



# **CREDO ADVANCED CHEMICALS LIMITED**

*(Formerly known as Credo Mineral Industries Limited)*

## **29<sup>TH</sup> ANNUAL REPORT FY 2023 – 2024**



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## 1. COMPANY INFORMATION

### 1.1 DIRECTORS & KEY MANAGERIAL PERSONNELS

Ms. Meena Ambani	Chairperson & Non-executive Director
Shri Anand Patel	Non-executive Director
Shri Naman Patel	Managing Director
Shri Rakesh Shah	Whole-time Director
Shri Rajiv Gandhi	Independent Director
Shri Rushil Tamboli	Independent Director
Shri Atishe Chordia	Independent Director
Shri Pramathesh Desai	Independent Director
Mr. Kirtesh Shah	Company Secretary
Mr. Krunal Shah	CFO

### 1.2 BOARD COMMITTEES

Audit Committee	Nomination & Remuneration Committee
Shri Rushil Tamboli	Shri Rajiv Gandhi
Shri Anand Patel	Ms. Meena Ambani
Shri Atishe Chordia	Shri Rushil Tamboli

### 1.3 SUBSIDIARIES AND JOINT VENTURES

Gujarat Credo Alumina Chemicals Limited	Subsidiary Company
Gujarat Credo Mineral Industries Limited	Subsidiary and Joint Venture Company
Gujarat Credo Rare Earths Limited	Wholly Owned Subsidiary Company
Credo Rare Earths (India) Private Limited	Wholly Owned Subsidiary Company
Lucent Mines and Mineral Private Limited	Wholly Owned Subsidiary Company

### 1.4 AUDITORS




Statutory Auditor	M/s. Pankaj R. Shah & Associates, Chartered Accountants
Secretarial Auditor	M/s. B.Kumar Tank & Associates, Practicing Company Secretary
Internal Auditor	M/s. Richa Shah & Co., Chartered Accountants

## 1. COMPANY INFORMATION

### 1.5 REGISTRARS & TRANSFER AGENTS

Skyline Financial Services Pvt. Ltd.	Address: A/506 Dattani Plaza, A K Road, Safed Pool, Andheri (East), Mumbai – 400072, Maharashtra Email ID: <a href="mailto:mumbai@skylinerta.com">mumbai@skylinerta.com</a> Contact No.: 022-49721245,022-28511022
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### 1.6 LOCATIONS

Registered Office		305, Third Floor, Third Eye One, Opp. Honest Restaurant, Near Panchvati Five Roads, C. G. Road, Ahmedabad-380006, Gujarat
GCACL Plant		Plot No. 5, Block-F, Sector-12N, East of Adani Willmar, Adani Port and Special Economic Zone Ltd., Mundra, Kutch - 370421, Gujarat
GCMIL Plant		Survey No. 70/1, 71/1, Village Naredi, Ta. Abdasa, Dist. Kutch, Gujarat

### 1.7 JV PARTNER



(Govt. of Gujarat Enterprise)

## 2. NOTICE OF ANNUAL GENERAL MEETING

### NOTICE

**NOTICE** is hereby given that the 29<sup>th</sup> Annual General Meeting of the members of Credo Advanced Chemicals Limited (Formerly known as Credo Mineral Industries Limited) will be held on Monday dated 30<sup>th</sup> September, 2024 at 4.30 P.M. through Video Conference (“VC”) / Other Audio Visual Means (“OAVM”) to transact the following business:

The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM.

#### **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, 2024 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 March 31, 2024 including the reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Shri Rakesh Shah (DIN:02076051), 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 and lease rent on plant & machinery on such terms and conditions, as the Board may deem fit, up to a maximum aggregate value of INR 4.60 crores for the FY 2024-25.”

**“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 appoint Shri Pramathesh Ushakant Desai as 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 of the companies act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 and schedule IV to the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Shri Pramathesh Ushakant Desai (DIN: 10673232), who was appointed as an Additional Director of the Company under the category of Non-executive Independent w.e.f. 25-07-2024, and who holds office up to the date of this Annual General Meeting and who has submitted a declaration that he meets the criteria for independence as provided in the Companies Act, 2013, be and is hereby appointed as an Independent Director (Non-Executive) to hold office for a term of 5 (Five) consecutive years and shall not be liable to retire by rotation.”

**“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.”

By order of the board of directors of  
Credo Advanced Chemicals Limited

Date: 06-09-2024  
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: U20119GJ1995PLC064782  
E-mail: cs@credo.co.in

## 2. NOTICE OF ANNUAL GENERAL MEETING

### NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“the Act”), setting out material facts concerning the special businesses, is annexed hereto and forms part of this notice.
2. Ministry of Corporate Affairs (MCA) vide its General Circular No. 09/2023 dated 25 September 2023 read with the circulars issued earlier on the subject (collectively referred to as ‘MCA Circulars’) have permitted holding Annual General Meeting (“AGM”) through VC/OAVM, without physical presence of the members at a common venue.

In compliance with the MCA Circulars and the provisions of the Act, 29<sup>th</sup> Annual General Meeting is being conducted through VC/OAVM herein after called as “e-AGM”. In view of the same, the registered office of the Company shall be deemed to be the venue of the AGM.

The Company has appointed KFin Technologies Limited to provide Video Conferencing (VC)/ Other Audio-Visual Means (OAVM) facility for the 29<sup>th</sup> Annual General Meeting and the attendant enablers for conducting of the e-AGM.

The Notice of AGM along with the Annual Report for FY 2023-24 is being sent by electronic mode to those members whose e-mail address is registered with the Company/ Depositories, unless a member has requested a physical copy of the same.

3. Since the AGM is being held through VC/OAVM, a route map to the venue is not required and therefore, the same is not annexed to this Notice.
4. Members attending the meeting through VC/OAVM shall be reckoned for the purpose of quorum under Section 103 of the Companies Act, 2013.
5. Members can join the e-AGM 15 minutes before and after the scheduled time of the commencement of the meeting by following the procedure mentioned in the notice.
6. Appointment of Proxy and Attendance Slip: Section 105 of the Act read with Rule 19 of the Companies (Management and Administration) Rules, 2014 provides for appointment of proxy to attend and vote at a general meeting on behalf of the member who is not able to physically attend the AGM. Since the 29<sup>th</sup> AGM is being held through VC/OAVM and in accordance with the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility of appointment of proxy would not be available to the Members for attending the 29<sup>th</sup> AGM and therefore proxy form and attendance slip are not annexed to this notice.
7. Corporate shareholders/institutional shareholders intending to send their authorised representative(s) to attend and vote at the 29<sup>th</sup> AGM are requested to send from their registered e-mail address, scan copy of the relevant Board Resolution/ Authority Letter, etc. authorizing their representative(s) to vote, to the Scrutinizer on his e-mail ID at [bharatkumar\\_tank@rediffmail.com](mailto:bharatkumar_tank@rediffmail.com)/ [bharattankcs@yahoo.co.in](mailto:bharattankcs@yahoo.co.in) with a copy marked to [cs@credo.co.in](mailto:cs@credo.co.in).
8. Members who have not yet registered their e-mail addresses, bank account details and mobile number are requested to register the same with their Depository Participants (“DP”).

## 2. NOTICE OF ANNUAL GENERAL MEETING

9. The relevant details, pursuant to applicable provisions of the Companies Act, 2013 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking appointment/ re-appointment at this AGM are also annexed to this notice.
10. Pursuant to the provisions of Section 124 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and rules made thereunder, there are no unclaimed dividend amounts pending for transfer.
11. Register of Directors and Key Managerial Personnel (KMP) and their shareholding under Section 170 of the Companies Act, 2013 and the rules made thereunder and Register of Contracts maintained under Section 189 of Companies Act, 2013 and the rules made thereunder are available for inspection at the registered office of the Company.

### **INSTRUCTIONS FOR THE MEMBERS FOR ATTENDING THE E-AGM THROUGH VIDEO CONFERENCE / OTHER AUDIO-VISUAL MODE:**

- i. Attending the e-AGM: Members will be able to attend the AGM through VC/ OAVM or view the live webcast of AGM at <https://emeetings.kfintech.com/> by using their remote e-voting login credentials and selecting the 'Event' for Company's AGM. Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further, Members can also use the OTP based login for logging into the e-voting system.
- ii. Members are encouraged to join the meeting through Laptops with Google Chrome for better experience.
- iii. Further, Members will be required to allow Camera, if any, and hence use Internet with a good speed to avoid any disturbance during the meeting.
- iv. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- v. Facility of joining the AGM through VC/OAVM shall be open 15 minutes before the time scheduled for the AGM.
- vi. Those Members who register themselves as speaker will only be allowed to express views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers and time for each speaker depending upon the availability of time for the AGM.
- vii. Submission of Questions/queries prior to e-AGM:

Members desiring any additional information with regard to Accounts/ Annual Reports or has any question or query are requested to write to the Company Secretary on the email-id i.e., [cs@credo.co.in](mailto:cs@credo.co.in) at least 2 days before the date of the e-AGM, so as to enable the



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management to keep the information ready. Please note that, member's questions will be answered only if they continue to hold the shares as of cut-off date.

Alternatively, shareholders holding shares as on cut-off date may also visit <https://evoting.kfintech.com/> and click on the tab "Post Your Queries Here" to post their queries/ views/ questions in the window provided, by mentioning their name, demat account number/ folio number, email ID, mobile number. The window shall be activated during the remote e-voting period and shall be closed 24 hours before the time fixed for the e-AGM.

- viii. Speaker Registration before e-AGM: Shareholders who wish to register as speakers at the AGM are requested to visit <https://emeetings.kfintech.com> register themselves between 27 September 2024 (09.00 Hours IST) and 29 September 2024 (17.00 Hours IST).
- ix. Members who need technical assistance before or during the AGM, can contact KFintech at <https://evoting.kfintech.com/>.
- x. Corporate members intending to send their authorised representatives to attend the Annual General Meeting through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") pursuant to the provisions of Section 113 of the Companies Act, 2013 are requested to send a certified copy of the relevant Board Resolution to the Company prior to the date of AGM.

### INSTRUCTIONS FOR E-VOTING:

#### Procedure for remote e-voting:

- i. The Members are provided with the facility to cast their vote electronically, through the e-Voting services provided by KFintech, on all the resolutions set forth in this notice. The instructions for e-Voting are given herein below.
- ii. However, e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process.
- iii. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.
- iv. The remote e-Voting period commences from 09.00 Hours (IST) on 27 September 2024 to 17.00 Hours (IST) on 29 September 2024.
- v. The voting rights of members shall be in proportion to their shares in the paid-up equity share capital of the Company as on 20 September 2024, the cut-off date.
- vi. Any person holding shares in demat/physical form and nonindividual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of

## 2. NOTICE OF ANNUAL GENERAL MEETING

the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [evoting@Kfintech.com](mailto:evoting@Kfintech.com).

However, if he / she is already registered with Kfintech for remote e-Voting then he /she can use his / her existing User ID and password for casting the vote.

- vii. In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under “Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.”
- viii. The details of the process and manner for remote e-Voting and e-AGM are explained herein below:
- Step 1: Access to Depositories e-Voting system in case of individual shareholders holding shares in demat mode.
- Step 2: Access to Kfintech e-Voting system in case of shareholders holding shares in physical and non-individual shareholders in demat mode.
- Step 3: Access to join virtual meetings(e-AGM) of the Company on KFin system to participate e-AGM and vote at the AGM.

### Details on Step 1 are mentioned below:

Login method for remote e-Voting for Individual shareholders holding securities in demat mode.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<p><b>1. User already registered for IDEAS facility:</b></p> <p>I. Visit URL: <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a></p> <p>II. Click on the “Beneficial Owner” icon under “Login” under ‘IDEAS’ section.</p> <p>III. On the new page, enter User ID and Password. Post successful authentication, click on “Access to e-Voting”</p> <p>IV. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period.</p> <p><b>2. User not registered for IDEAS e-Services</b></p> <p>I. To register click on link: <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a></p> <p>II. Select “Register Online for IDEAS” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>III. Proceed with completing the required fields.</p> <p>IV. Follow steps given in point no.1</p> <p><b>3. Alternatively, by directly accessing the e-Voting website of NSDL</b></p> <p>I. Open URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a></p> <p>II. Click on the icon “Login” which is available under ‘Shareholder/Member’ section.</p>

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	<p>III. A new screen will open. You will have to enter your User ID (i.e., your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen.</p> <p>IV. Post successful authentication, you will be requested to select the name of the Company and the e-Voting Service Provider name, i.e., KFintech.</p> <p>V. On successful selection, you will be redirected to KFintech e-Voting page for casting your vote during the remote e-Voting period.</p>
Individual Shareholders holding securities in demat mode with CDSL	<p><b>1. Existing user who have opted for Easi / Easiest</b></p> <p>I. Visit URL: <a href="https://web.cdslindia.com/myeasitoken/Home/Login">https://web.cdslindia.com/myeasitoken/Home/Login</a> or URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></p> <p>II. Click on New System Myeasi</p> <p>III. Login with your registered user id and password.</p> <p>IV. The user will see the e-Voting Menu. The Menu will have links of ESP i.e., KFintech e-Voting portal.</p> <p>V. Click on e-Voting service provider name to cast your vote.</p> <p><b>2. User not registered for Easi/Easiest</b></p> <p>I. Option to register is available at <a href="https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration">https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration</a></p> <p>II. Proceed with completing the required fields.</p> <p>III. Follow the steps given in point 1</p> <p><b>3. Alternatively, by directly accessing the e-Voting website of CDSL</b></p> <p>I. Visit URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></p> <p>II. Provide your demat Account Number and PAN No.</p> <p>III. System will authenticate user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account.</p> <p>IV. After successful authentication, user will be provided links for the respective ESP, i.e., KFintech where the e- Voting is in progress.</p>
Individual Shareholder login through their demat accounts / Website of Depository Participant	<p>I. You can also login using the login credentials of your demat account through your DP registered with NSDL / CDSL for e-Voting facility.</p> <p>II. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature.</p> <p>III. Click on options available against company name or e-Voting service provider – KFintech and you will be redirected to e-Voting website of KFintech for casting your vote during the remote e-Voting period without any further authentication.</p>

**Important note:** Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e., NSDL and CDSL.

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Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at : 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

### Details on Step 2 are mentioned below:

Login method for e-Voting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

Members whose email IDs are registered with the Company/Depository Participants (s), will receive an email from KFintech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:

- i. Launch internet browser by typing the URL: <https://emeetings.kfintech.com/>
- ii. Enter the login credentials (i.e., User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for casting the vote.
- iii. After entering these details appropriately, click on "LOGIN".
- iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the "EVENT" i.e., 'Credo Advanced Chemicals Limited - Annual General Meeting' and click on "Submit"
- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/ AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat accounts.

## 2. NOTICE OF ANNUAL GENERAL MEETING

- ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
- x. You may then cast your vote by selecting an appropriate option and click on “Submit”.
- xi. A confirmation box will be displayed. Click “OK” to confirm else “CANCEL” to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
- xii. Corporate/Institutional Members (i.e., other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to cast its vote through remote e-voting. Together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email id [bharatkumar\\_tank@rediffmail.com](mailto:bharatkumar_tank@rediffmail.com) with a copy marked to [evoting@kfintech.com](mailto:evoting@kfintech.com) . The scanned image of the above-mentioned documents should be in the naming format “Credo Advanced Chemicals Limited”

### Details on Step 3 are mentioned below:

Instructions for all the shareholders, including Individual, other than Individual and Physical, for attending the AGM of the Company through VC/ OAVM and e-Voting during the meeting.

- i. Member will be provided with a facility to attend the AGM through VC / OAVM platform provided by KFintech. Members may access the same at <https://emeetings.kfintech.com/> by using the e-voting login credentials provided in the email received from the Company/KFintech. After logging in, click on the Video Conference tab and select the EVENT of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned above.
- ii. Facility for joining AGM though VC/ OAVM shall open at least 15 minutes before the commencement of the Meeting.
- iii. Members are encouraged to join the Meeting through Laptops/ Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.
- iv. Members will be required to grant access to the webcam to enable VC / OAVM. Further, Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi- Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- v. As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name, demat account number / folio number and email id.
- vi. The Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is

## 2. NOTICE OF ANNUAL GENERAL MEETING

integrated with the VC / OAVM platform. The Members may click on the voting icon displayed on the screen to cast their votes.

- vii. A Member can opt for only a single mode of voting i.e., through Remote e-voting or voting at the AGM. If a Member cast votes by both modes, then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.
- viii. Institutional Members are encouraged to attend and vote at the AGM through VC / OAVM.

### OTHER INSTRUCTIONS:

- I. **Speaker Registration:** The Members who wish to speak during the meeting may register themselves as speakers for the AGM to express their views. They can visit <https://emeetings.kfintech.com/> and login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Speaker Registration' which will be open from 27 September 2024 (09.00 Hours IST) to 29 September 2024 (17.00 Hours IST). Members shall be provided a 'queue number' before the meeting. The Company reserves the right to restrict the speakers at the AGM to only those Members who have registered themselves, depending on the availability of time for the AGM.
- II. **Post your Question:** The Members who wish to post their questions prior to the meeting can do the same by visiting <https://emeetings.kfintech.com/>. Please login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Post Your Question' option which will be open from 27 September 2024 (09.00 Hours IST) to 29 September 2024 (17.00 Hours IST).
- III. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.kfintech.com> (Kfintech Website) or contact [evoting@kfintech.com](mailto:evoting@kfintech.com) / [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) or call Kfintech's toll free No. 1-800-309-4001 for any further clarifications.
- IV. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on 20 September 2024 (End of Day), being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.
- V. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting, he/she may obtain the User ID and Password in the manner as mentioned below:  
  
If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com/>, the member may click "Forgot Password" and enter Folio No. or DP ID, Client ID and PAN to generate a password.
  - i. Members who may require any technical assistance or support before or during the AGM are requested to contact Kfintech at toll free number 1-800-309-4001 or write to them at [evoting@kfintech.com](mailto:evoting@kfintech.com) / [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com).
- VI. Members who have voted through remote e-voting will still be eligible to attend the e-AGM.



## 2. NOTICE OF ANNUAL GENERAL MEETING

VII. Voting at e-AGM will be available at the end of the e-AGM and shall be kept open for 15 minutes.

### GENERAL INSTRUCTIONS:

- (i) Members holding shares either in demat or physical mode who are in receipt of Notice, may cast their votes through e-voting.
- (ii) Members opting for e-voting, for which the USER ID and initial password are provided in a separate sheet. Please follow steps under heading 'INSTRUCTIONS FOR E-VOTING' above to vote through e-voting platform.
- (iii) The e-voting period commences from 9.00 A.M. (IST) on 27 September 2024 to 5.00 P.M. (IST) on 29 September 2024. During this period, the members of the Company, holding shares in demat, as on the cut-off date of 20 September 2024 may cast their vote electronically. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- (iv) The Company has appointed M/s. B.Kumar Tank & Associates, Company Secretaries represented by Mr. Bharatkumar Tank, Practising Company Secretary (Membership No. A20605 and CP No. 7563) as the Scrutiniser to conduct the voting process (e-voting and poll) in a fair and transparent manner.
- (v) The Scrutinizer shall, within a period not exceeding 2 working days from the conclusion of the Annual General Meeting unlock the votes in the presence of at least two (2) witnesses, not in the employment of the Company and make a Scrutinizer's Report containing the details with respect to votes cast in favour, against, neutral/ abstained, shall submit the Report to the Chairman of the Company.
- (vi) Subject to the receipt of sufficient votes, the resolution shall be deemed to be passed at the 29<sup>th</sup> Annual General Meeting of the Company scheduled to be held on Monday, 30 September 2024, the results declared along with the Scrutinizer's Report shall be placed on the website of KFintech, <https://evoting.kfintech.com/>, within 2 working days of conclusion of the Annual General Meeting.

## 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 2024-25 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	<b>Gujarat Credo Mineral Industries Limited</b>	<b>Gujarat Credo Alumina Chemicals Limited</b>
2.	Name of the directors or key managerial personnel who is related, if any	Shri Rakesh Shah Shri Anand Patel Shri Pramathesh Desai	Shri Rakesh Shah Shri Anand Patel Shri Naman Patel Shri Rajiv Gandhi Shri Rushil Tamboli Ms. Meena Ambani
3.	Nature of relationship	Subsidiary and Joint Venture Company	Subsidiary Company
4.	Nature, material terms, monetary value and particulars of the contract or arrangements	Management Fees As per the Secondment Agreement Upto Rs. 1 Crore.	Management Fees As per the Secondment Agreement Upto Rs. 3.60 Crores.
5.	Any other information relevant or important for the members to take a decision on the proposed resolution	N/A	N/A

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.



## 2. NOTICE OF ANNUAL GENERAL MEETING

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

Shri Pramathesh Ushakant Desai (DIN: 10673232) was appointed as an Additional Director under the category of Non-executive Independent w.e.f. 27.06.2024. The Nomination and Remuneration Committee of the Company has recommended that his association would be of immense benefit to the Company and it is desirable to avail his services as an Independent Director of the Company.

The board of directors has appointed him as an Independent Director of the Company for a term of 5 (five) consecutive years w.e.f. 25-07-2024 subject to the approval of members by passing a ordinary resolution pursuant to Section 149, 150, 152 read with schedule IV of the Companies Act, 2013.

He is not disqualified from being appointed as a director in terms of Section 164 of the Companies Act, 2013 ("the Act"), and has given his consent to act as a director. The Company has also received a declaration from him that he meets the criteria of independence as prescribed under Section 149(6) of the Act. Pursuant to Secretarial Standards-2 issued by the Institute of Company Secretaries of India, additional information about Shri Pramathesh Ushakant Desai is annexed in **Annexure I** to this Notice.

