023:

1. In respect of its Property, Plant and Equipment and Intangible Assets:

- (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
(B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Property, Plant and Equipment and right-of-use assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the Property, Plant and Equipment has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
- (c) The title deeds of immovable properties are held in the name of the company. However pursuant to scheme of amalgamation and arrangement, legal titles of some of the immovable properties are in the process of being transferred in the name of the company.
- (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

2. In respect of its Inventories:

- (a) There are no such transactions and in view of the same, it has not been commented upon.
- (b) There are no such transactions and in view of the same, it has not been commented upon.
- (c) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, during the year on the basis of security of current assets; the quarterly statements does not required to file by the company with such banks are in agreement with the books of account of the Company.

3. According to the information and explanations given to us, the Company has made investments in, companies, firms, Limited Liability Partnerships, and granted unsecured loans to other parties, during the year, in respect of which:

- (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
- (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
- (c) There is no amount overdue for more than ninety days in respect of loans granted to such companies.
- (d) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

4. In our opinion and according to the information and explanations given to us, 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.
5. In our opinion and according to the information and explanation given to us, the Company has not accepted deemed deposits from the shareholders of the Company in accordance with the directives issued by the Reserve Bank of India and the provisions of Sections 73 and all other relevant provisions, if any, of the Act and the rules made thereunder.
6. With reference to the compulsory cost records to be maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government of India under section 148 of the Companies Act, 2013, the Company has complied with the same.
7. **In respect of Statutory Dues:**
 - (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employee's state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess, GST and other statutory dues applicable to it.
 - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employee's state insurance, income tax, Service tax, Custom Duty, Excise Duty, Value added Tax, Cess, GST and any other statutory dues, were outstanding at the year end, for period of more than six months from the date they become payable.
8. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
9.
 - (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks or any lender. During the year, the Company has not taken any loan either from financial institutions or from the government and has not issued any debentures, except from Banks and its Directors.
 - (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
 - (c) On the basis of review of utilization of funds pertaining to term loans on an overall basis and related information made available to us, the term loans taken by the Company have been applied for the purpose for which they are obtained.
 - (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
 - (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
 - (f) The company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies, hence not commented on it.
10.
 - (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
 - (b) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private

8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.

11. **(a)** Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
(c) Reporting on whistle blower committee is not applicable to company, as it is an unlisted company.
12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
13. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Ind AS Financial Statements as required by the applicable Ind AS.
14. **(a)** In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
(b) Since this clause is not applicable to the company, the same has not been commented upon.
15. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
16. **(a)** In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.
(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
17. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
18. There has been no resignation of the statutory auditors of the Company during the year.
19. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities

8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

20. **(a)** There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- (b)** As there is no unspent amount towards Corporate Social Responsibility (CSR) at the end of previous financial year, the provision of section 135(6) of the Companies Act, 2013 is not applicable.
21. There has not been any qualifications or adverse remarks by the respective auditors in the CARO reports of the companies included in the consolidated financial statements, hence not commented on it.

For, M/s Pankaj R. Shah & Associates
Chartered Accountants
(Registration No. 107361W)

CA Chintan Shah
Partner
(Membership No. 110142)
UDIN: 23110142BGZHJK1986
Place: Ahmedabad
Date: 17-08-2023

8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

“ANNEXURE - B” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF CREDO MINERAL INDUSTRIES LIMITED

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 **CREDO MINERAL INDUSTRIES LIMITED** (“the Company”) as of March 31, 2023 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. 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 Companies Act, 2013.

Auditors’ 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 Companies Act, 2013, 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

8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

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, 2023, 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, M/s Pankaj R. Shah & Associates
Chartered Accountants
(Registration No. 107361W)

CA Chintan Shah
Partner
(Membership No. 110142)
UDIN: 23110142BGZHJK1986
Place: Ahmedabad
Date: 17-08-2023

8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

Note 1: SIGNIFICANT ACCOUNTING POLICIES

(A) Basis of preparation of financial statements

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013('Act') (to the extent notified) and guidelines. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(B) 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. Accounting estimate could change from period to period. Actual results could differ from those 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, their effects are disclosed in the notes to the financial statements.

(C) Property, plant and equipment

Free hold Land is measured at cost.

Other items of property, plant and equipment are stated at cost net of recoverable taxes, trade discounts & rebates and include amounts added on revaluation, less accumulated depreciation and impairment loss, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell. Repairs and maintenance costs are recognized in net profit in the statement of profit and loss when incurred. Any adjustments made to the amount payable in relation to the acquisition of the fixed assets are adjusted against the cost of the assets.

(D) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Initial recognition and measurement

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value plus or minus directly attributable transaction costs on initial recognition, except for financial assets and liabilities not classified at fair value through profit or loss.

8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

b) Subsequent measurement

a. Non-derivative financial instruments

(i) Financial assets carried at amortized cost:-

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset 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.

(ii) Financial assets at fair value through other comprehensive income:-

A financial asset is 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.

Financial instruments within the fair value through other comprehensive income are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income.

(iii) Financial assets at fair value through profit or loss:-

Any financial assets which are not classified in any of the above categories are subsequently measured at fair value through profit or loss.

Financial instruments within the fair value through profit or loss are measured at fair value with all the changes recognized in the P&L.

(iv) Financial liabilities:-

Financial liabilities are subsequently carried at amortized cost using the effective interest method.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

c) De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily de-recognized when:

- i. The rights to receive cash flows from the asset have expired, or
- ii. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay received cash flows in full without material delay to a third party and either

(a) the Company has transferred substantially all the risks and rewards of the asset, or

(b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

(E) Impairment

a) 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. 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 is recognized as an impairment gain or loss in profit or loss.

b) Non-financial assets

Non-Financial 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 inflows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash-Generating Units (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. Reversal of impairment loss is recognized if there has been a change in the estimates used to determine the recoverable amount in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase. 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.

(F) Fair value of financial instruments

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.

In determining the fair value of its financial instruments, the company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- ▶ Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ▶ Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- ▶ Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

(G) Income taxes

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income.

8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

MAT Credit receivable is recognized in the books of the company only when and to the extent that there is convincing evidence that the company will be able to avail the future economic benefits arising there from during the specified period in which tax credit is allowable.

(H) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable except the interest income on government deposit, if any, is recognized as and when realized by the company.

(I) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when the company has a present obligation as a result of a past event and it is probable that an outflow of resources would be required to settle the obligation and in respect of which a reliable estimate can be made. The expenses relating to provision is presented in the statement of profit and loss account.

A disclosure of the contingent liability, if determinable, is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. But where there is a possible obligation but the likelihood of outflow of resources is remote, no provision / disclosure are made.

Contingent asset is disclosed in the financial statements where an inflow of economic benefits is probable and are assessed continually.

(J) Employee Benefits

a) Short Term Employee Benefits

Employee Benefits payable wholly within twelve months of receiving employee services are classified as short term employee benefits. These benefits include salaries and wages, bonus and performance incentive. The amount of short term employee benefits expected to be paid in

8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

exchange for the services rendered by employees are recognized as an expense during the period when the employees render the services.

Leave Encashment is due and recognized as expense immediately after the end of each calendar year in which the employees renders the related employee services.

b) Post-Employment Benefits

Retirement benefits in the form of provident fund (where contributed to the Regional PF Commissioner) are a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund contribution scheme. The Company recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service.

Gratuity liability under the Payment of Gratuity Act is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The Company fully contributes all ascertained liabilities to the trust formed for Employees Group Gratuity Assurance Scheme. Trustees administer the investments made through contributions in the said scheme with Life Insurance Corporation of India as permitted by the law.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts including net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognizes related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

(K) Foreign Currencies

Transactions and Balances:-

Foreign currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in net profit in the statement of profit and loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit or the period in which the transaction is settled. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

(L) Extraordinary Item:

The extraordinary items are that arising from events or transactions that are clearly distinct from the ordinary activities of the enterprise and therefore, are not expected to recur frequently or regularly.

The nature and amount of each extraordinary item are identified and disclosed in the Statement of Profit and Loss in a manner that its impact on current profit or loss can be perceived.

(M) Events occurring after reporting period

Events after the reporting period are those events, favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are approved by the Board of Directors. Events those provide evidence of conditions that existed at the end of the reporting period are adjusting INR events and events those are indicative of conditions that arose after the reporting period are non-adjusting events. The amounts recognized in the financial statements are adjusted to reflect the adjusting events after the reporting period but not in the case of non-adjusting events.

(N) Earnings Per Share:

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for the events, other than conversion of potential equity share, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating, diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

| CREDO MINERAL INDUSTRIES LIMITED | | | |
|---|--------------|------------------------------------|------------------------------------|
| CIN: U10300GJ1995PLC064782 | | | |
| Standalone Balance Sheet as at 31st March, 2023 | | | |
| (Amount In Lakhs) | | | |
| Particulars | Notes | As at | As at |
| | | 31st March, 2023 | 31st March, 2022 |
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 2 | 301.47 | 321.16 |
| Capital work-in-progress | 2 | 0.14 | 0.14 |
| Financial assets | | | |
| Investment in subsidiary, associate and joint venture | 3 | 19,844.14 | 18,539.14 |
| Other financial assets | 4 | 0.43 | 0.43 |
| Deferred tax assets (Net) | 9 | 4.59 | |
| Total non-current assets | | 20,150.77 | 18,860.87 |
| Current assets | | | |
| Financial assets | | | |
| Investments | 5 | 178.34 | - |
| Loans & Advances | 6 | 4,176.61 | 3,482.11 |
| Trade receivables | 7 | 6.13 | - |
| Cash and cash equivalents | 8 | 12.42 | 0.13 |
| Other current assets | 10 | 121.81 | 132.11 |
| Total current assets | | 4,495.32 | 3,614.35 |
| TOTAL ASSETS | | 24,646.09 | 22,475.22 |
| | | | |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity share capital | 11 | 7,500.00 | 6,568.70 |
| Other equity | 12 | 13,043.14 | 11,411.75 |
| Total Equity | | 20,543.14 | 17,980.45 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| Borrowings | 13 | 2,186.01 | 3,515.42 |
| Total non-current liabilities | | 2,186.01 | 3,515.42 |

8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

| | | | |
|-------------------------------------|----|------------------|------------------|
| Current Liabilities | | | |
| Borrowings | 13 | 60.18 | 88.59 |
| Provisions | 14 | 54.77 | 17.07 |
| Other current liabilities | 15 | 1,802.01 | 873.70 |
| Total current liabilities | | 1,916.95 | 979.35 |
| Total Liabilities | | 4,102.96 | 4,494.77 |
| TOTAL EQUITY AND LIABILITIES | | 24,646.09 | 22,475.22 |
| Significant Accounting Policies | 1 | | |

The accompanying notes are integral part of the financial statements.

As per our report of even date attached

For Pankaj R. Shah & Associates

Chartered Accountants

FRN No.: 107361W

For and on behalf of the Board of Directors

Credo Mineral Industries Limited

Anand Patel

Director

(DIN - 00002277)

Rakesh S Shah

Managing Director

(DIN - 02076051)

CA Chintan Shah

Managing Partner

M. No.: 110142

Date: 17-08-2023

Place: Ahmedabad

Krunal Rasiklal Shah

Chief Financial Officer

Kirtesh Shah

Company Secretary

8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

| CREDO MINERAL INDUSTRIES LIMITED | | | |
|---|--------------|------------------------------------|------------------------------------|
| CIN: U10300GJ1995PLC064782 | | | |
| Standalone Statement of profit and loss for the year ended 31st March, 2023 | | | |
| (Amount In Lakhs) | | | |
| Particulars | Notes | For the year ended | For the year ended |
| | | 31st March, 2023 | 31st March, 2022 |
| INCOME | | | |
| Revenue from operations | 16 | 360.74 | 268.67 |
| Other income | 17 | 195.81 | 246.06 |
| TOTAL INCOME (A) | | 556.55 | 514.73 |
| EXPENSES | | | |
| Raw materials and consumables used | 18 | - | 8.19 |
| Employee benefits expenses | 19 | 215.20 | 163.29 |
| Finance costs | 20 | 239.18 | 271.29 |
| Depreciation and amortization expenses | 2 | 20.57 | 21.72 |
| Other expenses | 21 | 42.64 | 42.29 |
| TOTAL EXPENSES (B) | | 517.58 | 506.77 |
| Profit/ (loss) before tax (A-B) | | 38.97 | 7.95 |
| Tax expense | | | |
| Current Tax | | 8.73 | 1.24 |
| Adjustment of tax relating to earlier periods | | - | - |
| Deferred Tax | | -4.59 | - |
| MAT credit entitlement | | -8.73 | -1.24 |
| Profit/ (loss) after tax for the period (C) | | 43.56 | 7.95 |
| Other comprehensive income | | | |
| Items that will not be reclassified to profit or loss | | | |
| -Actuarial Gains and losses | | -0.23 | - |
| -Guarantee Premium | | 4.85 | - |
| Total Other comprehensive income for the period, net of tax (D) | | 4.62 | - |
| Total Comprehensive Income for the Period (C+D) | | 48.18 | 7.95 |

8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

| | | | |
|---|----|--------|--------|
| Earning per equity share (EPS) for profit for the period (face value of Rs.10/-) | 22 | | |
| Basic (Rs.) | | 0.0642 | 0.0121 |
| Diluted (Rs.) | | 0.0701 | 0.0116 |
| Significant Accounting Policies | 1 | | |

The accompanying notes are integral part of the financial statements.

As per our report of even date attached

For Pankaj R. Shah & Associates

Chartered Accountants

FRN No.: 107361W

For and on behalf of the Board of Directors

Crede Mineral Industries Limited

Anand Patel

Director

(DIN - 00002277)

Rakesh S Shah

Managing Director

(DIN - 02076051)

CA Chintan Shah

Managing Partner

M. No.: 110142

Date: 17-08-2023

Place: Ahmedabad

Krunal Rasiklal Shah

Chief Financial Officer

Kirtesh Shah

Company Secretary

8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

| CREDO MINERAL INDUSTRIES LIMITED | | |
|--|------------------------------------|------------------------------------|
| CIN: U10300GJ1995PLC064782 | | |
| Standalone Cash flow statement for the year ended 31st March, 2023 | | |
| (Amount In Lakhs) | | |
| Particulars | For the year ended | For the year ended |
| | 31st March, 2023 | 31st March, 2022 |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit Before tax as per statement of profit and loss | 43.56 | 7.95 |
| Adjustments for: | | |
| Depreciation, Amortisation, Depletion & Impairment | 20.57 | 21.72 |
| Finance cost | 239.18 | 271.29 |
| Leave and Gratuity | 17.24 | - |
| Interest income | (167.75) | (227.74) |
| Operating Profit before working capital changes | 157.65 | 73.22 |
| Adjustments for changes in Working Capital | | |
| Short Term loan and Advances | (694.50) | 372.14 |
| Trade Receivables | (6.13) | 124.88 |
| Other Current Assets | 10.30 | 99.78 |
| Loans & Advances | (1,357.82) | (46.03) |
| Other Current Liabilities | 923.46 | 430.08 |
| Short Term provisions | 20.46 | 16.51 |
| Cash Generated from Operations | (946.59) | 1,070.57 |
| Taxes (paid)/ refund | (4.59) | (48.81) |
| Net Cash Flow from Operating Activities (A) | (951.18) | 1,021.76 |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Investment in Mutual Funds | (178.34) | - |
| Purchase of Fixed Assets | (1.76) | - |
| Sale of Fixed Assets | 0.88 | - |
| Investment in subsidiary, associate and joint venture | (1,305.00) | (1,000.00) |
| Interest Income | 167.75 | 227.74 |
| Net Cash Flow from Investing Activities (B) | (1,316.47) | (772.26) |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceed from Equity Share issue | 931.30 | - |

8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

| | | |
|---|-----------------|-----------------|
| Change in other Equity | 1,587.83 | - |
| Finance cost | (239.18) | (271.29) |
| Net Cash Flow from Financing Activities (C) | 2,279.95 | (271.29) |
| | | |
| Net Increase/(Decrease) in Cash and Cash equivalents (D) (A+B+C) | 12.30 | (21.79) |
| Cash and Cash equivalents at the Beginning of the Year | | |
| Cash on hand | 0.10 | 0.13 |
| Bank Balances | 0.03 | 21.79 |
| | 0.13 | 21.92 |
| Cash and Cash equivalents at the End of the Year | | |
| Cash on hand | 0.04 | 0.10 |
| Bank Balances | 12.39 | 0.03 |
| | 12.42 | 0.13 |

The accompanying notes are integral part of the financial statements.

