

Date: 08<sup>th</sup> August, 2024

|   |  |
|---|--|
| To,<br><b>National Stock Exchange of India Limited</b><br>Exchange Plaza, C-1 Block G,<br>Bandra Kurla Complex<br>Bandra [E],<br>Mumbai – 400051<br>NSE Scrip Symbol: <b>KRONOX</b> | To,<br><b>BSE Limited</b><br>25 <sup>th</sup> Floor,<br>Phiroze Jeejeebhoy Towers,<br>Dalal Street, Fort,<br>Mumbai - 400 001<br>BSE Scrip Code: <b>544187</b> |
|---|--|

**Sub: Submission of Annual Report for the year ended March 31, 2024 along with Notice of 15<sup>th</sup> Annual General Meeting to be held on August 30, 2024.**

**Ref: Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**Dear Sir /Madam,**

We wish to inform you that the 15<sup>th</sup> Annual General Meeting (AGM) of the KRONOX Lab Sciences Limited (Company) is scheduled to be held on Friday, August 30, 2024 at 11.00 AM through Video Conferencing/Other Audio Visual Means at the common venue at Block no. 353, Village: Ekalbara, Taluka: Padra, District: Vadodara 391440 to transact the business set-out in the Notice of the AGM dated August 06, 2024.

Pursuant to Regulations 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, we hereby submit the Annual Report of the Company for the Financial Year 2023-24 together with the Notice convening the 15<sup>th</sup> Annual General Meeting to be held on Friday, August 30, 2024.

This is for your kind information and Records

Thanking you

For **KRONOX Lab Sciences Limited**

**Nikhil Goswami**  
**Company Secretary & Compliance Officer**  
**Membership No. A68272**

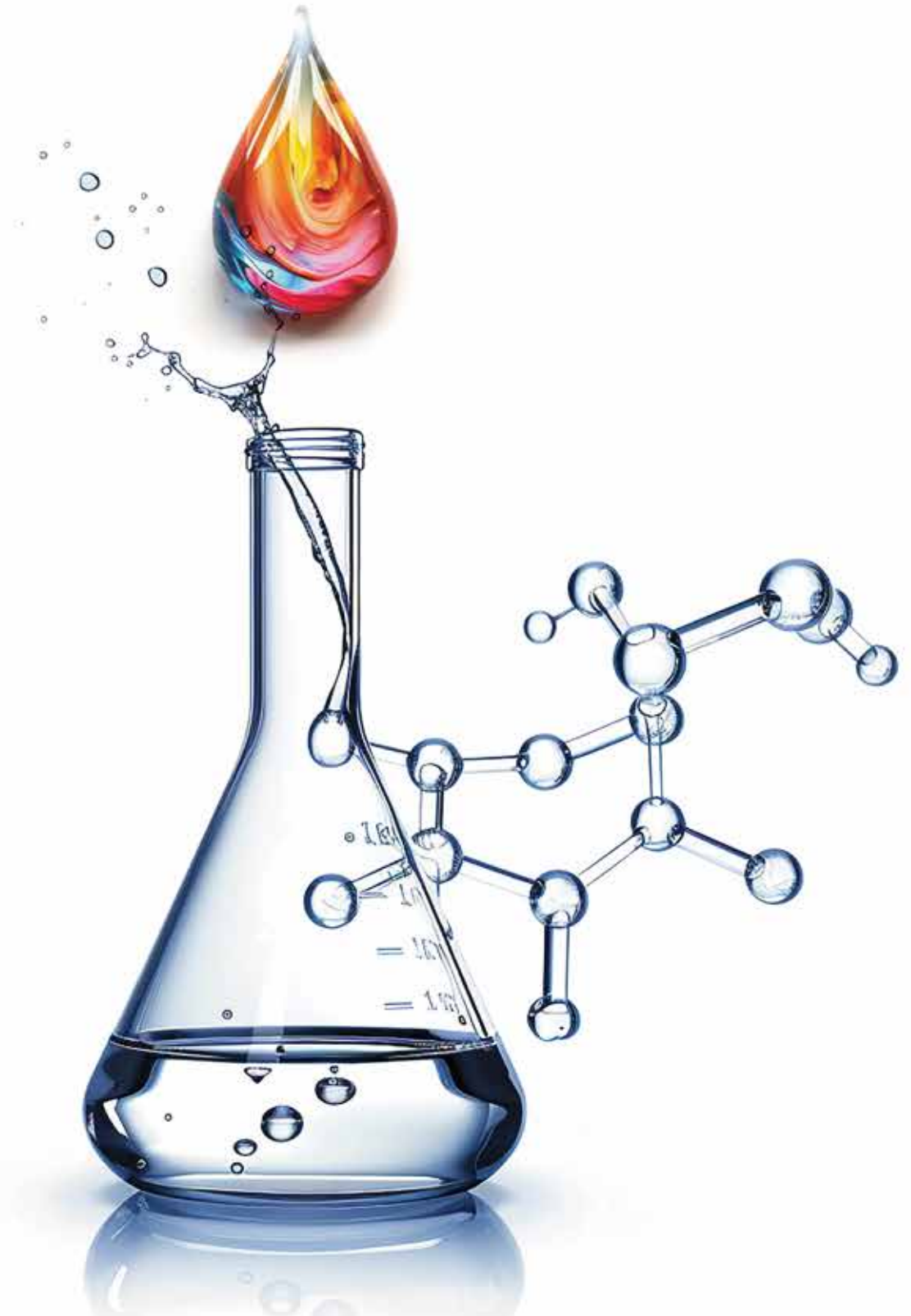
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## **KRONOX LAB SCIENCES LIMITED**

Corporate Office Address : Block No. 284, Village : Dabhasa, Taluka : Padra, Dist. : Vadodara, Gujarat State - 391 440.  
Registered Office Address : Block No. 353, Village : Ekalbara, Taluka : Padra, Dist. : Vadodara, Gujarat State - 391 440.  
Phone No. : +91 2662 244077, 244088  
Email : [info@kronoxlabsciences.com](mailto:info@kronoxlabsciences.com),  
CIN : L24117GJ2008PLC055460  
Webside : [www.kronoxlabsciences.com](http://www.kronoxlabsciences.com)

ANNUAL REPORT 2023-24

# KRONOX

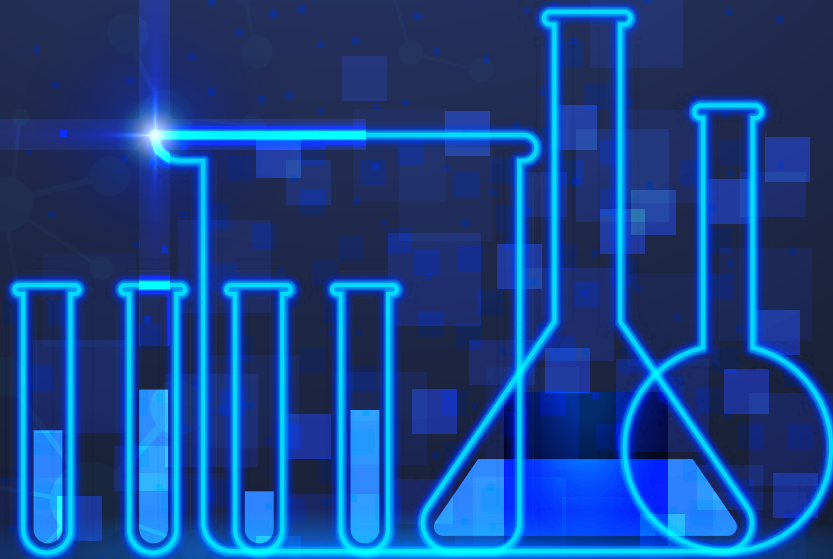


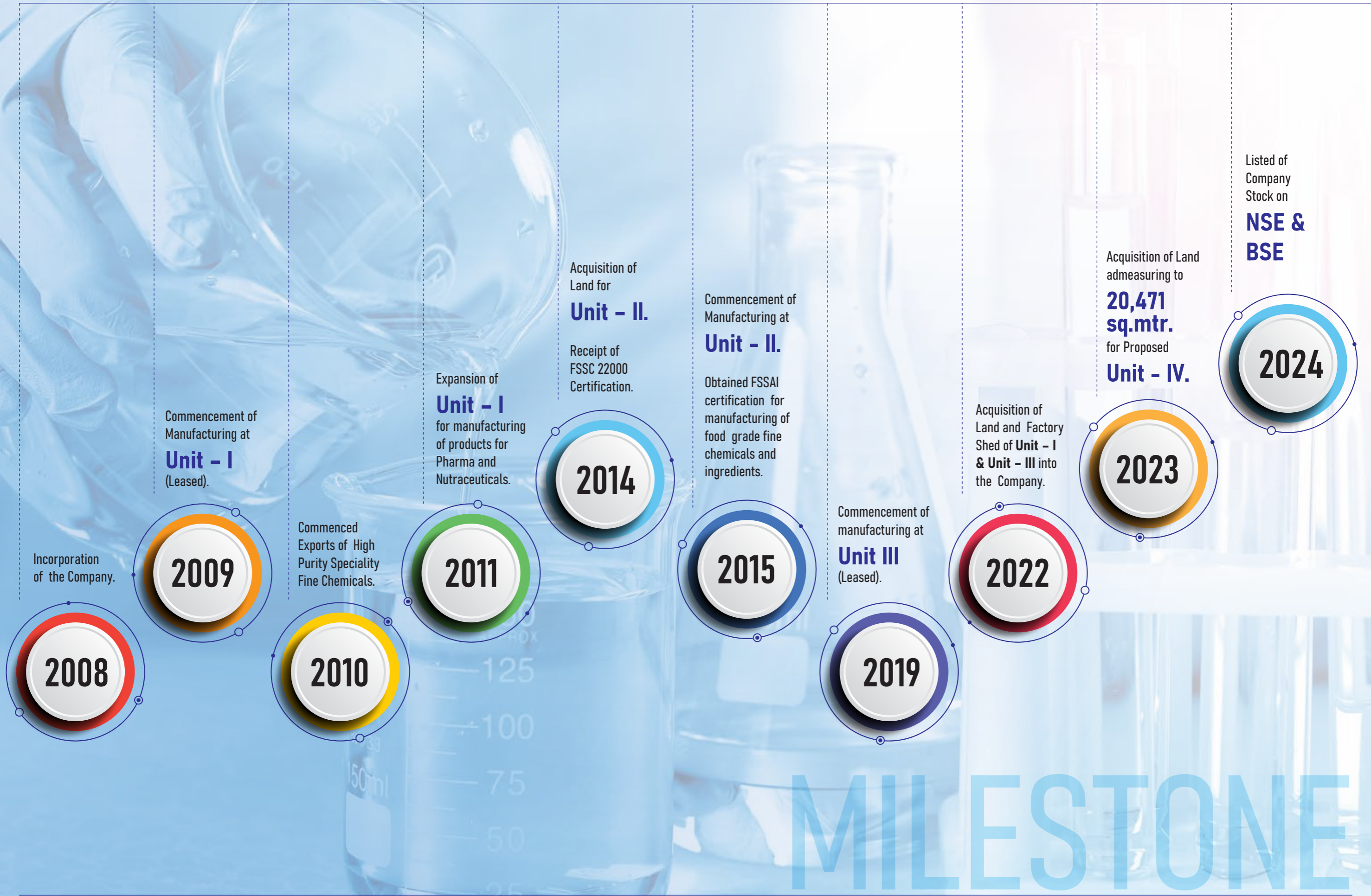
**SUCCESS THROUGH  
INNOVATION & QUALITY**

# KRONOX

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# MILESTONE



# Delivering on Ambitions for a Greater Tomorrow

Kronox is emerging stronger after many challenging years and will remain focused on meeting its financial commitments while sowing the seeds for a greener future.



**Jogindersingh Jaswal**

CHAIRMAN & MANAGING DIRECTOR

## Dear Shareholders,

Our Company floated IPO this year and got itself listed on BSE Ltd. and National Stock Exchange Limited. With the grand success of IPO the Company has allotted shares to more than 31,000 investors and made them partner out our success.

Over the course of 1.5 decades, Kronox Lab Sciences Ltd. (KLSL) has emerged as a leading manufacturer of High Purity Speciality Fine chemicals catering to the needs of a cross section industry requirement.

We have built our product portfolio through world class technological adaptations combined with a steady focus on backward and forward integration to emerge as a best quality manufacturer. We also have long term relations with regards to supply commitments with our customers both in India and abroad.

As we continuously growing in our High Purity Speciality Fine Chemicals Business with the portfolio of about 185 products including Excipients and ingredients, High Purity Reagents, Pharmaceutical, nutraceutical and Food Chemical.

KRONOX Lab Sciences operates a facility that is certified under several rigorous quality management systems, including FSSC 22000, GMP (Good Manufacturing Practices), GLP (Good Laboratory Practices), and ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018. Additionally, where applicable, our products are certified KOSHER and HALAL, ensuring compliance with diverse cultural and religious standards. These certifications underscore our commitment to maintaining the highest levels of quality, safety, and efficacy in our products.

KRONOX Lab Sciences Limited have a capacity to manufacture to meet the demands of various

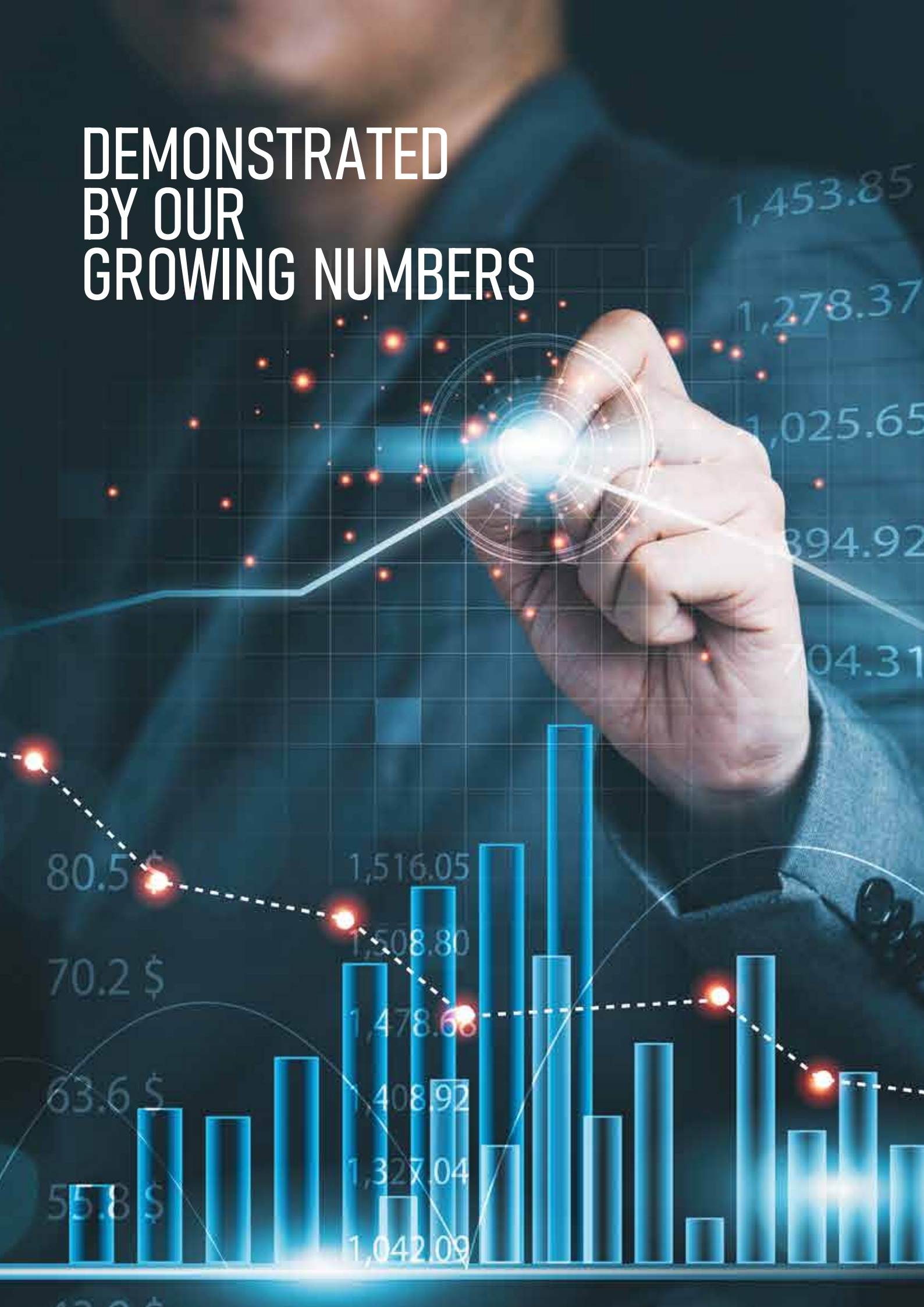
industries and applications worldwide. Our manufacturing facilities are located at Padra taluka of Vadodara district with the best in class global connectivity with different mode of transport like Air, Water and Road.

To expand our Company's Manufacturing Facility we are coming up with new Plant at Dahej, in Bharuch district with area size of 20,471 Sq. mts. which will multiply our manufacturing capacity.

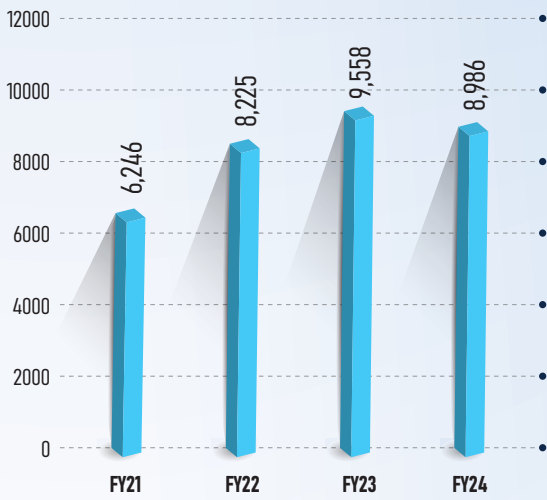
I extend an invitation to learn more about KRONOX Lab Sciences Ltd. Do browse our website. We welcome your comments at [info@kronoxlabsciences.com](mailto:info@kronoxlabsciences.com) and / or [cs@kronoxlabsciences.com](mailto:cs@kronoxlabsciences.com)

**Your faithfully**  
**Jogindersingh Jaswal**  
**Chairman & Managing Director**

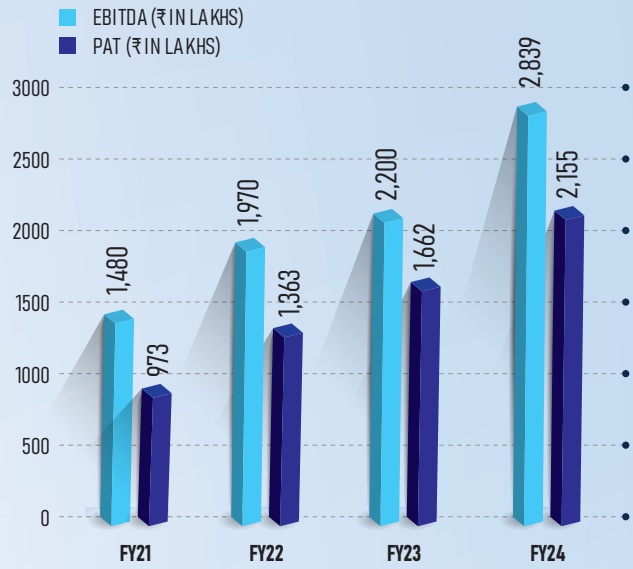
# DEMONSTRATED BY OUR GROWING NUMBERS



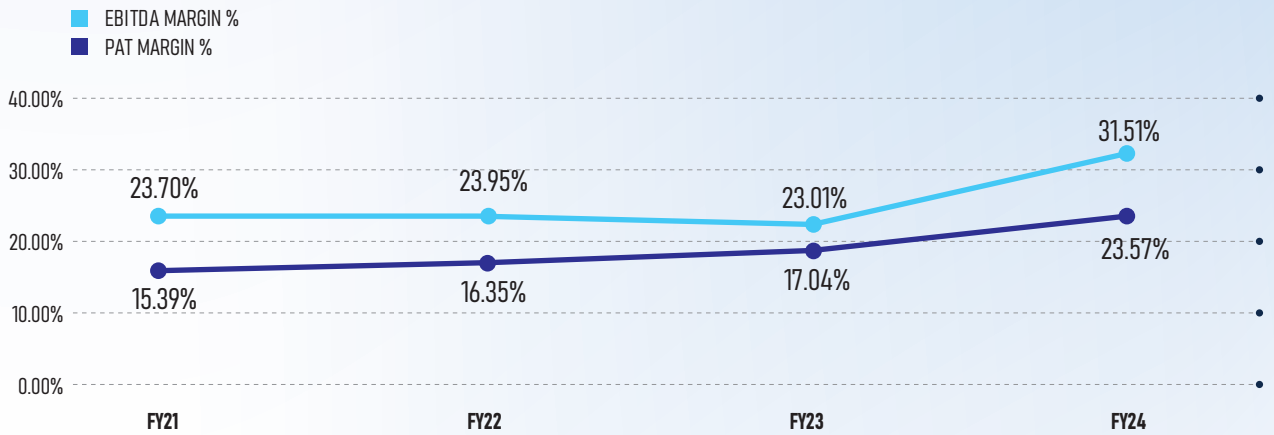
### REVENUE FROM OPERATIONS (₹ IN LAKHS)