Save and except Shri Pramathesh Ushakant Desai, none of the other Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

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

By order of the board of directors of  
Credo Advanced Chemicals Limited

Date: 06-09-2024  
Place: Ahmedabad

Kirtesh Shah  
Company Secretary  
58436

**Registered Office:**  
305, Third Floor, Third Eye One,  
Opp. Honest Restaurant, Near Panchvati Five Roads,  
C. G. Road, Ahmedabad - 380006, Gujarat.  
CIN: U20119GJ1995PLC064782  
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	Shri Rakesh Shah	Shri Pramathesh Desai
Date of Birth	09/05/1972	02/06/1953
Qualification	- CA - CS - LLB - ISA	- M.Sc. - Materials Engineering - Diploma in Business Management - B.E - Metallurgy
Experience	Over 15 years of leadership experience in the manufacturing industry and in the field of finance.	Over 49 years of leadership experience as an International Sales Manager.
Date of first appointment	16/09/2009	25/07/2024
Terms and Conditions of appointment/ re-appointment	Re-appointment as Director of the Company, liable to retire by rotation.	The appointment is for a period of 5 years. He shall not be liable to retire by rotation.
Details of remuneration	Rs. 1,00,000/- p.m.	NIL
Details of remuneration last drawn	Rs. 1,00,000/- p.m.	NIL
Shareholding in the Company	NIL	NIL
Directorship in other Companies	Credo Advanced Chemicals Limited Tatvang Industries Private Limited Gujarat Credo Alumina Chemicals Limited Gujarat Credo Mineral Industries Limited Credo Rare Earths (India) Private Limited Gujarat Credo Rare Earths Limited CSB Projects Private Limited Tatvang Infrastructure Private Limited Zenitech AIF Investment Strategies Private Limited Zenitech Global Ventures Private Limited Tatvang Projects Private Limited Lucent Mines and Mineral Private Limited	Gujarat Credo Mineral Industries Limited Credo Advanced Chemicals Limited
Membership/ Chairmanship of Committees of other Companies	N/A	N/A
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	N/A	N/A
No. board meetings attended during FY 2023-24	5	N/A

### 3. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### Management Discussion and Analysis Report

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. Both our businesses continue to expand the market penetration of our products product ranges within and outside India. We continue our efforts to build long term loyalty by investing in our relationships with all our customers.

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 and Synthetic Zeolites 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.

Credo's JVC with the State PSU, GMDC Ltd., Gujarat Credo Mineral Industries Limited (GCMIL), continued with the production of Synthetic Zeolite for applications in the detergent and hygiene segments. 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 subsidiary, Gujarat Credo Alumina Chemicals Limited (GCACL) continued to achieve higher production levels at its Chemical Grade Alumina Complex at APSEZ, Mundra, 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 encouraging support from its skilled team and sincerity of the highly qualified, motivated and hardworking group of engineers, workmen, technicians and commercial executives enabled us to face challenges successfully. On the quality front, GCACL continued its quest for higher quality parameters maintaining ISO 9000, 14000 & 45000 certification. Brownfield value addition expansion programs were implemented while fresh expansion projects are under execution.

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!

## 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.

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, CACL 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, CACL 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 Advanced Chemicals Limited**

Your directors have pleasure in presenting the Company's **29<sup>th</sup> Annual Report** together with the Audited Financial Statements and the Auditors Report for the year ended on 31<sup>st</sup> March, 2024.

#### 1. FINANCIAL SUMMARY / HIGHLIGHTS

PARTICULARS	(Amount in INR)	
	2023-24	2022-23
<b>Revenue from Operation</b>	3,44,16,000	3,60,74,000
Other Income	47,22,673	1,95,80,642
<b>Total Revenue</b>	<b>3,91,38,673</b>	<b>5,56,54,642</b>
Operating & Other Expenses	2,78,20,251	2,57,83,278
<b>Profit Before Depreciation, Interest and Tax</b>	<b>1,13,18,422</b>	<b>2,98,71,364</b>
Finance Cost	1,09,11,951	2,39,17,562
Depreciation and Amortization Expenses	28,88,784	20,56,849
<b>Profit Before Tax</b>	<b>(24,82,313)</b>	<b>38,96,953</b>
Tax Expenses	(5,68,589)	(4,59,227)
<b>Profit After Tax</b>	<b>(19,13,724)</b>	<b>43,56,180</b>
Prior Year Adjustments	0	0
Balance Brought Forward	0	0
Other Comprehensive income	11,35,802	4,62,286
<b>Profit Available for Appropriation</b>	<b>(7,77,922)</b>	<b>48,18,466</b>
<b>APPROPRIATIONS:</b>		
Amount Transferred to General Reserves	0	0
Proposed Dividend	0	0
Provision for Tax on Dividend	0	0

**Note:** The above financial summary is based on standalone financial statements.

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

The company Credo Advanced Chemicals Limited ('CACL') holds controlling interests in its operating subsidiaries which are market leaders in their respective businesses. CACL 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.

On standalone basis, the total income of the company for FY 2023-24 is INR 3,91,38,673/- as compared to INR 5,56,54,642/- in the previous financial year. The company incurred a loss of INR 19,13,724/- for FY 2023-24 as compared to profit of INR 43,56,180/- in the previous financial year. Earnings per share for FY 2023-24 is INR -0.03/- as compared to INR 0.06/- in the previous financial year.

On consolidated basis, the total income of the company for FY 2023-24 is INR 2,23,22,93,273/- as compared to INR 2,32,19,47,185/- in the previous financial year. The profit after tax for FY 2023-24 is INR 17,06,82,469/- as compared to INR 40,74,60,190/- in the previous financial year.

## 6. DIRECTORS' REPORT

Earnings per share for FY 2023-24 is INR 2.17/- as compared to INR 3.38/- in the previous financial year.

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

### 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 has the following subsidiaries, associate and joint ventures as on 31.03.2024:

- i **Gujarat Credo Mineral Industries Limited** is a subsidiary and Joint Venture Company in which CACL is holding 74% stake. The said company is promoted by Gujarat Mineral Development Corporation Limited ('GMDC' – A Govt. of Gujarat Enterprise) & CACL as a Joint Venture. The company has complied with the terms & conditions of shareholders' agreement.
- ii **Gujarat Credo Alumina Chemicals Limited** is a subsidiary company in which CACL is holding 98.06% stake.
- iii **Credo Rare Earths (India) Private Limited** (*Formerly known as Rocktech Mineral Development (Guj.) Private Limited*) is a subsidiary Company in which CACL is holding 99.15% stake.
- iv **Lucent Mines and Mineral Private Limited** is a wholly owned subsidiary company in which CACL is holding 100% stake.
- v **Gujarat Credo Rare Earths Limited** is a wholly owned subsidiary company in which CACL is holding 100% stake.

### 5. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Audited Financial Statements for the financial year 2023-24, 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

## 6. DIRECTORS' REPORT

Your directors do not recommend any dividend for the financial year ended on March 31, 2024 as the company has incurred loss for FY 2023-24.

During the financial year under review, no amount was transferred to the reserves of the Company.

### 7. PUBLIC DEPOSITS

The company has not accepted any deposits during the year other than exempted deposits 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.

### 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.

### 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 31.03.2024:

Shri Anand Patel	Non-executive Director
Shri Rakesh Shah	Whole-time Director
Shri Naman Patel	Managing Director
Ms. Meena Ambani	Non-executive Director
Shri Rajiv Gandhi	Independent Director
Shri Rushil Tamboli	Independent Director
Shri Atishe Chordia	Independent Director
Shri Vikas Chandra	Independent Director
Mr. Krunal Shah	CFO
Mr. Kirtesh Shah	Company Secretary

#### ➤ Changes in Board of Directors and Key Managerial Personnel

1. Designation of Shri Naman Madhav Patel was changed from Executive Director to Managing Director of the company w.e.f. 17-08-2023.
2. Designation of Shri Rakesh Sukhraj Shah was changed from Managing Director to Whole-time Director of the company w.e.f. 17-08-2023.
3. Ms. Meena Ramniklal Ambani was appointed as an additional director (Non-Executive) of the company w.e.f. 17-08-2023.
4. Shri Rajiv Gandhi was appointed as an additional director (Non-executive Independent) of the company w.e.f. 17-08-2023.
5. Shri Rushil Chetanbhai Tamboli was appointed as an additional director (Non-executive Independent) of the company w.e.f. 17-08-2023.
6. Shri Atishe Chordia was appointed as an additional director (Non-executive Independent) of the company w.e.f. 17-08-2023.
7. Shri Parasmal Kundanmal Shah, Independent Director resigned from the directorship of the company w.e.f. 17-08-2023.



## 6. DIRECTORS' REPORT

8. Ms. Meena Ramniklal Ambani was appointed as director (Non-Executive) of the company w.e.f. 11-09-2023.
9. Shri Rajiv Gandhi was appointed as director (Non-executive Independent) of the company w.e.f. 11-09-2023.
10. Shri Rushil Chetanbhai Tamboli was appointed as director (Non-executive Independent) of the company w.e.f. 11-09-2023.
11. Shri Atishe Chordia was appointed as director (Non-executive Independent) of the company w.e.f. 11-09-2023.
12. Designation of Shri Anand Anilbhai Patel was changed from Executive Director to Non-executive Director of the company w.e.f. 12-12-2023.
13. Shri Vikas Chandra, Independent Director ceased to be a director of the company as his tenure as an independent director completed on 31-03-2024 and he was not eligible to be reappointed as per the act.

Except above, no changes in directors and key managerial personnel have taken place within the Company during the year under report.

*However, after the end of the FY 2023-24, Shri Pramathesh Ushakant Desai was appointed as an additional director (Non-executive Independent) of the company w.e.f. 25-07-2024. Members are requested to regularise his appointment as Independent Director from Additional Director in ensuing Annual General Meeting.*

### ➤ Directors retire by rotation

As per the provisions of Section 152(6) of the Companies Act, 2013, Shri Rakesh Shah, Whole-time 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 5 (Five) 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	Ms. Meena Ambani	Shri Rajiv Gandhi	Shri Rushil Tamboli	Shri Atishe Chordia
1	12-06-23	√	√	√	-	√				
2	19-06-23	√	√	√	-	-				
3	17-08-23	√	√	√	√	-				
4	12-12-23	√	√	√	√		√	-	√	√
5	29-03-24	√	√	√	-		√	-	√	√

## 6. DIRECTORS' REPORT

A separate meeting of Independent Directors was held on 21-03-2024 in compliance with the provisions of the Companies Act, 2013.

### 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
10-08-2023	10-08-2023

### 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

The authorised share capital of the Company as on 31-03-2024 is INR 80,50,00,000 and the paid-up share capital of the Company as on 31-03-2024 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.

#### 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.

## 6. DIRECTORS' REPORT

### f) Issue of Preference Shares

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

### 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 company actively reviews, every quarter, the adequacy and effectiveness of the internal control systems and suggests improvements necessary to strengthen the same.

The 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
- 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.

## 6. DIRECTORS' REPORT

The company 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 26<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> 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 31<sup>st</sup> March, 2024. 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 for the year ended on 31<sup>st</sup> March, 2024, issued in Form MR-3 by M/s. B. Kumar Tank & Associates, Practicing Company Secretary, forms part of this Report.

### 18. INTERNAL AUDITORS

M/s Richa Shah & Co., Chartered Accountants, Ahmedabad (FRN: 151397W), has conducted Internal Audit for the financial year 2023-24. The internal audit report with does not contain any qualifications, reservation, adverse remark or disclaimer.

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 2024-25. The required consent to act as the Internal Auditors of the Company for the financial year 2024-25 has been received by the Company, on terms & conditions as mutually agreed upon between the Internal Auditor and the Board / management of the Company.

### 19. 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.

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

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.

## 6. DIRECTORS' REPORT

### 21. 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.

### 22. 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 31.03.2024
1	Gujarat Credo Mineral Industries Limited	Joint Venture & Subsidiary Company	7,29,00,000
2	Gujarat Credo Alumina Chemicals Limited	Subsidiary Company	29,63,00,000
3	Lucent Mines and Mineral Private Limited	Wholly owned Subsidiary Company	67,84,555

Particulars of guarantees provided by the company are as under:

*(Amount in INR)*

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	40,82,00,000
2	Gujarat Credo Alumina Chemicals Limited	Subsidiary Company	PNB Consortium	2,94,55,00,000

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 31.03.2024
1	Gujarat Credo Mineral Industries Limited	Joint Venture & Subsidiary Company	14,05,92,000
2	Gujarat Credo Alumina Chemicals Limited	Subsidiary Company	1,52,71,48,200
3	Credo Rare Earths (India) Private Limited <i>(Formerly known as Rocktech Mineral Development (Guj.) Private Limited)</i>	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

### 23. 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

## 6. DIRECTORS' REPORT

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.

### 24. 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.

### 25. BOARD EVALUATION

The Nomination and Remuneration Committee has 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.

### 26. 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.

### 27. 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 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



## 6. DIRECTORS' REPORT

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.

### 28. 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 for FY 2023-24, 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.

### 29. 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 31<sup>st</sup> March, 2024 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.

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

## 6. DIRECTORS' REPORT

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.

### 31. 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.

### 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.
- 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.



## 6. 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 ADVANCED CHEMICALS LIMITED**

Date: 31-08-2024  
Place: Ahmedabad

\_\_\_\_\_  
**Naman Patel**  
Managing Director  
DIN: 05143261

\_\_\_\_\_  
**Rakesh Shah**  
Whole-time Director  
DIN: 02076051

## 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	Credo Rare Earths (India) 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	14,65,80,430	19,00,00,000	5,00,000
5.	Reserves & surplus	32,19,30,384	64,03,055	171,36,68,377	27,85,82,754	(2,14,573)
6.	Total assets	35,91,69,089	3,70,03,055	499,23,29,027	97,14,67,552	2,85,427
7.	Total Liabilities	72,38,705	Nil	313,20,80,220	50,28,84,797	Nil
8.	Investments	Nil	Nil	Nil	Nil	Nil
9.	Turnover	Nil	Nil	195,37,15,352	70,81,44,915	Nil
10.	Profit before taxation	(1,98,221)	(36,680)	26,25,35,727	3,35,55,810	(60,674)
11.	Provision for taxation	Nil	Nil	8,35,82,953	1,27,16,336	Nil
12.	Profit after taxation	(1,98,221)	(36,680)	17,89,52,774	2,08,39,474	(60,674)
13.	Proposed Dividend	Nil	Nil	Nil	Nil	Nil
14.	% of shareholding	100%	99.15%	98.06%	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	<b>Gujarat Credo Mineral Industries Limited</b>
1.	Latest audited Balance Sheet Date	31 <sup>st</sup> March, 2024
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	46,85,82,754
7.	Profit/Loss for the year	2,08,39,474
8.	i. Considered in Consolidation	✓
9.	ii Not Considered in Consolidation	-

For and on behalf of Board of Directors of  
**CREDO ADVANCED CHEMICALS LIMITED**

\_\_\_\_\_  
**Naman Patel**  
Managing Director  
DIN: 05143261

\_\_\_\_\_  
**Rakesh Shah**  
Whole-time Director  
DIN: 02076051

\_\_\_\_\_  
**Kirtesh Shah**  
Company Secretary

\_\_\_\_\_  
**Krunal Shah**  
CFO

Date: 31-08-2024  
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
<b>CSB Projects Private Limited</b> Shri Rakesh Shah is director of the company	Leave and License Agreement for a period of 3 Years executed on 28.06.2022	28-06-2022 to 27-06-2025	As per Leave and License Agreement INR 10,000 per month	17-08-2023	NIL
<b>Gujarat Credo Alumina Chemicals Limited</b> 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 30-09-2024	As per Lease Agreement for Plant and Machinery INR 30,00,000/-	17-08-2023	NIL
	Management Fee	01-04-2023 to 31-03-2024	As per the secondment agreement INR 2,46,00,000/-	17-08-2023	NIL
<b>Gujarat Credo Mineral Industries Limited</b> A JV and subsidiary company	Management Fees	01-04-2023 to 31-03-2024	As per the secondment agreement INR 68,16,000/-	17-08-2023	NIL

For and on behalf of Board of Directors of  
**CREDO ADVANCED CHEMICALS LIMITED**

Date: 31-08-2024  
Place: Ahmedabad

**Naman Patel**  
Managing Director  
DIN: 05143261

**Rakesh Shah**  
Whole-time Director  
DIN: 02076051

## 7. SECRETARIAL AUDIT REPORT

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT OF**  
**CREDO ADVANCED CHEMICALS LIMITED**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2024**  
*[Pursuant to section 204(1) of the Companies Act, 2013 and rule no. 9 of the Companies*  
*(Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,  
The Members,  
**CREDO ADVANCED CHEMICALS LIMITED**  
**(Formerly known as 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 ADVANCED CHEMICALS LIMITED** (CIN: U20119GJ1995PLC064782) *(Formerly known as Credo Mineral Industries Limited)* (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 my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2024 ("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 31<sup>st</sup> March, 2024 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:** -

## 7. SECRETARIAL AUDIT REPORT

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- 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. Following changes took place in composition of the board of directors during the period under review;
  - The designation of Mr. Anand A. Patel has been changed from Executive Director to Non-Executive Director of the company with effect from 12.12.2023.
  - Ms. Meena R. Ambani was appointed as the Additional Director (Non-Executive and Non-independent) of the company with effect from 17/08/2023 and was regularised in the 28<sup>th</sup> Annual General meeting of the company held on 11.09.2023.
  - Mr. Naman M. Patel was appointed as the Managing Director of the company for a period of five years with effect from 17.08.2023.
  - Mr. Rakesh S. Shah was appointed as the Whole-time Director of the company for a period of five years with effect from 17.08.2023.
  - Mr. Rajiv Gandhi was appointed as the Additional Director (Independent) of the company with effect from 17/08/2023 for a period of five year and was regularised in the 28<sup>th</sup> Annual General meeting of the company held on 11.09.2023.

## 7. SECRETARIAL AUDIT REPORT

- Mr. Rushil Tamboli was appointed as the Additional Director (Independent) of the company with effect from 17/08/2023 for a period of five year and was regularised in the 28<sup>th</sup> Annual General meeting of the company held on 11.09.2023.
  - Mr. Atishe Chordia was appointed as the Additional Director (Independent) of the company with effect from 17/08/2023 for a period of five year and was regularised in the 28<sup>th</sup> Annual General meeting of the company held on 11.09.2023.
  - Mr. Parasmal K. Shah resigned from the post of independent director of the company with effect from 17.08.2023.
- 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.
- 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 40.82 CR (O/s as on 31.03.2024) given to HDFC Bank in relation to the credit facilities availed by Gujarat Credo Mineral Industries Limited, a subsidiary company.
- The Company has altered clause V of Memorandum of Association relating authorized capital of the company by increasing the authorized share capital by passing an Ordinary Resolution in the 28<sup>th</sup> Annual General Meeting held on 11.09.2023 to Rs. 80,50,00,000.
- In pursuance of a special resolution passed during the 28<sup>th</sup> Annual General Meeting convened on 11.09.2023, the Company has amended Clause I of its Memorandum of Association pertaining to the Name of the company. Consequently, the company's name has been altered from 'Credo Mineral Industries Limited' to 'Credo Advanced Chemicals Limited
- In accordance with a special resolution passed during the 28<sup>th</sup> Annual General Meeting convened on 11.09.2023, the Company has duly amended Clause III of its Memorandum of Association concerning the Object of the company. As a result, the company is presently involved in the business activities encompassing all types of industrial chemicals,



## 7. SECRETARIAL AUDIT REPORT

specialty chemicals, fine chemicals, performance chemical products, organic and inorganic chemicals and minerals, Alumina based chemicals and its associated products.

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

- i. Public / Preferential Issue of Shares / Debentures / Sweat Equity/Right issue etc.
- ii. Redemption / Buy Back of Securities.
- iii. Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013.
- iv. Merger / Amalgamation / Reconstruction etc.
- v. 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: - 31.08.2024  
Place: Ahmedabad

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(Bharatkumar P. Tank)  
ACS: 20605 COP: 7563  
UDIN: A020605F001088760



## 7. SECRETARIAL AUDIT REPORT

### *Annexure 1*

To,  
The Members,  
**CREDO ADVANCED CHEMICALS 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: - 31.08.2024  
Place: Ahmedabad

---

(Bharatkumar P. Tank)  
ACS: 20605 COP: 7563  
**UDIN: A020605F001088760**

## 8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

### INDEPENDENT AUDITOR'S REPORT

**To The Members of Credo Advanced Chemicals Limited (Formerly known as 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 Advanced Chemicals Limited (Formerly known as Credo Mineral Industries Limited) ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2024, 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 31<sup>st</sup> March 2024, 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

## 8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

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 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

## 8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

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 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

## 8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

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 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, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 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

## 8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

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;

(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)**

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**CA Chintan Shah**  
**Partner**  
**(Membership No. 110142)**  
**UDIN: 24110142BKHCMU9382**  
**Place: Ahmedabad**  
**Date: 31-08-2024**



## 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 ADVANCED CHEMICALS 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, 2024:**

#### **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, 2024 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 willful 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 placement of shares or fully or partly convertible debentures during the year under review.