As per our report of even date attached

For Pankaj R. Shah & Associates

Chartered Accountants

FRN No.: 107361W

**For and on behalf of the Board of Directors
Credo Mineral Industries Limited**

Anand Patel

Director

(DIN - 00002277)

Rakesh S Shah

Managing Director

(DIN - 02076051)

CA Chintan Shah

Managing Partner

M. No.: 110142

Date: 17-08-2023

Place: Ahmedabad

Krunal Rasiklal Shah

Chief Financial Officer

Kirtesh Shah

Company Secretary

8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

| CREDO MINERAL INDUSTRIES LIMITED | | | | | | |
|---|--------------------|-----------------|-------------------|------------------|----------------------------|------------------|
| Standalone Statement of changes in equity (SOCIE) for the period ended on 31 March 2023 | | | | | | |
| A. Equity Share Capital | | | (Amount In Lakhs) | | | |
| Particulars | No. of Shares | | Amount | | | |
| Issued, subscribed and paid up share capital | | | | | | |
| Equity Shares of Rs. 10/- each fully paid up | | | | | | |
| As at 31st March 2021 | 6,56,87,014 | | 6,568.70 | | | |
| Changes in equity share capital | - | | - | | | |
| As at 31st March 2022 | 6,56,87,014 | | 6,568.70 | | | |
| Add: Right share issue Face Value Rs. 10 at a Premium of Rs. 17 each | 93,12,986 | | 931.30 | | | |
| As at 31st March 2023 | 7,50,00,000 | | 7,500.00 | | | |
| B. Other equity | | | | | | |
| Particulars | Reserves & Surplus | | | Security Premium | Other Comprehensive Income | Total Equity |
| | Capital reserve | General reserve | Retained earnings | | | |
| Balance at March 31, 2021 | - | - | 64.01 | 11,339.70 | 0.08 | 11,403.79 |
| Changes in accounting policy / prior period errors | - | - | - | - | - | - |
| Restated balance at the beginning of the reporting period | - | - | 64.01 | 11,339.70 | 0.08 | 11,403.79 |
| Profit for the year | - | - | 7.95 | - | - | 7.95 |
| Other comprehensive income for the year | - | - | - | - | - | - |
| Total comprehensive income for the year | - | - | 71.96 | 11,339.70 | 0.08 | 11,411.75 |
| Issue of Equity Shares | - | - | - | - | - | - |
| Utilisation during the year | - | - | - | - | - | - |

8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

| | | | | | | |
|--|---|---|---------------|------------------|-------------|------------------|
| Any Other Change | - | - | - | - | - | - |
| Balance at March 31, 2022 | - | - | 71.96 | 11,339.70 | 0.08 | 11,411.75 |
| Changes in accounting policy / prior period errors | - | - | - | - | - | - |
| Restated balance at the beginning of the reporting period | - | - | 71.96 | 11,339.70 | 0.08 | 11,411.75 |
| Profit for the year | - | - | 43.56 | - | - | 43.56 |
| Other comprehensive income for the year | - | - | - | - | - | - |
| Total comprehensive income for the year | - | - | 115.52 | 11,339.70 | 0.08 | 11,455.31 |
| Issue of Equity Shares | - | - | - | 1,583.21 | - | 1,583.21 |
| Guarantee Premium Income | - | - | - | - | 4.85 | 4.85 |
| Fair Valuation of investment | - | - | - | - | - | - |
| Actuarial Gain Loss | - | - | - | - | (0.23) | (0.23) |
| Any Other Change | - | - | - | - | - | - |
| Balance at March 31, 2023 | - | - | 115.52 | 12,922.91 | 4.71 | 13,043.14 |

For Pankaj R. Shah & Associates
Chartered Accountants
FRN No.: 107361W

CA Chintan Shah
Managing Partner
M. No.: 110142
Date: 17-08-2023
Place: Ahmedabad

For and on behalf of the Board of Directors
Credo Mineral Industries Limited

Anand Patel
Director
(DIN - 00002277)

Rakesh S Shah
Managing Director
(DIN - 02076051)

Krunal Rasiklal Shah
Chief Financial Officer

Kirtesh Shah
Company Secretary

8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

| Notes to Financial Statements for the Year ended 31 st March 2023 | | | | | | | | | | |
|--|-------------------------------|-------------|-------------|---------------|-------------------|--------------|------------|--------------|---------------------|---------------------|
| (Amount In Lakhs) | | | | | | | | | | |
| Note No : 2 | Property, plant and equipment | | | | | | | | | |
| PARTICULARS | GROSS BLOCK | | | | DEPRECIATION FUND | | | | NET BLOCK | |
| | OPENING | ADDITIONS | DEDUCTIONS | CLOSING | OPENING | ADDITIONS | DEDUCTIONS | CLOSING | AS ON 31.03.2023 | AS ON 31.03.2022 |
| TANGIBLE ASSETS | | | | | | | | | | |
| Plant and Machinery | 398.85 | - | - | 398.85 | 77.68 | 20.34 | - | 98.02 | 300.82 | 321.16 |
| Computer | - | 1.76 | 0.91 | 0.86 | - | 0.23 | 0.02 | 0.20 | 0.65 | - |
| Work in Progress | 0.14 | - | - | 0.14 | - | - | - | - | 0.14 | 0.14 |
| TOTAL | 398.85 | 1.76 | 0.91 | 399.84 | 77.68 | 20.57 | - | 98.23 | 301.61 | 321.30 |

8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

| Note 3: Investment in Subsidiary Companies | | (Amount In Lakhs) | |
|---|---|-----------------------------------|-----------------------------------|
| S. No | Particulars | 31st March 2023 | 31st March 2022 |
| | | Rs. | Rs. |
| 1 | Investment in subsidiary - equity - unquoted (At Cost) | | |
| | (i) Gujarat Credo Minerals Industries Limited | 1,405.92 | 1,405.92 |
| | (ii) Lucent Mines and Mineral Private Limited | 3,523.35 | 3,523.35 |
| | (iii) Rocktech Mineral Development (Guj.) Private Limited | 303.40 | 303.40 |
| | (iv) Gujarat Credo Rare Earth Limited | 5.00 | - |
| | (v) Gujarat Credo Alumina Chemicals Limited (formerly Known as Gujarat Credo Alumina Chemicals Private Limited) | 14,606.47 | 13,306.47 |
| | Total | 19,844.14 | 18,539.14 |

- (i) Investment in Gujarat Credo Mineral Industries Limited No. of Shares 1,40,60,000 at face value of Rs. 10 (Previous year No. of Shares 1,40,60,000)
- (ii) Investment in Lucent Mines and Mineral Private Limited No. of Shares 29,98,600 at face value of Rs. 10 (Previous year No. of Shares 29,98,600)
- (iii) Investment in Rocktech Mineral Development (Guj.) Private Limited No. of Shares 30,34,000 at face value of Rs. 10 (Previous year No. of Shares 30,34,000)
- (iv) Investment in Gujarat credo Rare Earth Limited No. of Shares 50,000 at Face value of Rs. 10
- (v) Investment in Gujarat Credo Alumina Chemicals Limited (formerly Known as Gujarat Credo Alumina Chemicals Private Limited) No. of Shares 1,23,96,480 at face value of Rs. 10 and During the year No. of shares 6,66,667 issued at issue price of Rs. 150 (Rs. 10 face value + Rs. 140 Premium value). (Previous year No. of Shares 1,23,96,480)

| Note 4: Other Financial Assets (Non Current) | | (Amount In Lakhs) | |
|---|------------------------------|-----------------------------------|-----------------------------------|
| Sr. No | Particulars | 31st March 2023 | 31st March 2022 |
| | | Rs. | Rs. |
| | <u>Fixed Deposits</u> | | |
| 1 | IOB FD II | 0.43 | 0.43 |
| | Total | 0.43 | 0.43 |

| Note 5: Investment | | (Amount In Lakhs) | |
|---------------------------|--|-----------------------------------|-----------------------------------|
| S. No | Particulars | 31st March 2023 | 31st March 2022 |
| | | Rs. | Rs. |
| | Current | | |
| 1 | Investments in Mutual Funds (NON Trade) | | |
| | i) HDFC Money Market Fund | 178.34 | - |
| | Total | 178.34 | - |

8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

| Particulars | No. of Units | FMV as on 31-03-2023 |
|------------------------|--------------|----------------------|
| HDFC Money Market Fund | 3681.57 | 178.34 |

| Note 6: Loans & Advances | | (Amount In Lakhs) | |
|--------------------------|---|-----------------------------|-----------------------------|
| S. No | Particulars | 31 st March 2023 | 31 st March 2022 |
| | | Rs. | Rs. |
| | Advance to Subsidiary | | |
| 1 | Gujarat Credo Mineral Industries Limited | 879.00 | 855.00 |
| 2 | Rocktech Mineral Development (Guj.) Pvt. Ltd | 0.76 | 0.76 |
| 3 | Lucent Mines & Minerals Pvt. Ltd | 54.35 | 23.06 |
| 4 | Gujarat Credo Alumina Chemicals Limited (formerly Known as Gujarat Credo Alumina Chemicals Private Limited) | 3,242.50 | 2,603.29 |
| | Total | 4,176.61 | 3,482.11 |

| Note 7: Trade Receivable | | (Amount In Lakhs) | |
|--------------------------|----------------------------------|-----------------------------|-----------------------------|
| S. No | Particulars | 31 st March 2023 | 31 st March 2022 |
| | | Rs. | Rs. |
| | Sundry Debtors | | |
| | Unsecured considered good | | |
| | -Undisputed Trade Receivables | 6.13 | 0 |
| | Total | 6.13 | - |

| Trade Receivables Ageing schedule | | (Amount In Lakhs) | | |
|--|---|-------------------|-----------|--|
| Particulars | Outstanding for following periods from due date of payment* | | | |
| | Less than 6 months | 6 months-1 year | 1-2 years | |
| (i) Undisputed Trade receivables- Considered good | 6.13 | - | - | |
| (ii) Undisputed Trade receivables- Considered doubtful | - | - | - | |
| (iii) Disputed Trade receivables- Considered good | - | - | - | |
| (ii) Disputed Trade receivables- Considered doubtful | - | - | - | |

| Note 8: Cash and cash equivalents | | (Amount In Lakhs) | |
|-----------------------------------|---------------------------|-----------------------------|-----------------------------|
| S. No | Particulars | 31 st March 2023 | 31 st March 2022 |
| | | Rs. | Rs. |
| 1 | Balance with Banks | | |
| | (i) In current accounts | 12.39 | 0.03 |
| 2 | Cash on hand | 0.04 | 0.10 |
| | Total | 12.42 | 0.13 |

8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

| Note 10: Other Current Assets | | (Amount In Lakhs) | |
|--------------------------------------|---|-----------------------------------|-----------------------------------|
| S. No | Particulars | 31st March 2023 | 31st March 2022 |
| | | Rs. | Rs. |
| 1 | Balance With Government Authorities | 113.27 | 131.65 |
| 2 | Prepaid Expenses | 0.27 | - |
| 3 | Advance to creditors | 1.51 | 0.46 |
| 4 | Service charges Receivables | 6.75 | - |
| | Total | 121.81 | 132.11 |
| Note 11: Share Capital | | (Amount In Lakhs) | |
| S. No | Particulars | 31st March 2023 | 31st March 2022 |
| | | Rs. | Rs. |
| 1 | <u>AUTHORISED CAPITAL</u> | | |
| | 7,50,00,000 Equity Shares of Rs 10/- each | 7,500.00 | 7,100.00 |
| | <i>(Previous year - 7,10,00,000 Equity Shares of Rs 10/- each)</i> | - | - |
| | Total | 7,500.00 | 7,100.00 |
| 2 | <u>ISSUED , SUBSCRIBED & PAID UP CAPITAL</u> | - | - |
| | 7,50,00,000 Equity Shares of Rs 10/- each | 7,500.00 | 6,568.70 |
| | <i>(Previous year - 6,56,87,014 Equity Shares of Rs 10/- each)</i> | - | - |
| 3 | <u>Share Application Money - FI</u> | - | - |
| | Share Application Money - Domestic | - | - |
| | Share Application Money - Foreign Investment | - | - |
| | Total | 7,500.00 | 6,568.70 |

| a. Reconciliation of the Authorised Share Capital at the beginning and at the end of the year | | | |
|--|---|----------------------|--------------------|
| S. No | Particulars | Equity Shares | |
| | | No. of Shares | |
| | <u>AUTHORISED CAPITAL</u> | 2022-23 | 2021-22 |
| | Opening Balances of Shares | 7,10,00,000 | 6,65,00,000 |
| | Add: Capital Increased during the year | 40,00,000 | 45,00,000 |
| | Closing balance of Shares at the end of the year | 7,50,00,000 | 7,10,00,000 |
| b. Reconciliation of the Shares outstanding at the beginning and at the end of the year | | | |
| S. No | Particulars | Equity Shares | |
| | | No. of Shares | |
| | <u>ISSUED , SUBSCRIBED & PAID UP CAPITAL</u> | 2022-23 | 2021-22 |
| | Opening Balances of Shares | 6,56,87,014 | 6,56,87,014 |
| | Add: Capital Increased during the year | 93,12,986 | - |
| | Less: Buyback of shares during the year | - | - |
| | Closing balance of Shares at the end of the year | 7,50,00,000 | 6,56,87,014 |

8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

C. Terms/rights attached to the shares

The Company has single class of equity shares of Rs. 10 per share. Accordingly, all equity shares rank equally with regard to dividend and share in the company's residual assets. The equity shares are entitled to receive dividend as declared from time to time subject to payment of dividend to preference shareholders. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

Failure to pay any amount called up on shares may lead to forfeiture of the shares

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

| Details of Shareholders holding more than 5 % shares of the Company | | | | | |
|---|---|------------------------------|-----------------------------|------------------------------|-----------------------------|
| S. No | Name of the Shareholder | Share holding Percentage (%) | 31 st March 2023 | Share holding Percentage (%) | 31 st March 2022 |
| | | | (Rs. In Lakhs) | | (Rs. In Lakhs) |
| 1 | Equity shares of Rs.10 each fully paid | | | | |
| | (i) Gujarat Apollo Industries Limited | 17.90% | 134.28 | 20.44% | 134.28 |
| | (ii) Tatvang Industries Private Limited | 14.50% | 108.73 | 16.55% | 108.73 |
| | (iii) Chem Asia Technologies Pte Ltd | 10.64% | 79.78 | 12.15% | 79.78 |
| | (iv) Omkareshwar Mines & Minerals Pvt Ltd | 14.90% | 111.76 | 17.01% | 111.76 |
| | (v) Rembrant Trading Private Limited | 7.54% | 56.57 | 8.63% | 56.70 |
| | Total | 65% | 491.11 | 75% | 491.24 |

| Note 12: Other Equity | | (Amount In Lakhs) | |
|-----------------------|---|-----------------------------|-----------------------------|
| S. No | Particulars | 31 st March 2023 | 31 st March 2022 |
| | | Rs. | Rs. |
| | Retained Earnings | | |
| 1 | Securities Premium Account | 12,922.91 | 11,339.70 |
| 2 | <u>Surplus/(Deficit) in the Statement of Profit and Loss</u> | - | - |
| | Balance as per last financial statements | 72.05 | 64.09 |
| | Add: Profit/(Loss) for the Year | 43.56 | 7.95 |
| | Add: Other Comprehensive Income: Adjustment on Fair Valuation of Investment | - | - |
| | Guarantee Income | 4.85 | - |
| | Less: Actuarial Gain Loss | -0.23 | - |
| | Less: Appropriations | - | - |
| | Net Surplus/(Deficit) in the Statement of Profit and Loss | 120.23 | 72.05 |
| | Total | 13,043.14 | 11,411.75 |

8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

| Note 13: Borrowings | | (Amount In Lakhs) | |
|---|---|-----------------------------------|-----------------------------------|
| S. No | Particulars | 31st March 2023 | 31st March 2022 |
| | | Rs. | Rs. |
| | Non Current | | |
| 1 | Unsecured Loans (Apollo Industries and Projects Ltd) | 1,809.61 | 3,055.65 |
| 2 | Unsecured Loans (Rocktech Minerals) | 369.75 | 376.90 |
| 3 | ECLGS Loan | 6.61 | 40.25 |
| 4 | Secured Loans (HDFC Commercial Equipment Loan) | 0.04 | 42.62 |
| | Current | - | - |
| | Current Maturities of Long Term Debt for Secured Loans (HDFC Commercial Equipment Loan) | 42.66 | 88.59 |
| | Current Maturities of Long Term Debt for Secured Loans (ECLGS Loan) | 17.52 | - |
| | Total | 2,246.18 | 3,604.01 |
| | Maturity Profile : | - | - |
| | Particulars | Less than 1 Year | Less than 1 Year |
| | ECLGS Loan | 17.52 | - |
| | Secured Loans (HDFC Commercial Equipment Loan) | 42.66 | 88.59 |
| | | | |
| Note 14: Provisions | | (Amount In Lakhs) | |
| S. No | Particulars | 31st March 2023 | 31st March 2022 |
| | | Rs. | Rs. |
| | Current | - | - |
| 1 | Provision for Income Tax | 8.73 | 1.24 |
| 2 | Other Payables | 46.04 | 15.83 |
| | Total | 54.77 | 17.07 |
| | | | |
| Note 15: Other Current Liabilities | | (Amount In Lakhs) | |
| S. No | Particulars | 31st March 2023 | 31st March 2022 |
| | | Rs. | Rs. |
| | Current | - | - |
| 1 | Duties & Taxes | 51.40 | 40.75 |
| 2 | Other Payables | - | - |
| | Sundry Creditors for Expenses | 10.06 | 8.26 |
| | Employees Payment Payable | 1.04 | 0.75 |
| | Financial Guarantee Liability | 53.96 | 58.81 |
| | Dividend Payable | 0.03 | 0.03 |
| | Others (Books overdraft) | 1,685.51 | 765.09 |
| | Total | 1,802.01 | 873.70 |

8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

| Note 16: Revenue from Operations | | (Amount In Lakhs) | |
|--|---|-----------------------------------|-----------------------------------|
| S. No | Particulars | 31st March 2023 | 31st March 2022 |
| | | Rs. | Rs. |
| 1 | Sale of Products (including excise duty) | - | 8.27 |
| 1 | Management Fees received | 270.74 | 170.40 |
| 2 | Service Charges | 90.00 | 90.00 |
| | Total | 360.74 | 268.67 |
| | | | |
| Note 17: Other Income | | (Amount In Lakhs) | |
| S. No | Particulars | 31st March 2023 | 31st March 2022 |
| | | Rs. | Rs. |
| 1 | Interest Income | 167.75 | 227.74 |
| 2 | Profit on sale of Mutual Fund | 20.23 | 7.89 |
| 3 | Discount Received | - | 0.01 |
| 4 | Gain on financial instrument measured at fair value through P&L | 4.24 | 5.74 |
| 5 | Interest on Income Tax | 3.59 | 4.68 |
| | Total | 195.81 | 246.06 |
| | | | |
| Note 18: Raw materials and consumables used | | (Amount In Lakhs) | |
| S. No | Particulars | 31st March 2023 | 31st March 2022 |
| | | Rs. | Rs. |
| 1 | Purchases | - | 8.19 |
| | | | |
| Note 19: Employee benefit expense | | (Amount In Lakhs) | |
| S. No | Particulars | 31st March 2023 | 31st March 2022 |
| | | Rs. | Rs. |
| 1 | Salary, Wages and Bonus | 191.20 | 139.28 |
| 2 | Director Remuneration | 24.00 | 24.00 |
| | Total | 215.20 | 163.29 |
| | | | |
| Note 20: Finance costs | | (Amount In Lakhs) | |
| S. No | Particulars | 31st March 2023 | 31st March 2022 |
| | | Rs. | Rs. |
| 1 | Interest on Unsecured loans | 227.73 | 242.10 |
| 2 | Interest on secured loans | 11.44 | 20.07 |