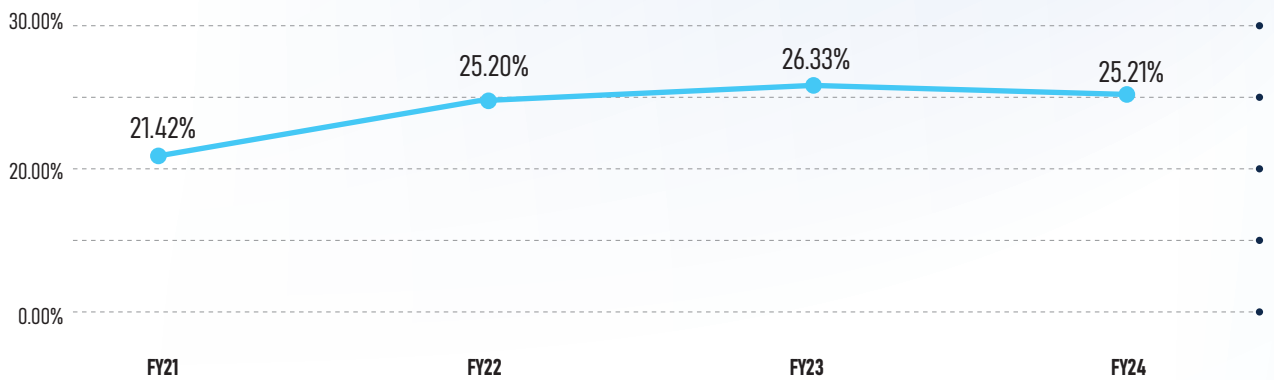
### EBITDA AND PAT (₹ IN LAKHS)



### EBITDA AND PAT MARGIN %

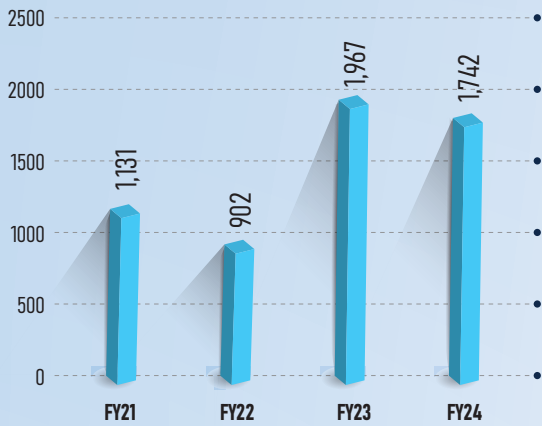


### EXPORTS % OF REVENUE

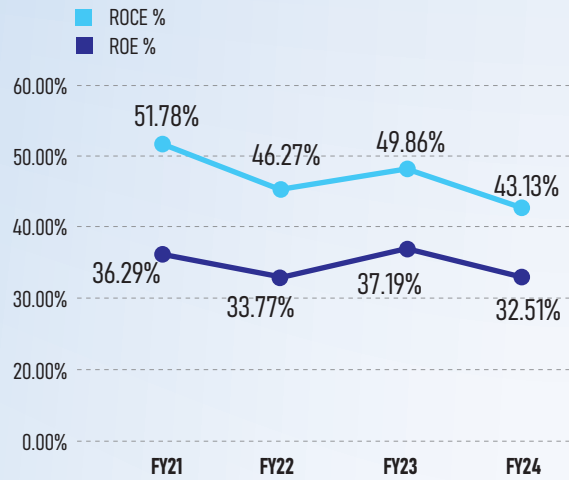




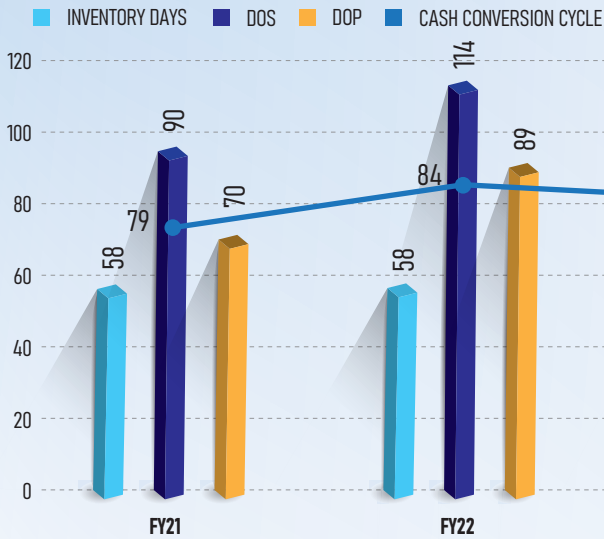
## CASHFLOW FROM OP ACT. (₹ IN LAKHS)



## ROCE % AND ROE%



## CASH CONVERSION CYCLE (DAYS)



## FINANCIAL SNAPSHOT

| METRICS                                       | FY24   | FY23   | FY22   | FY21   |
|---|--------|--------|--------|--------|
| EBITDA MARGIN                                 | 31.51% | 23.01% | 23.95% | 23.70% |
| EBIT MARGIN                                   | 30.08% | 21.45% | 21.48% | 20.54% |
| PAT MARGIN                                    | 23.57% | 17.04% | 16.35% | 15.39% |
| REVENUE CAGR (FY21-24)                        |        |        |        | 12.89% |
| EBITDA CAGR (FY 21-24)                        |        |        |        | 24.24% |
| PAT CAGR (FY 21-24)                           |        |        |        | 30.36% |
| ROCE  | 43.13% | 49.86% | 46.27% | 51.78% |
| ROE   | 32.51% | 37.19% | 33.77% | 36.29% |
| DEBT EQUITY RATIO (X)                         | -      | -      | 0.02   | 0.00   |
| FIXED ASSETS TURNOVER RATIO (X)               | 3.40   | 6.01   | 9.30   | 10.87  |
| CASH CONVERSION CYCLE (NO. OF DAYS)           | 96     | 80     | 84     | 79     |
| CASH FLOW FROM OPERATING ACTIVITIES (₹ LAKHS) | 1742   | 1967   | 902    | 1131   |
| CASH FLOW FROM INVESTING ACTIVITIES (₹ LAKHS) | -1731  | -660   | -760   | -296   |
| CASH FLOW FROM FINANCING ACTIVITIES (₹ LAKHS) | 0      | -1340  | -67    | -709   |
| EXPORTS AS % OF REVENUE                       | 25.21% | 26.33% | 25.20% | 21.42% |



# OUR MANUFACTURING INFRASTRUCTURE AND CAPACITIES

# 3 Strategically Located Manufacturing Facilities

|                      |                    |
|----------------------|--------------------|
| FSSC22000 (Version5) | Unit I*            |
| ISO9001:2015         | Unit I and Unit II |
| ISO14001:2015        | Unit I and Unit II |
| ISO45001:2018        | Unit I and Unit II |
| Kosher               | Unit I             |
| Halal                | Unit I             |
| GMP                  | Unit I             |
| GLP                  | Unit I             |

\*Applied for Renewal

## ENTRY BARRIERS



Significant Investment in time & resources is required to build the manufacturing facility.



Technical skill, expertise and knowledge take time to build.



Building large capabilities across Research, New Product Development and Testing also involves time and resources.

# 7,242 MTPA

Installed Capacity

# 1.88 Lakh Sq.ft

Cummulative Area



## Ports

|                  |             |
|------------------|-------------|
| <b>170 kms -</b> | Hazira Port |
| <b>401 kms -</b> | Kandla Port |
| <b>460 kms -</b> | Mundra Port |
| <b>440 kms -</b> | JNPT Port   |



## Express Way

Delhi Mumbai  
Expressway Approach  
**~10 kms**



## Train Station

Vadodara Rlwy  
Station  
**~21 kms**

# BOARD PROFILE





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## JOGINDERSINGH JASWAL

Chairman & Managing Director

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He is the Promoter and Managing Director of our Company. He has been the director of our Company since incorporation. He has obtained bachelor's degree in science from Panjab University and has worked with Ranbaxy Laboratories Limited and Ranbaxy Fine Chemicals Limited from the year 1994 till 2001. He has over three (3) decades of experience in chemical industry and looks after production, quality control and human resource activities in our Company.



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## KETAN RAMANI

Whole-Time Director

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He is the Promoter and Whole-time Director of our Company. He has been the director of our Company since incorporation. He is a commerce graduate from M. S. University, Baroda and has also completed post graduate certificate course in Industrial Purchasing and Material Management from the Maharaja Sayajirao University of Baroda. He has over three (3) decades of experience in the chemical industry and oversees finance, purchase and administration in our Company.



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## PRITESH RAMANI

Whole-Time Director

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He is the Promoter and Whole-time Director of our Company. He has been the director of our Company since incorporation. He holds bachelor's degree in science from South Gujarat University and has over two (2) decades of experience in the chemical industry. He looks after relationship management, sales and marketing functions of our Company.

**Independent  
Director****SATISH KUMAR**

He has been appointed as Independent Director of our Company w.e.f. August 23, 2022. He holds a bachelor's degree in science from Panjab University. He has also worked with Hindustan Unilever Limited, Ranbaxy Laboratories Limited and Kanta Electricals India Limited.

**Independent  
Director****KRUTIKA NEGANDHI**

He has been appointed as Independent Director of our Company w.e.f. August 23, 2022. She is a member of the Institute of Chartered Accountants of India. She also holds a bachelor's and master's degree in commerce from the Maharaja Sayajirao University of Baroda. She is a practicing Chartered Accountant and has a work experience of over five (5) years and have expertise in the field of accounting, auditing and tax advisory.

**Independent  
Director****PARTH SHAH**

He has been appointed as Independent Director of our Company w.e.f. August 23, 2022. He holds a bachelor's degree in commerce and bachelor's degree in law (Special) from the Maharaja Sayajirao University of Baroda. He also holds post graduate diploma in taxation laws and practice from the Maharaja Sayajirao University of Baroda. Presently, he is a practicing advocate and has an experience of over a decade in the field of tax consulting and law.



# 15TH NOTICE OF AGM



**NOTICE** is hereby given that the 15th Annual General Meeting ('AGM') of the Members of KRONOX LAB SCIENCES LIMITED will be held on **Friday, 30 th August, 2024 at 11:00 A.M.** through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM") to transact the following businesses:

**ORDINARY BUSINESS**

- 1 To receive, consider and adopt the Audited Standalone Financial Statement of the Company for the financial year ended March 31, 2024, together with the reports of the Board of Directors' and the Auditors' thereon.
2. To declare a final dividend of Rs. 0.50/- per equity share for the financial year 2023-24.
3. To appoint a Director in place of Mr. Pritesh Ramani (DIN: 02392939), who retires by rotation, and being eligible, offers himself for re-appointment.
4. To Re-appoint Statutory Auditors and Fix their remuneration.

To consider and if thought fit to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 139,141,142 and other applicable provisions if any, of the Companies Act, 2013 ('the Act') read with Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or re-enactments(s) thereof for the time being in force ] and pursuant to the recommendations of Audit Committee and Board of Directors of the Company, M/s. Mahesh Udhvani and Associates, Chartered Accountants (firm Registration No. 129738W ) be and are hereby re-appointed as Statutory

Auditors of the Company for the period of five years, to hold office from the Conclusion of 15th Annual General Meeting (AGM) till the conclusion of the 20th Annual General Meeting of the Company on such remuneration as my be determined by the Board of Directors based on the recommendation of Audit Committee."

By the order of the Board of Directors  
**KRONOX LAB SCIENCES LIMITED**

Date : 06th August, 2024

Place : Vadodara

**Nikhil Goswami**

Company Secretary

**Registered Office:**

Block no. 353, Vill.: Ekalbara

Tal.: Padra, Dist. Vadodara

Gujarat 391440

**Notes:**

1. The Ministry of Corporate Affairs (MCA) with reference to Circular Nos. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020, Circular no. 09/2023 dtd. September 25, and all other relevant circulars issued from time to time (hereinafter collectively referred to as "Circulars") has allowed companies whose AGMs are due in the year 2024, to conduct their AGMs on or before 30.09.2024. Hence, in compliance with these Circulars, the Annual General Meeting of the Company (hereinafter referred as "AGM") will be conducted through Video Conferencing (VC)/Other Audio-Visual Mode (OAVM). The deemed venue for the 15th AGM shall be the Registered Office of the Company.

2. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 which sets out details relating to special business to be transacted at the AGM is annexed hereto.
3. Details as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and in terms of Secretarial Standard - 2 in respect of the Directors seeking re-appointment at the 15th AGM are annexed here to as Annexure-A to the Notice which forms part of the Explanatory Statement. The Company has received relevant disclosure/consent from the Directors seeking re-appointment.
4. The Notice of the 15th AGM and the Annual Report for the year 2023-24 including therein the Audited Financial Statements for the year 2023-24, will be available on the website of the Company at [www.kronoxlabsciences.com](http://www.kronoxlabsciences.com) and the website of stock exchanges at BSE Limited [www.bseindia.com](http://www.bseindia.com) and National Stock Exchanges of India Ltd. at [www.nseindia.com](http://www.nseindia.com).
5. The Annual Report along with Notice of AGM will be sent to the members, whose names appear in the Register of Members/depositories as at close of business hours on 02nd August, 2024 electronically.
6. Pursuant to Section 91 of the Act and Regulation 42 of the Listing Regulations, the Register of Members and the Share Transfer books of the Company will remain closed from **Saturday, 24th August, 2024, to Friday, 30th August, 2024**, (both days inclusive) for the purpose of 15TH AGM of the Company.
7. **Cut-off Date:** The Company has fixed **Friday, 23rd August, 2024**, as the **Cut-off Date** for remote e-voting. The remote e-voting/ voting rights of the shareholders/beneficial owners shall be reckoned with on the equity shares held by them as at close of business hours on the Cut-off Date i.e. **Friday, 23rd August, 2024**, only. A person who is not a Member as on the Cut-off Date should treat this Notice for information purposes only.
8. The voting rights of the Members shall be in proportion to the paid-up value of their shares in the equity capital of the Company as on the Cutoff Date, being **Friday, 23rd August, 2024**.
9. The Company has designated Mr. Nikhil Goswami, Company Secretary and Compliance Officer, to address the grievances connected with the voting by electronic means. The Members can reach Company official at +91-2662-244077 or [cs@kronoxlabsciences.com](mailto:cs@kronoxlabsciences.com).
10. The Board of Directors has appointed Mr. Devesh A Pathak, Proprietor, M/s. Devesh Pathak & Associates, Company Secretaries, Vadodara, as Scrutinizer to scrutinize the remote e-voting process and voting through electronic voting system at the AGM in a fair and transparent manner.
11. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM as being conducted through VC. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM

through VC/ OAVM and participate there at and cast their votes through e-voting.

12. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by the procedure mentioned in the Notice hereafter. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding) Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
13. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
14. Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 is annexed hereto and forming part of this notice.
15. Since the AGM will be held through VC / OAVM, the Route Map is not annexed to this Notice.
16. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), aCirculars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Kfin Technologies Limited (KFin) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as at venue voting on the date of the AGM will be provided by KFin.
17. In view of above MCA Circulars, SEBI vide its circular dated 7th October, 2023 also relaxed from the requirement of sending hard copy of annual report to shareholders who have not registered their email address. In compliance of the same the Company has sent notice of AGM only through electronic mode only to those shareholders whose e-mail addresses are registered with Company or its RTA. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020 and all other relevant circulars issued from time to time, the Notice calling the AGM has been uploaded on the website of the C o m p a n y a t [www.kronoxlabsciences.com](http://www.kronoxlabsciences.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively.
18. The Register of Members and transfer book of the Company will remain closed from Saturday, the 13th July,2024 to Friday, the 19th July, 2024 (both days inclusive) for the purpose of AGM. The record and cut-off Date for the purposes shall be 12th July, 2024.

19. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before 23 August, 2024 through email on cs@kronoxlabsciences.com. The same will be replied by the Company suitably. All the documents, if any, referred to in this notice and explanatory statement are available for inspection of the members at the Registered Office of the Company on any working day except Saturday, between 10:00 a.m. to 1:00 p.m. up to the conclusion of this meeting.

20. SEBI, vide circular no. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated 16.03.2023 (now rescinded due to issuance of Master Circular for Registrars to an Issue and Share Transfer Agents dated 17.05.2023) had simplified norms for processing investor's service request by RTAs and for furnishing PAN, KYC details and Nomination

Based on representations received from the Registrars' Association of India, feedback from investors, and to mitigate unintended challenges on account of freezing of folios and referring frozen folios to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002, para 19.2 of the Master Circular for Registrars to an Issue and Share Transfer Agents dated 17.05.2023 has been amended by SEBI as follows. 1. Reference to the term 'freezing/ frozen' has been deleted.

2. Referral of folios by the RTA/listed company to the administering authority under the Benami Transactions

(Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002, has been done away with.

**Henceforth, folio without PAN, KYC details and nomination**

1. Will not be frozen
2. Will not be referred to administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/ or Prevention of Money Laundering Act, 2002.

However, in Folios without PAN, KYC details and Nomination i.e wherein any one of the cited document/details are not available.

1. The share holder(s) of such folio(s) shall be eligible to lodge grievance or avail any service request from the RTA on or after 01.01.2024 only upon completely complying with the requirements of furnishing PAN, KYC details and Nomination
2. SEBI, vide its circular dated November 03, 2021 (subsequently amended by circulars dated December 14, 2021, March 16, 2023, November 17, 2023 and June 10, 2024) mandated that the security holders (holding securities in physical form), whose folios do not have PAN or Contact Details (Postal Address with PIN) or Mobile Number or Bank Account Details or Specimen Signature updated, shall be eligible for any payment including dividend, interest or redemption in respect of such folios, only through electronic mode with effect from April 01, 2024 16.
21. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on cut-off date i.e. 23rd August, 2024 only shall be entitled to

avail the facility of remote e-voting or voting at the Meeting.

22. During the AGM, the scanned copy of register of Directors, Key Managerial Personnel and their shareholding and the register of Contract maintained under the Companies Act, 2013 will be available for inspection by the members on the website of the Company.

23. Shareholders holding shares in Electronic Form may note that their bank account details as furnished by their depositories to the Company will be used by the Company for payment of Dividend. Members who are holding shares in electronic mode are requested to make sure, that they have updated details of Bank Account Number, Name of Bank, Branch address, MICR Code, IFSC Code with their respective depository participant. The Company will not entertain any direct request from such shareholders for deletion of / change in such bank details. Shareholders who wish to change such bank account details are,

therefore, requested to advise their

Depository Participants about such change, with complete details of bank account.

24. In accordance with the provisions of the Income Tax Act, 1961 as amended by and read with the provisions of the Finance Act, 2020, with effect from 1st April, 2020, dividend declared and paid by the Company is taxable in the hands of its members and the Company is required to deduct tax at source (TDS) from dividend paid to the members at the applicable rates. A separate e-mail will be sent at the registered e-mail ID of the members describing about the detailed process to submit the documents/declarations along with the formats in respect of deduction of tax at source on the dividend payout. Sufficient time will be provided for submitting the documents/declarations by the members who are desiring to claim beneficial tax treatment. The intimation will also be uploaded on the website along with BSE & NSE of the Company.

## Annexure to Notice : Annexure A

|   |  |
|---|--|
| Name of Director  | <b>Mr. Pritesh Ramani</b>                                |
| Date of Birth   | <b>20th May, 1975</b>                                    |
| DIN   | <b>02392939</b>  |
| Date of Appointment   | <b>18/11/2008</b>  |
| Experience  | <b>25 Years</b>  |
| Expertise in specific functional areas  | <b>Marketing of High Purity Fine Chemicals</b>           |
| Qualification   | <b>B.Sc</b>  |
| Shareholding in the Company   | <b>21.40 % approx.</b>                                   |
| Directorship held in other public companies   | <b>NIL</b>   |
| Membership / Chairmanship of Committees of other public companies (includes only Audit Committee and Stakeholders Relationship Committee) | <b>NIL</b>   |
| Disclosure of Relationships between Director inter-se   | <b>Mr. Pritesh Ramani is brother of Mr. Ketan Ramani</b> |

**Explanatory statement under Section 102 of the Companies Act, 2013**

**Item No. 4**

**TO APPOINT STATUTORY AUDITORS OF THE COMPANY AND FIX THEIR REMUNERATION**

The Board of Directors, on the recommendation of the Audit Committee recommends the appointment of M/s. Mahesh Udhvani & Associates, Chartered Accountants (Firm Regn. No. 129738W) as the Statutory Auditors of the Company for a Second term of five consecutive years from the conclusion of 15th AGM till the conclusion of the 20th AGM, subject to the approval of the Members.

In addition to the audit services, the Company would also obtain certifications from the statutory auditors under various statutory regulations and certifications required by banks, statutory authorities, etc. and other permissible non-audit services as required from time to time, for which they will be remunerated separately on such terms as may be recommended by the Audit Committee and approved by the Board of Directors. The remuneration for the subsequent year(s) of their term shall be determined based on the recommendation of the Audit Committee and as approved by the Board of Directors of the Company.

They have given their consent to act as the Auditors of the Company and have confirmed that their appointment, if made, will be in accordance with the conditions prescribed under Sections 139 and 141 of the Companies Act, 2013 and that they are not disqualified to be appointed as statutory auditor in terms of the provisions of the Companies Act or the Chartered Accountants Act, 1949 and the rules

or regulations made thereunder. As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR'), M/s. Mahesh Udhvani & Associates., have confirmed that they hold a valid certificate issued by the Peer Review Board of ICAI.