## 8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

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 realization 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 falling due within a period

## 8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

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)**

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**CA Chintan Shah**  
**Partner**  
**(Membership No. 110142)**  
**UDIN: 24110142BKHCMU9382**  
**Place: Ahmedabad**  
**Date: 31-08-2024**

## 8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

### “ANNEXURE - B” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF CREDO ADVANCED CHEMICALS 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 ADVANCED CHEMICALS LIMITED** (“the Company”) as of March 31, 2024 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 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:

## 8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

- (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, 2024, 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)**

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**CA Chintan Shah**  
**Partner**  
**(Membership No. 110142)**  
**UDIN: 24110142BKHCMU9382**  
**Place: Ahmedabad**  
**Date: 31-08-2024**

## 8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

### Standalone Balance Sheet as at 31<sup>st</sup> March, 2024

(Amount In Lakhs)

Particulars	Notes	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	273.05	301.47
Capital work-in-progress	2	0.25	0.14
<b>Financial assets</b>			
Investment in subsidiary, associate and joint venture	3	20,509.14	19,844.14
Other financial assets	4	0.45	0.43
Deferred tax assets (Net)	9	10.28	4.59
<b>Total non-current assets</b>		<b>20,793.18</b>	<b>20,150.77</b>
<b>Current assets</b>			
<b>Financial assets</b>			
Investments	5	-	178.34
Loans & Advances	6	3,848.18	4,176.61
Trade receivables	7	-	6.13
Cash and cash equivalents	8	1.00	12.42
Other current assets	10	105.64	121.81
<b>Total current assets</b>		<b>3,954.82</b>	<b>4,495.32</b>
<b>TOTAL ASSETS</b>		<b>24,748.00</b>	<b>24,646.09</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	11	7,500	7,500.00
Other equity	12	13,035.36	13,043.14
<b>Total Equity</b>		<b>20,535.36</b>	<b>20,543.14</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	13	1,589.09	2,186.01
<b>Total non-current liabilities</b>		<b>1,589.09</b>	<b>2,186.01</b>
<b>Current Liabilities</b>			
Borrowings	13	-	60.18
Provisions	14	50.91	54.77
Other current liabilities	15	2,572.63	1,802.01
<b>Total current liabilities</b>		<b>2,623.54</b>	<b>1,916.95</b>
<b>Total Liabilities</b>		<b>4,212.64</b>	<b>4,102.96</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>24,748.00</b>	<b>24,646.09</b>

Significant Accounting Policies

1

## 8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

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**

\_\_\_\_\_  
**CA Chintan Shah**  
**Managing Partner**  
**M. No. : 110142**

**Date: 31-08-2024**  
**Place: Ahmedabad**

**For and on behalf of the Board of Directors**  
**Credo Advanced Chemicals Limited**

\_\_\_\_\_  
**Naman Patel**  
**Managing Director**  
**(DIN - 05143261)**

\_\_\_\_\_  
**Rakesh Shah**  
**Whole-time Director**  
**(DIN - 02076051)**

\_\_\_\_\_  
**Krunal Rasiklal Shah**  
**Chief Financial Officer**

\_\_\_\_\_  
**Kirtesh Shah**  
**Company Secretary**

**Date: 31-08-2024**  
**Place: Ahmedabad**

## 8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

### Standalone Statement of profit and loss for period ended 31<sup>st</sup> March, 2024

(Amount In Lakhs)

Particulars	Notes	For the year ended 31 <sup>st</sup> March, 2024	For the year ended 31 <sup>st</sup> March, 2023
<b>INCOME</b>			
Revenue from operations	16	344.16	360.74
Other income	17	47.23	195.81
<b>TOTAL INCOME (A)</b>		<b>391.39</b>	<b>556.55</b>
<b>EXPENSES</b>			
Raw materials and consumables used	18	-	-
Employee benefits expenses	19	217.34	215.20
Finance costs	20	109.12	239.18
Depreciation and amortization expenses	2	28.89	20.57
Other expenses	21	60.86	42.64
<b>TOTAL EXPENSES (B)</b>		<b>416.21</b>	<b>517.58</b>
<b>Profit/ (loss) before tax (A-B)</b>		<b>-24.82</b>	<b>38.97</b>
<b>Tax expense</b>			
Current Tax		-	8.73
Adjustment of tax relating to earlier periods		-	-
Deferred Tax		-5.69	-4.59
MAT credit entitlement		-	(8.73)
<b>Profit/ (loss) after tax for the period (C)</b>		<b>-19.14</b>	<b>43.56</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
-Actuarial Gains and losses		0.80	-0.23
-Guarantee Premium		10.56	4.85
<b>Total Other comprehensive income for the period, net of tax (D)</b>		<b>11.36</b>	<b>4.62</b>
<b>Total Comprehensive Income for the Period (C+D)</b>		<b>-7.78</b>	<b>48.18</b>
<b>Earning per equity share (EPS) for profit for the period (face value of Rs.10/-)</b>	22		
Basic (Rs.)		-0.03	0.06
Diluted (Rs.)		-0.03	0.06

Significant Accounting Policies

1

The accompanying notes are integral part of the financial statements.



## 8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

As per our report of even date attached  
**For Pankaj R. Shah & Associates**  
**Chartered Accountants**  
**FRN No.: 107361W**

\_\_\_\_\_  
**CA Chintan Shah**  
**Managing Partner**  
**M. No. : 110142**

**Date: 31-08-2024**  
**Place: Ahmedabad**

**For and on behalf of the Board of Directors**  
**Credo Advanced Chemicals Limited**

\_\_\_\_\_  
**Naman Patel**  
**Managing Director**  
**(DIN - 05143261)**

\_\_\_\_\_  
**Rakesh Shah**  
**Whole-time Director**  
**(DIN - 02076051)**

\_\_\_\_\_  
**Krunal Rasiklal Shah**  
**Chief Financial Officer**

\_\_\_\_\_  
**Kirtesh Shah**  
**Company Secretary**

**Date: 31-08-2024**  
**Place: Ahmedabad**

## 8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

### Standalone Cash flow statement for the year ended 31<sup>st</sup> March, 2024

(Amount In Lakhs)

Particulars	For the year ended 31 <sup>st</sup> March, 2024	For the year ended 31 <sup>st</sup> March, 2023
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit Before tax as per statement of profit and loss</b>	(24.82)	38.97
<u>Adjustments for:</u>		
Depreciation, Amortisation, Depletion & Impairment	28.89	20.57
Finance cost	109.12	239.18
Leave and Gratuity	21.12	17.24
Interest income	(44.15)	(167.75)
<b>Operating Profit before working capital changes</b>	<b>90.16</b>	<b>148.21</b>
<b>Adjustments for changes in Working Capital</b>		
Short Term loan and Advances	328.43	(694.50)
Trade Receivables	6.13	(6.13)
Other Current Assets	16.17	64.54
Loans & Advances	(657.09)	(1,358)
Other Current Liabilities	760.06	932.93
Short Term provisions	(3.06)	20.46
<b>Cash Generated from Operations</b>	<b>540.82</b>	<b>(892.32)</b>
Taxes (paid)/ refund	-	(54.24)
<b>Net Cash Flow from Operating Activities (A)</b>	<b>540.82</b>	<b>(946.56)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Investment in Mutual Funds	178.34	(178.34)
Purchase of Fixed Assets	(0.58)	(1.76)
Sale of Fixed Assets	-	0.88
Investment in subsidiary, associate and joint venture	(665.00)	(1,305.00)
Interest Income	44.12	167.75
<b>Net Cash Flow from Investing Activities (B)</b>	<b>(443.12)</b>	<b>(1,316.47)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceed from Equity Share issue	-	931.30
Change in other Equity	-	1,583.21
Finance cost	(109.12)	(239.18)
<b>Net Cash Flow from Financing Activities (C)</b>	<b>(109.12)</b>	<b>2,275.33</b>
<b>Net Increase/(Decrease) in Cash and Cash equivalents (D) (A+B+C)</b>	<b>(11.42)</b>	<b>12.30</b>
<b>Cash and Cash equivalents at the Beginning of the Year</b>		
Cash on hand	0.04	0.10
Bank Balances	12.39	0.03
	<b>12.42</b>	<b>0.13</b>
<b>Cash and Cash equivalents at the End of the Year</b>		

## 8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

Cash on hand	0.16	0.04
Bank Balances	0.84	12.39
	<b>1.00</b>	<b>12.42</b>

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**

\_\_\_\_\_  
**CA Chintan Shah**  
**Managing Partner**  
**M. No. : 110142**

**Date: 31-08-2024**  
**Place: Ahmedabad**

**For and on behalf of the Board of Directors**  
**Credo Advanced Chemicals Limited**

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**Naman Patel**  
**Managing Director**  
**(DIN - 05143261)**

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**Krunal Rasiklal Shah**  
**Chief Financial Officer**

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**Kirtesh Shah**  
**Company Secretary**

**Date: 31-08-2024**  
**Place: Ahmedabad**

## 8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

### Standalone Statement of changes in equity (SOCIE) for the period ended on 31 March 2024

#### A. Equity Share Capital

(Amount In Lakhs)

Particulars	No. of Shares	Amount
<b>Issued, subscribed and paid up share capital</b>		
Equity Shares of Rs. 10/- each fully paid up		
<b>As at 31st March 2021</b>	<b>6,56,87,014</b>	<b>6,569</b>
Changes in equity share capital	-	-
<b>As at 31st March 2022</b>	<b>6,56,87,014</b>	<b>6,569</b>
<b>Add: Right share issue Face Value Rs. 10 at a Premium of Rs. 17 each</b>	<b>93,12,986</b>	<b>931</b>
<b>As at 31st March 2023</b>	<b>7,50,00,000</b>	<b>7,500</b>
Changes in equity share capital	-	-
<b>As at 31st March 2024</b>	<b>7,50,00,000</b>	<b>7,500</b>

#### B. Other equity

(Amount In Lakhs)

Particulars	Reserves & Surplus			Security Premium	Other Comprehensive Income	Total Equity
	Capital reserve	General reserve	Retained earnings			
<b>Balance at March 31, 2022</b>	-	-	71.96	11,339.70	0.08	11,411.75
Changes in accounting policy / prior period errors	-	-	-	-	-	-
<b>Restated balance at the beginning of the reporting period</b>	-	-	71.96	11,339.70	0.08	11,411.75
Profit for the year	-	-	43.56	-	-	43.56
Other comprehensive income for the year	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	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	-	-	-	-	-	-
<b>Balance at March 31, 2023</b>	-	-	115.52	12,922.91	4.71	13,043.14
Changes in accounting policy / prior period errors	-	-	-	-	-	-
<b>Restated balance at the beginning of the reporting period</b>	-	-	115.52	12,922.91	4.71	13,043.14
Profit for the year	-	-	(19.14)	-	-	(19.14)
Other comprehensive income for the year	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	96.39	12,922.91	4.71	13,024.00
Guarantee Premium Income	-	-	-	-	10.56	10.56
Actuarial Gain Loss	-	-	-	-	0.80	0.80

## 8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

Any Other Change	-	-	-	-	-	-
<b>Balance at March 31, 2024</b>	-	-	<b>96.39</b>	<b>12,922.91</b>	<b>16.07</b>	<b>13,035.36</b>

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

\_\_\_\_\_  
**CA Chintan Shah**  
**Managing Partner**  
**M. No. : 110142**

**Date: 31-08-2024**  
**Place: Ahmedabad**

**For and on behalf of the Board of Directors**  
**Credo Advanced Chemicals Limited**

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**Naman Patel**  
**Managing Director**  
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**Krunal Rasiklal Shah**  
**Chief Financial Officer**

\_\_\_\_\_  
**Kirtesh Shah**  
**Company Secretary**

**Date: 31-08-2024**  
**Place: Ahmedabad**

## 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.

### (E) Impairment

#### a) Financial assets



## 8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

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. Current income tax for current and prior periods is recognized at the amount expected to be paid

## 8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

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.

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,

## 8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

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.

(Amount In Lakhs)

Note 2	Property, plant and equipment									
	Gross Block				Depreciation Fund				Net Block	
Particulars	Openi ng	Additio ns	Deductio ns	Closin g	Openi ng	Additio ns	Deductio ns	Closin g	as on 31.03. 2024	as on 31.03. 2023
<b>TANGIBLE ASSETS</b>										
Plant and Machinery	398.85		-	398.85	98.02	28.89	-	126.91	271.94	300.82
Computer	0.86	-	-	0.86	0.20	-	-	0.20	0.65	0.65
Office Equipment	-	0.47		0.47	-				0.47	
Work in Progress	0.14	0.19	0.08	0.25	-	-	-	-	0.25	0.14
<b>TOTAL</b>	<b>399.84</b>	<b>0.66</b>	<b>0.08</b>	<b>400.42</b>	<b>98.23</b>	<b>28.89</b>	<b>-</b>	<b>127.12</b>	<b>273.31</b>	<b>301.61</b>

## 8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

<b>Note 3: Investment in Subsidiary Companies</b>		<b>(Amount In Lakhs)</b>	
<b>S. No</b>	<b>Particulars</b>	<b>31<sup>st</sup> March, 2024</b>	<b>31<sup>st</sup> March 2023</b>
		<b>Rs.</b>	<b>Rs.</b>
1	<b>Investment in subsidiary - equity - unquoted (At Cost)</b>		
	(i) Gujarat Credo Mineral Industries Limited	1,405.92	1,405.92
	(ii) Lucent Mines and Mineral Private Limited	3,523.35	3,523.35
	(iii) Credo Rare Earths (India) Private Limited (formerly known as Rocktech Mineral Development (Guj.) Private Limited)	303.40	303.40
	(iv) Gujarat Credo Rare Earths Limited	5.00	5.00
	(v) Gujarat Credo Alumina Chemicals Limited	15,271.47	14,606.47
	<b>Total</b>	<b>20,509.14</b>	<b>19,844.14</b>
<p>(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)</p> <p>(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)</p> <p>(iii) Investment in Credo Rare Earths (India) Private Limited formerly known as (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)</p> <p>(iv) Investment in Gujarat Credo Rare Earths Limited No. of Shares 50,000 at face value of Rs. 10</p> <p>(v) Investment in Gujarat Credo Alumina Chemicals Limited during the year No. of shares 4,43,334 issued at issue price of Rs. 150 (Rs. 10 face value + Rs. 140 Premium value). (Previous year No. of Shares 1,39,29,714)</p>			
<b>Note 4: Other Financial Assets (Non Current)</b>		<b>(Amount In Lakhs)</b>	
<b>Sr. No</b>	<b>Particulars</b>	<b>31<sup>st</sup> March, 2024</b>	<b>31<sup>st</sup> March 2023</b>
		<b>Rs.</b>	<b>Rs.</b>
	<b>Fixed Deposits</b>		
1	IOB FD II	0.45	0.43
	<b>Total</b>	<b>0.45</b>	<b>0.43</b>
<b>Note 5: Investment</b>		<b>(Amount In Lakhs)</b>	
<b>S. No</b>	<b>Particulars</b>	<b>31<sup>st</sup> March, 2024</b>	<b>31<sup>st</sup> March 2023</b>
		<b>Rs.</b>	<b>Rs.</b>
	<b>Current</b>		
1	<b>Investments in Mutual Funds (NON Trade)</b>		
	i) HDFC Money Market Fund	-	178.34
	<b>Total</b>	<b>-</b>	<b>178.34</b>
	<b>Particulars</b>	<b>No. of Units</b>	<b>FMV as on 31-03-2024</b>
	HDFC Money Market Fund	Nil (P.Y. 3681.569)	<b>FMV as on 31-03-2023</b> -
			<b>178.34</b>

## 8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

<b>Note 6: Loans &amp; Advances</b>		<b>(Amount In Lakhs)</b>	
<b>S. No</b>	<b>Particulars</b>	<b>31<sup>st</sup> March, 2024</b>	<b>31<sup>st</sup> March 2023</b>
		<b>Rs.</b>	<b>Rs.</b>
	<b><u>Advance to Subsidiary</u></b>		
1	Gujarat Credo Mineral Industries Limited	729.00	879.00
2	Credo Rare Earths (India) Pvt. Ltd. (formerly known as Rocktech Mineral Development (GUJ.) Pvt. Ltd)	-	0.76
3	Lucent Mines & Mineral Pvt. Ltd	67.85	54.35
4	Gujarat Credo Alumina Chemicals Limited	3,051.33	3,242.50
	<b>Total</b>	<b>3,848.18</b>	<b>4,176.61</b>
<b>Note 7: Trade Receivable</b>		<b>(Amount In Lakhs)</b>	
<b>S. No</b>	<b>Particulars</b>	<b>31<sup>st</sup> March, 2024</b>	<b>31<sup>st</sup> March 2023</b>
		<b>Rs.</b>	<b>Rs.</b>
	<b><u>Sundry Debtors</u></b>		
	<b>Unsecured considered good</b>		
	-Undisputed Trade Receivables	-	6
	<b>Total</b>	<b>-</b>	<b>6.13</b>
<b>Trade Receivables Ageing schedule for the year 31-03-2024</b>			
<b>Particulars</b>	<b>Outstanding for following periods from due date of payment*</b>		
	<b>Less than 6 months</b>	<b>6 months-1 year</b>	<b>6 months-1 year</b>
(i) Undisputed Trade receivables- Considered good	-	-	-
(ii) Undisputed Trade receivables- Considered doubtful	-	-	-
(iii) Disputed Trade receivables- Considered good	-	-	-
(ii) Disputed Trade receivables- Considered doubtful	-	-	-
<b>Trade Receivables Ageing schedule for the year 31-03-2023</b>			
<b>Particulars</b>	<b>Outstanding for following periods from due date of payment*</b>		
	<b>Less than 6 months</b>	<b>6 months-1 year</b>	<b>6 months-1 year</b>
(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	-	-	-



## 8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

Note 8: Cash and cash equivalents		(Amount In Lakhs)	
S. No	Particulars	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March 2023
		Rs.	Rs.
1	<b>Balance with Banks</b>		
	(i) In current accounts	0.84	12.39
2	Cash on hand	0.16	0.04
	<b>Total</b>	<b>1.00</b>	<b>12.42</b>

Note 9: Calculation of Deferred Tax Assets and Liabilities as on 31-03-2024				(Amount In Lakhs)	
Sr. No.	Nature of Timing Difference	Amount of timing difference	Prevailing tax rate	Deferred tax Asset as on 31-03-2024	Deferred tax Liab. as on 31-03-2024
1	Difference between <b>Written Down Value</b> of Fixed Assets as per books of accounts and as per Income tax act.				
	WDV as per books of accounts	273.05			
	WDV as per I.Tax Act.	154.10	118.96	26.00%	30.93
2	Disallowance u/s 43B Gratuity	37.72	26.00%	9.81	
3	Disallowance u/s 43B Bonus & ESIC	2.36	26.00%	0.61	
4	Unabsorbed Depreciation as per IT Act	16.89	26.00%	4.39	
5	Business Loss as per IT Act	47.83	26.00%	12.44	
6	Mat Credit			13.86	
	<b>Net Deferred Tax Liability</b>			<b>41.11</b>	<b>30.93</b>
	<b>Less : Opening</b>			36.19	31.60
				<b>4.92</b>	<b>(6.67)</b>
	<b>Net DTA</b>				<b>5.59</b>

Note 10: Other Current Assets		(Amount In Lakhs)	
S. No	Particulars	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March 2023
		Rs.	Rs.
1	Balance With Government Authorities	99.30	113.27
2	Prepaid Expenses	-	0.27
3	Capital Market Advisory Expense	6.34	
4	Advance to creditors	-	1.51
5	Service charges Receivables	-	6.75
	<b>Total</b>	<b>105.64</b>	<b>121.81</b>



## 8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

<b>Note 11: Share Capital</b>		<b>(Amount In Lakhs)</b>	
<b>S. No</b>	<b>Particulars</b>	<b>31<sup>st</sup> March, 2024</b>	<b>31<sup>st</sup> March 2023</b>
		<b>Rs.</b>	<b>Rs.</b>
1	<b><u>AUTHORISED CAPITAL</u></b>		
	8,05,00,000 Equity Shares of Rs 10/- each	8,050	8,050
	<i>(Previous year - 7,55,00,000 Equity Shares of Rs 10/- each )</i>		
	<b>Total</b>	<b>8,050.00</b>	<b>8,050.00</b>
2	<b><u>ISSUED, SUBSCRIBED &amp; PAID UP CAPITAL</u></b>		
	7,50,00,000 Equity Shares of Rs 10/- each	7,500.00	7,500.00
	<i>(Previous year - 7,50,00,000 Equity Shares of Rs 10/- each )</i>		
3	<b><u>Share Application Money - FI</u></b>		
	Share Application Money - Domestic	-	-
	Share Application Money - Foreign Investment	-	-
	<b>Total</b>	<b>7,500.00</b>	<b>7,500.00</b>
a.	<b>Reconciliation of the Authorised Share Capital at the beginning and at the end of the year</b>		
<b>S. No</b>	<b>Particulars</b>	<b>Equity Shares</b>	
		<b>No. of Shares</b>	
	<b><u>AUTHORISED CAPITAL</u></b>	<b>2023-24</b>	<b>2022-23</b>
	Opening Balances of Shares	7,55,00,000.00	7,10,00,000.00
	Add: Capital Increased during the year	50,00,000.00	45,00,000.00
	<b>Closing balance of Shares at the end of the year</b>	<b>8,05,00,000.00</b>	<b>7,55,00,000.00</b>
b.	<b>Reconciliation of the Shares outstanding at the beginning and at the end of the year</b>		
<b>S. No</b>	<b>Particulars</b>	<b>Equity Shares</b>	
		<b>No. of Shares</b>	
	<b><u>ISSUED, SUBSCRIBED &amp; PAID UP CAPITAL</u></b>	<b>2023-24</b>	<b>2022-23</b>
	Opening Balances of Shares	7,50,00,000.00	6,56,87,014.00
	Add: Capital Increased during the year	-	93,12,986.00
	Less: Buyback of shares during the year	-	-
	<b>Closing balance of Shares at the end of the year</b>	<b>7,50,00,000.00</b>	<b>6,56,87,014.00</b>
c.	<b>Terms/rights attached to the shares</b>		
	<i>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</i>		