8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

| 3 | Interest on OD | - | 9.13 |
|--|---|-----------------------------|-----------------------------|
| | Total | 239.18 | 271.29 |
| Note 21: Other Expenses | | (Amount In Lakhs) | |
| S. No | Particulars | 31 st March 2023 | 31 st March 2022 |
| | | Rs. | Rs. |
| i | Other Expenses more than Rs 10,00,000/- or 1% of revenue whichever is higher | - | - |
| | Professional Fees | 10.25 | 18.95 |
| | Domain Charges | 4.23 | 1.54 |
| ii | Payment to Auditors - Statutory Audit Fees | 1.50 | 1.50 |
| iii | Rent Rates & Taxes | 1.20 | 1.20 |
| iv | Insurance Premium | 0.42 | 0.69 |
| v | Sales and Marketing Expenses | 15.86 | 11.33 |
| vi | Miscellaneous Expense | 9.17 | 7.09 |
| | Grand Total | 42.64 | 42.29 |
| Note 22: Earning per share (EPS) | | (Amount In Lakhs) | |
| S. No | Particulars | 31 st March 2023 | 31 st March 2022 |
| | | Rs. | Rs. |
| 1 | Total Operations for the year | - | - |
| | Profit/(loss) after tax | 43.56 | 7.95 |
| 2 | Net Profit/(loss) for calculation of Basic EPS | 43.56 | 7.95 |
| 3 | Net Profit/(loss) for calculation of Diluted EPS | 43.56 | 7.95 |
| | Weighted average number of equity shares for Basic EPS | 6,87,74,333 | 6,52,39,426 |
| | Weighted average number of equity shares for Diluted EPS | 6,87,74,333 | 6,52,39,426 |
| 4 | Earning Per Share | | |
| | 1) Basic | 0.06 | 0.01 |
| | 2) Diluted | 0.06 | 0.01 |
| Note 23: Contingent Liabilities and Commitments | | (Amount In Lakhs) | |
| S. No | Particulars | 31 st March 2023 | 31 st March 2022 |
| | | Rs. | Rs. |
| 1 | Contingent Liabilities | | |
| a) | Claims against the Company / disputed liabilities not acknowledged as debts | - | - |

8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

| | | | |
|----|--------------|------------------|------------------|
| b) | Guarantees | 35,630.00 | 35,630.00 |
| | Total | 35,630.00 | 35,630.00 |

Note 24: Related Party disclosures

As per IND AS 24 'Related Party Disclosure', and Companies Act, 2013, the disclosure of transactions with the related parties are given below:

| Sr. No. | Particulars | Relationship |
|---------|---|--|
| 1 | Mr. Rakesh Shah | Key Managerial Personnel |
| 2 | Mr. Parasmal Shah | Key Managerial Personnel |
| 3 | Mr. Jayantilal Bhatt | Key Managerial Personnel |
| 4 | Mr. Vikas Chandra | Key Managerial Personnel |
| 5 | Shailika Soni | Key Managerial Personnel |
| 6 | Mr. Naman Patel | Key Managerial Personnel |
| 7 | Mr. Anand Patel | Key Managerial Personnel |
| 8 | Mr. Krunal Rasiklal Shah | Key Managerial Personnel |
| 9 | Mr. Kirtesh Shah(from-01/02/2022) | Key Managerial Personnel |
| 10 | Gujarat Credo Alumina Chemicals Limited (formerly Known as Gujarat Credo Alumina Chemicals Private Limited) | Subsidiary |
| 11 | Gujarat Credo Mineral Industries Limited | Subsidiary |
| 12 | Lucent Mines & Minerals Pvt. Ltd | Subsidiary |
| 13 | Rocktech Mineral Dev. (Guj) P. Ltd | Subsidiary |
| 14 | Gujarat Credo Rare Earths Limited | Subsidiary |
| 15 | Apollo Industries and Projects Limited | Relative of KMP |
| 16 | Rakesh Shah HUF | Relative of KMP |
| 17 | CSB Projects Private Limited | Relative of KMP |
| 18 | Gujarat Apollo Industries Limited | Significant Influence over the Company |

B. Related Party Transaction

| Sr. No. | Particulars | 31 st March 2023 | 31 st March 2022 |
|----------|---|-----------------------------|-----------------------------|
| | | (Amount In Lakhs) | (Amount In Lakhs) |
| A | <u>Transactions During The Year:</u> | | |
| | <u>Sitting Fees</u> | | |
| | Key Managerial Personnel | 0.60 | 0.48 |
| | <u>Salary</u> | | |
| | Kirtesh Shah | 3.17 | 0.53 |
| | Krunal Rasiklal Shah | 17.75 | 17.75 |

8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

| | | | |
|--|---|----------------|----------------|
| | <u>Director Remuneration</u> | | |
| | Key Managerial Personnel | 24.00 | 24.00 |
| | <u>Management Fees Received</u> | | |
| | Gujarat Credo Alumina Chemicals Limited (formerly Known as Gujarat Credo Alumina Chemicals Private Limited) | 202.58 | 102.24 |
| | Gujarat Credo Minerals Limited | 68.16 | 68.16 |
| | | | |
| | <u>Service Charge Income</u> | | |
| | Gujarat Credo Alumina Chemicals Limited (formerly Known as Gujarat Credo Alumina Chemicals Private Limited) | 90.00 | 90.00 |
| | | | |
| | <u>Interest Income</u> | | |
| | Gujarat Credo Alumina Chemicals Limited (formerly Known as Gujarat Credo Alumina Chemicals Private Limited) | 167.75 | 227.73 |
| | | | |
| | <u>Financial Guarantee Income</u> | | |
| | Gujarat Credo Alumina Chemicals Limited (formerly Known as Gujarat Credo Alumina Chemicals Private Limited) | 4.85 | 7.71 |
| | | | |
| | <u>Interest Expenses</u> | | |
| | Apollo Industries and Projects Ltd | 227.73 | 242.09 |
| | | | |
| | <u>Loans and Advances Granted to Subsidiary Company</u> | | |
| | Gujarat Credo Minerals Industries Limited | 879.00 | 855.00 |
| | Gujarat Credo Alumina | 0.00 | 0.00 |
| | Lucent Mines & Minerals Pvt. Ltd | 31.29 | 1.00 |
| | | | |
| | <u>Loans and Advances Granted to Subsidiary Company now repaid</u> | | |
| | Gujarat Credo Alumina Chemicals Limited (formerly Known as Gujarat Credo Alumina Chemicals Private Limited) | 2144.73 | 2904.97 |
| | | | |
| | <u>Expenses Reimbursement</u> | | |
| | Rakesh Shah | 2.09 | 2.39 |
| | | | |
| | <u>Rent</u> | | |
| | Relative of KMP - CSB Projects Private Limited | 1.20 | 0.20 |
| | Relative of KMP - Rakesh Shah - HUF | 0.00 | 1.00 |
| | Total | 3864.90 | 4545.24 |

8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

| Sr. No | Particulars | 31 st March 2023 | 31 st March 2022 |
|----------|---|-----------------------------|-----------------------------|
| | | (Amount In Lakhs) | (Amount In Lakhs) |
| B | <u>Closing balance:</u> | | |
| | <u>Salary Payable</u> | | |
| | Key Managerial Personnel | 1.74 | 1.74 |
| | <u>Investment in Subsidiary:</u> | | |
| | Gujarat Credo Minerals Industries Limited | 1405.92 | 1405.92 |
| | Lucent Mines and Mineral Private Limited | 3523.35 | 3523.35 |
| | Gujarat Credo Rare Earths Limited | 5.00 | 0.00 |
| | Rocktech Mineral Development (Guj.) Private Limited | 303.40 | 303.40 |
| | Gujarat Credo Alumina Chemicals Limited (formerly Known as Gujarat Credo Alumina Chemicals Private Limited) | 14606.47 | 13306.47 |
| | <u>Loans and Advances taken from Relative of KMP</u> | | |
| | Apollo Industries and Projects Ltd | 1809.61 | 3055.65 |
| | <u>Loans and Advances Granted to Subsidiary Company</u> | | |
| | Gujarat Credo Minerals Industries Limited | 879.00 | 855.00 |
| | Lucent Mines and Mineral Private Limited | 54.35 | 23.06 |
| | Rocktech Mineral Development (Guj.) Private Limited | 0.76 | 0.76 |
| | Gujarat Credo Alumina Chemicals Limited (formerly Known as Gujarat Credo Alumina Chemicals Private Limited) | 3242.50 | 2603.29 |
| | Total | 25832.11 | 25078.64 |

Note: 25

DISCLOSURES FOR GRATUITY & LEAVE SALARY PROVISIONS AS PER INDIAN ACCOUNTING STANDARD - 19

Company has participated in Group Gratuity scheme of Life Insurance Corporation of India. The liability in respect of gratuity benefits are determined by actuarial valuation as on balance sheet date.

| Notes to Financial Statements for the Year ended 31 st March 2023 | 2022-23 | 2021-22 |
|--|--|--|
| Mortality | Indian Assured Lives Mortality (2012-14) Urban | Indian Assured Lives Mortality (2012-14) Urban |
| Retirement Age | 58 years | 58 years |
| Discount Rate | 7.41% | 6.9% |

8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

| | | |
|--|--------------------------|----------------|
| Rate of Employee Turnover | 8.00% | 8.00% |
| Salary escalation | 8.00% | 8.00% |
| | | |
| The following table sets out status of gratuity plan and leave salary as required under Indian Accounting Standard 19 on "Employee Benefit". | (Amount In Lakhs) | |
| Particulars | 2022-23 | 2021-22 |
| Table showing change in benefit obligation | | |
| Opening defined benefit obligation | 10.38 | - |
| Interest Cost | 0.72 | - |
| Liability transferred in | - | 7.61 |
| Current Service Cost | 2.00 | 2.77 |
| Benefit Paid | -1.10 | - |
| Past Service Cost | 5.03 | - |
| Actuarial Loss / (gain) on Obligations | 0.23 | - |
| Liability at the end of the period | 17.24 | 10.38 |
| | | |
| Table showing change in Fair Value of Plan Assets | | |
| (Amount In Lakhs) | | |
| Fair Value of Plan Assets at the beginning | - | - |
| Adjustment to Opening fund | | |
| Expected Return on Plan Assets | - | - |
| Contributions | - | - |
| Actuarial loss/ (gain) due to experience adjustments | - | - |
| Interest Income | - | - |
| Benefit paid | - | - |
| Actuarial gain / (loss) on Plan Assets | | |
| Fair Value of Plan Assets at the end of the period | - | - |
| | | |
| (Amount In Lakhs) | | |
| Particulars | 2022-23 | 2021-22 |
| Actual Gain / loss recognized | | |
| Actuarial (gain) / loss on obligations | 0.23 | - |
| Actuarial (gain) / loss on Plan Assets | - | - |
| Net Actuarial (gain) / loss recognized during year | 0.23 | - |
| | - | - |
| Amount recognized in Balance Sheet | | |
| Liability at the end of the period | 17.24 | 10.38 |
| Fair Value of Plan Asset at the end of the period | - | - |

8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

| | | |
|--|--------------|--------------|
| Net Amount recognized in Balance Sheet | 17.24 | 10.38 |
| Expense recognized in the Statement of Profit and Loss | - | - |
| Current Service cost | 2.00 | 2.77 |
| Interest cost | 0.72 | - |
| Past Service Cost | 5.03 | - |
| Expected return on Plan Asset | - | - |
| Net Actuarial Loss / (gain) to be recognized | - | - |
| Adjustment to Opening fund/Prior year Charges | - | - |
| Net Expense recognized in P&L | 7.74 | 2.77 |
| Expense recognized in the Statement of Other Comprehensive Income | | |
| Actuarial (Gains)/Losses on Obligation For the Period | 0.23 | - |
| Return on plan assets excluding amounts included in interest income | - | - |
| Net Expense recognized in OCI | 0.23 | - |

Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

| Gratuity | 2022-23 | | 2021-22 | |
|--------------------------------------|----------|----------|----------|----------|
| | Increase | Decrease | Increase | Decrease |
| Discount rate - 1% (PY: 1%) | (0.93) | 1.07 | (0.55) | 0.64 |
| Salary growth rate - 1% (PY: 1%) | 1.05 | (0.94) | 0.62 | (0.55) |
| Employee Turnover rate - 1% (PY: 1%) | (0.10) | 0.10 | (0.08) | 0.09 |

Note No. 9: Calculation of Deferred Tax Assets and Liabilities as on 31-03-2023

(Amount In Lakhs)

| Sr. No. | Nature of Timing Difference | Amount of timing difference | Prevailing tax rate | Deferred tax Asset as on 31-03-2023 | Deferred tax Liab. as on 31-03-2023 |
|---------|--|-----------------------------|---------------------|-------------------------------------|-------------------------------------|
| 1 | Difference between Written Down Value of Fixed Assets as per books of accounts and as per Income tax act. | 301.61 | - | 0.00 | 0.00 |

8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

| | | | | | | |
|---|---------------------------------------|--------|--------|--------|--------------|--------------|
| | WDV as per I.Tax Act. | 180.07 | 121.53 | 26.00% | 0.00 | 31.60 |
| 2 | Gain due to Fair Value of Investment | - | - | 26.00% | 0.00 | 0.00 |
| 3 | Unabsorbed Depreciation as per IT Act | - | 75.70 | 26.00% | 19.68 | 0.00 |
| 4 | Business Loss as per IT Act | | - | 26.00% | 0.00 | 0.00 |
| 5 | MAT Credit | | | | 16.51 | 0.00 |
| | Net Deferred Tax Liability | | | | 36.19 | 31.60 |
| | | | | | 0.00 | 0.00 |
| | Less : Opening | | | | 0.00 | 0.00 |
| | | | | | 36.19 | 31.60 |
| | Net DTA | | | | 0.00 | 4.59 |

Note 26

| A. Financial Instruments by Category and their Fair Value | | | | | (Amount In Lakhs) | | | |
|---|-----------------|----------|------------------|------------------|--|---|---|---------------|
| As at 31 st March 2023 | Carrying Amount | | | | Fair Value | | | |
| | FVTPL | FVTOCI | Amortised Cost | Total | Level 1 - Quoted Price in active markets | Level 2 - Significant Observable Inputs | Level 3 - Significant Unobservable Inputs | Total |
| Financial Assets | | | | | | | | |
| <i>Investments</i> | | | | | | | | |
| Quoted | 178.34 | - | - | 178.34 | 178.34 | - | - | 178.34 |
| Subsidiary | - | - | 19,844.14 | 19,844.14 | - | - | - | - |
| Trade Receivables | - | - | 6.13 | 6.13 | - | - | - | - |
| Cash and Cash Equivalents | - | - | 12.42 | 12.42 | - | - | - | - |
| Loans and Advances | - | - | 4,176.61 | 4,176.61 | - | - | - | - |
| Other Financial Assets | - | - | - | - | - | - | - | - |
| Non-Current | - | - | 0.43 | 0.43 | - | - | - | - |
| Current | - | - | 121.81 | 121.81 | - | - | - | - |
| Total Financial Assets | 178.34 | - | 24,161.55 | 24,339.89 | 178.34 | - | - | 178.34 |
| | - | - | - | - | - | - | - | - |
| Financial Liabilities | | | | | | | | |
| <i>Borrowings including</i> | - | - | - | - | - | - | - | - |

8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

| | | | | | | | | |
|---|------------------------|---------------|-----------------------|------------------|---|--|--|--------------|
| <i>lease liabilities</i> | | | | | | | | |
| Non-Current | - | - | 2,186.01 | 2,186.01 | - | - | - | - |
| Current | - | - | 60.18 | 60.18 | - | - | - | - |
| <i>Trade Payables</i> | - | - | - | - | - | - | - | - |
| <i>Other Financial Liabilities</i> | - | - | 1,856.77 | 1,856.77 | - | - | - | - |
| Total Financial Liabilities | - | - | 4,102.96 | 4,102.96 | - | - | - | - |
| | | | | | | | | |
| As at 31st March 2022 | Carrying Amount | | | | Fair Value | | | |
| | FVTPL | FVTOCI | Amortised Cost | Total | Level 1 - Quoted Price in active markets | Level 2 - Significant Observable Inputs | Level 3 - Significant Unobservable Inputs | Total |
| Financial Assets | | | | | | | | |
| <i>Investments</i> | | | | | | | | |
| Quoted | - | - | - | - | - | - | - | - |
| Subsidiary | | | 18,539.14 | 18,539.14 | | | | |
| <i>Trade Receivables</i> | - | - | - | - | - | - | - | - |
| <i>Cash and Cash Equivalents</i> | | | 0.13 | 0.13 | | | | - |
| <i>Loans And Advances</i> | | | 3,482.11 | - | | | | |
| <i>Other Financial Assets</i> | | | - | - | | | | |
| Non-Current | - | - | 0.43 | 0.43 | - | - | - | - |
| Current | - | - | 132.11 | 132.11 | - | - | - | - |
| Total Financial Assets | - | - | 22,153.92 | 18,671.81 | - | - | - | - |
| | | | - | - | | | | |
| Financial Liabilities | | | - | - | | | | |
| <i>Borrowings including lease liabilities</i> | | | - | - | | | | |
| Non-Current | | | 3,515.42 | 3,515.42 | - | - | - | - |
| Current | | | 88.59 | 88.59 | | | | |
| <i>Trade Payables</i> | | | - | - | | | | |

8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

| | | | | | | | | |
|------------------------------------|---|---|-----------------|-----------------|---|---|---|---|
| <i>Other Financial Liabilities</i> | | | 890.77 | 890.77 | - | - | - | - |
| Total Financial Liabilities | - | - | 4,494.77 | 4,494.77 | - | - | - | - |

Fair value of financial assets and liabilities measured at amortised cost is not materially different from the amortised cost. Further, impact of time value of money is not significant for the financial instruments classified as current. Accordingly, the fair value has not been disclosed separately.