Accordingly, the Board recommends resolution as set out in item no. 4 of the accompanying notice in respect of appointment of M/s. Mahesh Udhvani & Associates, a Peer-Reviewed Firm for your approval by way of an Ordinary Resolution.

None of the Directors/Key Managerial Personnel or their relatives shall be deemed to be concerned or interested financially or otherwise in the resolution.

By the order of the Board of Directors  
**KRONOX LAB SCIENCES LIMITED**

**Date : 06th August, 2024**

**Place : Vadodara**

**Nikhil Goswami**

**Company Secretary**

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# Instructions for Remote E-Voting

The Company has availed the services of KFin Technologies Limited (“KFin”) for conducting the AGM through VC/OAVM and enabling participation of shareholders at the meeting thereto and for providing services of remote e-voting and e-voting during the AGM (Insta Poll).

- a) Any person, whose name is recorded in the Register of Members or in the Register of beneficial owners (in case of electronic shareholding) maintained by the depositories as on the August 23rd 2024 only shall be entitled to avail the facility of remote e-voting. The remote e-voting period commences on August 27th 2024 at 9:00 a.m. IST and ends on August 29th 2024 at 5:00 p.m. IST. The remote e-voting module shall be disabled by Kfin for voting thereafter. Once the vote on a resolution is cast by the shareholder, he/she/it shall not be allowed to change it subsequently.
- b) The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date.
- c) Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and

Regulation 44 of the SEBI Listing Regulations (as amended), and MCA Circulars, the Company is providing facility of remote e-voting to its shareholders in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Kfin for facilitating voting through electronic means, as the authorized e-voting agency. The facility of casting votes by a shareholder using remote e-voting as well as the e-voting system on the date of the AGM will be provided by Kfin.

- d) In order to increase the efficiency of the voting process, and pursuant to the **SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242** dated 9th December 2020, the demat account holders, are provided a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders will now be able to cast their vote without having to register again with the E-voting Service Providers (“ESPs”), thereby facilitating seamless authentication and convenience of participating in e-voting process.

## THE PROCEDURE FOR REMOTE E-VOTING IS AS UNDER:

### A. The detailed process and manner for remote e-voting for individual shareholders holding securities in Demat mode are explained herein below:

|  |  |
|--|--|
| Individual Shareholders holding securities in Demat mode with CDSL | <ol style="list-style-type: none"><li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The users to login to Easi / Easiest are requested to visit cdsi website <a href="http://www.cdslindia.com">http://www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab.</li><li>2) After successful login the Easi / Easiest user will be able to see the e-voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-voting page of the e-voting service provider for casting their vote during the remote e-voting period or joining virtual meeting and voting during the meeting. Additionally, there is also links provided to access the system of all ESPs, so that the user can visit the ESPs' website directly.</li><li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li><li>4) Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from an e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and also able to directly access the system of all ESPs.</li></ol> |
| Individual Shareholders holding securities in Demat mode with NSDL | <ol style="list-style-type: none"><li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web</li></ol>  |



browser by typing the following URL: <https://eservices.nSDL.com> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on “Access to e-Voting” under e-voting services and you will be able to see e-voting page. Click on company name or e-voting service provider name and you will be re-directed to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting.

- 2) If the user is not registered for IDeAS e-Services, option to register is available at <https://eservices.nSDL.com>. Select “Register Online for IDeAS“ portal or click at <https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp>.
  
- 3) Visit the e-voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nSDL.com/> either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. 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. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting.



Individual Shareholders (holding securities in demat mode) login through their Depository Participants

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. After successful login, 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. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting.

**Important note :** Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

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

| LOGIN TYPE   | HELPDESK DETAILS   |
|--|--|
| Individual Shareholders holding securities in Demat mode with CDSL | Shareholders facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.     |
| Individual Shareholders holding securities in Demat mode with NSDL | Shareholders facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 022-4886 7000 and 022-2499 7000. |

**B. Login method for e-voting and joining virtual meetings for shareholders holding shares in physical mode and non- individual shareholders holding shares in demat form:**

**i. Shareholders should log on to the e-voting website:**

**<https://evoting.kfintech.com>.**

**• Enter the login credentials i.e., user id and password mentioned below:**

**For Members holding shares in Demat Form :-**

**a)** For NSDL: 8 Character DP ID followed by 8 Digits Client ID

**b)** For CDSL: 16 digits beneficiary ID

• For Members holding shares in Physical Form:

• Event no. i.e. 8248 followed by Folio Number registered with the Company.

• Password: If you are already registered for e-Voting, then you can use your existing password to login and cast your vote. If you are using Kfin's e-Voting system for the first time, you will need to retrieve the 'initial password' communicated to you by e-mail. Shareholders who have not registered their email addresses can follow the steps provided at serial no xiii below to obtain the User ID and password.

• Captcha: Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

**ii.** After entering the details appropriately, click on LOGIN.

**iii.** In case you are retrieving and using your 'initial password', you need to enter the 'initial password' and the system will force you to change your password. Once you reach the Password change menu you will be 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. The system will prompt you to change your password and update any contact details like mobile, e-mail etc. on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

You need to login again with the new credentials.

**iv.** On successful login, the system will prompt you to select the EVENT i.e., joint meeting.

**v.** On the voting page, the number of shares as held by the shareholder as on the Cut-off Date will appear. If you desire to cast all the votes assenting/ dissenting to the Resolution, then enter all shares and click "FOR"/" AGAINST" as the case may be. You are not required to cast all your votes in the same manner. You may partially enter any number in "FOR" and

partially in “AGAINST” but the total number in “FOR / AGAINST” taken together should not exceed your total shareholding as mentioned hereinabove. You may also choose the option “ABSTAIN” in case you wish to abstain from voting. If you do not indicate either “FOR” or “AGAINST” it will be treated as “ABSTAIN” and the shares held will not be counted under either head.

- vi.** Shareholders holding multiple folios / demat account shall choose the voting process separately for each folios / demat account.
- vii.** Cast your vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm else CANCEL to modify. Once you confirm, you will not be allowed to modify your vote.
- viii.** During the voting period, shareholders can login any number of times till they have voted on the resolution.
- ix.** Once you have cast your vote on a resolution you will not be allowed to modify it subsequently.
- x.** The voting rights of Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the cutoff date i.e., August 23rd 2024.
- xi.** Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e., August 2nd 2024 may obtain the User ID and password in

the manner as mentioned below:

If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may:

**a) Send SMS: MYEPWD <space>**

E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399

**Example for NSDL:**

MYEPWD <SPACE> IN12345612345678

**Example for CDSL :**

MYEPWD <SPACE> 1402345612345678

**Example for Physical:**

MYEPWD <SPACE> XXXX1234567890

- b)** On the home page of <https://evoting.kfintech.com>, click “Forgot Password” and enter Folio No. or DP ID Client ID and PAN to generate a password.
- xii.** In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of <https://evoting.kfintech.com> or contact KFin Technologies Ltd. at 1800 309 4001 (toll free). It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.

**B. Voting at e-AGM**

- i.** Only those members/shareholders, who will be present in the e-AGM and who have not cast their vote through remote e-voting and are otherwise not barred from doing so are eligible to vote.
- ii.** Members who have voted through remote e-voting will still be eligible to attend the e-AGM.
- iii.** Members attending the e-AGM shall be counted for the purpose of reckoning the quorum under section 103 of the Act.
- iv.** Voting at e-AGM will be available at the end of the e-AGM and shall be kept open for 15 minutes. Members viewing the e-AGM, shall click on the 'e-voting' sign placed on the left-hand bottom corner of the video screen. Members will be required to use the credentials, to login on the e-Meeting webpage, and click on the 'Thumbs-up' icon against the unit to vote.

**C. Instructions for members for attending the e-AGM**

- i.** Members will be able to attend the e-AGM through VC/OAVM or view the live webcast of e-AGM provided by KFin at <https://emeetings.kfintech.com> by using their remote e-voting login credentials and by clicking on the tab "video conference". The link for e-AGM will be available in members login, where the EVENT and the name of the Company can be selected.
- ii.** Members are encouraged to join the meeting through devices (Laptops, Desktops, Mobile devices) with Google Chrome for seamless experience.
- iii.** Further, members registered as speakers will be required to allow camera during e-AGM and hence are requested to use internet with a good speed to avoid any disturbance during the meeting.
- iv.** Members may join the meeting using headphones for better sound clarity.
- v.** While all efforts would be made to make the meeting smooth, participants connecting through mobile devices, tablets, laptops, etc. may at times experience audio/video loss due to fluctuation in their respective networks. Use of a stable Wi-Fi or LAN connection can mitigate some of the technical glitches.
- vi.** Members, who would like to express their views or ask questions during the e-AGM will have to register themselves as a speaker by visiting the URL <https://emeetings.kfintech.com/> and clicking on the tab 'Speaker Registration' during the period starting from August 27th 2024 (9:00 a.m.) upto August 29th 2024 (5:00 p.m.). Only those members who have registered themselves as a speaker will be allowed to express their views/ask questions during the e-AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the e-AGM. Only questions of the members holding shares as on the cut-off date will be considered.

- vii.** A video guide assisting the members attending e-AGM either as a speaker or participant is available for quick reference at URL <https://emeetings.kfintech.com/> , under the “How It Works” tab placed on top of the page.

Members who need technical assistance before or during the e-AGM can contact KFin at [emeetings@kfintech.com](mailto:emeetings@kfintech.com) or Helpline: 1800 309 4001.

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## **Additional Notes for Notices and Annual Report**

### **Payment of Dividend through electronic mode only for Physical Folios:**

SEBI, vide its circular dated November 03, 2021 (subsequently amended by circulars dated December 14, 2021, March 16, 2023 and November 17, 2023) mandated that the security holders (holding securities in physical form), whose folio(s) are not updated with the KYC details (any of the details viz., PAN; Choice of Nomination; Contact Details; Mobile Number and Bank Account Details and signature, if any) shall be eligible for any payment including dividend, interest or redemption in respect of such folios, **only through electronic mode with effect from April 01, 2024.**

You may also refer to SEBI FAQs by accessing the link :

[https://www.sebi.gov.in/sebi\\_data/faqfiles/jan-2024/1704433843359.pdf](https://www.sebi.gov.in/sebi_data/faqfiles/jan-2024/1704433843359.pdf) (FAQ No 38 & 39)

For the purpose of updation of KYC details against your folio, you are requested to send the details to our RTA, M/s. KFin Technologies Limited (Unit: KRONOX LAB SCIENCES LIMITED), Selenium Tower-B", Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032, Telangana

- a.** Through hard copies which should be self-attested and dated. OR
- b.** Through electronic mode, provided that they are sent through E-mail id of the holder registered with RTA and all documents should be electronically/digitally signed by the

Shareholder and in case of joint holders, by first joint holder. OR

- c. Through web-portal of our RTA KFin Technologies Limited - <https://ris.kfintech.com>

Investors can download the following forms & SEBI Circulars, which are also uploaded on the website of the company and on the website of Kfin Technologies Limited ; <https://ris.kfintech.com/clientservices/isc/isrforms.aspx>

- a. Form ISR-1 duly filled in along with self attested supporting documents for updation of KYC details
- b. Form ISR-2 duly filled in for banker attestation of signature along with Original cancelled cheque with your name(s) printed thereon or self-attested copy of bank passbook/statement
- c. Form SH-13 for updation of Nomination for the aforesaid folio OR ISR-3 for “Opt-out of the Nomination

**Application(s) by our RTA KFINTECH**

Members are requested to note that as an ongoing endeavor to enhance shareholders experience and leverage new technology, Kfintech has developed following applications for shareholders:

**Investor Support Centre :**

Members are hereby notified that our RTA , KFin Technologies Limited (Formerly known as KFin Technologies Private Limited), based on the

SEBI Circular (SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/72 ) dated Jun 08, 2023, have created an online application which can be accessed at <https://ris.kfintech.com/default.aspx#> > Investor Services > Investor Support.

Members are required to register / signup, using the Name, PAN , Mobile and email ID. Post registration, user can login via OTP and execute activities like, raising Service Request , Query , Complaints , check for status, KYC details, Dividend , Interest , Redemptions, eMeeting and eVoting Details.

Quick link to access the signup page: <https://kprism.kfintech.com/signup>

Summary of the features and benefits are as follows:

1. The provision for the shareholders to register online.
2. OTP based login (PAN and Registered mobile number combination)
3. Raise service requests, general query, and complaints.
4. Track the status of the request.
5. View KYC status for the folios mapped with the specific PAN.
6. Quick links for SCORES, ODR, e-Meetings and eVoting.
7. Branch Locator
8. FAQ's

### **Senior Citizens Investor Cell :**

As part of our RTA's initiative to enhance the investor experience for Senior Citizens, a dedicated cell has been newly formed to assist exclusively the Senior Citizens in redressing their grievances, complaints, and queries. The Senior Citizens wishing to avail this service can send the communication with the below details to the email id, senior.citizen@kfintech.com .

Senior Citizens (above 60 years of age) have to provide the following details:

- 1.** ID proof showing Date of Birth
- 2.** Folio Number
- 3.** Company Name
- 4.** Nature of Grievance

The cell closely monitors the complaints coming from Senior Citizens through this channel and assists them at every stage of processing till closure of the grievance.

### **Online PV :**

In today's ever-changing dynamic digital landscape, security, foolproof systems and efficiency in identity verification are paramount. We understand the need to protect the interests of you (shareholders) and also comply with KYC standards. Ensuring security and KYC compliance is paramount of importance in today's remote world. Digital identity verification, using biometrics and digital ID document checks, helps combat fraud, even when individuals aren't physically present. To counteract common spoofing attempts, we

engage in capturing liveness detection and facial comparison technology.

We are excited to announce that our RTA has introduced an Online Personal Verification (OPV) process, based on liveness detection and document verification.

### **Key Benefits :**

- o A fully digital process, only requiring internet access and a device.
- o Effectively reduces fraud for remote and unknown applicants.
- o Supports KYC requirements.

### **Here's How it Works:**

- I. Users receive a link via email and SMS.
- II. Users record a video, take a selfie, and capture an image with their PAN card.
- III. Facial comparison ensures the user's identity matches their verified ID (PAN).

### **WhatsApp:**

Shareholders can use WhatsApp Number: (91) 910 009 4099 to avail bouquet of services.





# BOARD'S REPORT

# BOARD'S REPORT

To

The Members,

Kronox Lab Sciences Limited,

CIN: L24117GJ2008PLC055460

Your Directors have pleasure to present the **15th Annual Report** together with the Audited Financial Statements and Auditors' report thereon for the year ended March 31, 2024.

## 1. STATE OF COMPANY'S AFFAIRS

### (i) FINANCIAL SUMMARY/HIGHLIGHTS:

The operating results of your Company for the

However, it is heartening to note that the Company has earned **net profit of Rs. 2135.13 Lakhs** during the year under review as against **Rs. 1640.32 Lakhs** during the previous Year, which shows rise of about 30%.

### (ii) LISTING OF EQUITY SHARES OF THE COMPANY

The Company made Initial Public Offer of upto 95,70,000 Equity Shares at a price of Rs. 136 per Equity Share including a premium of Rs. 126 per share by way of Offer for Sale by its promoter selling shareholders viz. Mr. Jogindersingh Gianchand Jaswal, Mr. Ketan Ramani and Mr. Pritesh Vinodchandra Ramani as detailed in its Red Herring Prospectus dated 28th May, 2024 read with its prospectus dated 6th June, 2024. The offer for Anchor Investor opened on 31st

(Rs. in Lakhs )

| Particulars  | 2023-24        | 2022-23        |
|--|----------------|----------------|
| Revenue from Operations                            | 8986.24        | 9557.79        |
| Other Income                                       | 157.79         | 192.02         |
| <b>Total Income</b>                                | <b>9144.03</b> | <b>9749.81</b> |
| <b>Profit before Depreciation &amp; Tax (PBDT)</b> | <b>2989.69</b> | <b>2353.77</b> |
| (Less) Depreciation & amortisation expenses        | (128.88)       | (149.66)       |
| <b>Profit/(loss) for the year</b>                  | <b>2860.81</b> | <b>2204.11</b> |
| <b>Add/(Less)</b>                                  |                |                |
| <b>Tax Expenses:-</b>                              |                |                |
| Current Tax  | (734.88)       | (572.22)       |
| Deferred Tax                                       | 9.20           | 8.43           |
| <b>Net Profit/(Loss) for the year</b>              | <b>2135.13</b> | <b>1640.32</b> |

**Financial Year ended on March 31, 2024 are as follows:**

Total Income of the Company was Rs. 9144.03 lakhs during the financial year under review against Rs. 9749.81 during the previous year.

May, 2024 and for public on 3rd June, 2024. The offer closed on 5th June, 2024. Basis of allotment was finalized on 6th June, 2024. **Accordingly, 3,71,04,000 Equity Shares of Rs. 10/- each aggregating to Rs. 371040000 were listed on BSE Ltd vide their letter no.**

LO/IPO/PG/TP/S8/2024-25 dated 7th June, 2024 **and on National Stock Exchange of India Ltd. (NSE)** vide their letter no. NSE/LIST/3474 dated 7th June, 2024 **effective from June 10, 2024** with 2,75,34,000 Equity Shares (74.21%) held by promoters and 95,70,000 Equity Shares (25.79%) held by Public.

## **2. DIVIDEND:**

Your Directors have pleasure to recommend a dividend @ 5% i.e. Rs. 0.5/- on equity share of Rs. 10/- each for the financial year ended March 31, 2024. The dividend, if approved by the members in the ensuing Annual General Meeting, would absorb Rs. 185.52 Lakhs out of the distributable profits available.

Dividend Distribution Policy of the Company is available at Company's website at <https://www.kronoxlabsciences.com/investors/corporate-policies/>

## **3. CHANGE IN NATURE OF BUSINESS**

During the year, there was no change in the nature of Company's business.

## **4. ANNUAL RETURN:**

The Annual Return for the Financial Year 2023-24 in prescribed Form No. MGT-7, as required under Section 92(1) of the Companies Act, 2013 ('the Act') read with Rule 11 of the Companies (Management and Administration) Rules, 2014 is placed on the Company's website. <https://www.kronoxlabsciences.com/investors/>

## **5. TRANSFER TO RESERVES:**

The Company is not required to transfer any amount to its Reserves. Hence no amount is transferred to Reserves.

## **6. DETAILS OF SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES:**

Neither the Company has any subsidiary, joint venture or associate company nor any company has become or ceased to be subsidiary, joint venture or associate company during the year under review.

## **7. CHANGE IN DIRECTORS AND KEY MANAGERIAL PERSONNEL**

During the year under review, there was no change in the constitution of the Board. However, Mr. Ketan Vinodchandra Ramani (DIN: 01510833) was reappointed as a Retiring Director at the last Annual General Meeting held on 22nd September, 2023.

During the year, Mr. Ketan Ramani and Mr. Aditya Patel resigned as Chief Financial Officer and Company Secretary respectively on 31st October, 2023. Mr. Samir Gadhiya and Mr. Nikhil Goswami were appointed as Chief Financial Officer and Company Secretary respectively on 1st November, 2023.

## **8. POLICY FOR NOMINATION AND APPOINTMENT OF DIRECTORS**

The Company's Policy on Directors' appointment and remuneration and other

matters provided in Section 178(3) of the Act (salient features) has been briefly disclosed hereunder and in the report on Corporate Governance, pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR') which is a part of this report.

### **Selection and procedure for nomination and appointment of Directors**

The NRC is responsible for developing competency requirements for the Board based on the industry and strategy of the Company. The Board composition analysis reflects in-depth understanding of the Company, including its strategies, environment, operations, financial condition and compliance requirements. The NRC conducts a gap analysis to refresh the Board on a periodic basis, including each time a director's appointment or re-appointment is required. The NRC reviews and vets the profiles of potential candidates vis-à-vis the required competencies, undertakes due diligence and meeting potential candidates, prior to making recommendations of their nomination to the Board.

### **Criteria for determining qualifications, positive attributes and independence of a Director**

In terms of the provisions of Section 178(3) of the Act and Regulation 19 of LODR, the NRC has formulated the criteria for determining qualifications, positive attributes and independence of Directors, the key features of which are as follows:

- **Qualifications** - The Board nomination process encourages diversity of thought, experience, knowledge, age and gender. It also ensures that the Board has an appropriate blend of functional and industry expertise.

- **Positive Attributes** - Apart from the duties of Directors as prescribed in the Act, the Directors are expected to demonstrate high standards of ethical behavior, communication skills and independent judgment. The Directors are also expected to abide by the respective Code of Conduct as applicable to them.

- **Independence** - A Director will be considered independent if he / she meets the criteria laid down in Section 149(6) of the Act and the Rules framed thereunder read with Regulation 16(1)(b) of LODR.

## **9. PARTICULARS OF LOAN(S), GUARANTEE(S) AND INVESTMENT(S) UNDER SECTION 186:**

During the year 2023-24, your Company has not given any guarantees or securities within the meaning of the provisions of Section 186 of the Act.

However, the aggregate of Loans and advances granted as also investments made, are within the limits of Section 186 of the Act and have been disclosed in the Financial Statements.