## 8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

<p><i>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.</i></p> <p><i>Failure to pay any amount called up on shares may lead to forfeiture of the shares</i></p> <p><i>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.</i></p>				
<b>d. Details of shareholder holding more than 5% of shares of the company</b>				
Name of Shareholder	31-03-2024		31-03-2023	
	No. of Shares	%age of holding	No. of Shares	%age of holding
Omkareshwar Mines and Minerals Pvt Ltd	1,43,25,935	19.10%	1,43,25,935	19.10%
Gujarat Apollo Industries Ltd	1,34,40,000	17.92%	1,34,40,000	17.92%
Tatvang Industries Private Limited	1,08,72,800	14.50%	1,08,72,800	14.50%
Chem Asia Technologies Pte Ltd	79,77,960	10.64%	79,77,960	10.64%
Rembrant Trading Private Limited	56,69,603	7.56%	56,69,603	7.56%
NMP Family Trust	56,00,000	7.47%	-	0.00%
<b>Note 12: Other Equity</b>			<b>(Amount In Lakhs)</b>	
S. No	Particulars	31 <sup>st</sup> March		
		2024	2023	
		Rs.	Rs.	
	<b>Retained Earnings</b>			
1	<b>Securities Premium Account</b>	12,922.91	12,922.91	
2	<u>Surplus/(Deficit) in the Statement of Profit and Loss</u>			
	Balance as per last financial statements	120.23	72.05	
	Add: Profit/(Loss) for the Year	(19.14)	43.56	
	Add: Other Comprehensive Income: Adjustment on Fair Valuation of Investment		-	
	Guarantee Income	10.56	4.85	
	Less: Actuarial Gain Loss	0.80	-0.23	
	Less: Appropriations		-	
	Net Surplus/(Deficit) in the Statement of Profit and Loss	112.45	120.23	
	<b>Total</b>	<b>13,035</b>	<b>13,043</b>	
<b>Note 13: Borrowings</b>			<b>(Amount In Lakhs)</b>	
S. No	Particulars	31 <sup>st</sup> March		
		2024	2023	
		Rs.	Rs.	
	<b>Non Current</b>			
1	Unsecured Loans (Apollo Industries and Projects Ltd)	1,215.20	1,809.61	
2	Unsecured Loans (Gujarat Credo Mineral Industries Limited)		-	
2	Unsecured Loans (Credo Rare Earths (India) Private Limited (formerly known as Rocktech Mineral Development (GUJ.) Private Limited))	367.28	369.75	

## 8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

3	ECLGS Loan	6.61	6.61
4	Secured Loans (HDFC Commercial Equipment Loan)	-	0.04
	<b>Current</b>		
	Current Maturities of Long Term Debt for Secured Loans (HDFC Commercial Equipment Loan)	-	42.66
	Current Maturities of Long Term Debt for Secured Loans (ECLGS Loan)	-	17.52
	<b>Total</b>	<b>1,589.09</b>	<b>2,246.18</b>
	<b>Maturity Profile :</b>		
	<b>Particulars</b>	<b>Less than 1 Year</b>	<b>Less than 1 Year</b>
	ECLGS Loan	6.61	17.52
	Secured Loans (HDFC Commercial Equipment Loan)	-	42.66

### Note 14: Provisions

		(Amount In Lakhs)	
S. No	Particulars	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March 2023
		Rs.	Rs.
	<b>Current</b>		
1	Provision for Income Tax	-	8.73
2	Other Payables	50.91	46.04
	<b>Total</b>	<b>50.91</b>	<b>54.77</b>

### Note 15: Other Current Liabilities

		(Amount In Lakhs)	
S. No	Particulars	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March 2023
		Rs.	Rs.
	<b>Current</b>		
1	Duties & Taxes	51.29	51.40
2	<b>Other Payables</b>		
	Sundry Creditors for Expenses	14.60	10.06
	Employees Payment Payable	0.77	1.04
	Financial Guarantee Liability	43.40	53.96
	Dividend Payable	0.03	0.03
	Others (Books overdraft)	2,462.55	1,685.51
	<b>Total</b>	<b>2,572.63</b>	<b>1,802.01</b>

### Note 16: Revenue from Operations

		(Amount In Lakhs)	
S. No	Particulars	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March 2023
		Rs.	Rs.
1	Sale of Products (including excise duty)	-	-
1	Management Fees received	314.16	270.74
2	Service Charges	30.00	90.00
	<b>Total</b>	<b>344.16</b>	<b>360.74</b>

## 8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

<b>Note 17: Other Income</b>		<b>(Amount In Lakhs)</b>	
<b>S. No</b>	<b>Particulars</b>	<b>31<sup>st</sup> March, 2024</b>	<b>31<sup>st</sup> March 2023</b>
		<b>Rs.</b>	<b>Rs.</b>
1	Interest Income	44.15	167.75
2	Profit on sale of Mutual Fund	3.04	20.23
3	Discount Received	0.04	-
4	Gain on financial instrument measured at fair value through P&L	-	4.24
5	Interest on Income Tax	-	3.59
	<b>Total</b>	<b>47.23</b>	<b>195.81</b>
<b>Note 18: Raw materials and consumables used</b>		<b>(Amount In Lakhs)</b>	
<b>S. No</b>	<b>Particulars</b>	<b>31<sup>st</sup> March, 2024</b>	<b>31<sup>st</sup> March 2023</b>
		<b>Rs.</b>	<b>Rs.</b>
1	Purchases		-
<b>Note 19: Employee benefit expense</b>		<b>(Amount In Lakhs)</b>	
<b>S. No</b>	<b>Particulars</b>	<b>31<sup>st</sup> March, 2024</b>	<b>31<sup>st</sup> March 2023</b>
		<b>Rs.</b>	<b>Rs.</b>
1	Salary, Wages and Bonus	193.34	191.20
2	Director Remuneration	24.00	24.00
	<b>Total</b>	<b>217.34</b>	<b>215.20</b>
<b>Note 20: Finance costs</b>		<b>(Amount In Lakhs)</b>	
<b>S. No</b>	<b>Particulars</b>	<b>31<sup>st</sup> March, 2024</b>	<b>31<sup>st</sup> March 2023</b>
		<b>Rs.</b>	<b>Rs.</b>
1	Interest on Unsecured loans	106.21	227.73
2	Interest on secured loans	2.91	11.44
3	Interest on OD		-
	<b>Total</b>	<b>109.12</b>	<b>239.18</b>
<b>Note 21: Other Expenses</b>		<b>(Amount In Lakhs)</b>	
<b>S. No</b>	<b>Particulars</b>	<b>31<sup>st</sup> March, 2024</b>	<b>31<sup>st</sup> March 2023</b>
		<b>Rs.</b>	<b>Rs.</b>
<b>i</b>	<b>Other Expenses more than Rs 10,00,000/- or 1% of revenue whichever is higher</b>		
	Professional Fees	28.10	10.25
	Domain Charges	3.23	4.23
	Membership Fees (FICCI)	1.10	-
<b>ii</b>	<b>Payment to Auditors - Statutory Audit Fees</b>	<b>1.50</b>	<b>1.50</b>

## 8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

iii	Rent Rates & Taxes	1.10	1.20
iv	Insurance Premium	0.96	0.42
v	Sales and Marketing Expenses	16.55	15.86
vi	Miscellaneous Expense	8.32	9.17
	<b>Grand Total</b>	<b>60.86</b>	<b>42.64</b>

<b>Note 22: Earning per share (EPS)</b>		<b>(Amount In Lakhs)</b>	
<b>S. No</b>	<b>Particulars</b>	<b>31<sup>st</sup> March, 2024</b>	<b>31<sup>st</sup> March 2023</b>
		<b>Rs.</b>	<b>Rs.</b>
1	<b>Total Operations for the year</b>		
	Profit/(loss) after tax	- 19.14	43.56
2	<b>Net Profit/(loss) for calculation of Basic EPS</b>	- 19.14	43.56
3	<b>Net Profit/(loss) for calculation of Diluted EPS</b>	- 19.14	43.56
	<b>Weighted average number of equity shares for Basic EPS</b>	687.74	687.74
	<b>Weighted average number of equity shares for Diluted EPS</b>	687.74	687.74
4	<b>Earning Per Share</b>		
	1) Basic	(0.03)	0.06
	2) Diluted	(0.03)	0.06

<b>Note 23: Contingent Liabilities and Commitments</b>		<b>(Amount In Lakhs)</b>	
<b>S. No</b>	<b>Particulars</b>	<b>31<sup>st</sup> March, 2024</b>	<b>31<sup>st</sup> March 2023</b>
		<b>Rs.</b>	<b>Rs.</b>
1	Contingent Liabilities		
	a) Claims against the Company / disputed liabilities not acknowledged as debts	-	-
	b) Guarantees	35,630	35,630
	<b>Total</b>	<b>35,630</b>	<b>35,630</b>

### 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:

#### A. Related Parties

<b>Sr. No.</b>	<b>Particulars</b>	<b>Relationship</b>
1	Mr. Rakesh Shah	Whole-time Director
2	Mr. Parasmal Shah	Independent Director
3	Mr. Vikas Chandra	Independent Director
4	Mr. Kirtesh Shah	Company Secretary
5	Mr. Naman Patel	Managing Director
6	Mr. Anand Patel	Executive Director
7	Mr. Krunal Shah	Chief Financial Officer
8	Ms. Meena Ambani	Director w.e.f. 17/08/23

## 8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

9	Mr. Rajiv Gandhi	Independent director
10	Mr. Atishe Chordia	Independent director
11	Mr. Rushil Tamboli	Independent director
12	Gujarat Credo Alumina Chemicals Limited	Subsidiary
13	Gujarat Credo Mineral Industries Limited	Subsidiary
14	Lucent Mines & Mineral Pvt. Ltd.	Subsidiary
15	Credo Rare Earths Limited (formerly known as Rocktech Mineral Development (GUJ.) Private Ltd.)	Subsidiary
16	Gujarat credo Rare Earths Limited	Subsidiary
17	AEML Investments Ltd	Entity over which KMP is able to exercise significant influence
18	Aerotrains Services Private Limited	Entity over which KMP has control
19	Apollo Motocorp LLP	A LLP, in which director, is a designated partner
20	ATM Minechem LLP	A LLP, in which director, is a designated partner
21	Biolink Healthcare Limited	Significant Influence over the Company
22	Blue Ray Aviation Private Limited	Entity over which KMP is able to exercise significant influence
23	Corella Air LLP	A LLP, in which director, is a designated partner
24	CSB Projects Private Limited	Entity over which KMP is able to exercise significant influence
25	Dedhrota Bauxite Mine Pvt. Ltd.	Entity over which KMP is able to exercise significant influence
26	Doodleblue Innovations Private Limited	Entity over which KMP is able to exercise significant influence
27	Drucker & Grove Fintech Private Limited	Significant Influence over the Company
28	Dynamic Real Trading LLP	A LLP, in which director, is a designated partner
29	Gujarat Airconnect Private Limited	Entity over which KMP has control
30	Gujarat Apollo Industries Limited	Entity which is able to exercise significant influence over the company
31	Hester Aviation Services Private Limited	Entity over which KMP is able to exercise significant influence
32	Hester Biosciences Limited	Entity over which KMP is able to exercise significant influence
33	Hester Coating LLP	A LLP, in which director, is a designated partner
34	Hester Diagnostics Private Limited	Significant Influence over the Company
35	IHHR Hospitality Private Limited	Significant Influence over the Company
36	Krishitek Industries Pvt. Ltd.	Significant Influence over the Company
37	Noble Tradelink Pvt. Ltd.	Entity over which KMP is able to exercise significant influence
38	Omkareshwar Mines & Minerals Private Limited	Entity over which KMP is able to exercise significant influence
39	PFH Agri Equipment Private Limited	Significant Influence over the Company
40	Purple Elephant Technologies Private Limited	Entity over which KMP is able to exercise significant influence

## 8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

41	Rakesh Shah HUF	Entity over which KMP is able to exercise significant influence
42	Rembrant Trading Private Limited	Entity over which KMP is able to exercise significant influence
43	Steelcast Limited	Significant Influence over the Company
44	Tatvang Industries Private Limited	Significant Influence over the Company
45	Tatvang projects Pvt Ltd	Significant Influence over the Company
46	Texas Lifesciences Private Limited	Significant Influence over the Company
47	Youth Empowerment Sansthan	Significant Influence over the Company
48	Zenitech AIF Investments Strategies Pvt Ltd	Significant Influence over the Company
49	Zenitech Projects Private Limited	Significant Influence over the Company
50	Venus Green Recycling LLP	Entity over which KMP is able to exercise significant influence
51	Neptune Infrastructure Private Limited	Entity over which KMP is able to exercise significant influence

### B. Related Party Transaction

Sr. No.	Particulars	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
		(Amount In Lakhs)	(Amount In Lakhs)
<b>A</b>	<b><u>Transactions During The Year:</u></b>		
	<u>Sitting Fees</u>		
	Key Managerial Personnel	0.45	0.60
	<u>Salary</u>		
	Kirtesh Shah	4.53	3.17
	Krunal Rasiklal Shah	20.42	17.75
	<u>Director Remuneration</u>	-	-
	Key Managerial Personnel	24.00	24.00
	<u>Management Fees Received</u>		-
	Gujarat Credo Alumina Chemicals Limited	246.00	202.58
	Gujarat Credo Mineral Limited	68.16	68.16
	<u>Service Charge Income</u>		-
	Gujarat Credo Alumina Chemicals Limited	30.00	90.00
	<u>Interest Income</u>		
	Gujarat Credo Alumina Chemicals Limited	44.12	167.75
	<u>Financial Guarantee Income</u>		
	Gujarat Credo Alumina Chemicals Limited	10.56	4.85
	<u>Loans and Advances Granted to Subsidiary Company</u>		
	Gujarat Credo Mineral Industries Limited	729.00	879.00
	Gujarat Credo Alumina Chemicals Limited	-	-
	Lucent Mines & Minerals Pvt. Ltd	13.50	31.29
	<u>Loans and Advances Granted to Subsidiary Company now repaid</u>		
	Gujarat Credo Alumina Chemicals Limited	3,076.03	2,144.73
	Gujarat Credo Mineral Industries Limited	150.00	-
	<u>Expenses Reimbursement</u>		



## 8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

	Rakesh Shah	3.02	2.09
	<u>Rent</u>		
	Relative of KMP - CSB Projects Private Limited	1.10	1.20
	<b>Total</b>	<b>4,420.89</b>	<b>3,637.17</b>
Sr. No	Particulars	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
		(Amount In Lakhs)	(Amount In Lakhs)
<b>B</b>	<b><u>Closing balance:</u></b>		
	<u>Salary Payable</u>		
	Key Managerial Personnel	2.12	1.74
	<u>Investment in Subsidiary:</u>		
	Gujarat Credo Mineral Industries Limited	1,405.92	1,405.92
	Lucent Mines and Mineral Private Limited	3,523.35	3,523.35
	Gujarat Credo Rare Earths Limited	5.00	5.00
	Credo Rare Earths Limited (formerly known as Rocktech Mineral Development (GUJ.) Private Ltd.)	303.40	303.40
	Gujarat Credo Alumina Chemicals Limited	15,271.47	14,606.47
	<u>Loans and Advances Granted to Subsidiary Company</u>		
	Gujarat Credo Mineral Industries Limited	729.00	879.00
	Lucent Mines and Mineral Private Limited	67.85	54.35
	Credo Rare Earths Limited (formerly known as Rocktech Mineral Development (GUJ.) Private Ltd.)	-	0.76
	Gujarat Credo Alumina Chemicals Limited	3,051.33	3,242.50
	<b>Total</b>	<b>24,359.44</b>	<b>24,022.50</b>

### 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.

Particulars	2023-24	2022-23
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%
Rate of Employee Turnover	8.00%	8%
Salary escalation	8.00%	8%

The following table sets out status of gratuity plan and leave salary as required under Indian Accounting Standard 19 on "Employee Benefit".

## 8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

Particulars	(Amount In Lakhs)	
	2023-24	2022-23
<b>Table showing change in benefit obligation</b>		
Opening defined benefit obligation	17.24	10.38
Interest Cost	1.28	0.72
Liability transferred in	-	-
Past Service Cost	-	5.03
Current Service Cost	2.76	2.00
Benefit Paid	-	-1.10
Actuarial Loss / (gain) on Obligations	-0.80	0.23
<b>Liability at the end of the period</b>	<b>20.48</b>	<b>17.24</b>
<b>Table showing change in Fair Value of Plan Assets</b>		
(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	-	-
<b>Fair Value of Plan Assets at the end of the period</b>	<b>-</b>	<b>-</b>
(Amount In Lakhs)		
Particulars	2023-24	2022-23
<b>Actual Gain / loss recognized</b>		
Actuarial (gain) / loss on obligations	-0.80	0.23
Actuarial (gain) / loss on Plan Assets	-	-
Net Actuarial (gain) / loss recognized during year	<b>-0.80</b>	<b>0.23</b>
<b>Amount recognized in Balance Sheet</b>		
Liability at the end of the period	20.48	17.24
Fair Value of Plan Asset at the end of the period	-	-
Net Amount recognized in Balance Sheet	<b>20.48</b>	<b>17.24</b>
<b>Expense recognized in the Statement of Profit and Loss</b>		
Current Service cost	2.76	2.00
Interest cost	1.28	0.72
Expected return on Plan Asset	-	5.03
Net Actuarial Loss / (gain) to be recognized	-	-
Adjustment to Opening fund/Prior year Charges	-	-
Net Expense recognized in P&L	<b>4.04</b>	<b>7.74</b>
<b>Expense recognized in the Statement of Other Comprehensive Income</b>		

## 8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

Actuarial (Gains)/Losses on Obligation For the Period	-0.80	0.23
Return on plan assets excluding amounts included in interest income	-	-
Net Expense recognized in OCI	<b>-0.80</b>	<b>0.23</b>

### 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	2023-24		2022-23	
	Increase	Decrease	Increase	Decrease
Discount rate - 1% (PY: 1%)	(1.13)	1.30	(0.93)	1.07
Salary growth rate - 1% (PY: 1%)	1.27	(1.14)	1.05	(0.94)
Employee Turnover rate - 1% (PY: 1%)	(0.09)	0.10	(0.10)	0.10

### Note 26

#### A. Financial Instruments by Category and their Fair Value

(Amount In Lakhs)

As at 31 <sup>st</sup> March 2024	Carrying Amount				Fair Value			
	FVTPL	FVT OCI	Amortised Cost	Total	Level 1 - Quoted Price in active markets	Level 2 - Significant Observable Inputs	Level 3 - Significant Unobservable Inputs	Total
<b>Financial Assets</b>								
<i>Investments</i>								
Quoted	-	-	-	-	-	-	-	-
Subsidiary	-	-	20,509.14	20,509.14	-	-	-	-
<i>Trade Receivables</i>	-	-	-	-	-	-	-	-
<i>Cash and Cash Equivalents</i>	-	-	1.00	1.00	-	-	-	-
<i>Loans and Advances</i>	-	-	3,848.18	3,848.18	-	-	-	-
<i>Other Financial Assets</i>	-	-	-	-	-	-	-	-
Non-Current	-	-	0.45	0.45	-	-	-	-
Current	-	-	115.92	115.92	-	-	-	-
<b>Total Financial Assets</b>	-	-	<b>24,474.69</b>	<b>24,474.69</b>	-	-	-	-
<b>Financial Liabilities</b>								
<i>Borrowings including lease liabilities</i>								
Non-Current			1,589.09	1,589.09	-	-	-	-
Current			-	-				
<i>Trade Payables</i>			-	-				
<i>Other Financial Liabilities</i>			2,623.54	2,623.54	-	-	-	-
<b>Total Financial Liabilities</b>	-	-	<b>4,212.64</b>	<b>4,212.64</b>	-	-	-	-

## 8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

As at 31 <sup>st</sup> March 2023	Carrying Amount				Fair Value			
	FVTPL	FVT OCI	Amortised Cost	Total	Level 1 - Quoted Price in active markets	Level 2 - Significant Observable Inputs	Level 3 - Significant Unobservable Inputs	Total
<b>Financial Assets</b>								
<i>Investments</i>								
Quoted	178.34	-	-	178.34	178.34	-	-	178
Subsidiary	-	-	19,844.14	19,844.14	-	-	-	-
<i>Trade Receivables</i>	-	-	6.13	6.13	-	-	-	-
<i>Cash and Cash Equivalents</i>	-	-	12.42	0.00	-	-	-	-
<i>Loans And Advances</i>	-	-	4,176.61	4,176.61	-	-	-	-
<i>Other Financial Assets</i>	-	-	-	-	-	-	-	-
Non-Current	-	-	0.43	0.43	-	-	-	-
Current	-	-	121.81	121.81	-	-	-	-
<b>Total Financial Assets</b>	178.34	-	24,161.55	24,339.89	178.34	-	-	178
<b>Financial Liabilities</b>								
<i>Borrowings including 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	-	-	-	-
<b>Total Financial Liabilities</b>	-	-	4,102.96	4,102.96	-	-	-	-

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

## 8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

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.