Fair Value Hierarchy

Level I - Quoted prices (unadjusted) in active markets for identical assets or liabilities
 Level II - Inputs other than quoted prices included within Level I that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
 Level III - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

B. Financial Risk Management

Financial Risk Factors

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings & trade and other payables. The main purpose of these financial liabilities is to finance the Company operations and to provide guarantees to support its operations. The Company principal financial assets include trade and other receivables, cash and cash equivalents and investments that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company senior management oversees the management of these risks. It is the Company policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits.

1. Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates relates primarily to the Company long-term debt obligations. The Company is exposed to such interest rate risk.

2. Foreign Currency Risk

There is no material impact on the Company profit before tax due to changes in the fair value of monetary assets and liabilities. The Company exposure to foreign currency changes for all other currencies is also not material.

3. Commodity Price Risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchase and manufacture of Processed Bauxite and Zeolite 4A and therefore require a continuous supply of NPG Raw Bauxite. Due to the significantly increased volatility of the price of the bauxite, the Company also entered into long term bauxite supply agreement for

8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

NPG raw bauxite. The prices in this purchase contract are linked to the price of bauxite at LME via SHA price formula.

Moreover, since sale price is also affected by the international market, the input price volatility is naturally hedged by the balancing effect.

4. Equity Price Risk

It is the policy of the Company to invest only in debt instruments to avoid the market price risk arising from uncertainties about future values of the investment securities and hence the company is not exposed to equity price risk. Reports on the debt portfolio are submitted to the Company senior management on a regular basis to review and approve all investment decisions.

Credit Risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables), including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

1. Trade Receivable

Customer credit risk is managed by each business unit subject to the Company established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on individual credit limits which are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance.

An impairment analysis is performed at each reporting date on an individual basis for major customers. In addition, a large number of minor receivables are Companyed into homogenous Companies and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Notes. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

2. Financial Instruments and Cash Deposits

Credit risk from balances with banks and financial institutions is managed by the Company treasury department in accordance with the Company policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Liquidity Risk

The Company monitors its risk of a shortage of funds using a liquidity planning tool.

The Company objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and borrowings from holding company. The Company has access to a sufficient variety of sources of funding.

1. Excessive Risk Concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political

8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

or other conditions. Concentrations indicate the relative sensitivity of the Company performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

The table below summarises the maturity profile of the Company financial liabilities based on contractual undiscounted payments

| <i>Year ended on 31-03-2023</i> | | | | | | (Amount In Lakhs) |
|---|-----------------|--------------------|----------------|--------------|-----------|-------------------|
| Particulars | On Demand | Less than 3 months | 3 to 12 months | 1 to 5 years | > 5 years | Total |
| Borrowings (other than convertible preference shares) | 1,809.61 | - | | | | 1,809.61 |
| Other Financial Liabilities | 42.66 | - | | | | 42.66 |
| Trade and Other Payables | - | - | | | | - |
| Total | 1,852.27 | - | - | - | - | 1,852.27 |
| <i>Year ended on 31-03-2022</i> | | | | | | (Amount In Lakhs) |
| Particulars | On Demand | Less than 3 months | 3 to 12 months | 1 to 5 years | > 5 years | Total |
| Borrowings (other than convertible preference shares) | 3,055.65 | - | | | | 3,055.65 |
| Other Financial Liabilities | 88.59 | - | | | | 88.59 |
| Trade and Other Payables | - | - | | | | - |
| Total | 3,144.24 | - | - | - | - | 3,144.24 |

C. Capital Management

The Company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total non-current liabilities, less cash and cash equivalents. Adjusted equity comprises all components of equity.

The Company's adjusted net debt to equity ratio on 31st March, 2023 was as follows.

| Particulars | (Amount In Lakhs) | |
|--|------------------------------------|------------------------------------|
| | As at 31 st March, 2023 | As at 31 st March, 2022 |
| Total Non-Current Liabilities | 2,186.01 | 3,515.42 |
| Less : Cash And Bank Balances | 12.42 | 0.13 |
| Adjusted Net Debt | 2,173.58 | 3,515.29 |
| Total Equity | 20,543.14 | 17,980.45 |
| Adjusted Net Debt To Adjusted Equity Ratio | 0.11:1 times | 0.2:1 times |

8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

Note 27

In the opinion of the Board of the Directors of the Company, the current assets, loans and advances have a value on realization in the ordinary course of the business at least equal to the amount at which they are stated in the Balance Sheet and provision for all known liabilities have been made in the accounts except as stated otherwise.

Note 28

No suppliers registered under the Micro, Small and Medium Enterprises Development Act, 2006 are outstanding as at 31/03/2023 for more than 45 days.

Note 29

Previous Years figures have been regrouped and rearranged wherever necessary to confirm with that of current year.

Note 30

Other Statutory Disclosure

- 1 There is no such property wherein there is an issue with the title, hence the title deeds related disclosures are not given
- 2 The company does not have any investment property hence, comment related to revaluation is not made
- 3 During the year, the company has not revalued it's intangible assets or any asset of Property, Plant & Equipment , hence, disclosure related to revaluation is not made
- 4 The company has no loans and advances which are either repayable on demand or are without specifying any terms or period of repayment. Hence, the disclosures related to loans and advances given to related party are not given
- 5 Ageing schedule of CWIP is given during the year:

| FY 2022-23 | | | | | |
|----------------------------------|--------------------------------|-----------|-----------|-------------------|--------|
| (a) For Capital-work-in progress | | | | | |
| (Amount In Lakhs) | | | | | |
| CWIP | Amount in CWIP for a period of | | | | Total |
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | | 13,501 | | | 13,501 |
| FY 2021-22 | | | | | |
| (b) For Capital-work-in progress | | | | | |
| (Amount In Lakhs) | | | | | |
| CWIP | Amount in CWIP for a period of | | | | Total |
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 13,501 | | | | 13,501 |

- 6 The company does not have any intangible asset under development , hence, disclosure related to ageing schedule for intangible assets under development is not made.
- 7 The company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.
- 8 As on the reporting date, the company has borrowings from banks or financial institutions on the basis of security of current assets and for which quarterly returns are submitted and these are in agreement with books of account of the company

8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

- 9 The company is not declared a wilful defaulter by any bank or financial Institution or other lender.
- 10 The company does not have any transactions with Companies struck off.
- 11 The company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- 12 Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017
- 13 Ratios for FY 22-23 and FY 21-22 are presented as under:

| Ratio | Numerator | Denominator | Current period | Previous period | % variance | Reason for variance |
|------------------------------------|--|---|----------------|-----------------|----------------|---------------------|
| - Current Ratio | Current Assets | Current Liabilities | 2.35 | 3.69 | -1.35% | |
| - Debt-Equity Ratio | Total Debt | Shareholder's Equity | 0.11 | 0.20 | -0.09% | |
| - Debt Service Coverage Ratio | Earnings for debt service | Debt service (Interest & Lease Payments + Principal Repayments) | 2.72% | 0.84% | 0.02% | |
| - Return on Equity Ratio | Net profit after tax - Preference Dividend | Average shareholder's equity | 6.42% | 0.12% | 0.06% | |
| - Inventory turnover ratio | Cost of goods sold | Average Inventory | Not applicable | | | |
| - Trade Receivables turnover ratio | Net Credit sales (Gross credit sales - sales return) | Average Trade Receivables | 58.81 | Not applicable | Not applicable | |
| - Trade payables turnover ratio | Net credit purchase (Gross credit purchases - purchase return) | Average Trade payables | Not applicable | | | |
| - Net capital turnover ratio | Net sales (Total sales - sales Return) | Working capital (Current assets - Current liabilities) | 22% | 20% | 2% | |
| - Net profit ratio | Net profit | Net sales (Total sales - Sales Return) | 7.83% | 1.55% | 0.06% | |
| - Return on Capital employed | Earnings before interest and tax | Capital Employed (Tangible Net worth + Total Debt + Deferred Tax Liability) | 1.35% | 2% | 0.00% | |
| - Return on investment | Interest (Financial Income) | Investment | 5% | 7% | -0.02% | |

- 14 During the year, company has not entered in any scheme of arrangements as specified in Section 230 to Section 237 of the Companies Act,2013

8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

- 15 The company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries,
- 16 The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall :
- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 17 The company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- 18 The company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- 19 The company is not covered under section 135 of the Companies Act. Hence, CSR related disclosures are not made

For Pankaj R. Shah & Associates

Chartered Accountants

FRN No.: 107361W

CA Chintan Shah

Managing Partner

M. No.: 110142

Date: 17-08-2023

Place: Ahmedabad

For and on behalf of the Board of Directors

Credo Mineral Industries Limited

Anand Patel

Director

(DIN - 00002277)

Rakesh S Shah

Managing Director

(DIN - 02076051)

Krunal Rasiklal Shah

Chief Financial Officer

Kirtesh Shah

Company Secretary

8. REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To The Members of Credo Mineral Industries Limited,

Report on the audit of the Consolidated Ind AS Financial Statements: -

Opinion: -

We have audited the accompanying Consolidated Ind AS Financial Statements of Credo Mineral Industries Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2023, the Statement of Profit and Loss and the Cash Flow Statement, Statement of changes in Equity for the year then ended and a summary of the 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 Consolidated Ind AS Financial Statements give the information required by the Companies Act, 2013 ("the Act") 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 31st March 2023, its profit 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 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 Ind AS 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 Ind AS Financial Statements under the provisions of the Act 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 opinion.

Key audit matters: -

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS Financial Statements of the current period. These matters were addressed in the context of our audit of the Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

Information other than the Consolidated Ind AS Financial Statements and auditors' report thereon: -

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the Consolidated Ind AS Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

8. REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

In connection with our audit of the Consolidated Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Ind AS 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.

Management's Responsibility for the Consolidated Ind AS 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 Consolidated Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows, statement of changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2016, as amended. This responsibility also includes 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 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 Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Ind AS Financial Statements, management 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 management 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 Responsibility for the audit of the Consolidated Ind AS Financial Statements: -

Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS 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 Ind AS 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 Consolidated Ind AS Financial Statement, 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

8. REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

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 financial controls relevant to the audit in order to design audit procedure that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion 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 the 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 Consolidated Ind AS 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 Consolidated Ind AS Financial Statements, including the disclosures, and whether the Consolidated Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Consolidated Ind AS Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Ind AS 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 works; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Ind AS 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 Consolidated Ind AS Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstance, we determine that a matter should not be communicate in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters: -

- (a) We did not audit the financial statements of two subsidiary included in the consolidated financial results, whose financial statement reflect total assets of Rs. 56,785 lakhs as at March 31, 2023 and total revenues of Rs 18,832 lakhs for the year ended March 31, 2023, total net

8. REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Profit after tax of Rs. 2,518 lakhs for the year ended March 31, 2023 and total comprehensive income of Rs. 0.792 lakhs for the year ended March 31, 2023 and net cash inflows of Rs. 1,231 lakhs for the year ended March 31, 2023, as considered in the Statement (the figures reported above are before eliminations on consolidation). These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion and conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, an associate and a joint venture, is based solely on the reports of the other auditors and the procedures performed by us as stated under Auditor's Responsibilities section above.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements: -

1. This report does not include a statement on the matters specified in paragraph 3 and 4 of the Companies (Auditor's Report) Order, 2020, issued by the Central Government of India, in terms of subsection 11 of section 143 of the Act, since in our opinion and according to the information and explanations given to us, the said order is not applicable to the Consolidated Financial Statements.
2. As required by Section 143(3) of the Act, based on our audit, 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 including Other Comprehensive Income, 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 Consolidated Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2016, as amended;
 - (e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 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 and the operating effectiveness of such controls; refer to our separate report in **Annexure - A**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act
 - (h) 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 has no pending litigations which can significantly impact its financial position.
 - ii. The company has made the provision, as required under the applicable laws or accounting standards for material foreseeable losses on long term contracts including derivative contracts.

8. REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

- iii. The company is not requiring transferring any amount to the Investor Education and Protection fund.
- iv. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable only w.e.f. April 1, 2023 for the Holding Company, its subsidiaries, associates and joint venture companies incorporated in India, hence reporting under this clause is not applicable.

For, M/s Pankaj R. Shah & Associates
Chartered Accountants
(Registration No. 107361W)

CA Chintan Shah
Partner
(Membership No. 110142)
UDIN: 23110142BGZHJL9857
Place: Ahmedabad
Date: 17-08-2023

8. REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

“ANNEXURE - A” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF CREDO MINERAL INDUSTRIES LIMITED

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 **CREDO MINERAL INDUSTRIES LIMITED** (“the Company”) as of March 31, 2023 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. 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 Companies Act, 2013.

Auditors’ 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 Companies Act, 2013, 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.

8. REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

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, 2023, 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, M/s Pankaj R. Shah & Associates
Chartered Accountants
(Registration No. 107361W)

CA Chintan Shah
Partner
(Membership No. 110142)
UDIN: 23110142BGZHJL9857
Place: Ahmedabad
Date: 17-08-2023

8. REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Annexure to Independent Auditor's Report

List of Subsidiaries :

1. Gujarat Credo Mineral Industries Limited
2. Gujarat Credo Alumina Chemicals Limited (Formerly Known As Gujarat Credo Alumina Chemicals Private Limited)
3. Lucent Mines & Mineral Pvt. Ltd
4. Gujarat Credo Rare Earths Limited
5. Rocktech Mineral Development (Guj.) Private Limited

For, M/s Pankaj R. Shah & Associates
Chartered Accountants
(Registration No. 107361W)

CA Chintan Shah
Partner
(Membership No. 110142)
UDIN: 23110142BGZHJL9857
Place: Ahmedabad
Date: 17-08-2023

8. REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1: SIGNIFICANT ACCOUNTING POLICIES

(A) Basis of preparation of financial statements

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013('Act') (to the extent notified) and guidelines. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(B) 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. Accounting estimate could change from period to period. Actual results could differ from those 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, their effects are disclosed in the notes to the financial statements.

(C) Property, plant and equipment

Free hold Land is measured at cost.

Other items of property, plant and equipment are stated at cost net of recoverable taxes, trade discounts & rebates and include amounts added on revaluation, less accumulated depreciation and impairment loss, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell. Repairs and maintenance costs are recognized in net profit in the statement of profit and loss when incurred. Any adjustments made to the amount payable in relation to the acquisition of the fixed assets are adjusted against the cost of the assets.

(D) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Initial recognition and measurement

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized

8. REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

at fair value plus or minus directly attributable transaction costs on initial recognition, except for financial assets and liabilities not classified at fair value through profit or loss.

b) Subsequent measurement

a. Non-derivative financial instruments

(i) Financial assets carried at amortized cost:-

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset 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.

(ii) Financial assets at fair value through other comprehensive income:-

A financial asset is 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.

Financial instruments within the fair value through other comprehensive income are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income.

(iii) Financial assets at fair value through profit or loss:-

Any financial assets which are not classified in any of the above categories are subsequently measured at fair value through profit or loss.

Financial instruments within the fair value through profit or loss are measured at fair value with all the changes recognized in the P&L.

(iv) Financial liabilities:-

Financial liabilities are subsequently carried at amortized cost using the effective interest method.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

c) De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily de-recognized when:

- i. The rights to receive cash flows from the asset have expired, or
- ii. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay received cash flows in full without material delay to a third party and either
 - (a) the Company has transferred substantially all the risks and rewards of the asset, or
 - (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

8. REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

(E) **Impairment**

a) **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. 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 is recognized as an impairment gain or loss in profit or loss.

b) **Non-financial assets**

Non-Financial 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 inflows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash-Generating Units (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. Reversal of impairment loss is recognized if there has been a change in the estimates used to determine the recoverable amount in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase. 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.

(F) **Fair value of financial instruments**

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.

In determining the fair value of its financial instruments, the company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- ▶ Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ▶ Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- ▶ Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

8. REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

(G) Income taxes

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

MAT Credit receivable is recognized in the books of the company only when and to the extent that there is convincing evidence that the company will be able to avail the future economic benefits arising there from during the specified period in which tax credit is allowable.

(H) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable except the interest income on government deposit, if any, is recognized as and when realized by the company.

(I) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when the company has a present obligation as a result of a past event and it is probable that an outflow of resources would be required to settle the obligation and in respect of which a reliable estimate can be made. The expenses relating to provision is presented in the statement of profit and loss account.

A disclosure of the contingent liability, if determinable, is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of

8. REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

resources. But where there is a possible obligation but the likelihood of outflow of resources is remote, no provision / disclosure are made.

Contingent asset is disclosed in the financial statements where an inflow of economic benefits is probable and are assessed continually.

(J) **Employee Benefits**

a) **Short Term Employee Benefits**

Employee Benefits payable wholly within twelve months of receiving employee services are classified as short term employee benefits. These benefits include salaries and wages, bonus and performance incentive. The amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognized as an expense during the period when the employees render the services.

Leave Encashment is due and recognized as expense immediately after the end of each calendar year in which the employees renders the related employee services.

b) **Post-Employment Benefits**

Retirement benefits in the form of provident fund (where contributed to the Regional PF Commissioner) are a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund contribution scheme. The Company recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service.

Gratuity liability under the Payment of Gratuity Act is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The Company fully contributes all ascertained liabilities to the trust formed for Employees Group Gratuity Assurance Scheme. Trustees administer the investments made through contributions in the said scheme with Life Insurance Corporation of India as permitted by the law.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts including net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognizes related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

8. REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

(K) Foreign Currencies

Transactions and Balances:-

Foreign currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in net profit in the statement of profit and loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit or the period in which the transaction is settled. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

(L) Extraordinary Item:

The extraordinary items are that arising from events or transactions that are clearly distinct from the ordinary activities of the enterprise and therefore, are not expected to recur frequently or regularly.