## **10. PARTICULARS OF CONTRACT(S) OR ARRANGEMENT(S) WITH RELATED PARTIES:**

In line with the requirements of the Act and LODR, the Company has formulated a Policy on Related Party Transactions ('RPT Policy') for identifying, reviewing, approving and monitoring of Related Party Transactions which is available on the Company's website at <https://www.kronoxlabsciences.com/investors/corporate-policies/>

All related party transactions entered into during the financial year were on an arm's length basis and were in the ordinary course of business details of which same are provided in notes to accounts. Details of the transactions which are material in nature pursuant to Section 134(3)(h) of the Companies Act, 2013 are provided in form AOC-2 attached as Annexure – B to the report.

**11. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are as follows:

**I. Conservation of Energy:**

Your Company is taking all necessary steps to conserve the natural resources and to adopt environment friendly measures including steps in the direction to promote green initiative. Your Company is well positioned to benefit

from energy conservation and renewable energy promotion schemes such as Perform, Achieve and Trade (PAT) and Renewable Energy Certificates (RECs) promoted by the Government of India. Your Company continues its efforts to achieve renewable energy share in its total energy consumption based on a mix of energy conservation and renewable energy investments, despite significant enhancement in its scale of operations going forward

**II. Research & Development (R&D)**

The Company has incurred Rs. 45.64 Lakhs on Research & Development (R&D) during the year.

**III. Technology Absorption, Adaption and Innovation:**

Since the Company has neither imported technology nor obtained any indigenous technology, the Company has no information to offer in respect of Technology Absorption.

**IV. Foreign exchange earnings and outgo:**

| Particulars               | 2023-24 | 2022-23 |
|---------------------------|---------|---------|
| Foreign exchange Earnings | 2168.01 | 2784.56 |
| Foreign exchange Outgo    | 7.96    | 6.96    |

The detailed information on foreign exchange earnings & expenditure are available in the Notes to financial statements.

**12. RISK MANAGEMENT POLICY:**

The Company has developed a very comprehensive risk management policy and the same is reviewed by the Management at periodical intervals, about the risk assessment and minimization procedures adopted by the management. At the corporate level major risks are reviewed by the Directors and directions in this regard are issued accordingly. Key business risks and their mitigation are considered in the annual/strategic business plans and in periodic management reviews. The risk management process in our multi-business, multi-site operations, over the period of time will become embedded into the Company's business systems and processes, such that our responses to risks remain current and dynamic.

**13. DEPOSITS:**

The Company has neither accepted nor renewed any deposit within the meaning of Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014 during the period under review.

**14. DIRECTOR RESPONSIBILITY STATEMENT:**

**Your directors state that:**

- a) In the preparation of the annual accounts, the applicable accounting standards have 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 the 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; and
- e) 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.

**15. COST AUDITORS:**

The Company did not fall within the purview of Section 148 of the Companies Act, 2013 and hence there was no requirement for the Company to appoint Cost Auditor for the financial year 2023-24.

**16. INTERNAL AUDITORS:**

The Company has appointed M/s. Mansuri & Associates, Chartered Accountants (FRN: 147558W) as the Internal Auditors

of the Company to conduct an internal audit of the functions and activities of the Company for the financial year 2023-2024.

M/s. Jaimin & Associates, Chartered Accountants (FRN: 127346W) was appointed as an internal Auditor of the Company to conduct Internal Audit for the Financial Year 2024-25

**17. SECRETARIAL AUDITORS:**

M/s. Devesh Pathak & Associates, Company Secretaires of Vadodara is appointed as an Secretarial Auditor for the financial year 2024-25.

**18. STATUTORY AUDITORS:**

M/s. Mahesh Udhwani and Associates, Chartered Accountants (FRN No.: 129738W) were appointed as Statutory Auditors from the conclusion of Annual General Meeting held on August 30, 2019 for the term of 5 years. It is proposed to reappoint M/s. Mahesh Udhwani and Associates, Chartered Accountants (FRN No.: 129738W) as statutory auditors of the Company for Second Term to hold office till the conclusion of the 20th Annual General Meeting to be held in first proviso to Section 139 of the Act.

The Company has received certificate from the Auditors to the effect they are not disqualified to be appointed as statutory auditors under the provisions of applicable laws.

**19. CORPORATE SOCIAL RESPONSIBILITY (CSR):**

The Company has formed the Corporate Social Responsibility committee pursuant to section 135 of the Act and Rules framed thereunder.

During the year under review Company has spent Rs. 36.11 lakhs on the Corporate Social Responsibility under section 135 of the Companies Act 2013.

The report on CSR Activities carried out by the company are annexed as Annexure - A

**20. EXPLANATION/COMMENTS ON THE AUDITOR'S REPORT**

Statutory Auditors have not made any qualifications, reservations, adverse remarks or disclaimers. Accordingly, no explanation/comments thereon are required to be furnished.

**21. REPORTING OF FRAUDS**

There has been no instance of fraud reported by the Auditors under Section 143(12) of the Act and Rules framed thereunder either to the Company or the Central Government.

**22. COMPLIANCE WITH APPLICABLE SECRETARIAL STANDARDS**

The Company is compliant with the applicable Secretarial Standards (SS) viz. SS-1 & SS-2 on Meetings of Board of Directors and General Meetings.

**23. CHANGE IN SHARE CAPITAL, IF ANY**

During the year under review, there was no change in fully paid-up Equity Share Capital of the Company and accordingly, it continued to be Rs. 37,10,40,000 divided into 3,71,04,000 Equity Shares of Rs. 10/- each

**24. MATERIAL CHANGES AND COMMITMENTS 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 REPORT**

There have been no material changes and commitments affecting the financial position of the Company which has occurred between the end of the financial year ended 31st March 2024 to which the Financial Statements relates and the date of signing of this report except of Listing of Equity Share Capital of the Company at BSE and NSE as detailed in Paragraph no. 1(ii) of this Report.

**25. 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**

No significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future during the financial year.

**26. DISCLOSURE REGARDING ISSUE OF EMPLOYEE STOCK OPTIONS**

The Company has not issued any Employee Stock Options during the year. Hence, the details as per Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 are not required to be reported.

**27. DISCLOSURE REGARDING ISSUE OF EQUITY SHARES WITH DIFFERENTIAL RIGHTS**

The Company has not issued any Equity Shares with Differential rights as to dividend or vote during the year. Hence, details as per Rule 4(4) of Companies (Share Capital and Debentures) Rules, 2014 are not required to be reported.

**28. DISCLOSURE REGARDING ISSUE OF SWEAT EQUITY SHARES**

During the year, the Company has not issued Sweat Equity Shares. Hence, details as per Rule 8(13) of the Companies (Share Capital and Debentures) Rules, 2014 are not required to be reported.

**29. VOLUNTARY REVISION OF FINANCIAL STATEMENTS OR BOARD'S REPORT**

Since the Company has not made any voluntary revision of Financial Statements or Board's Report during the year under review, detailed reasons for the same pursuant to proviso to section 131 of the Act are not required to be reported.



**30. RECEIPT OF ANY COMMISSION BY MD/WTD FROM THE COMPANY OR FOR RECEIPT OF COMMISSION/REMUNERATION FROM IT'S HOLDING OR SUBSIDIARY**

The Managing Director is not in receipt of any Commission from the Company and the Company does not have any Subsidiary/Holding company. Hence, the details of commission pursuant to Section 197(14) of the Act are not required to be reported.

**31. NO. OF BAORD MEETINGS**

The meetings of the Board of Directors were held during the year. Details of meetings are available in the Corporate Governance Report.

**32. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL TRANSACTIONS:**

Your Company has maintained adequate internal financial control systems, commensurate with the size, scale and complexity of its operations and ensures compliance with various policies, practices and statutes in keeping with the organization's pace of growth and increasing complexity of operations. All legal and statutory compliances are ensured on a monthly basis. Non-compliance, if any, is seriously taken by the management and corrective actions are taken immediately. Any amendment is regularly updated by internal as well as external agencies in the

system. Approval of all transactions is ensured through a preapproved Delegation of Authority Schedule which is reviewed periodically by the management. The Company follows a robust internal audit process. Transaction audits are conducted regularly to ensure accuracy of financial reporting, safeguard and protection of all the assets. Fixed Asset verification of assets is done on an annual basis. The audit reports for the above audits are compiled and submitted to Board of Directors for review and necessary action.

**33. DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:**

The Company is committed to provide a safe and conducive work environment to its employees. The Internal compliant committee regularly monitors the compliances under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**34. DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES**

The Company has framed vigil mechanism in terms of The Companies Act, 2013 read

with Regulation 22 of LODR and the same may be accessed on the Company's website. Further, every employee of the Company can directly report to the Chairman of the Audit Committee when she / he becomes aware of any actual or possible violation of the Code or an event of misconduct, act of misdemeanor or act not in the Company's interest.

### **35. STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SECTION 149(6) OF THE ACT**

The Board of Directors hereby declares that all the independent directors duly appointed by the Company have given the declaration and they meet the criteria of independence as provided under Section 149(6) of the Act.

### **36. STATEMENT WITH REGARDS TO INTEGRITY, EXPERTISE AND EXPERIENCE OF INDEPENDENT DIRECTORS**

Your Directors are of the opinion that the Independent Directors of the Company are of high integrity and suitable expertise as well as experience (including proficiency).

### **37. FORMAL ANNUAL EVALUATION**

The Company has devised a policy for performance evaluation of the Board, its committees and individual Directors which include criteria for performance evaluation of executive directors and non-executive directors. The Board has carried out an annual performance

evaluation of its own performance, the Directors individually as well as the evaluation of the working of its committees. The Board of Directors has expressed their satisfaction with the evaluation process.

A statement indicating the manner in which a formal annual evaluation has been made by the Board of its own performance and that of its committees and individual directors has been given in the Report of Corporate Governance.

### **38. MANAGEMENT DISCUSSION AND ANALYSIS:**

A Management Discussion and Analysis is enclosed as per Annexure.

### **39. PARTICULARS OF EMPLOYEES**

The Statement of disclosure of remuneration under Section 197 of the Act and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this report as 'Annexure C'. The information as per Rule 5(2) of the Rules forms part of this report. However, in terms of provisions of Section 136 of the Companies Act, 2013, the report and Financial Statements are being sent to the members of the Company excluding the statement of particulars of employees under Rule 5(2) of the Rules. Any member interested in obtaining a copy of the said statement may write to the Company Secretary at the registered office of the Company.

**40. CODE OF CONDUCT**

The Code of Conduct is applicable to the members of the Board and all designated employees in the course of day-to-day business operations of the Company. The Code laid down by the Board is known as “Code of Conduct and Fair Disclosure of Unpublished Price Sensitive Information” which forms an Appendix to the Code of Conduct of the Company which is in line with SEBI.

(Prohibition of Insider Trading) Regulation, 2018.

The Company has received affirmations from Board members as well as senior management confirming their compliance with the said Code for FY 2023-24.

The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place in business practices and dealing with stakeholders. All the Board members and the senior management personnel have confirmed their compliance with the Code. All management personnel are being provided appropriate training in this regard.

**41. ACKNOWLEDGMENT:**

The Board of Directors wishes to express their deep sense of appreciation and gratitude to all Employees, Bankers and Clients for their assistance, support and

co-operation extended by them. At the end the Directors, wish to sincerely thank all shareholders for their continued support.

For and on behalf of the board of directors of  
**Kronox Lab Sciences Limited**

**Jogindersingh Gianchand Jaswal**  
**Chairman & Managing Director**

**DIN:** 02385809

**Ketan Ramani**  
**Wholetime Director**

**DIN:** 01510833

**Date:** August 06, 2024

**Place:** Vadodara

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## ANNEXURE A

# REPORT ON CORPORATE SOCIAL RESPONSIBILITY

**1) A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken:**

CSR policy of the Company encompasses the Company's philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programs for welfare & sustainable development of the community at large.

The Company's CSR policy is available on the website of the Company.

**2) The Composition of CSR Committee:**

The Company's CSR Committee comprises of all the two Executive Directors and one Independent Director of the Company.

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

It is available on the website of the Company i.e.,  
https:  
[//www.kronoxlabsciences.com/investors/](https://www.kronoxlabsciences.com/investors/)

corporate-policies/.

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

Not Applicable

**5) Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:**

Not Applicable

**6) A. Two percent of average net profit of the company as per section 135(5):**

Rs. 36.11 Lacs

**B. Surplus arising out of the CSR projects or programmes or activities of the previous financial years:**

Nil.

**C. Amount required to be set off for the financial year, if any:**

Nil

**D. Total CSR obligation for the financial year 2023-24 (7A+7B-7C):**

Rs. 36.11 Lacs

**7) A. CSR amount spent or unspent for the financial year 2023-24: As per below given table.**

| Total Amount Spent for the Financial Year (in Rs.) | Amount unspent (Rs.)  |                  |   |        |                  |
|--|---|------------------|---|--------|------------------|
|  | Total Amount transferred to Unspent CSR Account as per section 135(6) |                  | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) |        |                  |
|  | Amount  | Date of Transfer | Name of the Fund  | Amount | Date of Transfer |
| <b>Rs. 36.11 lacs</b>                              | <b>N.A</b>  |                  | <b>N.A</b>  |        |                  |

**B. Details of CSR amount spent against ongoing projects for the financial year 2023-24:**

**Not Applicable**

**C. Details of CSR amount spent against other than ongoing projects for the financial year 2023-24:**

**(If we are naming it as project then it should come under 8B.)**

| 1      | 2                   | 3   | 4                     | 5                       | 5                       | 6  | 7  | 8  | 8  |
|--------|---------------------|---|-----------------------|-------------------------|-------------------------|--|--|--|--|
| Sl. No | Name of the Project | Item from the list of activities in schedule VII to the Act | Local Area (Yes /No.) | Location of the project | Location of the project | Amount allocated for the project (Rs. in Lacs) | Mode of Implementation – Direct (Yes /No.) | Mode of Implementation – Through Implementing Agency | Mode of Implementation – Through Implementing Agency |
|        |                     |   |                       | <b>State</b>            | <b>District</b>         |  |  | <b>Name</b>  | <b>CSR Reg No.</b>                                   |
| 1.     | -                   | Item No. 02- Promotion of Education                         | Yes                   | Gujarat                 | Vadodara                | 34.00  | No   | Little Flowers Education Trust                       | CSR00006 266   |
| 2.     | -                   | Item No. 04- For Promotion of Animal Welfare                | Yes                   | Gujarat                 | Vadodara                | 1.33   | Yes  |  |  |
| 3.     | -                   | Item No. 05 – For Promotion of National Heritage, Art       | Yes                   | Gujarat                 | Vadodara                | 0.78   | Yes  |  |  |

**D. Amount spent in Administrative Overheads:**

Nil

**E. Amount spent on Impact Assessment, if applicable:**

Nil

**F. Total amount spent for the Financial Year (7B+7C+7D+7E):**

Rs. 36.11 Lacs

**G. Excess amount for set off, if any**

| Sr. No. | Particular  | Amount (in Rs.) |
|---------|---|-----------------|
| (i)     | Two percent of average net profit of the company as per sub-section (5) of section 135                      | <b>36.11</b>    |
| (ii)    | Total amount spent for the Financial Year   | <b>36.11</b>    |
| (iii)   | Excess amount spent for the Financial Year [(ii)-(i)]   | 0.00            |
| (iv)    | Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any | 0.07            |
| (v)     | Amount available for set off in succeeding Financial Years [(iii)-(iv)]                                     | 0.04            |

**8) A. Details of Unspent CSR amount for the preceding three financial years:**

Not Applicable

**B. Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):**

Not Applicable

**9) In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):**

Not Applicable

**A. Date of creation or acquisition of the capital asset(s):**

None

**B. Amount of CSR spent for creation or acquisition of capital asset:**

Nil

**C. Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.:**

Not Applicable

**D. Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset):**

Not Applicable

**10) Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):**

Not Applicable

**11) A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.**

The CSR Committee hereby confirms that the implementation and monitoring

of CSR activities is in compliance with CSR objectives and the CSR Policy of the Company.

For and on behalf of the board of directors of  
**Kronox Lab Sciences Limited**

**Ketan Ramani**  
**Chairman of CSR**  
**Committee**

**DIN:** 01510833

**Date:** August 06, 2024

**Place:** Vadodara

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**Jogindersingh Jaswal**  
**Member of CSR**  
**Committee**

**DIN:** 02385809

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**Parth Shah**  
**Member of CSR**  
**Committee**

**DIN:** 09708808

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## ANNEXURE B

# 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.**

Form for 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 arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.: Nil
2. Details of contracts or arrangements or transactions at Arm's length basis.

| Name of Related Party    | Nature of Relation   | Nature of Transaction | Duration of Contract     | Transaction Amount (Rs. in Lakhs) |
|--------------------------|--|-----------------------|--------------------------|-----------------------------------|
| Pooja Chemicals          | Director Ketan Ramani is proprietor as Karta of Ketan Ramani HUF | Purchase              | 01.04.2023 to 31.03.2024 | 3.23                              |
| P.K.Chlorochem Pvt. Ltd. | Directors, Ketan Ramani is Common Director in Company            | Purchase              | 01.04.2023 to 31.03.2024 | 20.35                             |
| P.K.Chlorochem Pvt. Ltd. | Directors, Ketan Ramani is Common Director in Company            | Sales                 | 01.04.2023 to 31.03.2024 | 10.59                             |
| Ketan Ramani             | Wholetime Director   | Remuneration          | 01.04.2023 to 31.03.2024 | 98.50                             |
| Pritesh Ramani           | Wholetime Director   | Remuneration          | 01.04.2023 to 31.03.2024 | 137.00                            |
| Jogindersingh Jaswal     | Managing Director  | Remuneration          | 01.04.2023 to 31.03.2024 | 137.00                            |
| Ashok Jagi               | Relative of Key Management Personnel                             | Salary                | 01.04.2023 to 31.03.2024 | 5.53                              |
| Parth Shah               | Non Executive-Independent Director                               | Sitting Fees          | 01.04.2023 to 31.03.2024 | 0.35                              |
| Krutika gandhi           | Non Executive-Independent Director                               | Sitting Fees          | 01.04.2023 to 31.03.2024 | 0.40                              |
| Satish Kumar             | Non Executive-Independent Director                               | Sitting Fees          | 01.04.2023 to 31.03.2024 | 0.25                              |

\* Transaction with related party is on arm's length basis.

For and on behalf of the board of directors of  
**Kronox Lab Sciences Limited**

**Jogindersingh Gianchand Jaswal**  
**Managing Director**  
**DIN:** 02385809  
**Date:** August 06, 2023  
**Place:** Vadodara

**Ketan Ramani**  
**Wholetime Director**  
**DIN:** 01510833

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# MANAGEMENT DISCUSSION AND ANALYSIS

## ECONOMIC OUTLOOK

### Global Economy

Global growth, which stood at 3.2% in CY23, is anticipated to maintain this rate throughout CY24 and CY25. The CY24 forecast has been adjusted upwards by 0.1 percentage point compared to the January 2024 World Economic Outlook (WEO) Update, and by 0.3 percentage point compared to the October 2023 WEO. Despite this, the expansion remains historically low, attributed to factors including sustained high borrowing costs, reduced fiscal support, lingering effects of the COVID-19 pandemic and Russia's Ukraine invasion, sluggish productivity growth, and heightened geo-economics fragmentation.

Advanced economies are expected to experience a gradual increase in growth, climbing from 1.6 % in CY23 to 1.7% in CY24 and further to 1.8% in CY25. The projection for CY24 has been adjusted upwards by 0.2 percentage points compared to the January CY24 WEO Update, while the forecast for CY25 remains unchanged. This adjustment primarily reflects a revision in US growth, compensating for a slight downward revision in the euro area for CY25.

The **United States** is expected to see growth rise to 2.7% in CY24, followed by a slight slowdown to 1.9% in CY25. This deceleration is attributed to gradual fiscal tightening and labor market softening, which dampen aggregate demand. The CY24 projection has been revised

upward by 0.6 percentage points since the January CY24 WEO Update. This revision primarily reflects carryover effects from stronger-than-expected growth in the fourth quarter of CY23, with some of this momentum expected to continue into CY24.

The **Euro Area's** growth is anticipated to rebound from its sluggish rate of 0.4% in CY23, mainly influenced by significant exposure to the conflict in Ukraine. Projections indicate an increase to 0.8% in CY24 and further to 1.5% in CY25. This recovery is driven by stronger household consumption, as the impact of elevated energy prices diminishes and declining inflation bolsters real income growth. Despite a downward revision of 0.3 percentage points for Germany in both CY24 and CY25 due to persistent weak consumer sentiment, this adjustment is largely balanced by upgrades for several smaller economies, including Belgium and Portugal.

### Emerging Market and Developing Economies Group

Emerging market and developing economies are forecasted to maintain stable growth at 4.2% in both CY24 and CY25. While there's a slowdown expected in emerging and developing Asia, this is counterbalanced by increasing growth in economies across the Middle East, Central Asia, and sub-Saharan Africa. Low-income developing countries are anticipated to experience a gradual growth uptick, starting at 4.0% in CY23 and climbing to 4.7% in CY24 and 5.2% in CY25, as certain constraints on near-term growth begin to ease.

The economic forecast for emerging and developing Asia reveals a modest deceleration

in growth, with projections indicating a decline from 5.6% in CY23 to 5.2% in CY24 and 4.9% in CY25. **China's** trajectory reflects a slowdown, transitioning from 5.2% in CY23 to 4.6% in CY24 and 4.1% in CY25 due to fading post-pandemic stimuli and ongoing property sector challenges. In contrast, **India's** growth remains robust, with anticipated rates of 6.8% in CY24 and 6.5% in CY25, bolstered by resilient domestic demand and a burgeoning working-age populace.