### 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

## 8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

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

<i>Year ended on 31-03-2024</i>				<b>(Amount In Lakhs)</b>		
<b>Particulars</b>	<b>On Demand</b>	<b>Less than 3 months</b>	<b>3 to 12 months</b>	<b>1 to 5 years</b>	<b>&gt; 5 years</b>	<b>Total</b>
Borrowings (other than convertible preference shares)	1,215.20	-				1,215.20
Other Financial Liabilities	-	-				-
Trade and Other Payables	-	-				-
<b>Total</b>	<b>1,215.20</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,215.20</b>
<i>Year ended on 31-03-2023</i>				<b>(Amount In Lakhs)</b>		
<b>Particulars</b>	<b>On Demand</b>	<b>Less than 3 months</b>	<b>3 to 12 months</b>	<b>1 to 5 years</b>	<b>&gt; 5 years</b>	<b>Total</b>
Borrowings (other than convertible preference shares)	1,809.61	-				1,809.61
Other Financial Liabilities	42.66	-				42.66
Trade and Other Payables	-	-				-
<b>Total</b>	<b>1,852.27</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,852.27</b>

## 8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

### 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 31<sup>st</sup> March, 2024 was as follows.

Particulars	(Amount In Lakhs)	
	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>Total Non-Current Liabilities</b>	1,589.09	2,186.01
Less : Cash And Bank Balances	1.00	12.42
<b>Adjusted Net Debt</b>	<b>1,588.09</b>	<b>2,173.58</b>
<b>Total Equity</b>	20,535.36	20,543.14
Adjusted Net Debt To Adjusted Equity Ratio	0.08:1 times	0.11:1 times

#### 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 31/03/2024 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:



## 8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

FY 2023-24					
(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			0.14		0.14
FY 2022-23					
(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		0.14			0.135

- 6 The company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.
- 7 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 The company is not declared a wilful defaulter by any bank or financial Institution or other lender.
- 9 The company does not have any transactions with Companies struck off.
- 10 The company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- 11 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.
- 12 Ratios for FY 23-24 and FY 22-23 are presented as under:

Ratio	Numerator	Denominator	Current period	Previous period	% variance	Reason for variance
- Current Ratio	Current Assets	Current Liabilities	1.51	2.35	-0.84%	
- Debt-Equity Ratio	Total Debt	Shareholder's Equity	0.08	0.11	-0.03%	
- Debt Service Coverage Ratio	Earnings for debt service	Debt service (Interest & Lease Payments + Principal Repayments)	0.26%	2.72%	-0.02%	
- Return on Equity Ratio	Net profit after tax - Preference Dividend	Average shareholder's equity	0.00%	0.00%	0.00%	
- 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	0.00	58.81	Not applicable	
- Trade payables turnover ratio	Net credit purchase (Gross credit purchases - purchase return)	Average Trade payables	Not applicable			

## 8. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

- Net capital turnover ratio	Net sales (Total sales - sales Return)	Working capital (Current assets - Current liabilities)	29.40%	21.59%	7.81%	
- Net profit ratio	Net profit	Net sales (Total sales - Sales Return)	-4.89%	7.83%	-0.13%	
- Return on Capital employed	Earnings before interest and tax	Capital Employed (Tangible Net worth + Total Debt + Deferred Tax Liability)	0.41%	1.35%	-0.01%	
- Return on investment	Interest (Financial Income)	Investment	1.23%	4.60%	-0.03%	

- 13 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.
- 14 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,
- 15 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.
- 16 The company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- 17 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).
- 18 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: 31-08-2024**  
**Place: Ahmedabad**

**For and on behalf of the Board of Directors**  
**Credo Advanced Chemicals Limited**

**Naman Patel**  
**Managing Director**  
**(DIN - 05143261)**

**Rakesh Shah**  
**Whole-time Director**  
**(DIN - 02076051)**

**Krunal Rasiklal Shah**  
**Chief Financial Officer**

**Kirtesh Shah**  
**Company Secretary**

**Date: 31-08-2024**  
**Place: Ahmedabad**

## 9. REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

### INDEPENDENT AUDITOR'S REPORT

**To The Members of Credo Advanced Chemicals Limited (formerly known as Credo Minerals 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 Advanced Chemicals Limited (formerly known as Credo Minerals Industries Limited) ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2024, 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 31<sup>st</sup> March 2024, 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.

## 9. REPORT ON 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

## 9. REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

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 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.



## 9. REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

### **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. 53,514.98 lakhs as at March 31, 2024 and total revenues of Rs. 19,553.82 lakhs for the year ended March 31, 2024, total net Profit after tax of Rs. 1,788.14 lakhs for the year ended March 31, 2024 and total comprehensive income of Rs. 211.64 lakhs for the year ended March 31, 2024 and net cash outflow of Rs. 2,443.63 lakhs for the year ended March 31, 2024, 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: -**

3. 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.
4. As required by Section 143(3) of the Act, based on our audit, we report that:
- (i) 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;
  - (j) 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;
  - (k) 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;
  - (l) 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;
  - (m) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164(2) of the Act;
  - (n) 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.
  - (o) 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
  - (p) 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:

## 9. REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

- v. The Company has no pending litigations which can significantly impact its financial position.
- vi. 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.
- vii. The company is not requiring transferring any amount to the Investor Education and Protection fund.
- viii. The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 1 April 2023. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same was operated throughout the year for all relevant transactions recorded in the software except for two subsidiaries named Gujarat Credo Mineral Industries Limited and Gujarat Credo Rare Earths Limited where we hereby confirm that the audit trail (edit log) is enabled as on the reporting date, but we are not able to express an opinion on whether the edit log facility has been operated throughout the year or not. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

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

**CA Chintan Shah**  
**Partner**  
**(Membership No. 110142)**  
**UDIN: 24110142BKHCMT5040**  
**Place: Ahmedabad**  
**Date: 31-08-2024**



## 9. REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

### **“ANNEXURE - A” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF CREDO ADVANCED CHEMICALS LIMITED (FORMERLY KNOWN AS CREDO MINERALS 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 ADVANCED CHEMICALS LIMITED (FORMERLY KNOWN AS CREDO MINERALS INDUSTRIES LIMITED)** (“the Company”) and its subsidiaries as of March 31, 2024 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

## 9. REPORT ON CONSOLIDATED 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, 2024, 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.

### **Other Matters**

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to the subsidiaries which have not been audited by us, is based on the corresponding reports of the auditors of such subsidiaries.

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

\_\_\_\_\_  
**CA Chintan Shah**  
**Partner**  
**(Membership No. 110142)**  
**UDIN: 24110142BKHCMT5040**  
**Place: Ahmedabad**  
**Date: 31-08-2024**

## 9. REPORT ON 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 Private Limited
4. Gujarat Credo Rare Earths Limited
5. Credo Rare Earths (India) Private Limited (Formerly known as Rocktech Mineral Development (Guj.) Private Limited)

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

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CA Chintan Shah  
Partner  
(Membership No. 110142)  
UDIN: 24110142BKHCMT5040  
Place: Ahmedabad  
Date: 31-08-2024

## 9. REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

### Consolidated Statement of Assets and Liabilities as at 31<sup>st</sup> March, 2024

Particulars	Note No.	As at 31 <sup>st</sup> March, 2024 (Rs. In Lakhs)	As at 31 <sup>st</sup> March, 2023 (Rs. In Lakhs)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	41,790.02	38,744.61
Other Intangible Assets	4	277.19	292.96
Rights of use Assets	5	2,818.12	2,990.65
Capital work-in-progress	6	4,250.63	9,037.88
<b>Financial assets</b>			
Other financial assets	7	0.45	0.43
Other Non-Current Assets	8	377.50	126.46
<b>Total non-current assets</b>		<b>49,513.92</b>	<b>51,192.99</b>
<b>Current assets</b>			
Inventories	9	8,991.77	8,795.98
<b>Financial assets</b>			
Investments	10	-	178.34
Trade receivables	11	2,163.20	1,784.45
Cash and cash equivalents	12	28.74	2,516.82
Other Bank Balances	13	408.98	801.26
Current Tax assets	14	12.83	55.61
Other current assets	15	1,118.17	859.51
<b>Total current assets</b>		<b>12,723.69</b>	<b>14,991.96</b>
<b>TOTAL ASSETS</b>		<b>62,237.60</b>	<b>66,184.96</b>
			-
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	16	7,500.00	7,500.00
Other equity	17	17,428.39	17,698.62
<b>Equity attributable to owners of the Company</b>		<b>24,928.39</b>	<b>25,198.62</b>
Non controlling interest	18	1,598.69	1,166.29
<b>Total Equity</b>		<b>26,527.08</b>	<b>26,364.91</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	19	20,151.42	24,401.60
Lease Liabilities	20	1,954.99	1,907.47
Other Non- Current Liabilities	21	605.81	1,225.76
Provisions	22	53.59	33.34
Deferred Tax Liabilities (Net)	27	1,535.70	654.60
<b>Total non-current liabilities</b>		<b>24,301.50</b>	<b>28,222.77</b>
<b>Current Liabilities</b>			
Trade Payables	23	4,018.48	4,430.24

## 9. REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

<b>Financial liabilities</b>			
Borrowings	19	4,005.51	4,622.71
Lease Liabilities	20	169.37	282.68
Other Financial Liabilities	24	-	-
Provisions	22	233.85	208.49
Other current liabilities	25	2,935.34	2,012.52
Current Tax Liabilities	26	46.47	40.64
<b>Total current liabilities</b>		<b>11,409.02</b>	<b>11,597.28</b>
<b>Total Liabilities</b>		<b>35,710.52</b>	<b>39,820.05</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>62,237.60</b>	<b>66,184.96</b>

The accompanying notes are integral part of the financial statements.

**For and on behalf of the Board of Directors**  
**As per our report of even date attached. CREDO ADVANCED CHEMICALS LIMITED**  
 (Previously Known as Credo Mineral Industries Limited)

**For Pankaj R Shah & Associates**  
**Chartered Accountants**  
**FRN. 107361W**

**Naman Patel**  
**Managing Director**  
**(DIN - 05143261)**

**Rakesh S Shah**  
**Whole-time Director**  
**(DIN - 02076051)**

**Chintan Shah**  
**Partner**  
**M. No. 110142**

**Kirtesh Shah**  
**Company Secretary**

**Krunal Shah**  
**Chief Financial Officer**

**Date: 31-08-2024**  
**Place: Ahmedabad**

**Date: 31-08-2024**  
**Place: Ahmedabad**

## 9. REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

### Consolidated Statement of Profit and Loss for the period ended 31<sup>st</sup> March, 2024

Particulars	Note No.	For the year ended 31 <sup>st</sup> March, 2024 (Rs. In Lakhs)	For the year ended 31 <sup>st</sup> March, 2023 (Rs. In Lakhs)
<b>INCOME</b>			
Revenue from operations	28	22,279.35	22,936.57
Other income	29	43.58	282.90
<b>TOTAL INCOME (A)</b>		<b>22,322.93</b>	<b>23,219.47</b>
<b>EXPENSES</b>			
Cost of Material Consumed	30	9,333.83	11,067.18
Changes in Inventory of finished goods, work in progress and stores and spares	31	-291.33	-1,034.07
Employee benefits expenses	32	1,435.29	1,274.11
Finance costs	33	2,721.83	2,083.53
Depreciation and amortization expenses		1,873.45	1,751.51
Other expenses	34	4,584.88	4,749.69
<b>TOTAL EXPENSES (B)</b>		<b>19,657.95</b>	<b>19,891.94</b>
<b>Profit/ (loss) before exceptional items and tax (A-B)</b>		<b>2,664.98</b>	<b>3,327.53</b>
Exceptional Expenses		-	-
<b>Profit/ (loss) before tax</b>		<b>2,664.98</b>	<b>3,327.53</b>
<b>Tax expense</b>			
Current Tax		125.43	118.09
Deferred Tax	27	832.72	-856.43
MAT credit entitlement		-	-8.73
<b>Profit/ (loss) after tax for the period</b>		<b>1,706.82</b>	<b>4,074.60</b>
<b>Other comprehensive income</b>			
Items that will be reclassified to profit or loss			
FCTL restatement Loss		410.57	-1,301.35
FCTL exchange Gain/(loss)		-197.84	94.31
Income Tax relating to these items	27	-53.18	301.76
Items that will be not be reclassified to profit or loss		-	-
Remeasurement of post-employment benefit obligations		-7.90	2.06
Income Tax relating to these items	27	-4.81	-0.61
Guarantee premium		-	-
<b>Total Other comprehensive income for the period, net of tax</b>		<b>157.25</b>	<b>-902.60</b>
<b>Total Comprehensive Income for the Period</b>		<b>1,864.07</b>	<b>3,172.00</b>

## 9. REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

<b>Profit/(Loss) attributable to:</b>			
Owners of the Parent		1,630.66	2,327.93
Non-Controlling Interest		76.17	33.81
<b>Other comprehensive income/(loss) attributable to:</b>			
Owners of the Parent		154.69	-904.11
Non-Controlling Interest		2.56	0.28
<b>Total comprehensive income/(loss) attributable to:</b>			
Owners of the Parent		1,785.35	0.01
Non-Controlling Interest		78.72	0.00
<b>Earnings Per Share (Rs.):</b>	35		
Basic		2.17	3.38
Diluted		2.17	3.38

The accompanying notes are integral part of the financial statements.

As per our report of even date attached. **For and on behalf of the Board of Directors**  
**CREDO ADVANCED CHEMICALS LIMITED**  
 (Previously Known as Credo Mineral Industries Limited)

**For Pankaj R Shah & Associates**  
**Chartered Accountants**  
**FRN. 107361W**

**Naman Patel**  
**Managing Director**  
**(DIN - 05143261)**

**Rakesh S Shah**  
**Whole-time Director**  
**(DIN - 02076051)**

**Chintan Shah**  
**Partner**  
**M. No. 110142**

**Kirtesh Shah**  
**Company Secretary**

**Krunal Shah**  
**Chief Financial Officer**

**Date: 31-08-2024**  
**Place: Ahmedabad**

**Date: 31-08-2024**  
**Place: Ahmedabad**



## 9. REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

### Consolidated Cash flow Statement as on 31/03/024

Particulars		As at 31 <sup>st</sup> March, 2024 (Rs. In Lakhs)	As at 31 <sup>st</sup> March, 2023 (Rs. In Lakhs)
<b>A.</b>	<b>Cash Flow From Operating Activities</b>		
	Net Profit before tax and extraordinary items (as per Statement of Profit and Loss)	2,664.98	3,327.53
	<b>Adjustments for non Cash/ Non trade items:</b>		
	Depreciation & Amortization Expenses	1,873.45	1,751.51
	Interest expenses	2,721.83	2,083.53
	Deferred tax	881.10	555.29
	Interest Income	-21.52	-76.64
	<b>Operating profits before Working Capital Changes</b>	<b>8,119.84</b>	<b>7,641.21</b>
	<b>Adjusted For:</b>		
	(Increase) / Decrease in trade receivables	-378.75	41.20
	Increase / (Decrease) in trade payables	-411.76	2,157.72
	(Increase) / Decrease in inventories	-195.79	-1,894.02
	Increase / (Decrease) in other current liabilities	922.82	815.49
	Other Current financial Liability	-	-0.92
	(Increase) / Decrease in other current assets	-258.66	225.78
	Increase / (Decrease) in Short term Provision	25.36	-18.38
	Increase / (Decrease) in Current tax liabilities(net)	71.69	118.04
	Increase / (Decrease) in Long term Provision	20.25	13.21
	<b>Cash generated from Operations</b>	<b>7,915.00</b>	<b>9,099.33</b>
	Income Tax (Paid) / Refund	-23.09	-77.86
	<b>Net cash flow from operating activities before extraordinary items</b>	<b>7,891.92</b>	<b>9,021.47</b>
	<b>Proceeds from extraordinary items</b>		
	Payment for extraordinary items		
	<b>Net Cash flow from Operating Activities(A)</b>	<b>7,891.92</b>	<b>9,021.47</b>
<b>B.</b>	<b>Cash Flow From Investing Activities</b>		
	Deposits	-	-
	Purchase/ Sale of tangible assets	-4,746.33	-180.57
	(Increase)/ Decrease in Capital WIP	4,787.26	-9,037.88
	Purchase/ Sale of intangible assets	15.77	14.30
	Current Investments / (Purchased) sold	178.34	58.01
	Interest Received	21.52	76.64
	Loans Given	-	0.00
	Other Non Current financial Liability	-619.95	1,092.61
	Lease liabilities	-65.79	-183.89
	(Increase) / Decrease in other non current assets	-251.04	452.29
	Other Financial Assets	-	-
	Other Non current financial assets	-0.02	-

## 9. REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

	Change in deposits	392.27	-294.07
	Other Inflow / (Outflows) of cash		
	<b>Net Cash used in Investing Activities(B)</b>	<b>-287.98</b>	<b>-8,002.57</b>
<b>C.</b>	<b>Cash Flow From Financing Activities</b>		
	Finance Cost	-2,721.83	-2,083.53
	Increase/ (Decrease) in Minority Interest	432.40	34.09
	Issue of new shares	-	931.30
	Changes In other Equity	-2,935.21	-320.50
	Increase in / (Repayment) of Short term Borrowings	-617.20	-2,100.55
	Increase in / (Repayment) of Long term borrowings	-4,250.18	1,473.22
	<b>Net Cash used in Financing Activities(C)</b>	<b>-10,092.02</b>	<b>-2,065.98</b>
<b>D.</b>	<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents(A+B+C)</b>	<b>-2,488.08</b>	<b>-1,047.07</b>
<b>E.</b>	<b>Cash &amp; Cash Equivalents at Beginning of period</b>	<b>2,516.82</b>	<b>3,563.89</b>
<b>F.</b>	<b>Cash &amp; Cash Equivalents at End of period</b>	<b>28.74</b>	<b>2,516.82</b>

The accompanying notes are integral part of the financial statements.

**For and on behalf of the Board of Directors**  
**CREDO ADVANCED CHEMICALS LIMITED**  
 (Previously Known as Credo Mineral Industries Limited)

**For Pankaj R Shah & Associates**  
**Chartered Accountants**  
**FRN. 107361W**

**Naman Patel**                      **Rakesh S Shah**  
**Managing Director**            **Whole-time Director**  
**(DIN - 05143261)**                **(DIN - 02076051)**

**Chintan Shah**  
**Partner**  
**M. No. 110142**

**Kirtesh Shah**                      **Krunal Shah**  
**Company Secretary**            **Chief Financial Officer**

**Date: 31-08-2024**  
**Place: Ahmedabad**

**Date: 31-08-2024**  
**Place: Ahmedabad**

## 9. REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

### Consolidated Statement of Changes In Equity (SOCIE)

#### A. Equity Share Capital

Particulars	No. of Shares	Amount (Rs. In Lakhs)
<b>Issued, subscribed and paid up share capital</b>		
Equity Shares of Rs. 10/- each fully paid up		
<b>As at 31<sup>st</sup> March 2023</b>	<b>7,50,00,000</b>	<b>7,500</b>
Changes in equity share capital	-	-
<b>As at 31<sup>st</sup> March 2024</b>	<b>7,50,00,000</b>	<b>7,500</b>

#### B. Other equity

(Rs. In Lakhs)

Particulars	Reserves & Surplus					Total attributable to the owners of the company	Non Controlli ng Interest	Total Equity
	Security Premium	Revaluat ion Reserve	Retained earnings	Other Compreh ensive Income	Guaran tee premiu m			
<b>Balance as at 01 April, 2022</b>	11,339.70	3,521.31	677.97	-847.39	-	14,691.60	1,132.20	15,823.80
Total Comprehensive Income for the year (net of tax)								
Restated (Loss) for the year	-	-	2,327.93	-	-	2,327.93	33.81	2,361.74
Other Comprehensive Income for the year (net of tax)	-	-	-	-904.11	-	-904.11	0.28	-903.83
Add: Received during the year	1,583.21	-	-	-	-	1,583.21	-	1,583.21
<b>Balance at 31 March, 2023</b>	<b>12,922.91</b>	<b>3,521.31</b>	<b>3,005.91</b>	<b>-1,751.51</b>	<b>-</b>	<b>17,698.62</b>	<b>1,166.29</b>	<b>18,864.91</b>
<b>Balance as at 01 April, 2023</b>	<b>12,922.91</b>	<b>3,521.31</b>	<b>3,005.91</b>	<b>-1,751.51</b>	<b>-</b>	<b>17,698.63</b>	<b>1,166.29</b>	<b>18,864.92</b>
Total Comprehensive Income for the year (net of tax)								
Restated (Loss) for the year	-	-	1,302.02	-	-	1,302.02	76.17	1,378.19
Other Comprehensive Income for the year (net of tax)	-	-	-	154.69	-	154.69	2.56	157.25
Add: NCI of GCACL							328.63	328.63
Add : Equity portion of NCI							28.49	28.49
Add: Changes during the year	1,652.39	-3,382.79	-	-	-	-1,730.40	-	-1,730.40
<b>Balance at 31 March, 2024</b>	<b>14,575.30</b>	<b>138.53</b>	<b>4,307.93</b>	<b>-1,596.82</b>	<b>-</b>	<b>17,424.94</b>	<b>1,602.14</b>	<b>19,027.08</b>

The accompanying notes are integral part of the financial statements.



## 9. REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

As per our report of even date attached. **For and on behalf of the Board of Directors**  
**CREDO ADVANCED CHEMICALS LIMITED**  
(Previously Known as Credo Mineral Industries Limited)

**For Pankaj R Shah & Associates**  
**Chartered Accountants**  
**FRN. 107361W**

**Naman Patel**  
**Managing Director**  
**(DIN - 05143261)**

**Rakesh S Shah**  
**Whole-time Director**  
**(DIN - 02076051)**

**Chintan Shah**  
**Partner**  
**M. No. 110142**

**Kirtesh Shah**  
**Company Secretary**

**Krunal Shah**  
**Chief Financial Officer**

**Date: 31-08-2024**  
**Place: Ahmedabad**

**Date: 31-08-2024**  
**Place: Ahmedabad**

## 9. REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

### Note 1: Group Overview

Credo Advanced Chemicals Limited (formerly known as Credo Minerals Industries Limited) ('CACL' or 'the company' or 'the holding company') has its registered office at 305, Third Floor, Third Eye One, Opp. Honest Restaurant, Near Panchvati Five Roads, C. G. Road, Ahmedabad, Ahmedabad, Gujarat, India, 380006. The company was incorporated on 23/06/1995 under erstwhile companies act 1956. On 20th October, 2023, the company changed its name from Credo Mineral Industries Limited to Credo Advanced Chemicals Limited. The consolidated financial information comprises the consolidated financial information of the holding company and its subsidiaries (referred to CACL and its subsidiaries and its associate). The group has market presence in India and internationally.