The nature and amount of each extraordinary item are identified and disclosed in the Statement of Profit and Loss in a manner that its impact on current profit or loss can be perceived.

(M) Events occurring after reporting period

Events after the reporting period are those events, favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are approved by the Board of Directors. Events those provide evidence of conditions that existed at the end of the reporting period are adjusting events and events those are indicative of conditions that arose after the reporting period are non-adjusting events. The amounts recognized in the financial statements are adjusted to reflect the adjusting events after the reporting period but not in the case of non-adjusting events.

(N) Earnings Per Share:

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for the events, other than conversion of potential equity share, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating, diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

8. REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

| CREDO MINERAL INDUSTRIES LIMITED | | | |
|---|--------------|--|--|
| (CIN : U10300GJ1995PLC064782) | | | |
| Consolidated Statement of Assets and Liabilities | | | |
| Particulars | Notes | As at 31st March, 2023 | As at 31st March, 2022 |
| | | (Rs. In Lakhs) | (Rs. In Lakhs) |
| | | Rs. | Rs. |
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 2 | 41,506.44 | 43,098.04 |
| Intangible Assets | 2 | 502.01 | 516.70 |
| Capital work-in-progress | 3 | 9,324.60 | 2,331.09 |
| Goodwill on consolidation | | 3,223.35 | 3,223.35 |
| Other financial assets | 4 | 174.13 | 49.62 |
| Other non-current assets | 5 | 125.87 | 588.37 |
| Total non-current assets | | 54,856.39 | 49,807.17 |
| Current assets | | | |
| Inventories | 6 | 8,853.04 | 6,952.95 |
| Investments | 7 | 178.34 | 236.35 |
| Trade receivables | 8 | 1,784.45 | 1,825.65 |
| Cash and cash equivalents | 9 | 3,318.08 | 2,004.01 |
| Other financial assets | 4 | 39.55 | - |
| Current tax assets | | 11.49 | 9.88 |
| Other current assets | 5 | 912.13 | 1,134.10 |
| Total current assets | | 15,097.08 | 12,162.94 |
| TOTAL ASSETS | | 69,953.47 | 61,970.11 |
| | | | |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity share capital | 10 | 7,500.00 | 6,568.70 |
| Other equity | 11 | 20,786.67 | 18,126.50 |
| Equity attributable to owners of the Company | | 28,286.67 | 24,695.20 |
| Non controlling interest | 12 | 1,170.91 | 1,133.59 |
| Total Equity | | 29,457.58 | 25,828.79 |
| Liabilities | | | |
| Non-current liabilities | | | |

8. REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

| | | | |
|--|----|------------------|------------------|
| Borrowings | 13 | 24,652.95 | 23,100.32 |
| Other financial liabilities | 16 | 2,072.37 | 1,960.56 |
| Provisions | | - | - |
| Deferred revenue/ contract liabilities | | - | - |
| Lease liabilities | | 5.92 | 6.48 |
| Net employee benefit liabilities | | - | - |
| Differed Tax Liability | 27 | 1,239.51 | 382.66 |
| Non Current Provisions | 17 | 33.34 | 20.12 |
| Other non-current liabilities | 14 | 1,225.76 | 133.15 |
| Total non-current liabilities | | 29,229.86 | 25,603.30 |
| Current Liabilities | | | |
| Financial liabilities | | | |
| Borrowings | 13 | 6,308.22 | 5,870.43 |
| Lease liabilities | | 0.56 | 0.62 |
| Trade payables | 15 | 4,036.31 | 3,513.54 |
| Other financial liabilities | 16 | 336.08 | 491.06 |
| Other current liabilities | 14 | 327.01 | 431.94 |
| Current tax liabilities(net) | 26 | 40.64 | 2.30 |
| Provisions | 17 | 217.22 | 228.12 |
| Total current liabilities | | 11,266.04 | 10,538.01 |
| Total Liabilities | | 40,495.89 | 36,141.32 |
| TOTAL EQUITY AND LIABILITIES | | 69,953.47 | 61,970.11 |

The accompanying notes are integral part of the financial statements.

**As per our report of even date attached
For Pankaj R Shah & Associates**

Chartered Accountants

FRN: 107361W

Chintan Shah

Partner

M. No. 110142

Date: 17-08-2023

Place: Ahmedabad

**For and on behalf of the Board of Directors
Credo Mineral Industries Limited**

Anand Patel

Director

(DIN - 00002277)

Kirtesh Shah

Company Secretary

Date: 17-08-2023

Place: Ahmedabad

Rakesh S Shah

Managing Director

(DIN - 02076051)

Krunal Shah

Chief Financial Officer

8. REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

| CREDO MINERAL INDUSTRIES LIMITED | | | |
|---|----------------|--|---|
| (CIN : U10300GJ1995PLC064782) | | | |
| Consolidated Statement of Profit and Loss | | | |
| Particulars | Note No | As at 31st March, 2023 (Rs. In Lakhs) | As at 31st March, 2022 (Rs. In Lakhs) |
| | | Rs. | Rs. |
| (A) INCOME | | | |
| I. Revenue from operations | 18 | 22,880.57 | 19,074.50 |
| II. Other Income | 19 | 297.64 | 25.80 |
| Total Income | | 23,178.20 | 19,100.30 |
| (B) Expenses: | | | |
| I. Cost of materials consumed | 20 | 11,061.37 | 8,955.84 |
| II. Changes in inventories of finished goods, work-in-progress and Stock-in-Trade | 21 | (1,034.28) | 742.48 |
| III. Employee benefit expense | 22 | 1,274.11 | 954.32 |
| IV. Financial costs | 23 | 2,091.86 | 1,802.75 |
| V. Depreciation and amortization expense | 24 | 1,751.51 | 1,758.02 |
| VI. Other expenses | 25 | 4,753.01 | 4,444.76 |
| Total Expenses | | 19,897.58 | 18,658.17 |
| (C) Profit before tax | | 3,280.62 | 442.12 |
| (D) Tax expense: | | | |
| (I) Current tax | | 118.07 | 18.80 |
| (II) Deferred tax | 27 | 856.43 | 432.69 |
| (III) MAT Credit | | (8.73) | (10.33) |
| (IV) Adjustment of tax relating to earlier periods | | 0.02 | - |
| (E) PROFIT AFTER TAX | | 2,314.83 | 0.97 |
| Other comprehensive income | | - | 1.97 |
| Items that will not be reclassified to profit or loss | | - | - |
| Remeasurement of post-employment benefit obligations | | 2.29 | 0.14 |
| -FV on investments in Mutual Funds | | - | (68.09) |
| -Guarantee Premium | | 4.85 | 1.97 |
| -Actuarial Gains and losses | | (0.23) | - |

8. REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

| | | | |
|--|----|-----------------|----------------|
| Income tax related to items that will be not be reclassified to profit or loss | | 0.42 | 12.26 |
| -FV on investments in Mutual Funds | | - | - |
| -Actuarial Gains and losses | | - | - |
| Total Other Comprehensive income for the year, net of tax | | 7.33 | (51.75) |
| | | | |
| (F) Total comprehensive income for the year, net of tax | | 2,322.16 | (50.79) |
| | | | |
| EPS | | | |
| Earning per equity share (EPS) for profit for the period (face value of Rs.10/-) | 36 | 3.37 | 0.0015 |
| Basic (Rs.) | 36 | 3.37 | 0.0014 |
| Diluted (Rs.) | | | |

Significant Accounting Policies

The accompanying notes are integral part of the financial statements.

As per our report of even date attached

For Pankaj R Shah & Associates

Chartered Accountants

FRN: 107361W

Chintan Shah

Partner

M. No. 110142

Date: 17-08-2023

Place: Ahmedabad

For and on behalf of the Board of Directors

Credo Mineral Industries Limited

Anand Patel

Director

(DIN - 00002277)

Kirtesh Shah

Company Secretary

Date: 17-08-2023

Place: Ahmedabad

Rakesh S Shah

Managing Director

(DIN - 02076051)

Krunal Shah

Chief Financial Officer

8. REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

| CREDO MINERAL INDUSTRIES LIMITED | | | |
|---|---|--|---|
| (CIN : U10300GJ1995PLC064782) | | | |
| Consolidated Cash flow Statement | | | |
| Particulars | | As at 31st March,2023 (Rs. In Lakhs) | As at 31st March, 2022 (Rs. In Lakhs) |
| | | Rs. | Rs. |
| A. | Cash Flow From Operating Activities | | |
| | Net Profit before tax and extraordinary items(as per Statement of Profit and Loss) | 3,284.78 | 442.12 |
| | Adjustments for non Cash/ Non trade items: | | |
| | Depreciation & Amortization Expenses | 1,751.51 | - |
| | (Profit) / Loss on Sale Of Current Investment | - | - |
| | Goodwill on consolidation | - | - |
| | (Profit)/ Loss on sale of Fixed Asset | (8.32) | - |
| | Short term capital gain on sale of mutual fund | (20.23) | - |
| | Interest expenses | 2,091.86 | - |
| | Interest Income | (244.02) | - |
| | Operating profits before Working Capital Changes | 6,855.59 | 442.12 |
| | Adjusted For: | | |
| | (Increase) / Decrease in trade receivables | 41.20 | (573.71) |
| | Increase / (Decrease) in trade payables | 522.77 | 1,289.00 |
| | (Increase) / Decrease in inventories | (1,900.10) | 905.96 |
| | Increase / (Decrease) in other current liabilities | (104.93) | 195.84 |
| | (Increase) / Decrease in other non current assets | 462.50 | (74.90) |
| | (Increase) / Decrease in other current assets | 221.97 | (243.13) |
| | Increase / (Decrease) in Short term Provision | (10.90) | 86.95 |
| | Increase / (Decrease) in Current tax liabilities(net) | 36.73 | (21.02) |
| | Increase / (Decrease) in Long term Provision | 13.21 | 13.97 |
| | Cash generated from Operations | 6,138.05 | 2,021.09 |
| | Income Tax (Paid) / Refund | 856.85 | 594.05 |
| | Net cash flow from operating activities before extraordinary items | 6,994.89 | 2,615.14 |
| | Proceeds from extraordinary items | | |
| | Payment for extraordinary items | | |
| | Net Cash flow from Operating Activities(A) | 6,994.89 | 2,615.14 |
| B. | Cash Flow From Investing Activities | | |
| | Deposits | - | - |
| | Purchase/ Sale of tangible assets | 57.85 | 544.23 |
| | (Increase)/ Decrease in Capital WIP | (6,993.51) | (356.44) |
| | Purchase/ Sale of intangible assets | (194.75) | 15.36 |
| | Current Investments / (Purchased) sold | 78.23 | 126.74 |

8. REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

| | | | |
|-----------|--|-------------------|-------------------|
| | Interest Received | 244.02 | - |
| | Loans Given | - | - |
| | Other Non Current financial Liability | 111.81 | 1,257.13 |
| | Lease liabilities | (0.62) | (0.63) |
| | Other Current financial Liability | (154.98) | (1,435.21) |
| | Other Financial Assets | (164.05) | 67.84 |
| | Other Non current financial assets | | |
| | Other Inflow / (Outflows) of cash | | |
| | Net Cash used in Investing Activities(B) | (7,016.00) | 219.03 |
| C. | Cash Flow From Financing Activities | | |
| | Finance Cost | (2,091.86) | - |
| | Increase/ (Decrease) in Minority Interest | 37.32 | 11.68 |
| | Issue of new shares | | |
| | Issue of new right shares | 2,514.51 | - |
| | Changes In other Equity | (2,207.82) | (606.74) |
| | Other non current liabilities | 1,092.61 | (97.38) |
| | Increase in / (Repayment) of Short term Borrowings | 1,552.63 | (3,445.46) |
| | Increase in / (Repayment) of Long term borrowings | 437.79 | 1,341.00 |
| | Net Cash used in Financing Activities(C) | 1,335.17 | (2,796.90) |
| D. | Net Increase / (Decrease) in Cash & Cash Equivalents(A+B+C) | 1,314.07 | 37.27 |
| E. | Cash & Cash Equivalents at Beginning of period | 2,004.01 | 1,966.74 |
| F. | Cash & Cash Equivalents at End of period | 3,318.08 | 2,004.01 |

The accompanying notes are integral part of the financial statements.

As per our report of even date attached
For Pankaj R Shah & Associates

Chartered Accountants
FRN: 107361W

Chintan Shah
Partner
M. No. 110142

Date: 17-08-2023
Place: Ahmedabad

For and on behalf of the Board of Directors
Credo Mineral Industries Limited

Anand Patel
Director
(DIN - 00002277)

Kirtesh Shah
Company Secretary

Date: 17-08-2023
Place: Ahmedabad

Rakesh S Shah
Managing Director
(DIN - 02076051)

Krunal Shah
Chief Financial Officer

8. REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

| CREDO MINERAL INDUSTRIES LIMITED | | | | | | |
|--|---------------------|--------------------|----------------------|-------------------------------------|----------------------------------|------------------|
| Consolidated Statement of Changes In Equity (SOCIE) | | | | | | |
| A. Equity Share Capital | | | | | | |
| Particulars | | | | No. of Shares | Amount (Rs. In Lakhs) | |
| Issued, subscribed and paid up share capital | | | | | | |
| Equity Shares of Rs. 10/- each fully paid up | | | | | | |
| As at 31 st March 2021 | | | | 6,56,87,014 | 6,568.70 | |
| Changes in equity share capital | | | | - | - | |
| As at 31 st March 2022 | | | | 6,56,87,014 | 6,568.70 | |
| Add: Right share issue Face Value Rs. 10 at a Premium of Rs. 17 each | | | | 93,12,986 | 931.30 | |
| As at 31 st March 2023 | | | | 7,50,00,000 | 7,500.00 | |
| B. Other equity | | | | | (Rs. In Lakhs) | |
| Particulars | Reserves & Surplus | | | Share Pending money Allotment | Other Comprehensive Income | Total Equity |
| | Security Premium | General reserve | Retained earnings | | | |
| Balance at March 31, 2021 | 22,381.81 | 6,785.83 | (10,876.53) | - | - | 18,291.11 |
| Changes in accounting policy / prior period errors | - | - | - | | - | - |
| balance at the beginning of the reporting period | 22,381.81 | 6,785.83 | 1,777.22 | - | - | 30,944.85 |
| Profit for the year | - | - | (53.64) | | - | (53.64) |
| Other comprehensive income for the year | - | - | 8.22 | | | 8.22 |
| Total comprehensive income for the year | 22,381.81 | 6,785.83 | 1,731.79 | - | - | 30,899.43 |
| Issue of Equity Shares | - | - | | | - | - |
| Utilisation during the year | | | | | | - |
| Any Other Change | - | - | (12,772.93) | | - | (12,772.93) |

8. REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

| | | | | | | |
|---|------------------|-----------------|--------------------|---|---|------------------|
| Balance at March 31, 2022 | 22,381.81 | 6,785.83 | (11,041.14) | - | - | 18,126.50 |
| Changes in accounting policy / prior period errors | - | - | - | - | - | - |
| balance at the beginning of the reporting period | 12,135.63 | 6,785.83 | 1,791.67 | - | - | 20,713.13 |
| Profit for the year | - | - | 2,314.83 | - | - | 2,314.83 |
| Other comprehensive income for the year | - | - | 7.55 | - | - | 7.55 |
| Total comprehensive income for the year | 12,135.63 | 6,785.83 | 4,114.04 | - | - | 23,035.50 |
| Issue of Equity Shares | - | - | - | - | - | - |
| Utilisation during the year | - | - | - | - | - | - |
| Any Other Change | - | - | (2,248.83) | - | - | (2,248.83) |
| Balance at March 31, 2023 | 12,135.63 | 6,785.83 | 1,865.21 | - | - | 20,786.67 |

For Pankaj R Shah & Associates
Chartered Accountants
FRN: 107361W

Chintan Shah
Partner
M. No. 110142

Date: 17-08-2023
Place: Ahmedabad

For and on behalf of the Board of Directors
Credo Mineral Industries Limited

Anand Patel
Director
(DIN - 00002277)

Rakesh S Shah
Managing Director
(DIN - 02076051)

Kirtesh Shah
Company Secretary

Krunal Shah
Chief Financial Officer

Date: 17-08-2023
Place: Ahmedabad

8. REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

| Note 2 Property, plant and equipment | | | | | | | | | (Rs. In Lakhs) | |
|--------------------------------------|------------------|--------------------------|---------------------------|------------------|-------------------------|--------------------------|---------------------------|------------------|----------------------|----------------------|
| Particulars | Gross Block | | | | Depreciation/Adjustment | | | | Net Block | |
| | As on 01-04-2022 | Addition during the year | Deduction during the year | As on 31-03-2023 | As on 01-04-2022 | Addition during the year | Deduction during the year | As on 31-03-2023 | WDV as on 31-03-2023 | WDV as on 31-03-2022 |
| Tangible Assets | | | | | | | | | | |
| Freehold Land | 7,285.88 | 29.67 | - | 7,315.56 | - | - | - | - | 7,315.56 | 7,285.88 |
| Building and Civil Construction | 9,235.50 | 1.41 | - | 8,812.81 | 1,135.46 | 329.28 | | 1,464.74 | 7,348.07 | 7,675.94 |
| Plant and Equipment | 24,518.86 | 164.38 | 726.37 | 23,956.88 | 4,158.44 | 956.60 | 122.93 | 4,992.11 | 18,964.77 | 20,360.42 |
| Furniture and Fixtures | 60.21 | 1.77 | - | 61.98 | 24.14 | 5.09 | | 29.23 | 32.75 | 36.07 |
| Vehicles | 62.16 | 45.31 | 7.48 | 99.99 | 38.57 | 6.24 | 7.13 | 37.68 | 62.31 | 23.60 |
| Leasehold improvements | 2,621.71 | - | - | 2,621.71 | 262.60 | 95.39 | - | 358.00 | 2,263.71 | 2,359.10 |
| Office Equipments | 80.68 | 7.86 | 25.14 | 63.40 | 40.50 | 8.05 | 3.59 | 44.96 | 18.44 | 40.18 |
| Civil Construction | 667.25 | 5.00 | - | 672.25 | 125.64 | 21.18 | - | 146.82 | 525.43 | 541.61 |
| Zeolite Allied Products | - | - | - | - | - | | | - | - | - |
| Lab equipments | 123.57 | 13.53 | - | 137.10 | 32.20 | 12.12 | | 44.32 | 92.78 | 91.37 |
| Leasehold Land | 2,897.79 | - | - | 2,897.79 | 579.96 | 96.58 | - | 676.54 | 2,221.25 | 2,317.83 |
| Leasehold plant & Machinery | 471.85 | - | - | 471.85 | 326.66 | 108.89 | - | 435.55 | 36.30 | 145.18 |
| Leasehold Spin Flash & Dryer | - | 496.18 | - | 496.18 | - | 19.85 | - | 19.85 | 476.33 | - |
| Electric installations | 2,048.56 | - | - | 2,048.56 | 198.08 | 72.08 | - | 270.16 | 1,778.40 | 1,850.48 |
| Road | 7.53 | - | - | 7.53 | 0.48 | 0.71 | - | 1.19 | 6.33 | 7.05 |

8. REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

| | | | | | | | | | | |
|------------------------------|------------------|---------------|---------------|------------------|-----------------|-----------------|---------------|-----------------|------------------|------------------|
| WIP-Zeolite | - | 1.18 | 1.18 | - | - | - | - | - | - | - |
| Computers | 33.26 | 5.04 | 0.91 | 37.40 | 26.62 | 3.46 | 0.02 | 30.06 | 7.34 | 6.64 |
| Total-A | 50,114.81 | 771.33 | 761.07 | 50,125.07 | 7,016.78 | 1,735.52 | 133.66 | 8,618.64 | 41,506.44 | 43,098.04 |
| Intangible Assets | | | | | | | | | | |
| Rights of use in Leased Land | 211.80 | - | - | 211.80 | 2.36 | 0.39 | - | 2.75 | 209.05 | 209.44 |
| Product Development Cost | 383.96 | - | - | 383.96 | 76.79 | 15.36 | - | 92.15 | 291.81 | 307.17 |
| Computer Software | 1.78 | 1.30 | - | 3.07 | 1.69 | 0.23 | - | 1.92 | 1.15 | 0.09 |
| Total-B | 597.54 | 1.30 | - | 598.84 | 80.84 | 15.99 | - | 96.83 | 502.01 | 516.70 |
| TOTAL(A+B) | 50,712.36 | 772.62 | 761.07 | 50,723.91 | 7,097.62 | 1,751.51 | 133.66 | 8,715.47 | 42,008.44 | 43,614.74 |
| previous year | | | | | | | | | | |

Note 3 Capital Work-in-progress

| Particulars | Gross Block | | | Depreciation/Adjustment | | | | Net Block | | |
|---|------------------|--------------------------|---------------------------|-------------------------|------------------|--------------------------|---------------------------|------------------|----------------------|----------------------|
| | As on 01-04-2022 | Addition during the year | Deduction during the year | As on 31-03-2023 | As on 01-04-2022 | Addition during the year | Deduction during the year | As on 31-03-2023 | WDV as on 31-03-2023 | WDV as on 31-03-2022 |
| Zeolite - 4A Low Grade Bauxite Project at Naredi, Kutch | - | | | - | | | | | - | - |
| Other WIP | 0.14 | - | - | 0.14 | - | - | - | - | 0.14 | 0.14 |
| Adani SEZ project Expense | | | | - | | | | | - | - |
| installation of additional plant & | 2,330.95 | 6,993.51 | - | 9,324.47 | - | - | - | - | 9,324.47 | 2,330.95 |

8. REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

| | | | | | | | | | | |
|---|-----------------|-----------------|----------|-----------------|----------|----------|----------|----------|-----------------|-----------------|
| machineries GCACPL* | - | | | | | | | | | |
| Speciality Alumina Chemicals Project at Mundra SEZ, Kutch | | | | - | - | - | - | - | - | - |
| TOTAL | 2,331.09 | 6,993.51 | - | 9,324.60 | - | - | - | - | 9,324.60 | 2,331.09 |

*CWIP related to installation of additional plant & machineries - (GCACPL) is after adjusting inter company transaction amounting ₹2,02,58,000.

9. REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

| Note-4 | | |
|--|-------------------------|-------------------------|
| Other Financial Assets | As on 31.03.2023 | As on 31.03.2022 |
| | (Rs. In Lakhs) | (Rs. In Lakhs) |
| Particulars | ₹ | ₹ |
| Non Current | | |
| <u>Advances other than Capital Advances</u> | | |
| Fixed Deposit | 0.43 | 0.43 |
| Financial Guarantee | - | - |
| Other Deposits | - | - |
| Other Finance Lease Receivable | 122.00 | - |
| Security Deposits | 51.69 | 49.19 |
| TOTAL | 174.13 | 49.62 |
| Current | | |
| <u>Advances other than Capital Advances</u> | - | - |
| Fixed Deposits interest | - | - |
| Fixed Deposits having maturity period exceeding 3 months | - | - |
| Other Finance Lease Receivable | 39.35 | - |
| Security Deposits | 0.20 | - |
| TOTAL | 39.55 | - |
| Note-5 | | |
| Other Assets | As on 31.03.2023 | As on 31.03.2022 |
| | (Rs. In Lakhs) | (Rs. In Lakhs) |
| Particulars | ₹ | ₹ |
| Non- Current Asset | | |
| Security & Other Deposit | 13.48 | 12.55 |
| Unsecured Loans | - | - |
| MAT Credit Entitlement | - | 32.18 |
| Advance against Mobilization | 61.28 | 484.82 |
| Prepaid Expenses (Guarantee Premium) | 51.11 | 58.81 |
| TOTAL | 125.87 | 588.37 |
| Current | | |
| Advance against mobilization | - | - |
| Capital Advances | - | - |
| Dividend receivables | - | - |
| Advance to Staff | 0.13 | 0.10 |
| Advances to Suppliers | 134.30 | 213.89 |

9. REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

| | | |
|--|-------------------------|-------------------------|
| Prepaid Expenses | 48.05 | 39.09 |
| Balance With Government Authorities | 729.65 | 881.02 |
| TOTAL | 912.13 | 1,134.10 |
| Note-6 | | |
| Inventories | As on 31.03.2023 | As on 31.03.2022 |
| | (Rs. In Lakhs) | (Rs. In Lakhs) |
| Particulars | ₹ | ₹ |
| Raw Materials | 3,108.42 | 2,241.61 |
| Work-in-Process | 626.97 | 901.25 |
| Finished Goods | 4,783.85 | 3,475.49 |
| Packaging Material | 31.89 | 64.19 |
| Stores and Spares | 301.91 | 270.41 |
| (Valued at Lower of cost or NRV) | | |
| TOTAL | 8,853.04 | 6,952.95 |
| Note-7 | | |
| Investments | As on 31.03.2023 | As on 31.03.2022 |
| | (Rs. In Lakhs) | (Rs. In Lakhs) |
| Particulars | ₹ | ₹ |
| Current | | |
| <u>Investments in Mutual Funds (NON Trade)</u> | | |
| (At fair value, Fully paid up, Quoted) | | |
| HDFC money market fund | 178.34 | 236.35 |
| TOTAL | 178.34 | 236.35 |
| Aggregate amount of Quoted Investments | | |
| Market Value of Quoted Investments | 178.34 | 236.35 |
| Financial Assets measured at amortised cost | | |
| Financial Assets measured at fair value through profit or loss | 178.34 | 236.35 |
| Financial Assets measured at fair value through OCI | | |
| Note-8 | | |
| Trade Receivables | As on 31.03.2023 | As on 31.03.2022 |
| | (Rs. In Lakhs) | (Rs. In Lakhs) |
| Particulars | ₹ | ₹ |
| Current | | |
| Sundry Debtors | | |

9. REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

| | | |
|--|--|--|
| Receivables outstanding for a period exceeding six months from the date they are due for payment | 1,784.45 | 1,175.96 |
| Receivables outstanding for a period less than six months from the date they are due for payment | - | 649.69 |
| *(Trade Receivables Ageing schedule -Note -8A) | | |
| TOTAL | 1,784.45 | 1,825.65 |
| Financial Assets measured at amortised cost | 1,784.45 | 1,825.65 |
| | | |
| Note-9 | | |
| Cash And Cash Equivalentents | As on 31.03.2023 (Rs. In Lakhs) | As on 31.03.2022 (Rs. In Lakhs) |
| Particulars | ₹ | ₹ |
| Balance with Banks | | |
| In current accounts | 2,509.83 | 1,491.25 |
| Cheques, drafts on hand | - | - |
| In Deposit Accounts | 801.26 | 507.19 |
| TOTAL | 3,311.09 | 1,998.44 |
| Cash on hand | 6.99 | 5.58 |
| TOTAL | 3,318.08 | 2,004.01 |
| | | |
| Note-10 | | |
| Share Capital | As on 31.03.2023 (Rs. In Lakhs) | As on 31.03.2022 (Rs. In Lakhs) |
| Particulars | ₹ | ₹ |
| Authorised | | |
| Equity Shares of Rs.10/- each | 7,500.00 | 7,100.00 |
| | | |
| Issued, Subscribed And Fully Paid Up | | |
| 7,50,00,000 Equity Shares of Rs 10/- each | 7,500.00 | 6,568.70 |
| (Previous year - 6,56,87,014 Equity Shares of Rs 10/- each) | | |
| TOTAL | 7,500.00 | 6,568.70 |

| Reconciliation of the Authorised Share Capital at the beginning and at the end of the year | | |
|--|----------------|----------------|
| Particulars | Equity Shares | |
| | No. of Shares | |
| AUTHORISED CAPITAL | 2022-23 | 2021-22 |
| Opening Balances of Shares | 710.00 | 665.00 |
| Add: Capital Increased during the year | 40.00 | 45.00 |

9. REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

| | | |
|---|----------------------|----------------|
| Closing balance of Shares at the end of the year | 750.00 | 710.00 |
| *Capital increased through Right share issue @Rs. 27 (Face value of Rs. 10 and Prem. of Rs. 17) | | |
| Reconciliation of the Shares outstanding at the beginning and at the end of the year | | |
| Particulars | Equity Shares | |
| | No. of Shares | |
| ISSUED, SUBSCRIBED & PAID UP CAPITAL | 2022-23 | 2021-22 |
| Opening Balances of Shares | 656.87 | 656.87 |
| Add: Capital Increased during the year | 93.13 | - |
| Less: Buyback of shares during the year | - | - |
| Closing balance of Shares at the end of the year | 750.00 | 656.87 |

| | | |
|--|-------------------------|-------------------------|
| Note-11 | | |
| Other Equity | As on 31.03.2023 | As on 31.03.2022 |
| | (Rs. In Lakhs) | (Rs. In Lakhs) |
| Particulars | ₹ | ₹ |
| Securities Premium Account | 11,748.43 | 22,381.81 |
| Total (A) | 11,748.43 | 22,381.81 |
| Surplus/(Deficit) in the Statement of Profit and Loss or in OCI | | |
| Balance as per last financial statements | 1,791.67 | 1,777.22 |
| Add: Profit/(Loss) for the Year | 2,314.83 | (53.64) |
| Guarantee premium | 93.18 | 88.33 |
| Add: Remeasurement of Defined benefit plans (OCI) | (2,342.01) | (1,069.20) |
| Add:- Adjustment on correction of prior period error | - | - |
| Less: Dividend declared | - | - |
| Less: Actuarial Gain Loss | (0.23) | |
| Add:- Adjustment (Appropriations) | - | (11,792.07) |
| Less: Minority Interest | | - |
| Net Surplus/(Deficit) in the Statement of Profit and Loss (B) | 1,857.44 | (11,049.35) |
| Capital Reserve | - | - |
| Other comprehensive income | | |
| Opening | 5.90 | 7.47 |
| Add : Addition during the year | 1.87 | 0.75 |
| Total (C) | 7.77 | 8.22 |

9. REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

| | | |
|--|-------------------------|-------------------------|
| Revaluation Reserve | | |
| Opening | 6,785.83 | 6,785.83 |
| Add : Addition during the year | - | - |
| Total (C) | 6,785.83 | 6,785.83 |
| TOTAL | 20,786.67 | 18,126.50 |
| Note-12 | | |
| Minority Interest | As on 31.03.2023 | As on 31.03.2022 |
| | (Rs. In Lakhs) | (Rs. In Lakhs) |
| Particulars | ₹ | ₹ |
| Non Controlling Interest - Reserves & Surplus | | |
| Opening Balance | 636.77 | 626.81 |
| Add : Share on profit | | |
| Add : Share on profit of current year | 37.32 | 9.96 |
| TOTAL (A) | 674.08 | 636.77 |
| Non Controlling Interest - Equity | | |
| Opening Balance | 496.83 | 496.83 |
| Add : Minority Equity Raised - Rocktech | - | - |
| Less : Minority Equity Purchased | - | - |
| TOTAL (B) | 496.83 | 496.83 |
| Total Non Controlling Interest (C) = (A+B) | 1,170.91 | 1,133.59 |
| (*)Shares of Rs. 1000 in GCACPL is held by Rakesh Shah on behalf of CMIL | | |
| Note-13 | | |
| Borrowing | As on 31.03.2023 | As on 31.03.2022 |
| | (Rs. In Lakhs) | (Rs. In Lakhs) |
| Particulars | ₹ | ₹ |
| Non Current | | |
| Secured Loans | | |
| Term Loans | | |
| a) From Banks | 8,396.51 | 4,201.51 |
| b) From Financial Institution(Foreign Currency) | 14,195.48 | 15,729.55 |
| Unsecured Loan | 2,060.96 | 3,168.50 |
| Long Term maturities of finance lease obligation | - | - |
| Unsecured loan from Holding Co. | - | - |
| Obligation under finance lease (unsecured) | - | - |
| TOTAL | 24,652.95 | 23,099.56 |

9. REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

| | | |
|--|--|--|
| Current | | |
| Secured Loans Repayable on Demand | - | - |
| Cash Credit /EPC/PCFC/FBD/EBR/SLC Facility from Bank | 1,216.60 | 1,970.40 |
| Working Capital demand Loan | 2,850.51 | 2,817.53 |
| Unsecured Loan | - | - |
| Others | - | - |
| Holding Co | - | - |
| HDFC Bank Ltd | 60.18 | 88.59 |
| Current Maturities of Long Term Debt | - | - |
| a)Term Loan Facility from Bank | 236.57 | 160.09 |
| B)Term Loan and GECL Facility From bank | 83.33 | 87.33 |
| b)Term Loan and GECL Facility from Financial Institution | 175.52 | 358.29 |
| d)Others (Books overdraft) | 1,685.51 | 388.19 |
| TOTAL | 6,308.22 | 5,870.43 |
| Note-14 | | |
| Other Liabilities | As on 31.03.2023 (Rs. In Lakhs) | As on 31.03.2022 (Rs. In Lakhs) |
| Particulars | ₹ | ₹ |
| Non Current | | |
| Trade payable | | |
| Due to Micro, Small & Medium Enterprises | 21.39 | 103.69 |
| Others | 1,204.37 | 29.46 |
| TOTAL | 1,225.76 | 133.15 |
| Current | | |
| Other Payables | | |
| Financial Guarantee Liability | - | - |
| Rates, Taxes and Duties | 133.04 | 114.40 |
| Sundry Creditors for Expenses | 45.36 | 53.97 |
| Employees Payment Payable | 1.04 | 0.75 |
| Financial Guarantee Liability | - | - |
| Dividend payable | 0.03 | 0.03 |
| Salary Payable | 26.93 | 17.26 |
| Advances from Customers/Debtors | 120.61 | 245.53 |
| Directors remuneration payable | - | - |
| TOTAL | 327.01 | 431.94 |

9. REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

| Note-15 | | |
|--|--|--|
| Trade payables | As on 31.03.2023 (Rs. In Lakhs) | As on 31.03.2022 (Rs. In Lakhs) |
| Particulars | ₹ | ₹ |
| Current | | |
| Trade payables | | |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 3,987.48 | 3,474.83 |
| Total outstanding dues of micro enterprises and small enterprises | 48.83 | 38.70 |
| *(Trade Payables Ageing Schedule Note-15A) | | |
| TOTAL | 4,036.31 | 3,513.54 |

| Note-16 | | |
|--|--|--|
| Other Financial Liabilities | As on 31.03.2023 (Rs. In Lakhs) | As on 31.03.2022 (Rs. In Lakhs) |
| Particulars | ₹ | ₹ |
| Current | | |
| Current Maturities of Long Term Debt | - | 204.96 |
| Term Loan Facility from Bank | - | - |
| Obligation under finance lease (unsecured) | 282.12 | 226.37 |
| Sundry Creditors for Expenses | - | - |
| Derrivative Liability | - | 0.92 |
| Financial Guarantee Liability | 53.96 | 58.81 |
| Others | - | - |
| TOTAL | 336.08 | 491.06 |
| Non Current | | |
| Other Long Term Liability | - | - |
| Lease obligation | 2,072.37 | 1,960.56 |
| Benificiation | - | - |
| TOTAL | 2,072.37 | 1,960.56 |

| Note-17 | | |
|-------------------------------|--|--|
| Provisions | As on 31.03.2023 (Rs. In Lakhs) | As on 31.03.2022 (Rs. In Lakhs) |
| Particulars | ₹ | ₹ |
| Non Current | | |
| Provision for unavailed leave | 13.15 | 6.70 |

9. REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

| | | |
|--|--|--|
| Provision for Employee Benefits (Gratuity) | 20.19 | 13.42 |
| TOTAL | 33.34 | 20.12 |
| Current | | |
| Provision for Income Tax | 8.73 | 41.89 |
| Others | 46.04 | 15.83 |
| Professional & Legal Consultancy Charges Payable | 5.88 | 5.29 |
| Provision for Income | - | - |
| Provision for unavailed leave | 3.65 | - |
| Provision for Employee Benefits (Gratuity) | 15.88 | 13.77 |
| Director Remuneration Payable | - | - |
| Provision For Land Revenue Tax | 0.21 | |
| Provision for Expense | 136.84 | 151.34 |
| TOTAL | 217.22 | 228.12 |
| | | |
| Note-18 | | |
| Revenue from operations | As on 31.03.2023 (Rs. In Lakhs) | As on 31.03.2022 (Rs. In Lakhs) |
| Particulars | ₹ | ₹ |
| Export / SEZ Sales | 9,009.75 | 6,026.31 |
| Domestic Sales | 13,419.19 | 12,690.27 |
| Total (A) | 22,428.94 | 18,716.59 |
| Incentive(Laytime) | - | 0.04 |
| Other operating revenue | 451.63 | 357.87 |
| Total (B) | 451.63 | 357.91 |
| Total (A+B) | 22,880.57 | 19,074.50 |
| | | |
| Note-19 | | |
| Other Income | As on 31.03.2023 (Rs. In Lakhs) | As on 31.03.2022 (Rs. In Lakhs) |
| Particulars | ₹ | ₹ |
| Gain on Sale of Current Investments | | - |
| Interest Income | 244.02 | 32.72 |
| Short term Capital gain on Mutual fund | 20.23 | 7.89 |
| Interest on Income Tax Refund | - | 0.56 |
| Misc. Income | 12.91 | (89.98) |
| Profit on sale of Asset | 8.32 | 15.18 |
| Provision written back | 4.34 | 48.59 |

9. REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

| | | |
|---|--|--|
| Foreign Exchange Fluctuation | - | 18.55 |
| Guarantee Commission Income | - | (12.38) |
| Interest on Income Tax | 3.59 | 4.68 |
| Other comprehensive income | - | - |
| Gain on financial instrument measured at fair value through P&L | 4.24 | - |
| TOTAL | 297.64 | 25.80 |
| Note-20 | | |
| Material Consumed | As on 31.03.2023 (Rs. In Lakhs) | As on 31.03.2022 (Rs. In Lakhs) |
| Particulars | ₹ | ₹ |
| Opening Stock of Raw Materials | 2,305.80 | 2,572.34 |
| Add: Purchases during the year | 11,895.90 | 8,689.29 |
| Less: closing Stock of Raw Materials | (3,140.32) | (2,305.80) |
| Cost of Raw materials Consumed | 11,061.37 | 8,955.84 |
| Note-21 | | |
| Increase / (Decrease) in WIP & Finished Goods | As on 31.03.2023 (Rs. In Lakhs) | As on 31.03.2022 (Rs. In Lakhs) |
| Particulars | ₹ | ₹ |
| Work In Progress | | |
| Opening Stock of Work In Progress | 631.82 | 837.03 |
| Closing Stock of Work In Progress | 626.97 | 901.25 |
| Increase/ (Decrease) of Work In Progress | 4.84 | (64.22) |
| Finished Goods | | |
| Opening Stock of Finished Goods | 3,744.93 | 4,293.17 |
| Closing Stock of Finished Goods | 4,783.85 | 3,475.49 |
| Increase/ (Decrease) in Finished Goods | (1,038.92) | 817.68 |
| Stores and Spares | | |
| Opening Stock of Stores and Spares | 19.26 | 8.29 |
| Closing Stock of Stores and Spares | 19.47 | 19.26 |
| Increase/ (Decrease) in Stores and Spares | (0.21) | (10.97) |
| TOTAL | (1,034.28) | 742.48 |

9. REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

| Note-22 | | |
|--|--|--|
| Employee benefit Expense | As on 31.03.2023 (Rs. In Lakhs) | As on 31.03.2022 (Rs. In Lakhs) |
| Particulars | ₹ | ₹ |
| Salaries and wages | 881.27 | 790.29 |
| Contributions to provident and other funds | 49.51 | 11.63 |
| Gratuity and other defined benefit plan | 7.57 | 6.96 |
| Directors Remuneration | 274.53 | 99.36 |
| Employee Welfare | 61.24 | 46.08 |
| TOTAL | 1,274.11 | 954.32 |
| Note-23 | | |
| Financial Costs | As on 31.03.2023 (Rs. In Lakhs) | As on 31.03.2022 (Rs. In Lakhs) |
| Particulars | ₹ | ₹ |
| Interest on Term Loans and Other loans | 1,814.44 | 1,516.71 |
| Interest on Unsecured loans | 2.93 | 28.26 |
| Bank Charges | - | - |
| Other Borrowing Costs | | |
| Exchange Loss on Foreign Currency Borrowings | - | - |
| Loan Processing and Renewal Charges | 15.66 | 12.49 |
| Finance Lease charges on leasehold assets | 124.80 | 83.99 |
| Forward Contract Premium | - | 8.03 |
| Other Finance Charge | 64.62 | 105.89 |
| Interest on LC Discount / Bill Discounting | 69.40 | 38.26 |
| Interest On OD | - | 9.13 |
| Interest on delayed payment of Advance Tax / TDS | - | - |
| TOTAL | 2,091.86 | 1,802.75 |
| Note-24 | | |
| Depreciation and amortization expense | As on 31.03.2023 (Rs. In Lakhs) | As on 31.03.2022 (Rs. In Lakhs) |
| Particulars | ₹ | ₹ |
| Depreciation | 1,526.20 | 1,346.64 |
| Amortization | 225.31 | 411.38 |
| TOTAL | 1,751.51 | 1,758.02 |

9. REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

| Note-25 | | |
|---|--|--|
| Other Expenses | As on 31.03.2023 (Rs. In Lakhs) | As on 31.03.2022 (Rs. In Lakhs) |
| Particulars | ₹ | ₹ |
| Consumption of stores and spare parts | 355.85 | 275.41 |
| Power and fuel | 1,227.11 | 1,203.38 |
| Repairs and maintenance | 324.31 | 282.60 |
| Insurance | 70.33 | 92.61 |
| Rent, Rates and taxes | 122.29 | 124.87 |
| Payments to auditors | 11.03 | 11.33 |
| Bad trade and other receivables, loans and advances written off | - | - |
| Net loss on foreign currency transactions and translation (other than considered as finance cost) | 13.15 | 3.94 |
| Loss on fixed assets sold / scrapped / written off | 48.37 | 3.28 |
| Expense exceeding Rs.10,00,000/- or 1% of revenue from operations, whichever is higher | | |
| Transportation & Logistic Expenses | 192.83 | 574.31 |
| Labour Expenses | 393.68 | 331.12 |
| Freight & Forwarding Charges | 1,179.85 | 1,090.01 |
| Handling Charges | 280.47 | 222.61 |
| Legal and Professional Fees | 190.66 | 139.95 |
| Selling and Distribution Exps | 15.86 | 11.33 |
| MAT Credit Write off | 32.18 | 1.95 |
| Miscellaneous Expenses | 290.87 | 76.05 |
| TOTAL | 4,748.85 | 4,444.76 |
| Note-26 | | |
| Current Tax Liabilities(Net) | As on 31.03.2023 (Rs. In Lakhs) | As on 31.03.2022 (Rs. In Lakhs) |
| Current Income Tax Charge | 54.16 | 9.09 |
| Less:- Advance Taxes paid/TDS and TCS Recoverable | (13.52) | (6.79) |
| TOTAL | 40.64 | 2.30 |

9. REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

| Note - 8A | | | | | | |
|--|--|--------------------------|------------------|------------------|--------------------------|-----------------------|
| Trade Receivables ageing schedule | FY 2022-23 | | | | | (Rs. In Lakhs) |
| Particulars | Outstanding for following periods from due date of payment# | | | | | Total |
| | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade receivables – considered good | 1,788.45 | 2.14 | - | - | - | 1,784.45 |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | |
| (iii) Undisputed Trade Receivables – credit impaired | - | - | - | - | - | |
| (iv) Disputed Trade Receivables– considered good | - | - | - | - | - | |
| (v) Disputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | |
| (vi) Disputed Trade Receivables – credit impaired | - | - | - | - | - | |
| Trade Receivables ageing schedule | | | | | | |
| Trade Receivables ageing schedule | FY 2021-22 | | | | | (Rs. In Lakhs) |
| Particulars | Outstanding for following periods from due date of payment# | | | | | Total |
| | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | 1,825.04 | 0.61 | - | - | - | 1,825.65 |
| (iii) Undisputed Trade Receivables – credit impaired | - | - | - | - | - | |
| (iv) Disputed Trade Receivables– considered good | - | - | - | - | - | |
| (v) Disputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | |
| (vi) Disputed Trade Receivables – credit impaired | - | - | - | - | - | |

| NOTE - 15A | | | | | |
|---|---|------------------|------------------|--------------------------|-----------------------|
| Ageing of Trade Payables as on year ended 31/03/2023 | | | | | (Rs. In Lakhs) |
| Particulars | Outstanding for following periods from due date of payment | | | | Total |
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) MSME | 48.31 | 0.67 | 0.00 | 0.00 | 48.98 |
| (ii) Others | 4558.46 | 0.20 | 2.65 | 0.00 | 3,987.33 |

9. REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

| | | | | | |
|---|---|------------------|------------------|--------------------------|-----------------------|
| (iii) Disputed dues — MSME | 0.00 | 0.00 | 0.00 | 0.00 | - |
| (iv) Disputed dues - Others | 0.00 | 0.00 | 0.00 | 0.00 | - |
| Total | 4606.77 | 0.87 | 2.65 | 0.00 | 4036.31 |
| Ageing of Trade Payables as on year ended 31/03/2022 | | | | | |
| | | | | | (Rs. In Lakhs) |
| Particulars | Outstanding for following periods from due date of payment | | | | |
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) MSME | 38.70 | 0.00 | 0.00 | 0.00 | 38.70 |
| (ii) Others | 3454.22 | 20.61 | 0.00 | 0.00 | 3,474.83 |
| (iii) Disputed dues — MSME | 0.00 | 0.00 | 0.00 | 0.00 | |
| (iv) Disputed dues - Others | 0.00 | 0.00 | 0.00 | 0.00 | |
| Total | 3492.93 | 20.61 | 0.00 | | 3513.54 |

| Note no 27: Movement in Deferred Tax Balances | | (Rs. In Lakhs) | | | |
|--|--|-------------------------------------|------------|---------------------------|-------------------------------|
| Particulars | Net Balance as on April 1, 2022 | 31st March, 2023 | | | |
| | | Recognised in Profit or Loss | Net | Deferred Tax Asset | Deferred Tax Liability |
| Deferred Tax Asset/ (Liabilities) | | | | | |
| On excess of carrying value of PPE over Tax base | (534.85) | 100.43 | (434.43) | - | (434.43) |
| Fair Value of Investment | (0.33) | 0.33 | - | - | - |
| Bad debt allowance | | | - | - | - |
| Allowance - Expected Credit Loss | 0.29 | (0.04) | 0.25 | 0.25 | - |
| Time difference of depreciation | (3,074.89) | 121.86 | (2,953.04) | - | (2,953.04) |
| Unabsorbed Depreciation as per Income Tax Act | 3,010.76 | (895.35) | 2,115.41 | 2,115.41 | - |
| MAT Credit | 206.69 | (190.18) | 16.51 | 16.51 | - |
| Disallowance U/s 43 B - payment basis | | 1.01 | 1.01 | 1.01 | - |
| Disallowance U/s 43 B - Leave Encashment | | | - | - | - |
| Disallowance U/s 43 B - Gratuity | 6.10 | (1.69) | 4.42 | 4.42 | - |
| Disallowance U/s 43 B - Bonus | - | 2.37 | 2.37 | 2.37 | - |
| Unpaid liability on payment basis | 5.84 | 2.56 | 8.39 | 8.39 | - |

9. REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

| | | | | | |
|---|-----------------|-----------------|-------------------|-----------------|-------------------|
| Derivative Liability (Forward Contract) | | - | - | - | - |
| Disallowance U/s 43 B - Gratuity-OCI | (2.27) | 1.86 | (0.42) | - | (0.42) |
| Tax Assets/ (Liabilities) | (382.66) | (856.85) | (1,239.51) | 2,148.37 | (3,387.88) |
| Set off tax | - | - | - | - | - |
| Net Tax Assets/ (Liabilities) | (382.66) | (856.85) | (1,239.51) | 2,148.37 | (3,387.88) |

Note 28

A. Financial Instruments by Category and their Fair Value

(Rs. In Lakhs)

| As at 31 st March 2023 | Carrying Amount | | | | Fair Value | | | |
|---|-----------------|----------|-----------------|-----------------|--|---|---|----------|
| | FVTPL | FVTOCI | Amortised Cost | Total | Level 1 - Quoted Price in active markets | Level 2 - Significant Observable Inputs | Level 3 - Significant Unobservable Inputs | Total |
| Financial Assets | | | | | | | | |
| <i>Investments</i> | | | | | | | | |
| Quoted | - | - | 178.34 | 178.34 | - | - | - | - |
| Trade Receivables | - | - | 1,784.45 | 1,784.45 | - | - | - | - |
| Cash and Cash Equivalents | | | 3,318.08 | 3,318.08 | | | | - |
| Other Financial Assets | | | | | | | | |
| Non-Current | - | - | 174.13 | 174.13 | - | - | - | - |
| Current | - | - | 39.55 | 39.55 | - | - | - | - |
| Total Financial Assets | - | - | 5,494.55 | 5,494.55 | - | - | - | - |
| Financial Liabilities | | | | | | | | |
| <i>Borrowings including lease liabilities</i> | | | | | | | | |
| Non-Current | | | 24,658.87 | 24,658.87 | - | - | - | - |
| Current | | | 6,308.78 | 6,308.78 | | | | |
| Trade Payables | | | 4,036.31 | 4,036.31 | | | | |
| Other Financial Liabilities | | | 336.08 | 336.08 | - | - | - | - |

9. REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

| Total Financial Liabilities | - | - | 35,340.04 | 35,340.04 | - | - | - | - |
|---|-----------------|--------|------------------|------------------|--|---|---|----------------|
| | | | | | | | | (Rs. In Lakhs) |
| As at 31 st March 2022 | Carrying Amount | | | | Fair Value | | | |
| | FVTPL | FVTOCI | Amortised Cost | Total | Level 1 - Quoted Price in active markets | Level 2 - Significant Observable Inputs | Level 3 - Significant Unobservable Inputs | Total |
| Financial Assets | | | | | | | | |
| <i>Investments</i> | | | | | | | | |
| Quoted | - | - | 236.35 | 236.35 | - | - | - | - |
| Trade Receivables | - | - | 1,825.65 | 1,825.65 | - | - | - | - |
| Cash and Cash Equivalents | | | 2,004.01 | 2,004.01 | | | | - |
| Other Financial Assets | | | | | | | | |
| Non-Current | - | - | 49.62 | 49.62 | - | - | - | - |
| Current | - | - | - | - | - | - | - | - |
| Total Financial Assets | - | - | 4,115.64 | 4,115.64 | - | - | - | - |
| Financial Liabilities | | | | | | | | |
| <i>Borrowings including lease liabilities</i> | | | | | | | | |
| Non-Current | | | 23,106.80 | 23,106.80 | - | - | - | - |
| Current | | | 5,871.05 | 5,871.05 | | | | |
| Trade Payables | | | 3,513.54 | 3,513.54 | | | | |
| Other Financial Liabilities | | | 491.06 | 491.06 | - | - | - | - |
| Total Financial Liabilities | - | - | 32,982.45 | 32,982.45 | - | - | - | - |

Fair value of financial assets and liabilities measured at amortised cost is not materially different from the amortised cost. Further, impact of time value of money is not significant for the financial instruments classified as current. Accordingly, the fair value has not been disclosed separately.

9. REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Fair Value Hierarchy

Level I - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level II - Inputs other than quoted prices included within Level I that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level III - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

B. Financial Risk Management

Financial Risk Factors

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings & trade and other payables. The main purpose of these financial liabilities is to finance the Company operations and to provide guarantees to support its operations. The Company principal financial assets include trade and other receivables, cash and cash equivalents and investments that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company senior management oversees the management of these risks. It is the Company policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits.

1. Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates relates primarily to the Company long-term debt obligations. The Company is exposed to such interest rate risk.

2. Foreign Currency Risk

There is no material impact on the Company profit before tax due to changes in the fair value of monetary assets and liabilities. The Company exposure to foreign currency changes for all other currencies is also not material.

3. Commodity Price Risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchase and manufacture of Processed Bauxite and Zeolite 4A and therefore require a continuous supply of NPG Raw Bauxite. Due to the significantly increased volatility of the price of the bauxite, the Company also entered into long term bauxite supply agreement for NPG raw bauxite. The prices in this purchase contract are linked to the price of bauxite at LME via SHA price formula.

Moreover, since sale price is also affected by the international market, the input price volatility is naturally hedged by the balancing effect.

4. Equity Price Risk

It is the policy of the Company to invest only in debt instruments to avoid the market price risk arising from uncertainties about future values of the investment securities and hence the company is not exposed to equity price risk. Reports on the debt portfolio are submitted to the Company senior management on a regular basis to review and approve all investment decisions.

9. REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Credit Risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables), including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

1. Trade Receivable

Customer credit risk is managed by each business unit subject to the Company established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on individual credit limits which are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance.

An impairment analysis is performed at each reporting date on an individual basis for major customers. In addition, a large number of minor receivables are Companied into homogenous Companies and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Notes. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

2. Financial Instruments and Cash Deposits

Credit risk from balances with banks and financial institutions is managed by the Company treasury department in accordance with the Company policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Liquidity Risk

The Company monitors its risk of a shortage of funds using a liquidity planning tool.

The Company objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and borrowings from holding company. The Company has access to a sufficient variety of sources of funding.

1. Excessive Risk Concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

The table below summarises the maturity profile of the Company financial liabilities based on contractual undiscounted payments.

9. REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

| <i>Year ended on 31-03-2023</i> | | | | | (Rs. In Lakhs) | |
|---|------------------|---------------------------|-----------------------|---------------------|-----------------------|------------------|
| Particulars | On Demand | Less than 3 months | 3 to 12 months | 1 to 5 years | > 5 years | Total |
| Borrowings (other than convertible preference shares) | 4,127.84 | 1,685.51 | 258.85 | 24,895.45 | - | 30,967.65 |
| Other Financial Liabilities | - | - | 336.08 | - | - | 336.08 |
| Trade and Other Payables | - | - | 4,036.31 | - | - | 4,036.31 |
| Total | 4,127.84 | 1,685.51 | 4,631.24 | 24,895.45 | - | 35,340.04 |
| <i>Year ended on 31-03-2022</i> | | | | | (Rs. In Lakhs) | |
| Particulars | On Demand | Less than 3 months | 3 to 12 months | 1 to 5 years | > 5 years | Total |
| Borrowings (other than convertible preference shares) | 4,876.52 | 388.19 | 606.34 | 23,099.56 | - | 28,970.61 |
| Other Financial Liabilities | - | - | 491.06 | - | - | 491.06 |
| Trade and Other Payables | - | - | 3,513.54 | - | - | 3,513.54 |
| Total | 4,876.52 | 388.19 | 4,610.94 | 23,099.56 | - | 32,975.21 |

C. Capital Management

The Company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total non-current liabilities, less cash and cash equivalents. Adjusted equity comprises all components of equity.

The Company's adjusted net debt to equity ratio on 31st March, 2023 was as follows:

| Particulars | As at | As at |
|--|---|---|
| | 31st March, 2023 (Rs. In Lakhs) | 31st March, 2022 (Rs. In Lakhs) |
| Total Non-Current Liabilities | 29,229.86 | 25,603.30 |
| Less : Cash And Bank Equivalents | 3,318.08 | 2,004.01 |
| Adjusted Net Debt | 25,911.78 | 23,599.29 |
| Total Equity | 29,457.58 | 25,828.79 |
| Adjusted Net Debt To Adjusted Equity Ratio | 0.88:1 times | 0.91:1 times |

Note: 29

Segment Reporting

Details of entity wide disclosures for this segment are given as below:

9. REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

(i) **Bifurcation of Revenue from External customers by each group:** Refer note related to Revenue from Operations to financial statements

(ii) **Bifurcation of Net Sales to external customers by geographic area on the basis of location of customers:** Refer Note 23 to the financial statements

(iii) **Bifurcation of total assets of the company by geographical area on the basis of location of the asset:**

| Particulars | As at March 31, 2023 (Rs. In Lakhs) | As at March 31, 2022 (Rs. In Lakhs) |
|---------------|--|--|
| India | 75389.63 | 73107.29 |
| Outside India | - | - |
| Total | 75389.63 | 73107.29 |

(iv) **Details of customer contributing 10% or more of total revenue :**

| Particulars | As at March 31, 2023 (Rs. In Lakhs) | As at March 31, 2022 (Rs. In Lakhs) |
|---|--|--|
| No. of customers contributing 10% or more of total revenue (individually) | 2 | 1 |
| Amount of revenue | 4,465.83 | 2,951.09 |
| % of total revenue | 19.52 | 15.47 |

Note 30: Additional information pursuant to schedule III of Companies Act, 2013 for the group

a) **Raw material consumed**

(Rs. In Lakhs)

| Sr. No. | Particulars | 2022-23 | 2021-22 |
|---------|-------------|----------|---------|
| | | Rs. | Rs. |
| 1 | Raw Bauxite | 11061.37 | 8955.84 |

b) **Value of material consumed and percentage thereof:**

(Rs. In Lakhs)

| Sr. No. | Particulars | Consumption | | | | | |
|---------|--------------|----------------------------|---------|----------|---------|------------|---------|
| | | Total Value of Consumption | | Imported | | Indigenous | |
| | | 2022-23 | 2021-22 | 2022-23 | 2021-22 | 2022-23 | 2021-22 |
| | | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| 1 | Raw Material | 11061.37 | 8955.84 | | 0.00 | 11061.37 | 8955.84 |

9. REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

| Note 31 : Contingent Liabilities and Commitments | | | |
|---|---|-----------------------|-----------------------|
| S. No | Particulars | 2022-23 | 2021-22 |
| | | (Rs. In Lakhs) | (Rs. In Lakhs) |
| 1 | <u>Contingent Liabilities</u> | | |
| | a) Claims against the Company / disputed liabilities not acknowledged as debts | | |
| | b) Guarantees | 33.50 | 30.00 |
| 2 | <u>Commitments</u> | | |
| | a) Estimated amount of Contract remaining to be executed on Capital account and not provided for: | | |
| | b) Other Commitments | 391.85 | 780.73 |
| | Total | 425.35 | 810.73 |

| Note 32: Details of Shareholders holding more than 5 % shares of the Company | | | | | |
|---|---|-------------------------------------|-----------------------------------|-------------------------------------|-----------------------------------|
| S. No | Name of the Shareholder | Share holding Percentage (%) | 31st March 2023 | Share holding Percentage (%) | 31st March 2022 |
| | | | (Rs. In Lakhs) | | (Rs. In Lakhs) |
| 1 | Equity shares of Rs.10 each fully paid | | | | |
| | (i) Gujarat Apollo Industries Limited | 17.90% | 134.28 | 20.44% | 134.28 |
| | (ii) Tatvang Industries Private Limited | 14.50% | 108.73 | 16.55% | 108.73 |
| | (iii) Chem Asia Technologies Pte Ltd | 10.64% | 79.78 | 12.15% | 79.78 |
| | (iv) Omkareshwar Mines & Minerals Pvt Ltd | 14.90% | 111.76 | 17.01% | 111.76 |
| | (v) Rembrant Trading Private Limited | 7.54% | 56.57 | 8.63% | 56.70 |
| | Total | 65% | 491.11 | 75% | 491.24 |

| Note 33 : Payment to Auditors | | | |
|--------------------------------------|---|-----------------------------------|-----------------------------------|
| S. No | Particulars | 31st March 2023 | 31st March 2022 |
| | | (Rs. In Lakhs) | (Rs. In Lakhs) |
| 1 | For Statutory Audit | 8.40 | 11.94 |
| 2 | For Tax Audit | 1.80 | 0.35 |
| 3 | For Other matters/reimbursement of expenses | 0.24 | 6.31 |
| | Total | 10.44 | 18.59 |

9. REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

| Note 34 : Payment to Directors | | | |
|---------------------------------------|-----------------------|-----------------------------------|-----------------------------------|
| S. No | Particulars | 31st March 2023 | 31st March 2022 |
| | | (Rs. In Lakhs) | (Rs. In Lakhs) |
| 1 | Director Remuneration | 333.03 | 60.00 |
| 2 | Director Sitting Fees | 2.38 | 1.83 |
| | Total | 335.40 | 62.08 |

Note No:35

As per Ind AS 24 'Related Party Disclosure', and Companies Act, 2013, the disclosure of Transactions with the related parties are as below:

A. Related Parties

| Sr. No. | Particulars | Relationship |
|----------------|---|--|
| 1 | Gujarat Mineral Development Corporation Limited | Promoter and Joint Venture Partner |
| 2 | Mr. Rakesh Shah | Key Managerial Personnel |
| 3 | Mr. Parasmal Shah | |
| 4 | Mr. Jayantilal Bhatt | |
| 5 | Mr. Vikas Chandra | |
| 6 | Mr. Naman Patel | |
| 7 | Mr. Anand Patel | |
| 8 | Ms. Shailika Soni | |
| 9 | Mr. Krunal Rasiklal Shah | |
| 10 | Mr. Kirtesh Shah | |
| 11 | Mr. Rakesh Shah(HUF) | |
| 12 | Apollo Industries and Projects Limited | Relative of KMP |
| 13 | CSB Projects Private Limited | Relative of KMP |
| 14 | Gujarat Apollo Industries Limited | Company of which CMIL is Associate Company |
| 15 | Mr. Rajiv Dinesh Gandhi | Key Managerial Personnel |
| 16 | Mr. Sanjay Kothari | |
| 17 | Mr. Arunkumar Mohanbhai Solanki | |
| 18 | Mr. Roopwant Singh | |
| 19 | Mr. Amishkumar Kantilal Makadia | |
| 20 | Credo Holding Private Limited | Share Holder |
| 21 | Omkareshwar Mines & Minerals | Share Holder |
| 22 | Tatvang Industries Private Limited | Share Holder |
| 23 | Abhay Prabhakar Deshpande | Key Managerial Personnel |
| 24 | Rakesh Anil Deshpande | |

9. REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

| Related Party Disclosure | | | | |
|---|---------------------------------|---|--|---|
| Transactions during the year: (Previous year figures are in brackets) | | | | |
| (Rs. In Lakhs) | | | | |
| Nature of transaction | Key Managerial Personnel | Relative of Key Managerial personnel | Company/ Partnership Firm in which KMP/ Relatives of KMP can exercise significant influence | Promoter & Joint Venture Partner |
| Office Rent | - | 1.47 (3.00) | 3.78 (1.98) | - |
| Director's remuneration | 333.03 (117.36) | - | - | - |
| Retention Amount | (0.01) | | | |
| Sitting Fees | 2.18 (1.30) | - | - | - |
| Purchase of Goods & Other Direct Expenses | - | - | - | 2,149.23 (2,054.58) |
| Salary | 28.01 (18.28) | - | - | - |
| Interest | 227.73 | | | - |
| Interest on Loan received | - | - | - | 62.17 |
| Outstanding Balance As At 31st March, 2023: (Previous year figures are in brackets) | | | | |
| (Rs. In Lakhs) | | | | |
| Nature of transaction | Key Managerial Personnel | Relative of Key Managerial personnel | Company/ Partnership Firm in which KMP/ Relatives of KMP can exercise significant influence | Promoter & Joint Venture Partner |
| Loans Taken | 1,809.61 | - | - | - |
| Director's remuneration | 0.73 (1.20) | - | - (0.12) | - |
| Salary Payable | 2.06 (40.69) | | | |
| Purchase of Goods & Other Direct Expenses | 44.00 | - | - | 788.88 (1,273.78) |

9. REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

| Note 36 | | |
|--|------------------------------------|-----------------------------------|
| Earning Per Share | | (Rs. In Lakhs) |
| Particulars | For the year ended | For the year ended |
| | 31st March, 2023 | 31st March 2022 |
| Profit attributable to Equity Holders for : | | |
| Basic Earnings | 2,318.99 | 0.97 |
| Adjusted for the effect of dilution | | |
| Weighted average number of equity Shares for: | | |
| Basic EPS | 68774333 | 65687014 |
| Adjusted for the effect of dilution | | |
| Earnings Per Share (Rs.): | | |
| Basic | 3.37 | 0.0014720 |
| Diluted | 3.37 | 0.0014720 |
| | | |
| Restated Earning Per Share | | (Rs. In Lakhs) |
| Particulars | For the year ended | For the year ended |
| | 31st March, 2023 | 31st March 2022 |
| Profit attributable to Equity Holders for : | | |
| Basic Earnings | 2,318.99 | 0.97 |
| Adjusted for the effect of dilution | | |
| Weighted average number of equity Shares for: | | |
| Basic EPS | 68774333 | 68774333 |
| Adjusted for the effect of dilution | | |
| Earnings Per Share (Rs.): | | |
| Basic | 3.37 | 0.0014059 |
| Diluted | 3.37 | 0.0014059 |

Note 37

In the opinion of the Board of the Directors of the Company, the current assets, loans and advances have a value on realization in the ordinary course of the business at least equal to the amount at which they are stated in the Balance Sheet and provision for all known liabilities have been made in the accounts except as stated otherwise.

Note 38

No suppliers registered under the Micro, Small and Medium Enterprises Development Act, 2006 are outstanding as at 31/03/2023 for more than 45 days.

9. REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Note 39

Previous Years figures have been regrouped and rearranged wherever necessary to confirm with that of current year.

Note 40

Other Statutory Disclosure

- 1 The company does not have any investment property hence, comment related to revaluation is not made
- 2 During the year, the company has not revalued it's intangible assets or any asset of Property, Plant & Equipment , hence, disclosure related to revaluation is not made
- 3 Ageing schedule of CWIP is given during the year:

FY 2022-23

(a) For Capital-work-in progress

(Rs. In Lakhs)

| CWIP | Amount in CWIP for a period of | | | | Total |
|----------------------|--------------------------------|-----------|-----------|-------------------|----------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | | | | | |
| 1. WIP-Zeolite* | 6,993.51 | 1,342.93 | 640.52 | 347.63 | 9,324.60 |
| 2. WIP-Mundra | - | - | - | - | - |

*CWIP of WIP-Zeolite is after adjusting inter company transaction amounting ₹2,02,58,000.

There is no capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan.

FY 2021-22

(a) For Capital-work-in progress

(Rs. In Lakhs)

| CWIP | Amount in CWIP for a period of | | | | Total |
|----------------------|--------------------------------|-----------|-----------|-------------------|----------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | | | | | |
| 1. WIP-Zeolite | 1,342.93 | 640.52 | 347.63 | - | 2,331.09 |
| 2. WIP-Mundra | - | - | - | - | - |

There is no capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan.

- 4 The company does not have any intangible asset under development , hence, disclosure related to ageing schedule for intangible assets under development is not made.
- 5 The company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.
- 6 As on the reporting date, the company has borrowings from banks or financial institutions on the basis of security of current assets and for which quarterly returns are submitted and these are in agreement with books of account of the company
- 7 The company is not declared a wilful defaulter by any bank or financial Institution or other lender.
- 8 The company does not have any transactions with Companies struck off.
- 10 Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017

9. REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

- 11 During the year, company has not entered in any scheme of arrangements as specified in Section 230 to Section 237 of the Companies Act,2013
- 12 The company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- 13 The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall :
 - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 14 The company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- 15 The company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- 16 The company is not covered under section 135 of the Companies Act. Hence, CSR related disclosures are not made

For Pankaj R Shah & Associates

Chartered Accountants

FRN: 107361W

Chintan Shah

Partner

M. No. 110142

Date: 17-08-2023

Place: Ahmedabad

For and on behalf of the Board of Directors**Credo Mineral Industries Limited**

Anand Patel

Director

(DIN - 00002277)

Kirtesh Shah

Company Secretary

Date: 17-08-2023

Place: Ahmedabad

Rakesh S Shah

Managing Director

(DIN - 02076051)

Krunal Shah

Chief Financial Officer

10. SHAREHOLDER'S REFERENCE

SHAREHOLDER'S REFERENCE

10.1 Dematerialisation / Rematerialisation of Shares

Members can surrender their physical share certificates for dematerialization and retain their ownership in a fungible form on a depository by way of electronic balances.

All members can enjoy following benefits of dematerialization regarding their ownership:

- Elimination of all risks associated with physical certificates.
- No stamp duty on transfers.
- Immediate transfer.
- Faster disbursement of non-cash corporate benefits like rights, bonus etc.
- Ease in portfolio management.
- Ease on pledging the shares.

The procedure for dematerialization of shares:

- All members can surrender share certificate with their respective DP under NSDL & CDSL both, as the case may be.
- Open a Demat Account [Beneficiary Account] with any DP registered with SEBI.
- Surrender physical share certificate with DP along with Demat Request Form [DRF] duly signed by all the holders.
- Member will receive demat confirmation of holding in their demat statement within 21 days from the DP.

10.2 Nomination

Pursuant to the provisions of the Section 72 of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014, members are entitled to make a nomination in respect of shares held by them in physical form. Members desirous of making a nomination are requested to send their requests in Form No. SH - 13 in duplicate (which will be made available on request), at the Registered Office of the Company.



11. ATTENDANCE SLIP

ATTENDANCE SLIP

CIN: U10300GJ1995PLC064782
Name of the company: CREDO MINERAL INDUSTRIES LIMITED
Registered office: 305, Third Floor, Third Eye One, Opp. Honest Restaurant, Near Panchvati
Five Roads, C. G. Road, Ahmedabad - 380006

Joint shareholders may obtain additional Slip at the venue of the meeting.

DP Id No.*: _____ Master Folio No.: _____

Client ID No.*: _____ No. of Shares: _____
[* applicable for investors holding shares in electronic form]

Name and address of Shareholder: _____

I hereby record my presence at the 28th Annual General Meeting of the Company held at 305, Third Floor, Third Eye One, Opp. Honest Restaurant, Near Panchvati Five Roads, C. G. Road, Ahmedabad - 380006 on Monday dated 11th September, 2023 at 04.00 p.m.

Signature of the member/proxy/Representative

Note: Please fill in the Attendance Slip and hand it over at the entrance of the meeting venue.

12. PROXY FORM**Form No. MGT-11****Proxy form**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: U10300GJ1995PLC064782
Name of the company: CREDO MINERAL INDUSTRIES LIMITED
Registered office: 305, Third Floor, Third Eye One, Opp. Honest Restaurant, Near Panchvati Five Roads, C. G. Road, Ahmedabad - 380006

Name of the member (s): _____
Registered address: _____
E-mail Id: _____
Folio No./ Client Id: _____
DP ID: _____

I/We, being the member(s) of shares of the above named company, hereby appoint

1. Name: _____ Email: _____
Address: _____
Signature: _____

or failing him/her

2. Name: _____ Email: _____
Address: _____
Signature: _____

or failing him/her

3. Name: _____ Email: _____
Address: _____
Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28th Annual general meeting of the company, to be held on the Monday dated 11th September, 2023 at 04.00 p.m. at 305, Third Floor, Third Eye One, Opp. Honest Restaurant, Near Panchvati Five Roads, C. G. Road, Ahmedabad - 380006 and at any adjournment thereof:

Signed this day of 2023

Signature of Shareholder

Signature of Proxy Holder

Affix 1
rupees
Revenue
Stamp

Note: 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 commencement of the Meeting.

13. MAP