The **Indonesian** economy is expected to register growth of 5.0% in CY24 and 5.1% in CY25 with a strong domestic demand, a healthy export performance, policy measures, and normalization in commodity prices. In CY22, **Saudi Arabia's** growth slowed at -0.8% in CY23 attributed to lower oil production. CY24 is predicted to see a revamp in the growth rates to 2.6% on account of Vision 2030 reforms that helped advance the country's economic diversification agenda, including through reduced reliance on oil. Going forward, GDP is expected to grow at 6.0% and 4.0% in CY25 and CY26, respectively. On the other hand, **Brazil's** growth is projected to ease to 2.2% in CY24, driven by fiscal consolidation, the lingering impact of tight monetary policies, and reduced contributions from the agricultural sector.

Despite the turmoil in the last 2-3 years, India bears good tidings to become a USD 5 trillion economy by CY27. According to the IMF dataset on Gross Domestic Product (GDP) at current prices, the nominal GDP has been estimated to be at USD 3.6 trillion for CY23 and is projected to reach USD 5.3 trillion by CY27 and USD 6.4 trillion by CY29. India's expected GDP growth rate for coming years is almost double compared to the world economy.

Besides, India stands out as the fastest-growing economy among the major economies. The country is expected to grow at more than 6.5% in the period of CY24-CY29, outshining China's growth rate. By CY27, the Indian economy is estimated to emerge as the third-largest economy globally, hopping over Japan and Germany. Currently, it is the third-largest economy globally in terms of Purchasing Power Parity (PPP) with a ~7.6% share in the global economy, with China [~18.7%] on the top followed by the United States [~15.6%]. Purchasing Power Parity is an economic performance indicator denoting the relative price of an average basket of goods and services that a household needs for livelihood in each country.

Despite Covid-19's impact, high inflationary environment and interest rates globally, and the geopolitical tensions in Europe, India has been a major contributor to world economic growth. India is increasingly becoming an open economy as well through growing foreign trade. Despite the global inflation and uncertainties, Indian economy continues to show resilience. This resilience is mainly supported stable financial sector backed by well-capitalized banks and export of services in trade balance. With this, the growth of Indian economy is expected to fare better than other economies majorly on account of strong investment activity bolstered by the government's capex push and buoyant private consumption, particularly among higher income earners.

### **Indian Economic**

India's real GDP grew by 7.0% in FY23 and stood at ~Rs. 161 trillion despite the pandemic in previous years and geopolitical Russia-Ukraine

spillovers. In Q1FY24, the economic growth accelerated to 8.2%. The manufacturing sector maintained an encouraging pace of growth, given the favorable demand conditions and lower input prices. The growth was supplemented by a supportive base alongside robust services and construction activities. This momentum remained in the range in the Q2FY24 with GDP growth at 8.1%, mainly supported by acceleration in investments. However, private consumption growth was muted due to weak rural demand and some moderation in urban demand amid elevated inflationary pressures in Q2FY24.

India's GDP at constant prices surged to Rs. 43.72 trillion in Q3FY24 from Rs. 40.35 trillion in Q3FY23, marking an 8.4% growth rate. This upswing was fueled by robust performances in construction, mining & quarrying, and manufacturing sectors and investment drove the GDP growth, while both private and government consumption remained subdued. In 9MFY24, GDP surged by 8.2% to Rs. 126 trillion compared to 7.3% in the previous year largely due to increase in investments and growth in domestic demand (investment growth increased 10.6% y-o-y while private consumption was 3.5% higher).

Real GDP in the year FY24 is estimated to grow at 7.6% at Rs. 172.90 trillion as per second advance estimate of the Ministry of Statistics and Programme Implementation. It is expected that domestic demand, especially investment, to be the main driver of growth in India, amid sustained levels of business and consumer confidence.

**GDP Growth Outlook**

- Driven by resilience in urban demand and the front loading of the government's capital expenditure, the H1FY24 witnessed a strong growth. Thereafter Q3 was propelled by strong performances in sectors like construction, mining & quarrying, and manufacturing.
- The recent announcements of various relief measures such as LPG price reduction and extension of Pradhan Mantri Garib Kalyan Anna Yojna (PMGKAY) are expected to provide some cushion and so far, investment demand has remained robust. However, there could be some moderation in H2FY24 as both the government and private sector may restrain their capital spending ahead of the general elections. Despite some expected moderation in the H2FY24, India's overall GDP growth for FY24 is expected to remain on a firm footing. In terms of fiscal deficit for the year, the Finance Ministry has estimated it to be at 5.1% of GDP.
- Strong credit growth, resilient financial markets, and the government's continual push for capital spending and infrastructure are likely to create a compatible environment for investments. In the Interim Budget 2024-25, significant emphasis is placed on infrastructure development with an increased capital expenditure outlay of Rs. 11,11,111 crores, amounting to 3.4% of the GDP.
- External demand is likely to remain

subdued with a slowdown in global activities, thereby indicating adverse implications for exports. Additionally, heightened inflationary pressures and resultant policy tightening may pose a risk to the growth potential.

## COMPANY OVERVIEW

Kronox Lab Sciences Ltd is a renowned manufacturer of high purity speciality fine chemicals, catering to a diverse range of industries including pharmaceuticals, scientific and laboratory research, nutraceuticals, biotech, agrochemicals, personal care, metallurgy, and animal health. Originally incorporated as Kronox Lab Sciences Pvt. Ltd on November 18, 2008, in Gujarat, the company transitioned to a public limited entity on May 25, 2019, and adopted its current name..

Kronox Lab Sciences Ltd boasts a comprehensive product portfolio with over 185 chemical products spanning various chemical families such as phosphate, sulphate, acetate, chloride, citrate, nitrates, nitrites, carbonate, EDTA derivatives, succinate, and gluconate. The products are available in different grades and particle sizes, ranging from 10 mesh to 100 mesh. Adhering to stringent industry standards like IP, BP, EP, JP, USP, FCC, LR, AR, GR, and ACS, Kronox ensures high-quality production. The company also accommodates custom manufacturing specifications to meet specific customer requirements.

KRONOX Lab Sciences is a distinguished manufacturer of high-purity specialty fine chemicals, with a state-of-the-art manufacturing facility strategically located near Vadodara,

Gujarat, INDIA. Our company stands at the forefront of the chemical manufacturing industry, committed to delivering the highest standards of quality and purity in our extensive range of chemical products. With a highly experienced production team and a fully equipped laboratory, KRONOX Lab Sciences ensures that every product we deliver meets the stringent quality requirements of both national and international standards.

Our operations are strategically located across three advanced manufacturing units situated within a 1 km radius. This proximity allows for streamlined operations and efficient logistical management, ensuring high-quality production and timely delivery of our products. Our in-house production capabilities are robust and state-of-the-art, enabling us to maintain a high level of control over the quality of our chemicals. We have a capacity to manufacture approximately 7200 MT per annum, meeting the demands of various industries and applications worldwide.

## Certifications and Standards

KRONOX Lab Sciences operates a facility that is certified under several rigorous quality management systems, including FSSC 22000, GMP (Good Manufacturing Practices), GLP (Good Laboratory Practices), and ISO 9001:2015, ISO 14001:2015, ISO 45001:2018. Additionally, where applicable, our products are certified KOSHER and HALAL, ensuring compliance with diverse cultural and religious standards. These certifications underscore our commitment to maintaining the highest levels of quality, safety, and efficacy in our products.

## Commitment to Quality

At KRONOX Lab Sciences, quality is not just a goal but a fundamental part of our operations. We adhere to strict Good Manufacturing, Laboratory, and Documentation Practices that guarantee consistently high-quality results. Our state-of-the-art analytical facilities are equipped with the latest technology to monitor and maintain the strict quality of our products, processes, and services. This meticulous attention to detail ensures that we consistently meet and often exceed the quality requirements set by national and international regulatory bodies.

## MAJOR MILESTONES ACHIEVED

### 2008

Incorporation of our Company.

### 2009

Commencement of manufacturing of High Purity Speciality Fine Chemicals at **Unit I**.

### 2010

Commenced export of products.

### 2011

Our Company expanded our Unit I for manufacturing of High Purity Speciality Fine Chemicals used in pharmaceutical and nutraceutical industries.

### 2011

Our Company started manufacturing High Purity Speciality Fine Chemicals to cater to the solar industries.

### 2014

Acquisition of land along with factory shed for Unit II.

### 2014

Receipt of FSSC 22000 certification from ISOQAR, **UK for our Unit I**.

### 2015

Commencement of manufacturing operations at **Unit II**.

### 2015

Obtained FSSAI certification for manufacturing of food grade fine chemicals and ingredients.

### 2017

Receipt of ISO 14001: 2015 & OHSAS 18001:2007 certification in respect of Unit I.

### 2019

Started manufacturing of products at our Unit III.

### 2022

Acquisition of land along with factory shed for Unit I and Unit III.

### 2023

Acquisition of land for proposed Unit IV at Dahej

### 2024

Company got listed on BSE Ltd. and National Stock Exchange Ltd.

## MANUFACTURING INFRASTRUCTURE

Our manufacturing infrastructure is a key growth driver for our business. Currently we have three units strategically located Manufacturing Facilities which are located in Padra, Vadodara, Gujarat, in close proximity to several ports including Kandla, Mundra, Hazira and Nhava Sheva which ensures that we have ready access to port facilities and are able expediently import our raw materials and export

our products thereby providing us with a cost and logistical advantage. Our Manufacturing Facilities are located approximately 400 kms, 450 kms, 150 kms and 440 kms from Kandla Port, Mundra Port, Hazira Port and Nhava Sheva Port, respectively. Our Manufacturing Facilities are in proximity to DMIC and Delhi-Mumbai Expressway and have access to rail and airport facilities. Further, our Manufacturing Facilities are located in Gujarat, where some of the major APIs, pharmaceutical formulations, nutraceuticals, biotech and other application industries are located. Our Manufacturing Facilities are located in close proximity to each other, thereby ensuring greater logistic synergies and operational efficiencies.

Logistics and inventory control are both important to our margins and to customer satisfaction. We have dedicated storage area for bulk storage of raw materials and finished goods at each of our Manufacturing Facilities. Each of our Manufacturing Facilities are also equipped with a warehouse, enabling smooth functioning of our operations.

### **NEW UNIT AT DAHEJ**

we have acquired a land at GIDC, Dahej – II AREA 20,471 square meters, where we have planned our expansion.

This land falls under the chemical zone of GIDC, Dahej - II where facilities like ease in obtaining GPCB permissions, water availability, effluent discharge to CETP, enough power and PNG are available. GIDC has necessary with excellent road & connectivity to the ports in the western region of India.

We plan to establish our new unit at this location

which will add more capacity and will be used to manufacture High Purity Speciality Fine Chemicals.

We have received the permissions for power and water for this facility from the state electricity authority and GIDC, respectively.

- We have Received the permission from CETP Department for the effluent discharge.
- We have also received the permission from BEIL for the discharge for Solid Waste.
- We have applied for CTE (Consent to Establish) from GPCB (Gujarat Pollution Control Board) is under process.
- We have also applied to GIDC for the approval of Plant Drawing it is` under process.

We plan to diversify our product offerings by manufacturing High Purity Speciality Fine Chemicals like acetate, adipate, ascorbate derivatives, aspartate derivatives, benzoate, citrate derivatives, EDTA derivatives, gluconate derivatives, glycinate derivatives, lactate, malate derivatives, orotate derivatives, propionate, sorbate derivatives and succinate once our new unit is established at GIDC, Dahej – II.

# REPORT ON CORPORATE GOVERNANCE

Compliance of the Corporate Governance Code is given below which forms part of the Board's Report for the year 2023-24:

## **Company's Philosophy on Corporate Governance:**

The Company's philosophy on corporate governance is to have prudent business strategies and ensures ethical corporate behaviour, fiscal accountability and fairness to all stakeholders like but not limited to regulators, customers, vendors, investors, employees and the society at macro level and its effectiveness always constitute the strong foundation on which successful commercial enterprises are built to gradually grow on an on-going basis.

Listing after end of the financial year 2023-24

The company was closely held unlisted public company throughout the financial year 2023-24 and it became listed company by virtue of listing of its 3,71,04,000 Equity shares of Rs. 10/- each aggregating to Rs. 37,10,40,000 with BSE and NSE effective from June 10, 2024 i.e. after the end of the financial year 2023-24. Hence, all stakeholders are requested to read this report in the same perspective.

## **Board of Directors Composition**

The Company has a very balanced and diversified

Board of Directors, which primarily takes care of the business needs and stakeholders' interest. The Non-executive Independent Directors on the Board are experienced, competent and renowned persons from the various fields of technical, finance and taxation, economics, law, governance etc. They take active part at the Board and Committee Meetings by providing valuable inputs to the Management on various aspects of business, policy directions, governance, compliances etc. and equally play vital and important role on strategic issues, which enhances the transparency and add value in the decision making process of the Management through Board of Directors.

The strength of Board as on March 31, 2024 is 6 [Six] Directors. The Board comprises of Executive and Non – Executive Independent Directors. There are 3 [three] Executive / Whole-time Directors consisting of the Chairman & Managing Director & two Whole-time Directors. There are Three Non-Executive independent Directors. The number of Independent Directors on the Board is in conformity with the requirement of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR').

The Board is of the opinion that the Independent Directors fulfill the conditions as specified in Section 149 of the Act and Regulation 16(1)(b) of the LODR and are independent of the management. In accordance with Regulation 25(8) of the LODR, the Independent Directors have affirmed that they are not aware of any circumstances that could compromise their ability to discharge their duties with impartiality and without external influence. During the year under review, no Independent Director resigned before the expiry of his tenure from the Board of

the Company.

Mr. Ketan Ramani, and Mr. Pritesh Ramani, Whole-time Directors are related to each other as brother.

### **Profile of Directors**

**The brief profile of each Director is given below:**

**Jogindersingh Jaswal** is one of the Promoters and is the **Chairman and Managing Director** of the Company. He has been a director of the Company since incorporation. He has obtained bachelor's degree in science from Punjab University. Previously, he worked with Ranbaxy Laboratories Limited and Ranbaxy Fine Chemicals Limited from the year 1994 till 2001. He has over three (3) decades of experience in chemical industry. He looks after production, quality control and human resource activities in the Company.

**Ketan Ramani** is one of the Promoters and **Whole-time Director** of the Company. He has been a director of our Company since incorporation. He is a commerce graduate from M. S. University, Baroda and has also completed post graduate certificate course in Industrial Purchasing and Material Management from the Maharaja Sayajirao University of Baroda. He has over three (3) decades of experience in the chemical industry. He looks after finance, purchase and administration in the Company.

**Pritesh Ramani** is the one of the Promoters and **Whole-time Director** of the Company. He has been a director of the Company since incorporation. He holds bachelor's degree in science from South Gujarat University. He has

over two (2) decades of experience in the chemical industry. He looks after sales and marketing in the Company.

**Satish Kumar** has been appointed as **Independent Director** of the Company w.e.f. August 23, 2022. He holds a bachelor's degree in science from Punjab University. He has also worked with Hindustan Uniliver Limited, Ranbaxy Laboratories Limited and Kanta Electricals India Limited.

**Krutika Negandhi** has been appointed as **Independent Director** of our Company w.e.f. August 23, 2022. She is a member of the Institute of Chartered Accountants of India. She holds a bachelor's and master's degree in commerce from the Maharaja Sayajirao University of Baroda. She is a practicing Chartered Accountant. She has a work experience of over Six (6) years and have expertise in the field of accounting, auditing and tax advisory.

**Parth Shah** has been appointed as **Independent Director** of the Company w.e.f. August 23, 2022. He holds a bachelor's degree in commerce and bachelor's degree in law (Special) from the Maharaja Sayajirao University of Baroda. He holds post graduate diploma in taxation laws and practice from the Maharaja Sayajirao University of Baroda. Presently, he is a practising advocate and has an experience of over a decade in the field of tax consulting and law.

### **Meetings, agenda and proceedings etc. of the Board Meeting:**

During the year ended on March 31, 2024, the Board of Directors met 15 [fifteen] times. The



last Annual General Meeting (AGM) was held on 22/09/2023. The attendance record of the Directors at the Board Meetings during the year ended on March 31, 2024 and at the last AGM is as under:

|                                | Mr. Jogindersingh Jaswal | Mr. Ketan Ramani | Mr. Pritesh Ramani | Ms. Krutika Negandhi | Mr. Parth Shah | Mr. Satish Kumar |
|--------------------------------|--------------------------|------------------|--------------------|----------------------|----------------|------------------|
| <b>BOARD MEETINGS</b>          |                          |                  |                    |                      |                |                  |
| 11/04/2023                     | Y                        | Y                | Y                  | Y                    | Y              | Y                |
| 30/06/2023                     | Y                        | Y                | Y                  | Y                    | Y              | Y                |
| 10/08/2023                     | Y                        | Y                | Y                  | Y                    | Y              | Y                |
| 06/09/2023                     | Y                        | Y                | Y                  | Y                    | Y              | Y                |
| 12/09/2023                     | Y                        | Y                | Y                  | Y                    | Y              | Y                |
| 25/09/2023                     | Y                        | Y                | Y                  | Y                    | Y              | Y                |
| 28/10/2023                     | Y                        | Y                | Y                  | Y                    | Y              | A                |
| 01/11/2023                     | Y                        | Y                | Y                  | Y                    | Y              | A                |
| 18/11/2023                     | Y                        | Y                | Y                  | Y                    | Y              | A                |
| 22/11/2023                     | Y                        | Y                | Y                  | Y                    | Y              | A                |
| 24/11/2023                     | Y                        | Y                | Y                  | Y                    | Y              | A                |
| 05/01/2024                     | Y                        | Y                | Y                  | Y                    | A              | A                |
| 23/01/2024                     | Y                        | Y                | Y                  | Y                    | A              | A                |
| 25/01/2024                     | Y                        | Y                | Y                  | Y                    | Y              | A                |
| 22/03/2024                     | Y                        | Y                | Y                  | A                    | A              | A                |
| <b>ANNUAL GENERAL MEETINGS</b> |                          |                  |                    |                      |                |                  |
| 22/09/2023                     | Y                        | Y                | Y                  | Y                    | Y              | Y                |

Y – Attended and A-Absence

**Separate Meeting of Independent Directors:**

In compliance with by the Code of Independent Directors under the Companies Act, 2013 ('the Act') and the LODR, a separate meeting of the Independent Directors of the Company was held on 29th September, 2023 to review the performance of Non-Independent Directors (including the Executive Director's) and the Board as a whole and also reviewed performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors. The Independent Directors also reviewed the

quality, content and timeliness of the flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties. The Independent Directors found the same quite satisfactory.

**Agenda:**

All the meetings are conducted as per well designed and structured agenda. All the agenda items are backed by necessary supporting information and documents (except for the critical price sensitive information, which is

circulated at the meeting) to enable the Board to take informed decisions. Agenda also includes minutes of the previous meetings of all the Board, Committees and Subsidiaries for the information of the Board. Additional agenda items in the form of “Any Other Agenda” are included with the permission of the Chairman and Directors. Agenda papers are generally circulated seven days prior to the Board Meeting. In addition, for any business exigencies, the resolutions are passed by circulation and later placed at the Board Meeting for noting.

### Invitees and Proceedings:

Apart from the Board members, the Company Secretary and the CFO are invited to attend all the Board Meetings. Other senior management executives and consultants are called as and when necessary, to provide additional inputs for the items being discussed by the Board. The CFO makes presentation on the quarterly and annual operating and financial of the Company.

### Post Meeting Action:

Post meetings, all important decisions taken at the meeting are communicated to the concerned officials and departments. Action Taken Report is prepared and reviewed periodically by the Board for the action taken /

pending to be taken.

### Support and Role of Company Secretary:

The Company Secretary is responsible inter-alia for convening the Board and Committee meetings, preparation and distribution of Agenda and other documents and recording of the Minutes of the respective meetings. he acts as interface between the Board and the Management and provides required assistance and assurance to the Board and the Management on compliance and governance aspects.

### Other Directorships etc.:

None of the Directors is a Director in any other Public Limited Companies or acts as an Independent Director in any other Listed Companies. Further, none of the Directors acts as a member of any other committees or acts as a Chairman of any other Committees across all Public Limited Companies. The details of the Directorships, Chairmanships and the Committee memberships in other Companies (excluding Private Limited Companies, Foreign Companies and Section 8 Companies) held by the Directors as on March 31, 2024, are given below:

| Name of Director        | Name of company          | Designation          | No of Directorship in public Companies | Committee Chairmanship | Committee Membership |
|-------------------------|--------------------------|----------------------|--|------------------------|----------------------|
| Mr. Jogindersing Jaswal | KRONOX lab sciences ltd. | CMD                  | 1                                      | 00                     | 01                   |
| Mr. Ketan Ramani        | KRONOX lab sciences ltd. | WTD                  | 1                                      | 00                     | 01                   |
| Mr. Pritesh Ramani      | KRONOX lab sciences ltd. | WTD                  | 1                                      | 00                     | 01                   |
| Mr. Parth B Shah        | KRONOX lab sciences ltd. | Independent Director | 1                                      | 00                     | 01                   |
| Ms. Krutika Negandhi    | KRONOX lab sciences ltd. | Independent Director | 1                                      | 02                     | 02                   |
| Mr. Satish Kumar        | KRONOX lab sciences ltd. | Independent Director | 1                                      | 00                     | 00                   |

\* Audit Committee and stake holders Relationship Committee are only considered.