### Subsidiaries

Name of entity	Place of business	% of effective ownership interest held by the company	
		31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Gujarat Credo Mineral Industries Limited	India	74.00%	74.00%
Credo Rare Earths (India) Private Limited (formerly known as Rocktech Mineral Development (Guj.) Private Limited)	India	99.15%	99.15%
Lucent Mines & Mineral Pvt. Ltd	India	100.00%	100.00%
Gujarat Credo Alumina Chemicals Limited	India	98.06%	100.00%
Gujarat Credo Rare Earths Limited	India	100.00%	100.00%

### Note 2: Basis of Preparation and Presentation

#### 2.1 Basis of preparation of financial statements

##### (i) Compliance with Indian Accounting Standards (Ind AS)

Consolidated Financial Statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and relevant provisions of the Companies Act, 2013.

Accordingly, the Company has prepared these Consolidated Financial Statements which comprise the Balance Sheet as at 31st March 2024, the Statement of Profit and Loss for the periods ended 31st March 2024, the Statement of Cash Flows for the period ended 31st March 2024, the Statement of Changes in Equity as for the years ended 31st March, 2024, and accounting policies and other explanatory information (together hereinafter referred to as 'Consolidated Financial Statements').

##### (ii) Basis of Measurement

The Consolidated Financial Information of the Group and its associate have been prepared in compliance with Indian Accounting Standards (hereinafter referred to as the 'IndAS') as the notified under Section 133 of the Companies Act, 2013 (the Act) read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) Amendment Rules, 2016 and other relevant provisions of the Act.

## 9. REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Information have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the Consolidated Financial Information except where a newly issued accounting standard is initially adopted or revision to an existing accounting standard where a change in accounting policy hitherto in use. The Consolidated Financial Information have been prepared under the historical cost convention except for certain financial instruments measured at fair value as explained in the accounting policies. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services at the time of their acquisition.

### **(iii) Current and Non-Current Classification**

The Company presents assets and liabilities in the Balance Sheet based on Current/ Non-Current classification.

An asset is treated as Current when it is :-

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when :-

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### **(iv) Operating Cycle**

Based on the nature of products/activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

### **2.2 Functional and Presentation Currency**

Indian rupee is the functional and presentation currency.

### **2.3 Rounding of amounts**

All amounts disclosed in the Consolidated Financial Statements and notes have been rounded off to the nearest Lakhs, unless otherwise stated.

### **2.4: SIGNIFICANT ACCOUNTING POLICIES**

#### **(O) 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

## 9. REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

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.

### **(P) 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.

### **(Q) 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.

#### **d) 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.

#### **e) 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.



## 9. REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

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.

### **f) 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.

### **(R) 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

## 9. REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

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.

### **(S) 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

### **(T) 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

## 9. REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

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.

### **(U) 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.

### **(V) 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.

### **(W) 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.

## 9. REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

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

### **(X) 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.

### **(Y) 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.

## 9. REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

### (Z) 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.

### (AA) 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.

Note No. 3: Property, Plant and Equipment									(Rs. In Lakhs)	
Particulars	Gross Block				Depreciation and Amortization				Net Block	
	As on 01-04-2023	Addition during the year	Deduction during the year	As on 31-03-2024	As on 01-04-2023	Addition during the year	Deduction during the year	As on 31-03-2024	As on 31-03-2024	As on 31-03-2023
Plant and Machinery	25,977.53	4,506.43	21.31	30,462.65	5,262.27	1,143.45	4.80	6,400.93	24,061.72	20,715.26
Land	7,315.56	12.45	3,382.79	3,945.22	-	-	-	-	3,945.22	7,315.56
Buildings	9,909.15	3,387.22	-	13,296.38	1,679.00	410.34	-	2,089.34	11,207.04	8,230.15
Leasehold Improvements	2,621.71	134.43	-	2,756.14	358.00	98.43	-	456.43	2,299.71	2,263.71
Laboratory Equipments	137.10	75.93	-	213.03	44.32	16.67	-	60.99	152.04	92.78
Office Equipments	63.40	25.48	0.37	88.52	44.97	12.78	0.35	57.41	31.11	18.43
Road	7.53	-	-	7.53	1.19	0.71	-	1.91	5.62	6.33
Furniture & Fixtures	61.98	2.23	0.14	64.07	29.23	5.14	0.14	34.23	29.84	32.75
Vehicles	99.99	-	-	99.99	37.69	10.72	-	48.41	51.58	62.30
Computer	37.40	2.08	-	39.47	30.06	3.27	-	33.33	6.15	7.34
<b>Total</b>	<b>46,231.35</b>	<b>8,146.24</b>	<b>3,404.60</b>	<b>50,972.99</b>	<b>7,486.73</b>	<b>1,701.52</b>	<b>5.28</b>	<b>9,182.97</b>	<b>41,790.02</b>	<b>38,744.61</b>

Note No. 4: Other Intangible Assets									(Rs. In Lakhs)	
Particulars	Gross Block				Depreciation and Amortization				Net Block	
	As on 01-04-2023	Addition during the year	Deduction during the year	As on 31-03-2024	As on 01-04-2023	Addition during the year	Deduction during the year	As on 31-03-2024	As on 31-03-2024	As on 31-03-2023
Computer Software	3.07	-	-	3.07	1.92	0.41	-	2.33	0.74	1.15

**9. REPORT ON CONSOLIDATED FINANCIAL STATEMENTS**

Product Development Cost	383.96	-	-	383.96	92.15	15.36	-	107.51	276.45	291.81
<b>Total</b>	<b>387.04</b>	<b>-</b>	<b>-</b>	<b>387.04</b>	<b>94.08</b>	<b>15.77</b>	<b>-</b>	<b>109.84</b>	<b>277.19</b>	<b>292.96</b>

Note No. 5: Rights of use Assets										(Rs. In Lakhs)
Particulars	Gross Block				Depreciation and Amortization				Net Block	
	As on 01-04-2023	Addition during the year	Deduction during the year	As on 31-03-2024	As on 01-04-2023	Addition during the year	Deduction during the year	As on 31-03-2024	As on 31-03-2024	As on 31-03-2023
Leasehold Land	3,109.59	-	-	3,109.59	679.30	96.97	-	776.26	2,333.32	2,430.29
Leasehold Plant & Machinery	471.85	-	-	471.85	435.56	36.29	-	471.85	-	36.29
Leasehold Spin Flash & Dryer	492.88	-	-	492.88	21.84	19.84	-	41.68	451.20	471.05
Leasehold Building	-	36.65	-	36.65	-	3.05	-	3.05	33.60	-
<b>Total</b>	<b>4,074.32</b>	<b>36.65</b>	<b>-</b>	<b>4,110.97</b>	<b>1,136.69</b>	<b>156.16</b>	<b>-</b>	<b>1,292.85</b>	<b>2,818.12</b>	<b>2,937.63</b>

Note No. 6: Capital Work in Progress		
Particulars	As on 31 <sup>st</sup> March, 2024 (Rs. In Lakhs)	As on 31 <sup>st</sup> March, 2023 (Rs. In Lakhs)
<b>Opening Balance</b>	8,573.65	2,067.07
Add: Additions during the year	3,930.27	6,970.81
Less: Inter Company Elimination	247.99	225.28
Less: Capitalisation during the year	-8,005.31	-
<b>Closing Balance</b>	<b>4,250.63</b>	<b>9,037.88</b>

Capital Work in Progress Ageing:					(Rs. In Lakhs)
FY 2023-24					
CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in progress - 1	3,193.05	1,057.58	-	-	4,250.63
(Rs. In Lakhs)					
FY 2022-23					
CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in progress - 1	6,970.81	1,213.78	505.52	347.77	9,037.88

Note No. 7: Other Financial assets (Non Current)		
Particulars	As on 31 <sup>st</sup> March 2024 (Rs. In Lakhs)	As on 31 <sup>st</sup> March 2023 (Rs. In Lakhs)
<b>Non-Current</b>		
<b>Fixed Deposits</b>		



**9. REPORT ON CONSOLIDATED FINANCIAL STATEMENTS**

IOB FD II	0.45	0.43
Bank Deposits with more than 12 months maturity	-	-
<b>Total</b>	<b>0.45</b>	<b>0.43</b>

**Note No. 8: Other Non-current assets**

Particulars	As on 31 <sup>st</sup> March 2024 (Rs. In Lakhs)	As on 31 <sup>st</sup> March 2023 (Rs. In Lakhs)
<b>Non-Current</b>		
Security & Other Deposit	70.19	65.17
Capital Advances	307.11	61.28
MAT Credit Entitlement	-	-
Advance against Mobilization	-	-
Advance to related party	0.20	-
<b>Total</b>	<b>377.50</b>	<b>126.46</b>

**Note No. 9: Inventories**

Particulars	As on 31 <sup>st</sup> March 2024 (Rs. In Lakhs)	As on 31 <sup>st</sup> March 2023 (Rs. In Lakhs)
Raw Materials	2,870.77	2,064.27
Work In Progress	557.33	626.97
Finished Goods	5,144.82	5,770.93
Stores and Spares	331.70	51.36
Packing Materials	87.15	282.44
<b>Total</b>	<b>8,991.77</b>	<b>8,795.98</b>

**Note No. 10: Investments**

Particulars	As on 31 <sup>st</sup> March 2024 (Rs. In Lakhs)	As on 31 <sup>st</sup> March 2023 (Rs. In Lakhs)
<b>Mutual Funds</b>		
HDFC Cash Management	-	178.34
<b>Total</b>	<b>-</b>	<b>178.34</b>

**Note No. 11: Trade receivables**

Particulars	As on 31 <sup>st</sup> March 2024 (Rs. In Lakhs)	As on 31 <sup>st</sup> March 2023 (Rs. In Lakhs)
Receivables Outstanding and Considered Good (More than 180 days)	3.74	2.14
Receivables Outstanding and Considered Good (less than 180 days)	2,159.45	1,782.31
<b>Total*</b>	<b>2,163.20</b>	<b>1,784.45</b>

\* Refer Note No - 11(a) for Ageing Schedule



**9. REPORT ON CONSOLIDATED FINANCIAL STATEMENTS**

<b>Note No. 11(a): Trade Receivables ageing schedule</b>						<b>(Rs. In Lakhs)</b>
<b>As at 31<sup>st</sup> March, 2024</b>						
<b>Particulars</b>	<b>Outstanding for following periods from due date of payment</b>					<b>Total</b>
	<b>Less than 6 months</b>	<b>6 months - 1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>More than 3 years</b>	
(i) Undisputed Trade receivables – considered good	2,159.45	3.74	-	-	-	2,163.20
(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						-
<b>As at 31<sup>st</sup> March, 2023</b>						
<b>Particulars</b>	<b>Outstanding for following periods from due date of payment</b>					<b>Total</b>
	<b>Less than 6 months</b>	<b>6 months - 1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>More than 3 years</b>	
(i) Undisputed Trade receivables – considered good	1,782.31	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	-	-	-	-	-	-
<b>Note No. 12: Cash and cash equivalents</b>						
<b>Particulars</b>	<b>As on 31<sup>st</sup> March 2024</b>		<b>As on 31<sup>st</sup> March 2023</b>			
	<b>(Rs. In Lakhs)</b>		<b>(Rs. In Lakhs)</b>			
<b>Balance with Banks</b>						
(i) In current accounts	21.97		2,509.83			
<b>Cash on hand</b>	6.77		6.99			
<b>Total</b>	<b>28.74</b>		<b>2,516.82</b>			

**9. REPORT ON CONSOLIDATED FINANCIAL STATEMENTS**

<b>Note No. 13: Other Bank Balances</b>		
<b>Particulars</b>	<b>As on 31st March 2024 (Rs. In Lakhs)</b>	<b>As on 31st March 2023 (Rs. In Lakhs)</b>
Margin Money Deposits	167.56	154.20
Fixed deposits with banks (with original maturity more than 3 months but less than 12 months)	241.42	647.06
<b>Total(B)</b>	<b>408.98</b>	<b>801.26</b>
<b>Note No. 14: Current Tax assets</b>		
<b>Particulars</b>	<b>As on 31st March 2024 (Rs. In Lakhs)</b>	<b>As on 31st March 2023 (Rs. In Lakhs)</b>
TDS Receivable	12.83	63.76
TCS Receivable	0.00	0.58
Less: Income tax liability for the same	-	-8.73
<b>Total</b>	<b>12.83</b>	<b>55.61</b>
<b>Note No. 15: Other current assets</b>		
<b>Particulars</b>	<b>As on 31st March 2024 (Rs. In Lakhs)</b>	<b>As on 31st March 2023 (Rs. In Lakhs)</b>
Balance With Government Authorities	702.30	676.73
Prepaid Expenses	57.23	48.05
Advance to Supplier including capital advances	352.04	134.30
Advance to Staff	0.13	0.13
TDS Receivables	0.10	0.10
Security Deposits	0.03	0.20
Capital Market Advisory Expense	6.34	-
<b>Total</b>	<b>1,118.17</b>	<b>859.51</b>

<b>Note No. 16: Share Capital</b>		
<b>Particulars</b>	<b>As on 31st March 2024 (Rs. In Lakhs)</b>	<b>As on 31st March 2023 (Rs. In Lakhs)</b>
<b>AUTHORISED CAPITAL</b>		
805000000 Equity Shares of Rs 10/- each (Previous year - 755000000 Equity Shares of Rs 10/- each)	8,050.00	7,550.00
<b>Total</b>	<b>8,050.00</b>	<b>7,550.00</b>
<b>ISSUED, SUBSCRIBED &amp; PAID UP CAPITAL</b>		
750000000 Equity Shares of Rs 10/- each (Previous year - 750000000 Equity Shares of Rs 10/- each)	7,500.00	7,500.00
<b>Total</b>	<b>7,500.00</b>	<b>7,500.00</b>

## 9. REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the period/year

Particulars	As on 31 <sup>st</sup> March 2024		As on 31 <sup>st</sup> March 2023	
	No. of Shares	Amount (Rs. in Lakhs)	No. of Shares	Amount (Rs. in Lakhs)
At the beginning of the period/year	7,50,00,000	7,500.00	6,56,87,014	6,568.70
Add: Shares issued during the period/year	-	-	93,12,986	931.30
<b>At the end of the period/year</b>	<b>7,50,00,000</b>	<b>7,500.00</b>	<b>7,50,00,000</b>	<b>7,500.00</b>

### Terms/Rights attached to Equity 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.

b) Details of shareholder(s) holding more than 5% equity shares

Particulars	As on 31 <sup>st</sup> March 2024		As on 31 <sup>st</sup> March 2023	
	No. of Shares	% Holding	No. of Shares	% Holding
<b>Equity shares of Rs. 10 each fully paid</b>				
(i) Gujarat Apollo Industries Limited	1,34,40,000	17.92%	1,34,40,000	17.92%
(ii) Tatvang Industries Private Limited	1,08,72,800	14.50%	1,08,72,800	14.50%
(iii) Chem Asia Technologies PTE LTD	79,77,960	10.64%	79,77,960	10.64%
(iv) Omkareshwar Mines & Minerals Pvt Ltd	1,43,25,935	19.10%	1,43,25,935	19.10%
(v) Rembrant Trading Private Limited	56,69,603	7.56%	56,69,603	7.56%
(vi) NMP Family Trust	56,00,000	7.47%	-	0.00%

c) Disclosure of Shareholding of Promoters and Promoter group

Shareholder Name	Class of Shares	As on 31 <sup>st</sup> March 2024		As on 31 <sup>st</sup> March 2023	
		No. of Shares	% Holding	No. of Shares	% Holding
<b>Equity shares of Rs. 10 each fully paid</b>					
Omkareshwar Mines And Minerals Pvt Ltd	Equity	1,43,25,935	19.10%	1,43,25,935	19.10%
Gujarat Apollo Industries Ltd	Equity	1,34,40,000	17.92%	1,34,40,000	17.92%

## 9. REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

Tatvang Industries Private Limited	Equity	1,08,72,800	14.50%	1,08,72,800	14.50%
Noble Tradelink Private Limited	Equity	34,63,429	4.62%	34,63,429	4.62%
Tatvang Projects Private Limited	Equity	11,62,753	1.55%	11,62,753	1.55%
Rakesh Sukhraj Shah - HUF	Equity	31,60,267	4.21%	31,60,267	4.21%

Particulars		As on 31 <sup>st</sup> March 2024	As on 31 <sup>st</sup> March 2023
d)	Details of shares issued without payment of cash or by way of bonus shares during the period of five years immediately preceding the Balance Sheet date.	Nil	Nil
e)	Disclosure of aggregate number of equity shares bought back during the period of 5 years immediately preceding the balance sheet date	Nil	Nil

Note No. 17: Other Equity		
Particulars	As on 31 <sup>st</sup> March 2024 (Rs. In Lakhs)	As on 31 <sup>st</sup> March 2023 (Rs. In Lakhs)
Securities Premium Account		
Balance as per last financial Statement	12,922.91	11,339.70
Add : Received during the year	1,652.39	1,583.21
Less: Utilised for writing off Share Issue Exp.	-	-
<b>Total (A)</b>	<b>14,575.30</b>	<b>12,922.91</b>
Surplus/(Deficit) in the Statement of Profit and Loss or in OCI		
Balance as per last financial statements	3,005.91	677.97
Add: Profit/(Loss) for the Year	1,634.11	2,327.93
Less: Share of NCI on dilution of stake , shown separately	-328.63	-
<b>Net Surplus/(Deficit) in the Statement of Profit and Loss (B)</b>	<b>4,311.39</b>	<b>3,005.91</b>
<b>Other comprehensive income</b>		
Opening	-1,751.51	-847.39
Add : Addition during the year	154.69	-904.11
<b>Total (C)</b>	<b>-1,596.82</b>	<b>-1,751.51</b>
Revaluation Reserve		
Opening	3,521.31	3,521.31
Add/Less : Addition during the year	-3,382.79	-
<b>Total (D)</b>	<b>138.53</b>	<b>3,521.31</b>
<b>TOTAL(A+B+C+D)</b>	<b>17,428.39</b>	<b>17,698.62</b>

**9. REPORT ON CONSOLIDATED FINANCIAL STATEMENTS**

<b>Note No. 18: Non Controlling Interest</b>		
<b>Particulars</b>	<b>As on 31<sup>st</sup> March 2024 (Rs. In Lakhs)</b>	<b>As on 31<sup>st</sup> March 2023 (Rs. In Lakhs)</b>
Opening Balance	1,166.29	1,132.20
Add: NCI of GCACL	328.63	-
Add: Equity portion of NCI	28.49	-
Add: Profit for the year	75.27	34.09
<b>Closing Balance</b>	<b>1,598.69</b>	<b>1,166.29</b>
<b>Note No. 19: Borrowings</b>		
<b>Particulars</b>	<b>As on 31<sup>st</sup> March 2024 (Rs. In Lakhs)</b>	<b>As on 31<sup>st</sup> March 2023 (Rs. In Lakhs)</b>
<b>1)Secured</b>		
<b>a)From Banks</b>		
FCTL Loan	14,203.68	17,045.99
Rupee Term Loan	7,089.28	7,855.82
Dropline OD	396.83	481.38
Less : Current maturities of long-term debt	-2,915.13	-3,170.42
HDFC Commercial Equipment Loan	-	42.70
Less : Current maturities of long-term debt	-	-42.66
Guaranteed Emergency credit line facility	364.58	548.09
Less : Current maturities of long-term debt	-	-175.52
<b>b)From Financial Institution</b>	-	-
Less : Current maturities of long-term debt	-209.63	-
<b>3) Unsecured Loan</b>	-	-
ECLGS Loan	6.61	6.61
Apollo Industries & Projects Ltd	1,215.20	1,809.61
<b>Total*</b>	<b>20,151.42</b>	<b>24,401.60</b>
<b>Current Borrowings</b>		
<b>1)Secured Loans</b>	-	-
Cash Credit /EPC/PCFC/FBD/EBR/SLC Facility from Bank	880.75	1,216.60
Working capital demand loan	-	17.52
<b>2)Current Maturities Of Long Term Debt</b>	-	-
A)Term Loan Facility From Bank	2,831.79	3,129.74
B)Guaranteed emergency credit line From Bank	-	175.52
C)Term Loan and GECL Facility From Financial Institution	209.63	-
D) Dropline OD	83.33	83.33
<b>Working Capital facilities from Banks (Secured)</b>	-	-
Cash Credit facilities (Repayable on Demand)	-	-
Liabilities towards bills discounted	-	-
<b>Total*</b>	<b>4,005.51</b>	<b>4,622.71</b>
<b>* Refer Note No - 19(a) for security and related details</b>		

**9. REPORT ON CONSOLIDATED FINANCIAL STATEMENTS**
**Note No - 19(a)**

Sr. No.	Company	Name of Bank	Security
1	CACL	HDFC Bank	Hypothecation of Commercial Equipment and Corporate Guarantee provided by the Company for amt Rs 16000000.
3	GCMIL	HDFC Bank	Corporate Guarantee of Credo Advanced Chemicals Limited, Second charge on entire Movable Fixed assets of the company , Equitable mortgage on L&B located at survey Number 70/1 and 70/2, Village Naredi, Dist: Kutch, Exclusive charge on current assets of the company
4	GCMIL	HDFC Bank	Corporate Guarantee of Credo Advanced Chemicals Limited, Second charge on entire Movable Fixed assets of the company , Equitable mortgage on L&B located at survey Number 70/1 and 70/2, Village Naredi, Dist: Kutch, Second charge on entire Current assets of the company both present and future
5	GCMIL	HDFC Bank	Corporate Guarantee of Credo Advanced Chemicals Limited, Second charge on entire Movable Fixed assets of the company , Equitable mortgage on L&B located at survey Number 70/1 and 70/2, Village Naredi, Dist: Kutch, Second charge on entire Current assets of the company both present and future
6	GCMIL	HDFC Bank	Corporate Guarantee of Credo Advanced Chemicals Limited, Second charge on entire Movable Fixed assets of the company , Equitable mortgage on L&B located at survey Number 70/1 and 70/2, Village Naredi, Dist: Kutch, Second charge on entire Current assets of the company both present and future
7	GCMIL	HDFC Bank	Corporate Guarantee of Credo Advanced Chemicals Limited, Second charge on entire Movable Fixed assets of the company , Equitable mortgage on L&B located at survey Number 70/1 and 70/2, Village Naredi, Dist: Kutch, Second charge on entire Current assets of the company both present and future
8	GCMIL	HDFC Bank	Corporate Guarantee of Credo Advanced Chemicals Limited, Second charge on entire Movable Fixed assets of the company , Equitable mortgage on L&B located at survey Number 70/1 and 70/2, Village Naredi, Dist: Kutch, Second charge on entire Current assets of the company both present and future
9	GCACL	HDFC Bank	Mortgage over lease hold land situated at Survey no. 141, Mundra APSEZ, Mundra Village, Taluka Mundra, Dist Kutchh, Gujarat, Hypothecation over Plant and Machinery and other fixed assets of the Company, Second charge over current assets of the Company, Corporate Guarantee of the Holding Company and one of the other subsidiaries of the same Holding Company

**9. REPORT ON CONSOLIDATED FINANCIAL STATEMENTS**

10	GCACL	State Bank of India	Mortgage over lease hold land situated at Survey no. 141, Mundra APSEZ, Mundra Village, Taluka Mundra, Dist Kutchh, Gujarat, Hypothecation over Plant and Machinery and other fixed assets of the Company, Second charge over current assets of the Company, Corporate Guarantee of the Holding Company and one of the other subsidiaries of the same Holding Company
11	GCACL	Bank of India	Mortgage over lease hold land situated at Survey no. 141, Mundra APSEZ, Mundra Village, Taluka Mundra, Dist Kutchh, Gujarat, Hypothecation over Plant and Machinery and other fixed assets of the Company, Second charge over current assets of the Company, Corporate Guarantee of the Holding Company and one of the other subsidiaries of the same Holding Company
12	GCACL	HDFC Bank	Mortgage over lease hold land situated at Survey no. 141, Mundra APSEZ, Mundra Village, Taluka Mundra, Dist Kutchh, Gujarat, Hypothecation over Plant and Machinery and other fixed assets of the Company, Second charge over current assets of the Company
13	GCACL	Punjab National Bank	Mortgage over lease hold land situated at Survey no. 141, Mundra APSEZ, Mundra Village, Taluka Mundra, Dist Kutchh, Gujarat, Hypothecation over Plant and Machinery and other fixed assets of the Company, Second charge over current assets of the Company, Corporate Guarantee of the Holding Company and one of the other subsidiaries of the same Holding Company
14	GCACL	Bank of Baroda	Mortgage over lease hold land situated at Survey no. 141, Mundra APSEZ, Mundra Village, Taluka Mundra, Dist Kutchh, Gujarat, Hypothecation over Plant and Machinery and other fixed assets of the Company, Second charge over current assets of the Company, Corporate Guarantee of the Holding Company and one of the other subsidiaries of the same Holding Company
15	GCACL	Bank of India	Mortgage over lease hold land situated at Survey no. 141, Mundra APSEZ, Mundra Village, Taluka Mundra, Dist Kutchh, Gujarat, Hypothecation over Plant and Machinery and other fixed assets of the Company, Second charge over current assets of the Company, Corporate Guarantee of the Holding Company and one of the other subsidiaries of the same Holding Company
16	GCACL	Union Bank of India	Mortgage over lease hold land situated at Survey no. 141, Mundra APSEZ, Mundra Village, Taluka Mundra, Dist Kutchh, Gujarat, Hypothecation over Plant and Machinery and other fixed assets of the Company, Second charge over current assets of the Company, Corporate Guarantee of the Holding Company and one of the other subsidiaries of the same Holding Company



**9. REPORT ON CONSOLIDATED FINANCIAL STATEMENTS**

<b>Note No. 20: Lease Liabilities</b>		
<b>Particulars</b>	<b>As on 31<sup>st</sup> March 2024 (Rs. In Lakhs)</b>	<b>As on 31<sup>st</sup> March 2023 (Rs. In Lakhs)</b>
<b>Non - Current</b>		
For Land taken under lease from others (Secured)	1,832.48	1,937.29
For Machineries taken under lease (Secured)	71.96	252.30
Less : Current maturities of long-term debt (disclosed under other current Lease liabilities)	-219.45	-282.12
Less: Inter Company transactions of Prior Period related to P&M from holding company	270.00	-
<b>Total</b>	<b>1,954.99</b>	<b>1,907.47</b>
<b>Current</b>		
Obligation under Finance Lease (Unsecured)	-	0.56
Current maturities of finance lease obligation	169.37	282.12
<b>Total</b>	<b>169.37</b>	<b>282.68</b>
<b>Note No. 21: Other Non- Current Liabilities</b>		
<b>Particulars</b>	<b>As on 31<sup>st</sup> March 2024 (Rs. In Lakhs)</b>	<b>As on 31<sup>st</sup> March 2023 (Rs. In Lakhs)</b>
<b>Non-Current</b>		
Creditors for Capital Supplies and Services	605.81	21.39
Other	-	1,204.37
<b>Total</b>	<b>605.81</b>	<b>1,225.76</b>
<b>Note No. 22: Provisions</b>		
<b>Particulars</b>	<b>As on 31<sup>st</sup> March 2024 (Rs. In Lakhs)</b>	<b>As on 31<sup>st</sup> March 2023 (Rs. In Lakhs)</b>
<b>Non-Current</b>		
Provisions for employee benefits		
For unavailed leave	17.38	13.15
For Gratuity	36.21	20.19
<b>Total</b>	<b>53.59</b>	<b>33.34</b>
<b>Current</b>		
Provisions for employee benefits		
For unavailed leave	42.86	3.65
For Gratuity	23.30	33.12
Salary payable	10.84	-
Provisions for other expenses	156.84	171.72
<b>Total</b>	<b>233.85</b>	<b>208.49</b>

**9. REPORT ON CONSOLIDATED FINANCIAL STATEMENTS**

<b>Note No. 23: Trade Payables</b>		
Particulars	As on 31 <sup>st</sup> March 2024 (Rs. In Lakhs)	As on 31 <sup>st</sup> March 2023 (Rs. In Lakhs)
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,606.85	4,381.41
Total outstanding dues of micro enterprises and small enterprises	411.63	48.83
<b>Total*</b>	<b>4,018.48</b>	<b>4,430.24</b>
<b>* Refer Note No - 23(a) for Ageing Schedule</b>		

<b>Note No. 23(a): Trade Payables ageing schedule</b>					(Rs. In Lakhs)
<b>As at 31<sup>st</sup> March, 2024</b>					
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	233.17	-	0.67	-	233.84
(ii) Others	3,782.05	-	1.42	1.18	3,784.65
(iii) Disputed dues — MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>As at 31<sup>st</sup> March, 2023</b>					
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	48.16	0.67	-	-	48.83
(ii) Others	4,378.55	0.20	2.65	-	4,381.41
(iii) Disputed dues — MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

<b>Note No. 24: Other Financial Liabilities (Current)</b>		
Particulars	As on 31 <sup>st</sup> March 2024 (Rs. In Lakhs)	As on 31 <sup>st</sup> March 2023 (Rs. In Lakhs)
Other financial liabilities	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

<b>Note No. 25: Other Current Liabilities</b>		
Particulars	As on 31 <sup>st</sup> March 2024 (Rs. In Lakhs)	As on 31 <sup>st</sup> March 2023 (Rs. In Lakhs)
Duties & Taxes	115.40	133.04
<b>Other Payables</b>	<b>-</b>	<b>-</b>
Expense payable	37.92	45.36
Bank Overdraft	-	1,685.51
Dividend Payable	0.03	0.03

**9. REPORT ON CONSOLIDATED FINANCIAL STATEMENTS**

Advance received from customers	2,737.18	120.61
Payable to employees	44.82	27.96
<b>Total</b>	<b>2,935.34</b>	<b>2,012.52</b>
<b>Note No. 26: Current Tax Liabilities</b>		
<b>Particulars</b>	<b>As on 31<sup>st</sup> March 2024 (Rs. In Lakhs)</b>	<b>As on 31<sup>st</sup> March 2023 (Rs. In Lakhs)</b>
Current Income Tax Charge	56.72	54.16
Less:- Advance Taxes paid/TDS and TCS Recoverable	-10.26	-13.52
<b>Total</b>	<b>46.47</b>	<b>40.64</b>

**Note No. 27(a): Deferred Tax Asset/ (Liabilities)**

(Rs. In Lakhs)

Particulars	Net Balance as on April 1, 2023	31 <sup>st</sup> March, 2024			
		Recognise d in Profit or Loss and OCI	Net	Deferred Tax Asset	Deferred Tax Liability
<b>Deferred Tax Asset/ (Liabilities)</b>	-				
On excess of carrying value of PPE over Tax base	-434.43	-4.50	-438.93	-	-438.93
MAT Credit	16.51	-2.65	13.86	13.86	-
MAT Credit Adjustment of earlier years not routed through P&L	-	-	-	-	-
Disallowance U/s 43 B - Leave Encashment	1.01	0.42	1.43	1.43	-
Disallowance U/s 43 B - Gratuity	4.42	12.23	16.65	16.65	-
Disallowance U/s 43 B - Bonus	2.37	0.47	2.85	2.85	-
Disallowance U/s 43 B - Gratuity-OCI	-0.42	5.87	5.45	5.45	-
Forex	584.91	-53.18	531.73	531.73	
Allowance - Expected Credit Loss	-2,953.04	-561.49	-3,514.53	-	-3,514.53
C/f. losses & unabsorbed depreciation	19.68	-2.86	16.83	16.83	-
Restatement of FCTL	0.25	-0.25	-	-	-
Unpaid liability allowable on payment basis	8.39	2.81	11.20	11.20	-
Time difference of depreciation	-	-	-	-	-
Fair Valuation of investment in Mutual funds	2,095.73	-277.96	1,817.77	1,817.77	-
<b>Tax Assets/ (Liabilities)</b>	<b>-654.60</b>	<b>-881.10</b>	<b>-1,535.70</b>	<b>2,417.76</b>	<b>-3,953.46</b>
Set off tax	-	-	-	-	-
<b>Net Tax Assets/ (Liabilities)</b>	<b>-654.60</b>	<b>-881.10</b>	<b>-1,535.70</b>	<b>2,417.76</b>	<b>-3,953.46</b>

**9. REPORT ON CONSOLIDATED FINANCIAL STATEMENTS**

<b>Note No. 28: Revenue from Operations</b>			
<b>S. No</b>	<b>Particulars</b>	<b>For the year ended 31<sup>st</sup> March 2024 (Rs. In Lakhs)</b>	<b>For the year ended 31<sup>st</sup> March 2023 (Rs. In Lakhs)</b>
1	Sale of Products	22,134.25	22,845.69
2	Sale of Service	145.10	88.85
3	Other Operating Revenue	-	2.04
	<b>Total</b>	<b>22,279.35</b>	<b>22,936.57</b>

<b>Note No. 29: Other Income</b>			
<b>S. No</b>	<b>Particulars</b>	<b>For the year ended 31<sup>st</sup> March 2024 (Rs. In Lakhs)</b>	<b>For the year ended 31<sup>st</sup> March 2023 (Rs. In Lakhs)</b>
1	Interest Income	21.52	19.99
2	Profit on Investments	-	28.54
3	Interest on Income Tax	-	3.59
4	Liabilities no longer required written back	1.43	4.34
5	Gain on Financial Assets Measured at fair value through Profit and Loss	-	4.24
6	Foreign Exchange Fluctuation	1.53	209.29
7	Misc. Income	5.57	12.91
8	Other non - operating income	13.53	-
	<b>Total</b>	<b>43.58</b>	<b>282.90</b>

<b>Note No. 30: Cost of Materials Consumed</b>			
<b>S. No</b>	<b>Particulars</b>	<b>For the year ended 31<sup>st</sup> March 2024 (Rs. In Lakhs)</b>	<b>For the year ended 31<sup>st</sup> March 2023 (Rs. In Lakhs)</b>
1	Opening Stock of Raw Materials	3,083.25	2,254.80
2	Add:- Purchases during the year	9,208.51	11,895.62
3	Less:- Closing Stock of Raw Materials	-2,957.92	-3,083.25
	<b>Total</b>	<b>9,333.83</b>	<b>11,067.18</b>

<b>Note No. 31: Changes in Inventory of finished goods, work in progress and stores and spares</b>			
<b>S. No</b>	<b>Particulars</b>	<b>For the year ended 31<sup>st</sup> March 2024 (Rs. In Lakhs)</b>	<b>For the year ended 31<sup>st</sup> March 2023 (Rs. In Lakhs)</b>
	<b>Opening Inventories</b>		
1	Finished goods	4,783.85	3,475.49
2	Work in Progress	626.97	901.25
	<b>Closing Inventories</b>		
1	Finished goods	5,144.82	4,783.85

**9. REPORT ON CONSOLIDATED FINANCIAL STATEMENTS**

2	Work in Progress	557.33	626.97
	<b>Total</b>	<b>-291.33</b>	<b>-1,034.07</b>
<b>Note No. 32: Employee Benefit Expenses</b>			
<b>S. No</b>	<b>Particulars</b>	<b>For the year ended 31<sup>st</sup> March 2024 (Rs. In Lakhs)</b>	<b>For the year ended 31<sup>st</sup> March 2023 (Rs. In Lakhs)</b>
1	Salary, Wages and Bonus	1,021.08	881.27
2	Director Remuneration	314.07	298.53
3	Contribution to Provident Fund and Other Funds	61.40	57.07
4	Staff Welfare Expenses	38.75	37.24
	<b>Total</b>	<b>1,435.29</b>	<b>1,274.11</b>
<b>Note No. 33: Finance Cost</b>			
<b>S. No</b>	<b>Particulars</b>	<b>For the year ended 31<sup>st</sup> March 2024 (Rs. In Lakhs)</b>	<b>For the year ended 31<sup>st</sup> March 2023 (Rs. In Lakhs)</b>
1	Interest on Term Loans and other loans	1,987.98	1,643.56
2	Other borrowing cost	195.91	159.07
3	Exchange Loss/(Gain) on Foreign Currency Borrowings	430.76	212.38
4	Finance Lease charges on leasehold assets	107.17	68.52
	<b>Total</b>	<b>2,721.83</b>	<b>2,083.53</b>
<b>Note No. 34: Other expenses</b>			
<b>S. No</b>	<b>Particulars</b>	<b>For the year ended 31<sup>st</sup> March 2024 (Rs. In Lakhs)</b>	<b>For the year ended 31<sup>st</sup> March 2023 (Rs. In Lakhs)</b>
1	Payment to Auditors	10.44	11.03
2	Rent Rates & Taxes	139.11	122.29
3	Insurance Premium	85.68	70.33
4	<b>Repair &amp; Maintenance</b>	-	-
	Plant	185.42	322.28
	Building	7.09	2.03
	Electrical Items	-	-
	Others	0.56	-
5	Bad Debts W/off	-	-
6	CSR Expenses	-	0.05
7	Power and Fuel	1,365.01	1,227.11
8	Store, Spares and Consumables	376.53	355.64
9	Foreign exchange gain or loss	-	10.07
10	Loss/(Profit) on sale of Fixed Assets	-0.02	48.37
11	Professional Fees	236.75	122.50

## 9. REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

12	Logistic Expenses	240.58	1,372.68
13	Labour Charges	560.29	393.68
14	Stevedoring Expenses	-	-
15	Equipment & Material Handling Charges	320.95	283.39
16	Miscellaneous Expenses	1,056.48	408.24
	<b>Total</b>	<b>4,584.88</b>	<b>4,749.69</b>

<b>Note No. 35: Restated Earning Per Share</b>		<b>(Rs. In Lakhs)</b>	
<b>Particulars</b>	<b>As at 31<sup>st</sup> March 2024</b>	<b>As at 31<sup>st</sup> March, 2023</b>	
<b>Profit attributable to Equity Holders for:</b>			
Basic Earnings	1,630.66	2,327.93	
Adjusted for the effect of dilution			
<b>Weighted average number of equity Shares for:</b>			
Basic EPS	750.00	688.67	
Adjusted for the effect of dilution			
<b>Earnings Per Share (Rs.):</b>			
Basic	2.17	3.38	
Diluted	2.17	3.38	

### **Note No. 36: 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.

<b>Particulars</b>	<b>2023-24</b>	<b>2022-23</b>
Mortality	Indian Assured Lives Mortality (2012-14) Urban	Indian Assured Lives Mortality (2012-14) Urban
Retirement Age	58 years	58 years
Discount Rate	7.33%-7.44%	7.41%-7.44%
Rate of Employee Turnover	8%	8%
Salary escalation	8%	8%

The following table sets out status of gratuity plan and leave salary as required under Indian Accounting Standard 19 on "Employee Benefit".

<b>Particulars</b>	<b>2023-24 (Rs. In Lakhs)</b>	<b>2022-23 (Rs. In Lakhs)</b>
<b>Table showing change in benefit obligation</b>		
Opening defined benefit obligation	53.32	37.57
Interest Cost	3.96	2.61
Liability transferred in	-	-
Current Service Cost	16.19	12.38
Benefit Paid	-0.58	-2.21

## 9. REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

Past Service Cost	-	5.03
Actuarial Loss / (gain) on Obligations	7.11	-2.06
<b>Liability at the end of the period</b>	<b>79.99</b>	<b>53.32</b>
<b>Table showing change in Fair Value of Plan Assets</b>		
Fair Value of Plan Assets at the beginning	13.74	13.93
Adjustment to Opening fund	-	-
Expected Return on Plan Assets	-0.11	-0.06
Contributions	-	-
Actuarial loss/ (gain) due to experience adjustments	-	-
Interest Income	1.02	0.97
Benefit paid	-0.58	-1.10
Actuarial gain / (loss) on Plan Assets	-	-
<b>Fair Value of Plan Assets at the end of the period</b>	<b>14.07</b>	<b>13.74</b>
<b>Particulars</b>	<b>2023-24 (Rs. In Lakhs)</b>	<b>2022-23 (Rs. In Lakhs)</b>
<b>Actual Gain / loss recognized</b>		
Actuarial (gain) / loss on obligations	7.11	-2.06
Actuarial (gain) / loss on Plan Assets	-	-
Net Actuarial (gain) / loss recognized during year	<b>7.11</b>	<b>-2.06</b>
<b>Amount recognized in Balance Sheet</b>		
Liability at the end of the period	79.99	53.32
Fair Value of Plan Asset at the end of the period	14.07	13.74
Net Amount recognized in Balance Sheet	<b>65.92</b>	<b>39.58</b>
<b>Expense recognized in the Statement of Profit and Loss</b>		
Current Service cost	16.19	12.38
Interest cost	2.94	1.64
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	<b>19.13</b>	<b>19.05</b>
<b>Expense recognized in the Statement of Other Comprehensive Income</b>		
Actuarial (Gains)/Losses on Obligation For the Period	7.11	-2.06
Return on plan assets excluding amounts included in interest income	0.11	0.06
Net Expense recognized in OCI	<b>7.22</b>	<b>-2.00</b>



## 9. REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

### 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	2023-24 (Rs. In Lakhs)		2022-23 (Rs. In Lakhs)	
	Increase	Decrease	Increase	Decrease
Discount rate - 1% (PY: 1%)	-5.77	6.71	-3.95	4.58
Salary growth rate - 1% (PY: 1%)	6.59	-5.78	4.51	-3.96
Employee Turnover rate - 1% (PY: 1%)	-0.88	0.95	-0.65	0.69

### Note No. 37: Related Party Disclosures

#### (i) Related Party

##### a. Subsidiary Companies

Name of the entity	Nature of Relationship
Gujarat Credo Mineral Industries Limited	Subsidiary
Credo Rare Earths (India) Private Limited (formerly known as Rocktech Mineral Development (Guj.) Private Limited)	
Lucent Mines & Mineral Pvt. Ltd	
Gujarat Credo Alumina Chemicals Limited	
Gujarat Credo Rare Earths Limited	

##### b. Key Management Personnel and their Relatives

Name of the entity	Nature of Relationship
<b>Key Managerial Personnel &amp; Directors</b>	
Mr. Rakesh Shah	Whole-time Director
Mr. Parasmal Shah	Independent Director
Mr. Vikas Chandra	Independent Director
Mr. Kirtesh Shah	Company Secretary
Mr. Naman Patel	Managing Director
Mr. Anand Patel	Executive Director
Mr. Krunal Shah	Chief Financial Officer
Ms. Meena Ambani	Director w.e.f. 17/08/23
Mr. Rajiv Gandhi	Independent director
Mr. Atishe Chordia	Independent director
Mr. Rushil Tamboli	Independent director
<b>Other Related Parties</b>	
AEML Investments Ltd	Entity over which KMP is able to exercise significant influence
Aerotrans Services Private Limited	Entity over which KMP has control
Apollo Motocorp LLP	A LLP, in which director, is a designated partner
ATM Minechem LLP	A LLP, in which director, is a designated partner
Biolink Healthcare Limited	Significant Influence over the Company

## 9. REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

Blue Ray Aviation Private Limited	Entity over which KMP is able to exercise significant influence
Corella Air LLP	A LLP, in which director, is a designated partner
CSB Projects Private Limited	Entity over which KMP is able to exercise significant influence
Dedhrota Bauxite Mine Pvt. Ltd.	Entity over which KMP is able to exercise significant influence
Doodleblue Innovations Private Limited	Entity over which KMP is able to exercise significant influence
Drucker & Grove Fintech Private Limited	Significant Influence over the Company
Dynamic Real Trading LLP	A LLP, in which director, is a designated partner
Gujarat Airconnect Private Limited	Entity over which KMP has control
Gujarat Apollo Industries Limited	Entity which is able to exercise significant influence over the company
Hester Aviation Services Private Limited	Entity over which KMP is able to exercise significant influence
Hester Biosciences Limited	Entity over which KMP is able to exercise significant influence
Hester Coating LLP	A LLP, in which director, is a designated partner
Hester Diagnostics Private Limited	Significant Influence over the Company
IHHR Hospitality Private Limited	Significant Influence over the Company
Krishitek Industries Pvt. Ltd.	Significant Influence over the Company
Noble Tradelink Pvt. Ltd.	Entity over which KMP is able to exercise significant influence
Neptune Infrastructure Private Limited	Entity over which KMP is able to exercise significant influence
Omkareshwar Mines & Minerals Private Limited	Entity over which KMP is able to exercise significant influence
PFH Agri Equipment Private Limited	Significant Influence over the Company
Purple Elephant Technologies Private Limited	Entity over which KMP is able to exercise significant influence
Rakesh Shah HUF	Entity over which KMP is able to exercise significant influence
Rembrant Trading Private Limited	Entity over which KMP is able to exercise significant influence
Steelcast Limited	Significant Influence over the Company
Tatvang Industries Private Limited	Significant Influence over the Company
Tatvang projects Pvt Ltd	Significant Influence over the Company
Texas Lifesciences Private Limited	Significant Influence over the Company
Youth Empowerment Sansthan	Significant Influence over the Company
Zenitech AIF Investments Strategies Private Limited	Significant Influence over the Company
Zenitech Projects Private Limited	Significant Influence over the Company
Venus Green Recycling LLP	Entity over which KMP is able to exercise significant influence

## 9. REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

### (ii) Related Party Transactions and Balances

#### a. Transactions with related parties during the period/year

(Rs. In Lakhs)

Particulars	Nature of Related Party Relationship	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Director Sitting Fees	Key Managerial Personnel	2.63	0.60
Director Remuneration	Key Managerial Personnel	24.00	24.00
Salary Expenses	Key Managerial Personnel	24.95	20.93
Expenses Reimbursement	Key Managerial Personnel	3.04	0.95
Purchase of Goods	Joint Venture of Subsidiary	2,453.21	-
Rent Expenses	Entity over which KMP is able to exercise significant influence	3.98	1.20

#### b. Balances with related parties

(Rs. In Lakhs)

Particulars	Nature of Related Party Relationship	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Director Remuneration	Key Managerial Personnel	2.24	-
Director Sitting Fees	Key Managerial Personnel	0.05	-
Purchase of Goods	Joint Venture of Subsidiary	721.95	-
Rent Expenses	Entity over which KMP is able to exercise significant influence	0.01	-
Salary Payable	Key Managerial Personnel	2.12	1.74

### Note No. 38: LEASES

#### A. Effect of Leases as lessee

Qualitative information on nature of leasing activities, terms, conditions, asset class taken on lease etc.