**Induction and Training of Board Members:**

The Company is having general practice to conduct a familiarization programme of the Independent Directors in the Board meetings as on going process. Accordingly, the Company has made Independent Directors so appointed during the financial year familiarized about-

1. The Role, Rights, Responsibilities and Duties of Independent Directors; and
2. The Company, Nature of Industry in which the Company operates, business model of the Company etc.

The queries/questions raised by the Independent Directors were satisfactorily replied accordingly. The details of such familiarization programme for Independent Directors are posted on the website of the company <https://www.kronoxlabsciences.com/investors/corporate-policies/>

**Code of Conduct:**

The Board of Directors has laid down a Code of Conduct for Business and Ethics (the Code) for all the Board members and senior managers of the Company. The Code covers amongst other things the Company's commitment to honest and ethical personal conduct, fair competition, corporate social responsibility, sustainable environment, health and safety, transparency and compliance of laws and regulations etc. All the Board members and senior management personnel have confirmed compliance with the code. A declaration to that effect signed by the Chairman & Managing Director and CFO is attached and forms part of the Annual Report of

the Company.

**Prevention of Insider Trading Code:**

As per SEBI (Prohibition of Insider Trading) Regulations, 2015 and amendment made thereunder, the Company has adopted a Code of Conduct for Prevention of Insider Trading. All the Directors, employees at Senior Management and other employees who could have access to the unpublished price sensitive information of the Company are governed by this code.

The trading window is closed in compliance of the SEBI (PIT) Regulations as amended from time to time and on occurrence of any material events as per the code. The Company has appointed Mr. Nikhil Goswami, Company Secretary as Compliance Officer, who is responsible for setting forth procedures and implementation of the code for trading in Company's securities. During the year under review there has been due compliance with the said code.

**Evaluation of the Board's Performance:**

During the year, the Board adopted a formal mechanism for evaluating its performance as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board and Committees, experience and competencies, performance of specific duties and obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Chairman who were evaluated on parameters such as attendance, contribution at the meetings etc.

The evaluation of the Independent Directors was carried out by the entire Board on the criteria like (i) qualification, (ii) experience, (iii) availability and attendance, (iv) integrity, (v) commitment, (vi) governance, (vii) independence, (viii) communication, (ix) preparedness, (x) participation and (xi) value addition and that of the Chairman and the Non-Independent Directors were carried out by the Independent Directors.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

#### **Audit Committee of Directors Composition:**

The Board has constituted a well-qualified Audit Committee. The Audit Committee comprises of 2 Independent Directors and 1 Whole Time Director. They possess sound knowledge on accounts, audit, finance, taxation, internal controls etc. Mr. Nikhil Goswami, Company Secretary acts as secretary to the Committee.

#### **Meetings:**

The Audit Committee had 6 [Six] meetings during the year 2023-24, specifically on 11/04/2023, 06/09/2023, 18/11/2023, 22/11/2023, 05/01/2024 and 23/01/2023. The attendance of each committee members was as under:

| Sr. No. | Name of Committee Member                                 | No of Meeting held /Attended |
|---------|--|------------------------------|
| 1.      | Mrs. Krutika Negandhi, Chairperson: Independent Director | 6 out of 6                   |
| 2.      | Mr. Parth B. Shah, Member: Independent Director          | 5 out of 6                   |
| 3       | Mr. Ketan Ramani, Member: Whole Time Director            | 6 out of 6                   |

Mrs. Krutika Negandhi, Chairman of the Audit Committee was present at the last Annual General Meeting to answer the shareholder's queries.

#### **Terms of Reference:**

The terms of reference of the Audit Committee are as per the guidelines set out in LODR read with section 177 of the Act. This broadly includes (i) Development of an annual plan for Committee (ii) review of financial reporting processes, (iii) review of risk management, internal control and governance processes, (iv) discussions on quarterly, half yearly and annual financial statements, (v) interaction with statutory, internal and cost auditors, (vi) recommendation for appointment, remuneration and terms of appointment of auditors and (vii) risk management framework concerning the critical operations of the Company.

In addition to the above, the Audit Committee also reviews the following:

1. Recommendation for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors of the Company and the fixation of the audit fee;
2. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the

annual financial statements before submission to the board for approval, with particular reference to:

- a.** Matters required to be included in the Director’s Responsibility Statement to be included in the Board’s report in terms of clause (c) of sub-section 3 of section 134 of the Act;
  - b.** Changes, if any, in accounting policies and practices and reasons for the same;
  - c.** Major accounting entries involving estimates based on the exercise of judgment by management;
  - d.** Significant adjustments made in the financial statements arising out of audit findings;
  - e.** Compliance with listing and other legal requirements relating to financial statements;
  - f.** Disclosure of any related party transactions;
  - g.** Qualifications in the draft audit report; and
  - h.** Review and monitor the auditor’s independence and performance, and effectiveness of audit process.
- 5.** Reviewing, with the management, the quarterly and half yearly financial statements before submission to the board for approval;
- 6.** Reviewing, with the management, the

statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the board to take up steps in this matter;

- 7.** Reviewing and monitoring the auditor’s independence and performance, and effectiveness of audit process;
- 8.** Approval or any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;
- 9.** Scrutiny of inter-corporate loans and investments;
- 10.** Valuation of undertakings or assets of the Company, wherever it is necessary;
- 11.** Evaluation of internal financial controls and risk management systems;
- 12.** Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- 13.** Reviewing the adequacy of internal audit function, if any, including the structure

- of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. discussion with internal auditors of any significant findings and follow up there on;
  15. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
  16. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  17. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  18. to review the functioning of the whistle blower mechanism;
  19. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
  20. carrying out any other function as is mentioned in the terms of reference of the audit committee;
  21. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding ₹100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing, if any;
  22. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;
  23. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
  24. Carrying out any other function as may be required / mandated as per the provisions of the Act, LODR and/or any other applicable laws;
  25. the Audit Committee shall mandatorily review the following information:
    - a. Management discussion and analysis of financial information and results of operations;
    - b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;
    - c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
    - d. Internal audit reports relating to internal control weaknesses; and

e. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.

**Nomination and Remuneration Committee of Directors**

**Composition and Attendance at the Meeting:**

The Nomination and Remuneration Committee comprises of the members as stated below. The Committee during the year ended on March 31, 2024 had one meeting on 28.10.2023. The attendance of the members was as under:-

| Sr. No. | Name of Committee Member                                  | No of Meeting held /Attended |
|---------|---|------------------------------|
| 1.      | Mr. Parth B. Shah,<br>Chairman:<br>Independent Director   | 1 out of 1                   |
| 2.      | Mrs. Krutika Negandhi,<br>Member:<br>Independent Director | 1 out of 1                   |
| 3       | Mr. Satish Kumar,<br>Member:<br>Independent Director      | 1 out of 1                   |

**Terms of Reference of the Nomination and Remuneration Committee:**

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees (“Remuneration Policy”).

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

- (a) The level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully
  - (b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - (c) Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the Company and its goals;
2. Formulation of criteria for evaluation of independent directors and the Board;
  3. Devising a policy on Board diversity;
  4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and carrying out evaluation of every director’s performance (including independent director);
  5. Analysing, monitoring and reviewing various human resource and compensation matters;
  6. Deciding whether to extend or continue the term of appointment of the independent director, on the basis of the

report of performance evaluation of independent directors;

7. Recommending to the board, all remuneration, in whatever form, payable to senior management and other staff, as deemed necessary;
8. Carrying out any other functions required to be carried out by the Nomination and Remuneration Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time;
9. Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
10. Reviewing and approving the Company's compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
11. Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, if applicable;
12. Frame suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:
  - (a) The Securities and Exchange Board

of India (Prohibition of Insider Trading) Regulations, 2015; and

- (b) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, by the trust, the Company and its employees, as applicable; and
13. Perform such other activities as may be delegated by the Board or specified/provided under Act or LODR. The Nomination and Remuneration Committee is required to meet at least once in a year under LODR.

### **Stakeholder Relationship Committee Composition**

The Stakeholder Relationship Committee comprises of the members as stated below. The Committee during the year ended on March 31, 2024 had no meeting as the Company had only a shareholder and meeting was not required to be called as the Company was not listed as on March 31, 2024:-

| Sr. No. | Name of Committee Member                                |
|---------|---|
| 1.      | Ms. Krutika Negandhi,<br>Chairman: Independent Director |
| 2.      | Mr. Jogindersingh Jaswal,<br>Member: Managing Director  |
| 3       | Mr. Pritesh Ramani,<br>Member: Whole Time Director      |

### **Evaluation of the Board's Performance**

During the year, the Board adopted a formal mechanism for evaluating its performance as well as that of its Committees and individual Directors, including the Chairman of the Board.



The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board and Committees, experience and competencies, performance of specific duties and obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Chairman who were evaluated on parameters such as attendance, contribution at the meetings etc.

The evaluation of the Independent Directors was carried out by the entire Board on the criteria like (i) qualification, (ii) experience, (iii) availability and attendance, (iv) integrity, (v) commitment, (vi) governance, (vii) independence, (viii) communication, (ix) preparedness, (x) participation and (xi) value addition and that of the Chairman and the Non-Independent Directors were carried out by the Independent Directors.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

**Performance Evaluation Criteria of selection of Independent Directors**

- a. The Independent Directors shall be of high ethical standards and integrity with relevant expertise, experience and particular skills that will complement Board effectiveness.
- b. In case of appointment of Independent Directors, the Nomination and Remuneration Committee shall determine whether the appointee fulfils the criteria of independence, in accordance with the

provisions stipulated under The Companies Act, 2013 as well as LODR.

- c. To aid determination, every Independent Director shall, on appointment and subsequently on an annual basis submit to the Nomination and Remuneration Committee a declaration on his/her independence.
- d. The Nomination and Remuneration Committee shall consider the following criteria while recommending to the Board, the candidature for appointment as Director:
  - Professional qualification, appropriate experience and the ability to exercise sound business judgment;
  - An ability and willingness to challenge and probe;
  - Strong interpersonal skills and a willingness to devote the required time;
  - A position of leadership or prominence in a specified field.
- e. The Nomination and Remuneration Committee shall ensure that the Director to be appointed is not disqualified for appointment under Section 164 of The Companies Act, 2013 ('the Act') or otherwise as may be necessary.

**Positive attributes of Directors (including Independent Directors)**

- Directors are to demonstrate integrity, credibility, trustworthiness, ability

to handle conflict constructively and the willingness to address issues proactively;

- Actively update their knowledge and skills with the latest developments in the industry, market conditions and applicable legal provisions;
- Willingness to devote sufficient time and attention to the Company's business and discharge their responsibilities;
- Ability to develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior management of the Company;
- To act within their authority, assist in protecting the legitimate interests of the Company, its shareholders and employees

#### **Criteria for appointment of KMP/Senior Management**

- To possess the required qualifications, experience, skills & expertise to effectively discharge their duties and responsibilities;
- To practice and encourage professionalism and transparent working environment;
- To build teams and carry the team members along for achieving the goals/objectives and corporate mission;
- To follow strictly the code of conduct of the Company.

#### **Term of Directors as well as Key Managerial Personnel (KMPs)**

The Term of the Directors including Managing Director / Whole Time Director / Independent Directors/KMPs shall be in consonance with the provisions of the Act and LODR.

#### **Remuneration Policy**

Remuneration to Executive Directors have been paid to them in terms of the approval given by Shareholders of the Company under Sections 196, 197 and other applicable provisions of the Companies Act, 2013 and the resolution passed in that behalf and as recommended by the Nomination & Remuneration Committee of Directors duly constituted pursuant to Schedule V of the Companies Act, 2013.

The remuneration to the Managing Directors and Whole-Time Director consists of fixed salary, allowances, incentive and other perquisites as per the Rules of the Company and commission on Net profit as calculated as per Section 198 of the Companies Act, 2013, Provident Fund contributed as per Provident Fund Act and Rules, the details of which are as under –

| Name of Director         | Designation         | Remuneration |
|--------------------------|---------------------|--------------|
| Mr. Jogindersingh Jaswal | Chairman & MD       | 137.00 Lakhs |
| Mr. Ketan Ramani         | Whole Time Director | 98.50 Lakhs  |
| Mr. Pritesh Ramani       | Whole Time Director | 137.00 Lakhs |

Apart from the above remuneration details, no other kind of fixed components, performance link incentives are given to the Directors.

Executive Directors of the Company were not paid any Commission during the year.

During the year, the company has not issued stock option to any Directors of the Company.

The Non-Executive Independent Directors had been paid the sitting fees for attending the Board and Committee Meetings. The details of payment made to Non- Executive Directors are as under:

| Name of Director      | Designation          | Sitting Fees |
|-----------------------|----------------------|--------------|
| Mrs. Krutika Negandhi | Independent Director | 0.40 lakhs   |
| Mr. Parth B. Shah     | Independent Director | 0.35 lakhs   |
| Mr. Satish Kumar      | Independent Director | 0.25 lakhs   |

Apart from aforementioned payment there is no other pecuniary relationship or transactions of non-executive directors with the Company.

**Details of investor complaints received and redressed during the year 2023-24:**

No Investor Complaints were received as the Company was not listed as on March 31, 2024. Company got listed on National Stock Exchange Ltd. and BSE Ltd. on June 10, 2024

**CSR Committee of Directors**

The Company has constituted a CSR Committee as required under Section 135 of the Companies Act, 2013. The Committee is headed by Mr. Ketan Ramani, Chairman of the Committee & Whole time Director of the Company and consists of the members as stated below. During the year one Committee Meeting was held on 11.04.2023. The CSR Committee, as on March 31, 2024, comprised of the following members:

| Sr. No. | Name of Committee Member                                    | No of Meeting held /Attended |
|---------|---|------------------------------|
| 1.      | Mr. Ketan Ramani,<br>Chairman:<br>Whole Time Director       | 1 out of 1                   |
| 2.      | Mr. Parth Shah,<br>Member:<br>Independent Director          | 1 out of 1                   |
| 3       | Mr. Jogindersingh Jaswal,<br>Member:<br>Whole Time Director | 1 out of 1                   |

**Following are the Senior Management Personnel of the Company:**

| Name of SMP         | Department         | Designation         |
|---------------------|--------------------|---------------------|
| Vijaykumar Khatri;  | PRODUCTION         | Production Manger   |
| Vishal kumar Parmar | Quality Control    | QC Manager          |
| Raj Shah*           | PURCHASE           | Purchase Manager    |
| Priya Yadav         | Quality Assurance  | QA Manager          |
| Devendra Thakkar    | HR & Admin         | HR & Administration |
| Mehul Patel Manager | Marketing          | Marketing           |
| Mehul Gandhi        | Accounts & Finance | Finance Manager     |
| Chintan Tamboli     | Accounts & Finance | Finance Executive   |

\*Mr. Raj Shah, Purchase Manager has resigned w.e.f. 15th July, 2024 after the close of the previous financial year.

**Policies/Codes**

**a. Vigil Mechanism / Whistle Blower Policy**

The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. The Company has a Vigil Mechanism policy under which the

employees are free to report violations of applicable laws and regulations and the Code of Conduct. The reportable matters may be disclosed to the Ethics and Compliance Task Force which operates under the supervision of the Audit Committee. Employees may also report to the Chairman of the Audit Committee. During the year under review, no employee reported to the Audit Committee in this regard.

The policy of vigil mechanism may be accessed on the Company's website <https://www.kronoxlabsciences.com/investors/corporate-policies/>.

It is affirmed that no personnel of the Company have been denied access to the Audit Committee.

- b. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this Policy. The Policy is gender neutral. During the year under review, no sexual Harassment Complaint has been received by the Company. The HR Department of the Company had conducted program of awareness and training amongst the employees and all concerned about the policy and its impacts as such.

**The policy of Sexual Harassment at workplace may be accessed on the Company's website**

<https://www.kronoxlabsciences.com/investors/corporate-policies/>

## General Meetings:

### (i) Annual General Meeting

| Financial Year | Date                 | Time     | No of Resolution          |
|----------------|----------------------|----------|---------------------------|
| <b>2022-23</b> | 22nd September, 2023 | 11:30 AM | 5 (3 Special Resolutions) |
| <b>2021-22</b> | 09th August, 2022    | 11:30 AM | 6 (3 Special Resolutions) |
| <b>2020-21</b> | 20th October, 2023   | 11:30 AM | 2 Resolutions             |

### (ii) Extra Ordinary General Meeting

During the year, no Extra-ordinary General Meeting was held.

### (iii) Postal Ballot:

No Special Resolution was passed last year through postal ballot. It is not proposed to conduct any Special resolution through Postal Ballot in ensuing AGM.

**Disclosures:****Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification**

The MD and CFO has issued certificate pursuant to the provisions of Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

**DISTRIBUTION OF SHAREHOLDING**

The Data for shareholding Distribution is not available as for the year ended March 31, 2024 as the Company got listed w.e.f. June 10, 2024

**Foreign Exchange Risk**

The Company has a policy in place to protect its interests from risks arising out of market volatility. Based on continuous monitoring and market intelligence the sales, procurement and finance team take appropriate strategy to deal with market volatility.

**Outstanding GDRs/ADRs/Warrants or any Convertible Instruments:**

During the year under review, the Company has not issued any GDRs/ADRs/Warrants or any Convertible Instruments. There is no outstanding GDRs/ADRs/Warrants as on 31.03.2024.

**Credit Ratings**

During the year under review, the Company has not obtained any Credit Ratings

**Related Party Transactions**

In line with the requirements of the Act and LODR, the Company has formulated a Policy on Related Party Transactions ('RPT Policy') for identifying, reviewing, approving and monitoring of Related Party Transactions which is available on the Company's website at <https://www.kronoxlabsciences.com/investors/corporate-policies/> All related party transactions entered into during the financial year were on an arm's length basis and were in the ordinary course of business details of which same are provided in notes to accounts. Details of the transactions which are material in nature pursuant to Section 134(3)(h) of the Companies Act, 2013 are provided in form AOC-2 attached as Annexure – B to the report.

**Remuneration paid to Statutory Auditors**

During the year Rs. 4.50 Lakhs was paid to Statutory Auditor including out of pocket expenses, further M/s. Mahesh Udhvani & Associates, Statutory Auditors of the Company

**Disclosures with respect to unclaimed suspense account**

All the Shareholders have their Shares in Demat form only.

**Company has adopted a Code of Conduct for Prevention of Insider Trading**

Not Applicable for the year under review but the Company has adopted a Code of Conduct for Prevention of Insider Trading after the listing of the Company i.e. w.e.f. June 10, 2024

### **Details of subsidiary, joint venture and associate companies:**

Neither the Company has any subsidiary, joint venture or associate company nor any company has become or ceased to be subsidiary, joint venture or associate company during the year under review.

### **Particulars Of Loan(S), Guarantee(S) And Investment(S):**

During the year 2023-24, your Company has not given any guarantees or securities within the meaning of the provisions of Section 186 of the Act.

However, the aggregate of Loans and advances granted as also investments made, are within the limits of Section 186 of the Act and have been disclosed in the Financial Statements.

### **Green Initiative**

Electronic copy of the Annual Report for FY 2024 and the Notice of the ensuing AGM is being sent to all shareholders whose email addresses are available in records of the company and registered with Company's Registrar and Share Transfer Agent. As per the General Circular No. 20/2020 of Ministry of Corporate Affairs dated May 5, 2020 and any other circular as may be issued by MCA in this regard, shareholders holding shares in Demat form are requested to update their email addresses with their Depository Participant(s) and for shareholders holding shares in physical form, should get their email registered with Cameo Corporate Services Ltd., Company's Registrar and Share Transfer Agent.

Green initiatives that have implemented and promoted sustainability and reduce, their environmental impact are Creating Regenerative Supply Chains. Track and Measure Carbon Footprint, Content creators and companies are partnering with organizations to track and measure their carbon footprint. This includes analysing emissions from various activities, such as animation productions, and identifying ways to reduce their overall impact.

### **General Shareholders' Information Annual General Meeting:**

Day and Date: Friday, 30th August, 2024

Time :11.00 a.m.

Venue: Meeting is to be conducted **through Video Conference (VC) or Other Audio Visual Means (OAVM)** The venue of the meeting shall be deemed to be at the Block no.353, Village : Ekalbara, Talkuka: Padra, District: Vadodara 391440.

### **Dividend payment date:**

On or before 30 days from the date of AGM

### **Book Closure:**

The Register of Members and the Share Transfer Books of the Company shall remain closed from Saturday, 24th August, 2024 to Friday, 30th August, 2024 (both days inclusive) for the purpose of 15th Annual General Meeting. The Record and cut-off date Friday, 23rd August, 2024.

### **Registrars & Share Transfer Agents:**

The following are the details and contacts of the Registrars and Transfer Agents of the company:

## **KFIN TECHNOLOGIES LIMITED**

Selenium Tower B,  
Plot No. 31 & 32,  
Financial District, Nanakramguda,  
Serilingampally Rangareddi,  
Hyderabad-500032,  
Telangana, India  
Email: einward.ris@kfintech.com  
Website: www.kfintech.com

## **Registered Office:**

Block No. 353, Vill.: Ekalbara,  
Tal.: Padra, Dist.: Vadodara 391440  
Tele. +91 2662 244077

## **Jogindersing Jaswal Chairman & Managing Director**

Place : Vadodara  
Date : 06th August, 2024

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## **SHARE TRANSFER SYSTEM**

The company's shares are traded on stock exchanges in de-mat mode only. Those transfers are effected through depositories i.e. NSDL and CDSL.