The following is the carrying amounts of Company's Right of use assets and the movement in lease liabilities during the year ended December 31, 2023:

#### a. Right of Use Asset of Asset

Particulars	As at 31 March, 2024	As at 31 March, 2023
	(Rs. in Lakhs)	(Rs. in Lakhs)
<b>Gross carrying value</b>		
<b>Opening Balance</b>	<b>4,127.34</b>	<b>3,581.44</b>
Additions on account of transition to Ind AS 116	-	-
Additions during the year	36.65	545.90
Deductions	-47.73	-
<b>Closing Balance (A)</b>	<b>4,116.25</b>	<b>4,127.34</b>
<b>Accumulated amortisation</b>		

## 9. REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

<b>Opening Balance</b>	<b>1,136.69</b>	<b>908.99</b>
Charge for the year	156.16	227.69
Deduction/Adjustment during the year	-	-
<b>Closing Balance (B)</b>	<b>1,292.85</b>	<b>1,136.69</b>
<b>Net balance as at 31st December, 2023 (C=A-B)</b>	<b>2,823.40</b>	<b>2,990.65</b>

### b. Lease Liability

Particulars	As at 31 March, 2024	As at 31 March, 2023
	(Rs. in Lakhs)	(Rs. in Lakhs)
<b>Opening Balance</b>	2,190.15	2,374.04
Additions on account of transition to Ind AS 116	-	-
Additions during the year	-	-
Finance costs incurred	107.17	68.52
Payments	-303.60	-342.41
Adjustment of Lease Liabilities	30.00	90.00
<b>Closing balance</b>	<b>2,023.72</b>	<b>2,190.15</b>
<b>Current Portion</b>	<b>169.37</b>	<b>282.68</b>
<b>Non-Current Portion</b>	<b>1,854.35</b>	<b>1,907.47</b>

### c. Amounts recognised in profit or loss

Particulars	As at 31 March, 2024	As at 31 March, 2023
	(Rs. in Lakhs)	(Rs. in Lakhs)
<b>Leases under Ind AS 116</b>		
Amortization Expenses of Right to Use Asset	156.16	227.69
Interest Expenses on Lease Liability	107.17	68.52
<b>Total Amounts recognised in profit or loss</b>	<b>263.34</b>	<b>296.22</b>

### d. Disclosure of Short Term Lease and low-value assets

Particulars	Amount
<b>Leases under Ind AS 116</b>	
Expenses relating to short-term leases (&)	-
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	-

### Maturity Analysis of lease liability:

(Rs. in Lakhs)

Particulars	31 <sup>st</sup> March 2024		31 <sup>st</sup> March 2023	
	Minimum Lease Payments	Present Value of MLP	Minimum Lease Payments	Present Value of MLP
Not Later than 1 year	434.71	282.62	434.71	282.68
Later Than 1 year and not later than 5 years	1,556.16	716.49	1,555.92	716.58
Later Than 5 years	10,805.65	1,358.94	10,807.06	1,361.72
<b>Total Minimum Lease Payments</b>	<b>12,796.53</b>	<b>2,358.05</b>	<b>12,797.69</b>	<b>2,360.98</b>

## 9. REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

The interest rate of borrowing i.e., 11% is used as the discount rate in calculating the present value of the minimum lease payments.

### Note No. 39

#### A. Financial Instruments by Category and their Fair Value

(Rs. in Lakhs)

As at 31 <sup>st</sup> March 2024	Carrying Amount				Fair Value			
	FVTPL	FVT OCI	Amortised Cost	Total	Level 1 - Quoted Price in active markets	Level 2 - Significant Observable Inputs	Level 3 - Significant Unobservable Inputs	Total
<b>Financial Assets</b>								
Other Financial Assets								
Non Current	-	-	0.45	0.45	-	-	-	-
Trade Receivables	-	-	2,163.20	2,163.20	-	-	-	-
Cash and cash equivalents	-	-	28.74	28.74	-	-	-	-
Other Bank Balances	-	-	408.98	408.98	-	-	-	-
<b>Total Financial Assets</b>	-	-	<b>2,601.37</b>	<b>2,601.37</b>	-	-	-	-
<b>Financial Liabilities</b>								
Borrowings								
Non Current	-	-	20,151.42	20,151.42	-	-	-	-
Current	-	-	4,005.51	4,005.51	-	-	-	-
Lease Liabilities								
Non Current	-	-	1,954.99	1,954.99	-	-	-	-
Current	-	-	169.37	169.37	-	-	-	-
Trade Payables			4,018.48	4,018.48	-	-	-	-
<b>Total Financial Liabilities</b>	-	-	<b>30,299.77</b>	<b>30,299.77</b>	-	-	-	-
<b>As at 31<sup>st</sup> March 2023</b>								
	FVTPL	FVT OCI	Amortised Cost	Total	Level 1 - Quoted Price in active markets	Level 2 - Significant Observable Inputs	Level 3 - Significant Unobservable Inputs	Total
<b>Financial Assets</b>								
Other Financial Assets								
Non Current	-	-	0.43	0.43	-	-	-	-
Investments								
Quoted	178.34	-	-	178.34	178.34	-	-	178.34
Trade Receivables	-	-	1,784.45	1,784.45	-	-	-	-
Cash and cash equivalents	-	-	2,516.82	2,516.82	-	-	-	-
Other Bank Balances	-	-	801.26	801.26	-	-	-	-
<b>Total Financial Assets</b>	<b>178.34</b>	-	<b>5,102.96</b>	<b>5,281.30</b>	<b>178.34</b>	-	-	<b>178.34</b>

## 9. REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

<b>Financial Liabilities</b>									
Borrowings									
Non Current	-	-	24,401.60	24,401.60	-	-	-	-	-
Current	-	-	4,622.71	4,622.71	-	-	-	-	-
Lease Liabilities									
Non Current	-	-	1,907.47	1,907.47	-	-	-	-	-
Current	-	-	282.68	282.68	-	-	-	-	-
Trade Payables			4,430.24	4,430.24	-	-	-	-	-
<b>Total Financial Liabilities</b>	-	-	<b>35,644.70</b>	<b>35,644.70</b>	-	-	-	-	-

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

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

## 9. REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

**i. Acquisition of Project Related Goods and Services (in USD):** During Project execution, heavy fund outflows (in foreign currency) were required for project related goods and services. For the said purpose, the company has obtained External Commercial Borrowing (USD) from bankers.

**ii. External commercial Borrowing (ECB) & Interest Thereon (in USD):** The company has obtained debt financing in Foreign Currency. In order to hedge the said borrowings, the company follows cash flow hedge policy with effect from 01.04.2020. Cash flow hedge is a hedge of the exposure to variability in the cash flows of a specific asset or liability, or of a forecasted transaction, that is attributable to a particular risk. It is possible to only hedge the risks associated with a portion of an asset, liability, a firm commitment, or a highly probable forecasted transaction, as long as the effectiveness of the related hedge can be measured. The accounting for a cash flow hedge will be to recognize the effective portion of any gain or loss in other comprehensive income, and recognize the ineffective portion of any gain or loss in Finance cost in the statement of profit and loss. When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI at that time remains in OCI and is recognised when the hedged forecast transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the statement of profit and loss.

i) The following table analysis foreign currency risk from non-derivative financial instruments as at each balance sheet date:

Particulars	Currency	As at March 31, 2024 (₹ in Lacs)	As at March 31, 2023 (₹ in Lacs)
Capital Payables / (Capital Advances)	USD	-1	-0
	INR	-46	-4
External Commercial Borrowings and interest thereon	USD	170	207
	INR	14,204	17,046
Trade Payables / (Trade Advances)	USD	-	-
	INR	-	-
Advance from Customers / (Trade Receivables)	USD	-13	-5
	INR	-1,104	-413
<b>Total Exposure</b>	<b>USD</b>	<b>157</b>	<b>202</b>
	<b>INR</b>	<b>13,054</b>	<b>16,629</b>

**ii) Foreign Currency Risk Sensitivity:**

The sensitivity of profit or loss due to changes in the exchange rates arises mainly from non-derivative foreign currency denominated financial instruments (mainly financial instruments denominated in USD currency). The same is summarized as below:

Particulars	Impact on Profit before tax			
	As at March 31, 2024		Year Ended March 31, 2023	
	5% Increase	5% Decrease	5% Increase	5% Decrease
USD	-653	653	-831	831
<b>Total</b>	<b>-653</b>	<b>653</b>	<b>-831</b>	<b>831</b>



## 9. REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

The following are the particulars of the foreign currency transactions during the respective years:

Particulars	For the year ended 31 <sup>st</sup> March 2024 (Rs. In Lakhs)	For the year ended 31 <sup>st</sup> March 2023 (Rs. In Lakhs)
<b>Foreign Exchange Earned (Actual Inflow)</b>		
Sale of Finished Goods	73,46,74,810	90,09,75,218
<b>Foreign Exchange Used (Actual Outflow)</b>		
Foreign Bank Charges	10,60,694	10,90,779
Payment against Capita Purchase	-	5,51,87,000
Payment against expense (Warehouse/Ocean Freight)	3,64,86,586	8,35,74,000
Interest on Foreign Currency Loan	9,92,08,815	8,08,21,000

### 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.

### 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.

## 9. REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

### 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:

Year ended on 31-03-2024						(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)	880.75	-	3,124.76	20,151.42	-	24,156.93
Other Financial Liabilities	-	-	-	-	-	-
Trade and Other Payables	-	-	4,018.48	-	-	4,018.48
<b>Total</b>	<b>880.75</b>	<b>-</b>	<b>7,143.24</b>	<b>20,151.42</b>	<b>-</b>	<b>28,175.41</b>
Year ended on 31-03-2023						(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)	1,216.60	-	258.85	29,817.57	0.76	31,293.78
Other Financial Liabilities	-	-	-	-	-	-
Trade and Other Payables	-	-	4,430.24	-	-	4,430.24
<b>Total</b>	<b>1,216.60</b>	<b>-</b>	<b>4,689.09</b>	<b>29,817.57</b>	<b>0.76</b>	<b>35,724.02</b>

## 9. REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

### 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 31<sup>st</sup> March, 2024 was as follows:

Particulars	(Rs. In Lakhs)	
	As at March 31, 2024	As at March 31, 2023
Equity Share Capital	7,500.00	7,500.00
Other Equity	17,428.39	17,698.62
<b>Total Equity</b>	<b>24,928.39</b>	<b>25,198.62</b>
Interest-bearing loans and borrowings	24,156.93	29,024.31
Less: cash and cash equivalent	28.74	2,516.82
Less: Other bank Balances	408.98	801.26
<b>Net Debt</b>	<b>24,594.65</b>	<b>32,342.39</b>
<b>Gearing Ratio</b>	<b>1</b>	<b>1</b>

### Note No. 40: Segment Reporting

#### (a) Operating Segment

We are into the business of manufacturing of Specialty Alumina Chemicals, Alumina Tri-Hydrate, Special Hydrates, Alumina based Advanced Chemicals and Inorganic Chemicals, Zeolite etc. We are active in the field of Processing, Beneficiation, Exploration and Mining of Mineral Resources and Development & Operation of Chemicals & Mineral based Industries. CACL is a holding company of the Credo Group, operating through Five subsidiaries formed as SPVs. Of this, we have two manufacturing subsidiaries, namely, Gujarat Credo Mineral Industries Ltd (GCMIL) and Gujarat Credo Alumina Chemicals Ltd. (GCACL) that own and operate world class manufacturing assets to produce high quality products for a wide variety of industrial applications.

#### (b) Geographical Segment

Particulars	(Rs. In Lakhs)					
	31st March 2024			31st March 2023		
	Within India	Outside India	Total	Within India	Outside India	Total
Segment Revenue*	14,932.60	7,346.75	22,279.35	13,924.78	9,009.75	22,934.53
Non-Current Assets**	49,513.46	-	49,513.46	51,192.57	-	51,192.57

\* Excluding other operating revenues

\*\* Non-Current Assets exclude Financial Assets, Deferred Tax Assets and Non-Current Tax Assets

## 9. REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

Details of customer contributing 10% or more of total revenue :

(Rs. In Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
No. of customers contributing 10% or more of total revenue (individually)	2	2
Amount of revenue	6,002.40	4,465.83
% of total revenue	26.94%	19.52%

### Note No. 41: Ind AS 115 - Revenue from Contracts with Customers

- i. We are into the business of manufacturing of Specialty Alumina Chemicals, Alumina Tri-Hydrate, Special Hydrates, Alumina based Advanced Chemicals and Inorganic Chemicals, Zeolite etc. We are active in the field of Processing, Beneficiation, Exploration and Mining of Mineral Resources and Development & Operation of Chemicals & Mineral based Industries All sales are made at a point in time and revenue recognised upon satisfaction of the performance obligations which is typically upon dispatch/delivery depending on the contractual terms with the customers. Accruals for discounts/incentives are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers. The Group has a credit evaluation policy based on which the credit limits for the trade receivables are established and the Group does not give significant credit period resulting in no significant financing component.
- ii. **Reconciliation of Revenue as per contract price and as recognised in Statement of Profit and Loss:**

Particulars	For the year ended 31 <sup>st</sup> March 2024 (Rs. In Lakhs)	For the year ended 31 <sup>st</sup> March 2023 (Rs. In Lakhs)
Revenue from contracts with customer as per Contract price	22,134.25	22,845.69
Less: Discounts, incentives, rebates	-	-
<b>Revenue from contracts with customer as per Statement of Profit and Loss</b>	<b>22,134.25</b>	<b>22,845.69</b>

Disaggregation of revenue from contract with customers

Particulars	For the year ended 31 <sup>st</sup> March 2024 (Rs. In Lakhs)	For the year ended 31 <sup>st</sup> March 2023 (Rs. In Lakhs)
<b>Geography</b>		
Domestic	14,787.50	13,835.94
Exports	7,346.75	9,009.75
<b>Total (net of discounts, incentives, rebates)</b>	<b>22,134.25</b>	<b>22,845.69</b>
<b>Products</b>		
Cement Bags	-	-

## 9. REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

Bauxite	0.00	-
Zeolite	4,069.02	5,677.93
Fly Ash	1.24	5.05
Alumina Tri-Hydrate (ATH)	17,595.99	17,153.00
Ferric Oxide	399.28	9.70
Synthetic Zeolite 4A	12.41	-
Scrap/by product	56.30	-
Less: Discounts, incentives, rebates	-	-
<b>Total</b>	<b>22,134.25</b>	<b>22,845.69</b>

### iii. Performance obligation

Revenue from sale of goods measured upon satisfaction of performance obligation which is at a point in time when control of the goods is transferred to the customer, generally on delivery of the goods.

Particulars	For the year ended 31 <sup>st</sup> March 2024 (Rs. In Lakhs)	For the year ended 31 <sup>st</sup> March 2023 (Rs. In Lakhs)
<b>Revenue by time</b>		
Revenue recognised at point in time	22,134.25	22,845.69
Revenue recognised over time	-	-
<b>Total</b>	<b>22,134.25</b>	<b>22,845.69</b>

### iv. Contract Liability (advance from customers)

Particulars	For the year ended 31 <sup>st</sup> March 2024 (Rs. In Lakhs)	For the year ended 31 <sup>st</sup> March 2023 (Rs. In Lakhs)
Advance from Customers	2,737.18	120.61

#### Note 42

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 43

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

#### Note 44: Other Statutory Disclosure

- The company does not have any investment property hence, comment related to revaluation is not made
- During the year, the company has not revalued its intangible assets or any asset of Property, Plant & Equipment, hence, disclosure related to revaluation is not made

## 9. REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

- 3 The group 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 provided.
- 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.
- 9 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
- 10 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
- 11 "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,"
- 12 "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."
- 13 The company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- 14 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).
- 15 The company is not covered under section 135 of the Companies Act. Hence, CSR related disclosures are not made, however, subsidiary of the company is required to make the contribution, details of which are given in note - 43

### Note 45

The company has sought balance confirmations from trade receivables and trade payables, wherever such balance confirmations are received by the Company, the same are reconciled and appropriate adjustments if required, are made in the books of account.

### Note 46: Working Capital

As stated and confirmed by the Board of Directors, The Company has been sanctioned working capital facilities during the year under review and inventory records submitted with the banks are in conformity with books of accounts.



## 9. REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

### Note 47: Satisfaction of Charge

As stated & Confirmed by the Board of Directors, The company does not have any pending registration or satisfaction of charges with ROC beyond the statutory period .

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023,

#### **(i) Ind AS 1 – Disclosure of material accounting policies:**

The amendments related to shifting of disclosure of erstwhile “significant accounting policies” to “material accounting policies” in the notes to the financial statements requiring companies to reframe their accounting policies to make them more “ entity specific. This amendment aligns with the “material” concept already required under international Financial Reporting Standards (IFRS). The Company does not expect this amendment to have any significant impact in its financial statement.

#### **(ii) Ind AS 8 – Definition of accounting estimates:**

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a “change in accounting estimates” has been replaced with a definition of “accounting estimates.” Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

#### **(iii) Ind AS – Income Taxes**

The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12. At the date of transition to Ind Ass, a first-time adopter shall recognize a deferred tax asset to the extent that it is probable that taxable profit will be available against Which the deductible temporary difference can be utilized. Similarly, a deferred tax liability for all deductible and taxable temporary differences associates with:

##### **(a) right-of-use assets and lease liabilities**

##### **(b) decommissioning, restoration and similar liabilities and the corresponding amounts recognized as part of the cost of the related assets.**

Therefore. If a company has not yet recognised deferred tax on right-of-use assets and lease liabilities or has recognised deferred tax on net basis, the same need to recognize on gross basis based on the carrying amounts of right-of-use assets and lease liabilities

#### **(iv) Ind AS 103 – Common control Business Combination**

The amendments modify the disclosure requirement for business combination under common control in the first financial statement following the business combination. It requires to disclose the date on which the transferee obtains control of the transferor is required to be disclosed.

### Note 48

Appropriate re-groupings have been made in the Restated Consolidated Statement of Assets and Liabilities, Statement of Profit and Loss and Statement of cash flows, wherever required, by



## 9. REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows, in order to bring them in line with the classification as per the Ind AS financial information of the Group for all the reporting periods prepared in accordance with Schedule III of Companies Act, 2013, requirements of applicable Ind AS and the requirements of the SEBI ICDR Regulations.

### Note 49

There are no adjusting events after the reporting date

**For and on behalf of the Board of Directors  
CREDO ADVANCED CHEMICALS LIMITED  
(Previously Known as Credo Mineral Industries Limited)**

**For Pankaj R Shah & Associates  
Chartered Accountants  
FRN. 107361W**

**Naman Patel  
Managing Director  
(DIN - 05143261)**

**Rakesh S Shah  
Whole-time Director  
(DIN - 02076051)**

**Chintan Shah  
Partner  
M. No. 110142**

**Kirtesh Shah  
Company Secretary**

**Krunal Shah  
Chief Financial Officer**

**Date: 31-08-2024  
Place: Ahmedabad**

**Date: 31-08-2024  
Place: Ahmedabad**

## 10. SHAREHOLDERS' 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.