## **INVESTORS CORRESPONDENCE**

In order to facilitate quick redressal of the grievances/queries as also quick disposal of the matters relating to physical share transmissions, transposition and any other query relating to the shares of the Company, please write to:

### **Mr. Nikhil Goswami,**

Company Secretary and Compliance Officer  
KRONOX LAB SCIENCES LIMITED,  
Block No. 353, Vill.: Ekalbara,  
Tal.: Padra, Dist.: Vadodara 391440  
Tele. +91 2662 244077  
Email : cs@kronoxlabsciences.com



# INDEPENDENT AUDITORS REPORT



# INDEPENDENT AUDITORS REPORT

**To,  
The Members of  
KRONOX LAB SCIENCES LIMITED**

**Report on the Audit of the Standalone  
Financial Statements**

## **Opinion**

We have audited the standalone financial statements of **KRONOX LAB SCIENCES LIMITED (“the Company”)** which comprise the Balance Sheet as at 31st March 2024, the Statement of Profit and Loss, statement of changes in equity and Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies A, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian accounting Standards prescribed u/s 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as 31st March 2024, and 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 (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on the circumstances and facts of the audit and entity, there aren’t key audit matters to be communicated in our report.

## **Information Other than the Financial Statements and Auditor’s Report Thereon**

The Company’s Board of Directors is responsible for the other information. The other

information comprises the [information included in the Company's Annual Report but does not include the financial statements and our auditor's report thereon.]

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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.

### **Responsibility of Management for Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding

of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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.

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and

are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate Internal Financial Controls System in place and the operating effectiveness of such controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. 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. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.

5. Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 work; and
- (ii) To evaluate the effect of any identified misstatements in the standalone 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.

### **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 sub-section (11) of section 143 of the Companies Act, 2013, we give in the **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) As informed to us, there is no branch office and hence this clause is not applicable.

(d) The Balance Sheet, the Statement of Profit and Loss, the Statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(e) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

(f) 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.

(g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**.

(h) 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.

(i) With respect to the other matters to be

included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. As informed to us the Company does not have any pending litigations which would impact its financial position of its financial statements.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. a) The management has represented that, to the best of its knowledge and belief, no funds 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(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities (“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; and
- c) Based on such audit procedures, we consider 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 mis-statement.
- v. Company has not declared or paid any dividend during the year. However, the Board of Directors of the Company have proposed final dividend for the year, which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act, as applicable.
- vi. Based on our examination, which included test checks, the Company has used accounting softwares for maintaining its books of account for the financial year ended 31st March 2024,

which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31st March 2024.

**For Mahesh Udhwani and Associates**  
**Chartered Accountants**  
**(Firm Reg. No: 129738W)**

**Mahesh Udhwani**  
**(Partner)**  
**M No: 047328**  
**UDIN: 24047328BJZYOT1524**  
**Place: Vadodara**  
**Date: 28/06/2024**

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# ANNEXURE -A TO THE INDEPENDENT AUDITOR'S REPORT

## **The Annexure referred Independent Auditor's report under the Companies (Auditor's Report) Order, 2020**

In terms of the information and explanations sought by us and given by the company and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that: -

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (B) The Company does not have any intangible assets and accordingly, reporting under clause 3(i)(a)(B) of the Order is not applicable to the Company.
- (b) The property, plant and equipment have been physically verified by the management during the reasonable intervals; No material discrepancies were noticed on such verification.
- (c) The company title deeds of immovable properties (other than properties where the Company is the lessee and the lease

agreements are duly executed in favour of the lessee) disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company.

- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.
  - (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed during physical verification of inventory.
  - (b) The Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate from banks or financial institutions on the basis of security of current assets during any point of time of the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.
  - (iii) The Company has not made any investment in, provided any guarantee or

- security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, reporting under clause 3(iii) of the Order is not applicable to the Company.
- (iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act in respect of loans, investments, guarantees and security, as applicable.
- (v) In our opinion, and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India ("the RBI"), the provisions of sections 73 to 76 and other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) as applicable, with regard to the deposits accepted or amount(s) which has/have been considered as deemed deposit(s). According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or RBI or any Court or any other Tribunal, in this regard.
- (vi) In our opinion, and according to the information and explanations given to us, the Company has maintained accounts and records specified by the Central Government under sub-section (1) of section 148 of the Companies Act.
- (vii) (a) In our opinion, and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, GST, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no statutory dues referred to in subclause (a) above that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts during the year.
- (ix) (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable..
- (b) According to the information and explanations given to us including representation received from the management of the Company, and on the



basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender.

- (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have not been utilised for long term purposes.
- (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, associates or joint ventures.
- (f) The company has not raised loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible

debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.
- (b) No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting

Standards) Rules 2015 as prescribed under section 133 of the Act.

(xiv) (a) To the best of our knowledge and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly, provisions of section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3(xvi) (a), (b) and (c) of the Order is not applicable to the Company.

(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.

(xvii) The Company has not incurred any cash loss in the current as well as the

immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the plans of the Board of Directors and management, we are of the opinion that no material uncertainty exists as on the date of the audit report that Company is 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 of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) (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) There are no unspent amounts towards Corporate Social Responsibility (CSR) on ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (6) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.

(xxi) The reporting under clause 3(xxi) of the order is not applicable in respect of audit

of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

**For Mahesh Udhwani and Associates  
Chartered Accountants  
(Firm Reg. No: 129738W)**

**Mahesh Udhwani  
(Partner)  
M No: 047328  
UDIN: 24047328BJZYOT1524  
Place: Vadodara  
Date: 28/06/2024**

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# ANNEXURE -B TO THE INDEPENDENT AUDITOR'S REPORT

## **The Annexure referred Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the financial statements of Kronox Lab Sciences Limited as of and for the year ended 31st, March 2024, we have audited the internal financial controls over financial reporting (IFCoFR) of the Company of as of that date.

## **Management's Responsibility and Those Charged with Governance for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls. 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

- (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 authorisations of management and directors of the company; and
- (3) 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.

### **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**

On the basis of representations provided to us by the management of the company and documentation provided to us, we are of the opinion that the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2024, based on the Internal Financial Control over Financial Reporting criteria established by the Company considering the essential components of internal financial controls stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

**For Mahesh Udhvani and Associates**  
**Chartered Accountants**  
**(Firm Reg. No: 129738W)**

**Mahesh Udhvani**  
**(Partner)**  
**M No: 047328**  
**UDIN: 24047328BJZYOT1524**  
**Place: Vadodara**  
**Date: 28/06/2024**



**FINANCIALS**

# Balance Sheet

as at 31st March, 2024

(Rs. In Lakhs)

| Particulars  | Notes | 31st March, 2024 | 31st March, 2023 |
|--|-------|------------------|------------------|
| <b>Assets</b>  |       |                  |                  |
| <b>I. Non-current assets</b>   |       |                  |                  |
| (a) Property, plant and equipment  | 2     | 2,640.55         | 1,591.17         |
| (b) Capital work-in-progress   | 3     | 48.78            | -                |
| (c) Financial assets   |       |                  |                  |
| (i) Investments  | 4     | 2.50             | 2.50             |
| (ii) Other Financial Asset   | 5     | 9.73             | 357.48           |
| (d) Deferred Tax Asset (net)   | 6     | 38.15            | 34.18            |
|  |       | <b>2,739.71</b>  | <b>1,985.33</b>  |
| <b>II. Current assets</b>  |       |                  |                  |
| (a) Inventories  | 7     | 925.26           | 917.34           |
| (b) Financial assets   |       |                  |                  |
| (i) Investments  |       |                  |                  |
| (ii) Trade Receivables   | 8     | 1,764.65         | 1,855.10         |
| (iii) Cash and cash equivalent   | 9     | 258.64           | 248.35           |
| (iv) Bank balances other than (iii) above  | 9A    | 105.41           | 107.87           |
| (v) Other Financial Asset  | 10    | 1,191.17         | 235.07           |
| (c) Other current assets   | 11    | 414.58           | 54.34            |
|  |       | 4,659.71         | 3,418.08         |
| <b>Total assets</b>  |       | <b>7,399.42</b>  | <b>5,403.42</b>  |
| <b>Equity and liabilities</b>  |       |                  |                  |
| <b>Equity</b>  |       |                  |                  |
| (a) Equity share capital   | 12    | 3,710.40         | 3,710.40         |
| (b) Other equity   | 13    | 2,920.10         | 764.68           |
| Total Equity   |       | 6,630.50         | 4,475.08         |
| <b>Liabilities</b>   |       |                  |                  |
| <b>I. Non-current liabilities</b>  |       |                  |                  |
| (a) Provisions   | 14    | 1.83             | 48.73            |
|  |       | 1.83             | 48.73            |
| <b>II. Current liabilities</b>   |       |                  |                  |
| (a) Financial liabilities  |       |                  |                  |
| (i) Trade payables   | 15    |                  |                  |
| Total outstanding dues of micro enterprise and small enterprise                      |       | 315.10           | 286.03           |
| Total outstanding dues of creditors other than micro enterprise and small enterprise |       | 309.25           | 495.03           |
| (b) Other current liabilities  | 16    | 60.87            | 55.97            |
| (c) Provisions   | 17    | 60.24            | 63.66            |
| (d) Current Tax Liabilities (Net)  | 18    | 21.63            | (21.08)          |
|  |       | 767.09           | 879.61           |
| <b>Total equity and liabilities</b>  |       | <b>7,399.42</b>  | <b>5,403.42</b>  |
| Significant accounting policies  | 1     |                  |                  |

The accompanying notes are an integral part of these financial statements.  
As per our report of even date attached

For **Mahesh Udhvani & Associates,**  
Chartered Accountants  
(Firm Regd.No.129738W)

For and on behalf of the Board of Directors  
**KRONOX LAB SCIENCES LIMITED**

**Mahesh Udhvani**  
Partner  
Membership No.047328

**Jogindersingh Jaswal**  
Managing Director  
DIN :02385809

**Ketan Ramani**  
Whole-time Director  
DIN :01510833

**Pritesh Ramani**  
Whole-time Director  
DIN :02392939

Place: Vadodara  
Date: 28th June, 2024

**Nikhil Goswami**  
Company Secretary

**Samir Gadhiya**  
Chief Financial Officer

UDIN: 24047328BJZYOT1524

# Statement of Profit and Loss

for the year ended 31st March, 2024

(Rs. In Lakhs)

| Particulars   | Notes       | 31st March,2024 | 31st March,2023 |
|---|-------------|-----------------|-----------------|
| Revenue from operations   | 19          | 8,986.24        | 9,557.79        |
| Other income  | 20          | 157.79          | 192.02          |
| <b>Total Income</b>   |             | <b>9,144.03</b> | <b>9,749.81</b> |
| <b>Expenses</b>   |             |                 |                 |
| Cost of material consumed   | 21          | 4,489.37        | 5,801.20        |
| Changes in Inventories of Finished Goods and Work in Progress       | 22          | 96.38           | (312.99)        |
| Employee benefits expense   | 23          | 622.85          | 702.69          |
| Finance costs   | 24          | -               | 9.32            |
| Depreciation and amortisation expenses                              | 25          | 128.88          | 149.66          |
| Other expenses  | 26          | 945.75          | 1,195.82        |
| <b>Total expenses</b>   |             | <b>6,283.22</b> | <b>7,545.70</b> |
| <b>Profit/(Loss) before taxes</b>                                   |             | <b>2,860.81</b> | <b>2,204.11</b> |
| <b>Tax Expenses :</b>   |             |                 |                 |
| Current Tax   |             | 734.88          | 572.22          |
| Deferred Tax  |             | (9.20)          | (8.43)          |
| <b>Profit/(Loss) for the year</b>                                   |             | <b>2,135.13</b> | <b>1,640.32</b> |
| <b>Other Comprehensive Income</b>                                   |             |                 |                 |
| (A) Items that will not be reclassified to                          |             |                 |                 |
| Statement of Profit and Loss  |             |                 |                 |
| (i) Defined benefit Plan liability / asset                          |             | 25.51           | 28.03           |
| (ii) Tax impact on above item                                       |             | (5.23)          | (7.05)          |
| (B) Items that will be reclassified to Statement of Profit and Loss |             | -               | -               |
| <b>Total Other Comprehensive Income (After Tax)</b>                 |             | <b>20.29</b>    | <b>20.98</b>    |
| <b>Total Comprehensive Income</b>                                   |             | <b>2,155.42</b> | <b>1,661.30</b> |
| <b>Earning per Equity Share</b>                                     | <b>27</b>   |                 |                 |
| Basic & Diluted (Amount in Rs.)                                     |             | 5.81            | 4.29            |
| <b>Notes to Accounts</b>  | <b>1-27</b> |                 |                 |

The accompanying notes are an integral part of these financial statements.  
As per our report of even date attached

For **Mahesh Udhvani & Associates,**  
Chartered Accountants  
(Firm Regd.No.129738W)

**Mahesh Udhvani**  
Partner  
Membership No.047328

Place: Vadodara  
Date: 28th June, 2024

UDIN: 24047328BJZYOT1524

For and on behalf of the Board of Directors  
**KRONOX LAB SCIENCES LIMITED**

**Jogindersingh Jaswal**  
Managing Director  
DIN :02385809

**Nikhil Goswami**  
Company Secretary

**Ketan Ramani**  
Whole-time Director  
DIN :01510833

**Samir Gadhiya**  
Chief Financial Officer

**Pritesh Ramani**  
Whole-time Director  
DIN :02392939



# Cash flow Statement

for the year ended 31st March, 2024

(Rs. In Lakhs)

| Particulars   | 31st March,2024   | 31st March,2023   |
|---|-------------------|-------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>             |                   |                   |
| Net profit before tax                                     | 2,860.81          | 2,204.11          |
| Adjustments for:  |                   |                   |
| Add : Depreciation and amortisation                       | 128.88            | 149.66            |
| Interest Expenses   | -                 | 9.32              |
| Allowance for credit losses Financial Asset               | (0.24)            | 0.31              |
| Interest Income   | (101.67)          | (42.46)           |
| Accrued Defined Benefit Plan Liability                    | 26.73             | 28.08             |
| Dividend Income   | (0.03)            | (0.03)            |
| Gain on lease termination                                 | -                 | (26.19)           |
| (Profit)/Loss on sale of fixed assets                     | -                 | (1.14)            |
| <b>Operating Profit before Working Capital Changes</b>    | <b>2,914.48</b>   | <b>2,321.67</b>   |
| Adjustments for:  |                   |                   |
| Trade Receivables   | 90.69             | 753.15            |
| Other Current Assets                                      | (360.24)          | 9.42              |
| Inventories   | (7.92)            | (166.23)          |
| Trade payables & Provisions                               | (207.03)          | (371.47)          |
| Other Current and non current Liabilities                 | 46.39             | (7.82)            |
| Cash Generated from Operations                            | (438.10)          | 217.05            |
| Less : Direct Taxes paid                                  | 734.88            | 572.22            |
| <b>Net Cash generated from operating activities (i)</b>   | <b>1,741.51</b>   | <b>1,966.50</b>   |
| <b>B CASH FLOW FROM INVESTING ACTIVITIES</b>              |                   |                   |
| Purchase of Fixed Assets                                  | (1,227.03)        | (841.47)          |
| Bank Deposits (placed)/matured                            | (603.63)          | 47.30             |
| Security Deposits (placed)/matured                        | (2.25)            | 90.00             |
| Sale of fixed assets                                      | -                 | 2.13              |
| Interest Income   | 101.67            | 42.46             |
| Dividend Income   | 0.03              | 0.03              |
| <b>Net cash generated from investing activities (ii)</b>  | <b>(1,731.22)</b> | <b>(659.56)</b>   |
| <b>C CASH FLOW FROM FINANCING ACTIVITIES</b>              |                   |                   |
| Interest Expense  | -                 | (9.32)            |
| Repayment of Financial Liabilities                        | -                 | (80.22)           |
| Buy Back of Shares  | -                 | (1,250.01)        |
| <b>Net cash generated from financial activities (iii)</b> | <b>-</b>          | <b>(1,339.55)</b> |
| <b>Net change in cash and cash equivalents (i+ii+iii)</b> | <b>10.29</b>      | <b>(32.61)</b>    |
| Cash and cash equivalents at the beginning of the year    | 248.35            | 280.96            |
| <b>Cash and cash equivalents at the end of the year*</b>  | <b>258.64</b>     | <b>248.35</b>     |
| <b>*Cash &amp; cash equivalents includes:</b>             |                   |                   |
| Cash in hand  | 1.40              | 3.02              |
| Balances with Scheduled Bank                              | 257.24            | 245.33            |

The accompanying notes are an integral part of these financial statements.  
As per our report of even date attached

For **Mahesh Udhvani & Associates,**  
Chartered Accountants  
(Firm Regd.No.129738W)

For and on behalf of the Board of Directors  
**KRONOX LAB SCIENCES LIMITED**

**Mahesh Udhvani**  
Partner  
Membership No.047328

**Jogindersingh Jaswal**  
Managing Director  
DIN :02385809

**Ketan Ramani**  
Whole-time Director  
DIN :01510833

**Pritesh Ramani**  
Whole-time Director  
DIN :02392939

Place: Vadodara  
Date: 28th June, 2024

**Nikhil Goswami**  
Company Secretary

**Samir Gadhiya**  
Chief Financial Officer

UDIN: 24047328BJZYOT1524

# Statement of Changes in Equity

for the year ended 31st March, 2024

## A. Equity Share Capital FY 2023-24

(Rs. In Lakhs)

| Balance at the beginning of the current reporting period i.e. 01/04/2023 | Changes in Equity Share Capital due to prior period errors | Restated balance at the beginning of the current reporting period | Changes in equity share capital during the current year | Balance at the end of the current reporting period i.e. 31/03/2024 |
|--|--|---|---|--|
| 3,710.40   | -  | -   | -   | 3,710.40   |

## FY 2022-23

| Balance at the beginning of the current reporting period i.e. 01/04/2022 | Changes in Equity Share Capital due to prior period errors | Restated balance at the beginning of the current reporting period | Changes in equity share capital during the current year | Balance at the end of the current reporting period i.e. 31/03/2023 |
|--|--|---|---|--|
| 24.10  | -  | -   | 3,686.30  | 3,710.40   |

## B. Other Equity FY 2023-24

| Particulars  | Reserves and Surplus       |                   | Other Comprehensive Income             | Total           |
|--|----------------------------|-------------------|--|-----------------|
|  | Capital Redemption Reserve | Retained Earnings | Defined benefit Plan liability / asset |                 |
| <b>Balance as at 1st April, 2023</b>   | <b>194.70</b>              | <b>557.80</b>     | <b>12.18</b>                           | <b>764.68</b>   |
| Add/Less : On Account of changes in accounting policy or prior period errors | -                          | -                 | -                                      | -               |
| <b>Restated Balance as at 1st April, 2023</b>                                | <b>194.70</b>              | <b>557.80</b>     | <b>12.18</b>                           | <b>764.68</b>   |
| <b>Total Comprehensive Income for the year</b>                               | <b>-</b>                   | <b>2,135.13</b>   | <b>20.29</b>                           | <b>2,155.42</b> |
| Transfer to Retained Earnings  | -                          | -                 | -                                      | -               |
| Transfer to Capital Redemption Reserve on Account of Buy Back                | -                          | -                 | -                                      | -               |
| <b>Balance as at 31st March, 2024</b>  | <b>194.70</b>              | <b>2,692.93</b>   | <b>32.47</b>                           | <b>2,920.10</b> |

## FY 2022-23

| Particulars  | Reserves and Surplus       |                   | Other Comprehensive Income             | Total           |
|--|----------------------------|-------------------|--|-----------------|
|  | Capital Redemption Reserve | Retained Earnings | Defined benefit Plan liability / asset |                 |
| <b>Balance as at 1st April, 2022</b>   | <b>0.90</b>                | <b>4,047.59</b>   | <b>(8.80)</b>                          | <b>4,039.69</b> |
| Add/Less : On Account of changes in accounting policy or prior period errors | -                          | -                 | -                                      | -               |
| <b>Restated Balance as at 1st April, 2022</b>                                | <b>0.90</b>                | <b>4,047.59</b>   | <b>(8.80)</b>                          | <b>4,039.69</b> |
| <b>Total Comprehensive Income for the year</b>                               | <b>-</b>                   | <b>1,640.32</b>   | <b>20.98</b>                           | <b>1,661.29</b> |
| Bonus Shares Issued (Refer Note-12a (i))                                     | -                          | (3,880.10)        | -                                      | (3,880.10)      |
| Buy Back of Equity Shares* (Refer Note-12a(ii))                              | -                          | (1,056.20)        | -                                      | (1,056.20)      |
| Transfer to Retained Earnings  | -                          | -                 | -                                      | -               |
| Transfer to Capital Redemption Reserve on Account of Buy Back                | 193.80                     | (193.80)          | -                                      | -               |
| <b>Balance as at 31st March, 2023</b>  | <b>194.70</b>              | <b>557.80</b>     | <b>12.18</b>                           | <b>764.68</b>   |

\*Including tax on buy back of Rs 2,91,25,233/-

The accompanying notes are an integral part of these financial statements.  
As per our report of even date attached

For **Mahesh Udhvani & Associates,**  
Chartered Accountants  
(Firm Regd.No.129738W)

**For and on behalf of the Board of Directors**  
**KRONOX LAB SCIENCES LIMITED**

**Mahesh Udhvani**  
Partner  
Membership No.047328

**Jogindersingh Jaswal**  
Managing Director  
DIN :02385809

**Ketan Ramani**  
Whole-time Director  
DIN :01510833

**Pritesh Ramani**  
Whole-time Director  
DIN :02392939

Place: Vadodara  
Date: 28th June, 2024

**Nikhil Goswami**  
Company Secretary

**Samir Gadhiya**  
Chief Financial Officer

UDIN: 24047328BJZYOT1524

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**Note – 1: -**

**A. Reporting Entity**

KRONOX LAB SCIENCES LIMITED was incorporated on November 18, 2008 as a private limited company under Companies Act, 1956. The company has its registered office at Block No.353, Village Ekalbara, Padra Vadodara GJ 391440. The Company has completed its Initial Public Offer (IPO) and accordingly the Company's equity shares are listed on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) on 10th June, 2024.

The Company is engaged in the manufacturing of High Purity Fine, inorganic chemicals, phosphate and metallic chemicals. The company commenced its business activities in year 2008. The Company carried out its activities at three locations (Unit-1, 2 & 3) in Ekalbara village, Padra. Additionally, the company acquired an industrial plot on a leasehold basis at GIDC, Dahej – II during the year.

**B. NOTES FORMING PART OF ACCOUNTS:**

**SIGNIFICANT ACCOUNTING POLICIES:**

**Summary of Significant Accounting Policies**

**1. Basis of preparation and presentation of financial statements:**

**Compliance with Ind As:**

The financial statements of company has been prepared in accordance with Indian Accounting standards (Ind AS), under the historical cost conversion on the accrual basis unless specifically stated otherwise.

The Ind AS are prescribed under section 133 of the Companies Act, 2013 read with companies (Indian accounting standards) Rules, 2015, as amended and other provisions of the Act.

**A. Basis of preparation:**

The financial statements of the company as at 31st March, 2024 are prepared in accordance with recognition and measurement principles of Indian Accounting Standards.

**B. Basis of measurement:**

The Financial Statements have been prepared on historical cost basis considering the applicable provisions of Companies Act 2013. The exceptions to the same are:

-certain financial assets and liabilities (including derivative instruments) that are measured at fair value; and

-net defined benefit (asset) / liability will be measured at year end on 31st March, 2024 after actuarial report has been obtained.

**C. Current and non-current classification of assets and liabilities:**

The Assets and Liabilities and the Statement of Profit & Loss, including related notes, are prepared and presented as per the requirements of Schedule III (Division II) to the Companies Act, 2013. All assets and liabilities have

been classified and disclosed as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III. Based on the nature of products and the time between the acquisition of assets for processing and their realization into cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

**D. Functional and presentation currency:**

The functional and presentation currency in these Financial Statements is INR and all values are rounded to nearest lacs (INR 00,000), unless otherwise stated.

**E. Use of judgements, estimates and assumptions:**

The preparation of financial statements in conformity with Ind AS requires the Management to make estimates, judgments and assumptions that affect the reported amounts of revenue, expenses, current assets, non-current assets, current liabilities, noncurrent liabilities and the disclosure of the contingent liabilities on the date of the preparation of Financial Statements. Such estimates are on a reasonable and prudent basis considering all available information, however due to uncertainties about these judgements, estimates and assumptions, the actual results could differ from those estimates. Information about each of these estimates and judgements is included in relevant notes. Any revision to accounting estimates is

recognized prospectively in current and future periods.

**Judgements:**

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the Financial Statements is included in the following:

Classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial assets are solely payments of principal and interest on the principal amount outstanding.

**2. Property, Plant and Equipment:**

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the Management. The Company depreciates property, plant and equipment over their estimated useful lives using the Written down value method. Other Indirect Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under Capital Work-in-Progress.

An item of PPE is derecognised on disposal or when no future economic benefits are expected from use. Any profit

or loss arising on the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss.

**Subsequent Costs:**

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The cost of the day-to-day servicing the property, plant and equipment are recognised in the statement of profit and loss as incurred.

**Disposal:**

An item of property, plant and equipment is derecognised upon the disposal or when no future benefits are expected from its use or disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income / expenses in the statement of profit and loss.

**Depreciation:**

The depreciable amount of an asset is determined after deducting its residual value. Where the residual value of an asset

increases to an amount equal to or greater than the asset’s carrying amount, no depreciation charge is recognised till the asset’s residual value decreases below the asset’s carrying amount. Depreciation of an asset begins when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the intended manner. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale in accordance with Ind AS 105 and the date that the asset is derecognised.

Depreciation on Property, Plant and Equipment is provided on the reducing balance method over the estimated useful life of the assets as prescribed under Schedule II to the Companies Act, 2013.

The management has estimated the useful life of the Tangible Assets as mentioned below:

| <b>Asset Classification</b> | <b>Years</b> |
|-----------------------------|--------------|
| Computer                    | 3            |
| Factory Buildings           | 30           |
| Furniture & Fixtures        | 10           |
| Lab Equipment               | 15           |
| Office Equipment            | 15           |
| Plant & Machineries         | 15           |
| Vehicle                     | 15           |
| Factory Shed                | 30           |

**Impairment of all non-financial assets:**

The Company assesses at each balance sheet date whether there is any indication that an asset or cash generating unit (CGU) may be impaired. Indefinite life intangibles are subject to a review for impairment annually or more frequently if events or circumstances indicate that it is necessary. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal or its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining the fair value less costs of disposal, recent market transactions are considered.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount, Impairment losses are recognised in the statement of profit and loss.

If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**3. Investments and Deposits:**

The total investments are carried at their actual amount of investment. Further, these investments are not held with a view to earn contractual cash flow instead there are a type of membership deposit made. Hence, they do not classify as Financial Assets in accordance with IND AS.

**4. Leases:**

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified.
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing

how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:

#the Company has the right to operate the asset; or

#the Company designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

### **Company as a lessee:**

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of

the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets redetermined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rates as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments.
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option. In case of early



termination of lease agreement, company will derecognise ROU asset and lease liability to reflect the partial or full termination of the lease and recognise gain or loss in P&L Account on such termination.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is change in future lease payments arising from a change in an index or rate, if there is change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in statement of profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets:

The Company has elected not to recognise right-of-use assets and lease liability for the short-term leases that have lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments as an operating expense on a straight-line basis over lease term.

## **5. Financial Assets:**

### **A. Fair Value Assessment:**

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of asset and liability if market participants would take those into consideration. Fair value for measurement and / or disclosure purposes in these Financial Statements is determined in such basis except for transactions in the scope of Ind AS 2, 17 and 36. Normally at initial recognition, the transaction price is the best evidence of fair value.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques those are appropriate in the

circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All financial assets and financial 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.

**B. Subsequent Measurement:**

For purposes of subsequent measurement financial assets are classified in three categories:

- Financial assets measured at amortized cost
- Financial assets at fair value through OCI
- Financial assets at fair value through profit or loss

**C. Financial Assets measured at amortized cost:**

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

amortized using the effective interest rate ('EIR') method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognized in the Statement of Profit and Loss.

**D. Trade Receivables:**

Unconditional receivables are recognised as financial assets when the entity becomes a party to the contract and, as a consequence, has a legal right to received or a legal obligation to pay cash. However, trade receivables that do not contain a significant financing component are measured at transaction price.

**E. Financial Assets at fair value through OCI('FVTOCI'):**

Financial assets are measured at fair value through other comprehensive income if the financial asset 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. At initial recognition, an irrevocable election is made (on an instrument-by-instrument basis) to designate investments in equity instruments other than held for trading purpose at FVTOCI. Fair value changes are recognized in the other comprehensive

income ('OCI'). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the Statement of Profit and Loss.

**F. Financial Assets at fair value through profit or loss('FVTPL'):**

Any financial asset that does not meet the criteria for classification as at amortized cost or as financial assets at fair value through other comprehensive income is classified as financial assets at fair value through profit or loss. Further, financial assets at fair value through profit or loss also include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets at fair value through profit or loss are fair valued at each reporting date with all the changes recognized in the Statement of Profit and Loss.

**G. Derecognition:**

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the financial asset, the Company recognizes

its retained interest in the asset and an associated liability for amounts it may have to pay.

**H. Impairment of Financial Assets:**

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, ECLs 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 ECLs (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in profit or loss.

**6. Financial Liabilities:  
The company's financial liabilities include trade payable.**

**A. Initial recognition and measurement:**

All financial liabilities at initial recognition are classified as financial liabilities at amortized cost or financial liabilities at fair value through profit or loss, as appropriate. All financial liabilities classified at amortized cost are recognized initially at fair value net of directly attributable transaction costs. Any difference between the proceeds (net of

transaction costs) and the fair value at initial recognition is recognized in the Statement of Profit and Loss (if any).

#### **B. Subsequent Measurement:**

The subsequent measurement of financial liabilities depends upon the classification as described below: -

##### **i) Financial liabilities classified as Amortized cost:**

Financial Liabilities that are not held for trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. Interest expense that is not capitalized as part of costs of assets is included as Finance costs in the Statement of Profit and Loss.

##### **ii) Financial liabilities classified as fair value through profit and loss (FVTPL):**

Financial liabilities classified as FVTPL includes financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Financial liabilities designated upon initial recognition at FVTPL only if the criteria in Ind AS 109 is satisfied.

Exports benefits are accounted for in the year of exports based on the eligibility and

when there is certainty of receiving the same.

#### **C. Trade Payables:**

Unconditional payables are recognised as financial liabilities when the entity becomes a party to the contract and, as a consequence, has a legal right to received or a legal obligation to pay cash. However, trade payables that do not contain a significant financing component are measured at transaction price.

#### **D. Derecognition:**

A financial liability is derecognized when the obligation under the liability is discharged / cancelled / expired. 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 de recognition 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 and Loss.

#### **E. Offsetting of Financial Instruments:**

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

**7. Cash Flows and Cash and Cash Equivalents:**

Statement of cash flows is prepared in accordance with the indirect method prescribed in the relevant IND AS. For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, cheques and drafts on hand, deposits held with Banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. However, Bank overdrafts are to be shown within borrowings in current liabilities in the balance sheet for the purpose of presentation.

**8. Provisions and Contingent Liabilities and Contingent Assets:**

The company recognizes a provision when there is a present obligation as a result of past event that requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

Contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be

required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are disclosed after careful evaluation by the management of facts and legal aspects of the matter involved.

Contingent Asset are neither recognized nor disclosed in the financial statements.

**9. Revenue Recognition and Other Income:**

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.

Revenue from sale of goods is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services. The Company is generally the principal as it typically controls the goods or services before transferring them to the customer. Generally, control is transferred upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Interest income or expense is recognised using the effective interest rate method. The "effective interest rate" is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument to:

-the gross carrying amount of the financial assets;

-the amortized cost of the financial liability.

However, in case of interest income on fixed deposit with banks is booked as per the interest rate fixed by bank on such deposits.

## 10. Income Taxes:

Income tax expense represents the sum of tax currently payable and deferred tax. Tax is recognized in the Statement of Profit and Loss, except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

### Current Tax:

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and the tax laws

used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income. Current tax assets and liabilities are offset only if there is a legally enforceable right to set it off the recognised amounts and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

### Deferred Tax:

Deferred tax is provided using the balance sheet method on temporary differences between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

-When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss,

-Taxable temporary differences arising on the initial recognition of goodwill.

-Temporary differences related to investments in subsidiaries, associates, and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses (including unabsorbed depreciation) can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax is also recognized in correlation to the underlying transaction reflected in OCI.

**11. Inventories:**

Raw materials, Work in Progress, Finished Goods and Packing Material are stated at lower of cost and net realizable value. For calculating inventories, the cost method for evaluation, it has been considered at FIFO Method. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its present location and condition and includes, where applicable, appropriate overheads based on normal level if activity.

**12. Foreign Currency Transactions:**

Transactions in foreign currencies are translated into the respective functional currency of the Company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monitory assets and liabilities that are measured at fair value in a foreign currency are translated into the functional

currency at the exchange rate when the fair value was determined. Non-monitory items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in the Statement of Profit and Loss.

**13. Dividend:**

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

**14. Employee Benefits:**

**Long-term Benefits:**

**Provident Fund - Defined Contribution Plan:**

As the provisions of The Employees' Provident Fund and Miscellaneous Provisions Act & Employees State Insurance Act are applicable to the company. The Company's contribution paid/payable under the scheme is recognized as an expense in the statement of profit and loss during the period in which the employee renders the related services.

**Gratuity - Defined Benefit Plans:**

The company operates an unfunded defined benefit plan for its employees in the form of gratuity. The cost of providing benefits under this plan is determined on

the basis of actuarial valuation at each reporting date, using the projected unit credit method, actuarial gain or loss for defined benefit plan are recognized in full in the year in which they occur in the statement of Profit and Loss.

**Short term Benefits:**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Undiscounted value of benefits such as salaries, leave encashment incentives, allowances and bonus are recognized in the period in which the employee renders the related service.

**15. Borrowing Cost:**

Borrowing costs directly attributable to the acquisition, construction or production of an asset, that necessarily takes substantial period of time to get ready for its intended use or sale, are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest, exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost another cost that an entity incurs in connection with the borrowings of the funds.

**16. Segment Reporting:**

Company is exclusively engaged in the business of manufacturing of chemicals.



As such, in accordance with Ind AS, our Company's business is considered to constitute one single primary segment.

17. Earnings Per Share:

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements and stock split in equity shares issued during the year and excluding treasury shares. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares and stock

split, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS adjust the figures used in the determination of basic EPS to consider.

The after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.



# Notes on Financial Statement

for the year ended 31st March, 2024

| 4 | Investments   | March 31, 2024 | March 31, 2023 |
|---|---|----------------|----------------|
|   | Enviro Infrastructure - Share Certificate   | 2.50           | 2.50           |
|   | <b>Total</b>  | <b>2.50</b>    | <b>2.50</b>    |
| 5 | Other Financial Asset   | March 31, 2024 | March 31, 2023 |
|   | Security deposits   | 9.73           | 7.48           |
|   | Fixed Deposit With Banks( having remaining maturity period more than 12 months from the reporting date) |                | 350.00         |
|   | <b>Total</b>  | <b>9.73</b>    | <b>357.48</b>  |
| 6 | Deffered Tax Assets /(Liabilities)  | March 31, 2024 | March 31, 2023 |
|   | Excess of depreciation/amortisation on property plant and equipment under income tax act                | 20.80          | 13.15          |
|   | Provision for employee benefits and ECL   | 17.35          | 19.81          |
|   | Others  | -              | 1.21           |
|   | <b>Total</b>  | <b>38.15</b>   | <b>34.18</b>   |

The tax impact for the above purpose has been arrived by applying a Income tax rate of 25.17% (Including Cess & Surcharge) being the prevailing tax rate for Indian companies under the Income Tax Act, 1961.

## 6A Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

| Particulars                                | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
|--|--------------------------------------|--------------------------------------|
| Accounting profit before tax               | 2,860.81                             | 2,204.11                             |
| Tax rate                                   | 25.17%                               | 25.17%                               |
| Tax as per IT Act on above                 | 720.07                               | 554.77                               |
| <b>Tax expenses (P&amp;L)</b>              |                                      |                                      |
| (i) Current tax                            | 734.88                               | 572.22                               |
| (ii) Deferred tax                          | (9.20)                               | (8.43)                               |
| (iii) Taxation in respect of earlier years | -                                    | -                                    |
|  | <b>725.68</b>                        | <b>563.79</b>                        |
| Tax expenses (OCI)                         | 5.23                                 | 7.05                                 |
| Difference                                 | (10.84)                              | (16.07)                              |
| Tax reconciliation                         |                                      |                                      |
| Adjustments:                               |                                      |                                      |
| Effect of permanent adjustments            | 10.84                                | 16.07                                |
| Effect of Temporary Adjustments:           |                                      |                                      |
| (i) Impact as a result of Tax Rate Change  | -                                    | -                                    |
| (ii) Effect of earlier year adjustment     | -                                    | -                                    |
| (iii) Others                               | -                                    | -                                    |
| <b>Total</b>                               |                                      |                                      |

| 7 | Inventories      | March 31, 2024 | March 31, 2023 |
|---|------------------|----------------|----------------|
|   | Raw material     | 347.23         | 242.49         |
|   | WIP              | 160.00         | 92.70          |
|   | Finished Goods   | 305.97         | 274.29         |
|   | Stock in transit | 103.00         | 298.37         |
|   | Packing Material | 9.05           | 9.49           |
|   | <b>Total</b>     | <b>925.26</b>  | <b>917.34</b>  |

| 8 | Trade receivables                        | March 31, 2024  | March 31, 2023  |
|---|--|-----------------|-----------------|
|   | Unsecured, considered good               | 1,764.72        | 1,855.41        |
|   | Unsecured, considered doubtful           | -               | -               |
|   | Less: Allowance for expected credit loss | (0.07)          | (0.31)          |
|   | Secured, considered good                 | -               | -               |
|   | <b>Total</b>                             | <b>1,764.65</b> | <b>1,855.10</b> |

| 8A | Trade receivables             | March 31, 2024 | March 31, 2023 |
|----|-------------------------------|----------------|----------------|
|    | Non-current trade receivables | -              | -              |
|    | Current trade receivables     | 1,764.72       | 1,855.41       |

| 8B | Trade Receivables ageing schedule   | Outstanding for following periods from due date of Payment as on 31/03/2024 |                  |           |           |                   |
|----|---|---|------------------|-----------|-----------|-------------------|
|    |   | Less than 6 months  | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years |
|    | (i) Undisputed Trade receivables –<br>– considered good                   | 1,761.16  | 3.56             | -         | -         | -                 |
|    | (ii) Undisputed Trade Receivables –<br>Which have significant credit risk | -   | -                | -         | -         | -                 |
|    | (ii) Undisputed Trade Receivables<br>Credit impaired                      | -   | -                | -         | -         | -                 |
|    | (iii) Disputed Trade Receivables<br>considered good                       | -   | -                | -         | -         | -                 |
|    | (iv) Disputed Trade Receivables<br>Which have significant credit risk     | -   | -                | -         | -         | -                 |
|    | (iv) Disputed Trade Receivables<br>Credit impaired                        | -   | -                | -         | -         | -                 |

| 8C | Trade Receivables ageing schedule   | Outstanding for following periods from due date of Payment as on 31/03/2023 |                  |           |           |                   |
|----|---|---|------------------|-----------|-----------|-------------------|
|    |   | Less than 6 months  | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years |
|    | (i) Undisputed Trade receivables –<br>– considered good                   | 1,840.09  | 15.32            | -         | -         | -                 |
|    | (ii) Undisputed Trade Receivables –<br>Which have significant credit risk | -   | -                | -         | -         | -                 |
|    | (ii) Undisputed Trade Receivables<br>Credit impaired                      | -   | -                | -         | -         | -                 |
|    | (iii) Disputed Trade Receivables<br>considered good                       | -   | -                | -         | -         | -                 |
|    | (iv) Disputed Trade Receivables<br>Which have significant credit risk     | -   | -                | -         | -         | -                 |
|    | (iv) Disputed Trade Receivables<br>Credit impaired                        | -   | -                | -         | -         | -                 |

| 9 | Cash and bank balances           | March 31, 2024 | March 31, 2023 |
|---|----------------------------------|----------------|----------------|
|   | <b>Cash and cash equivalents</b> |                |                |
|   | Cash on hand                     | 1.40           | 3.02           |
|   | Balances with banks              | 257.24         | 245.33         |
|   | <b>Total</b>                     | <b>258.64</b>  | <b>248.35</b>  |

| 9A | Bank balances other than Cash and cash equivalent above  | March 31, 2024 | March 31, 2023 |
|----|--|----------------|----------------|
|    | Fixed Deposit With Banks (having original maturity of more than 3 months but remaining maturity of less than 3 months) | 105.41         | 107.87         |
|    | <b>Total</b>   | <b>105.41</b>  | <b>107.87</b>  |

|            |  |   |                |             |                   |               |
|------------|--|---|----------------|-------------|-------------------|---------------|
| <b>10</b>  | Other Financial Asset  | March 31, 2024  | March 31, 2023 |             |                   |               |
|            | Fixed Deposit With Banks* (having remaining maturity period less than 12 months) | 1,127.70  | 208.52         |             |                   |               |
|            | Interest Receivable (From Fixed Deposit with Bank)                               | 63.47   | 26.56          |             |                   |               |
|            | <b>Total</b>   | <b>1,191.17</b>   | <b>235.07</b>  |             |                   |               |
|            | *Fixed deposit of INR 52.70 lacs is lien marked with Bank of India.              |   |                |             |                   |               |
|            |  |   | (Rs. In Lakhs) |             |                   |               |
| <b>11</b>  | Other Current Assets   | March 31, 2024  | March 31, 2023 |             |                   |               |
|            | Balances with Government authorities   | 28.30   | 3.56           |             |                   |               |
|            | Prepaid Expenses   | 5.77  | 3.71           |             |                   |               |
|            | Other receivables  | 380.52  | 47.07          |             |                   |               |
|            | <b>Total</b>   | <b>414.58</b>   | <b>54.34</b>   |             |                   |               |
| <b>13</b>  | Other Equity   | March 31, 2024  | March 31, 2023 |             |                   |               |
|            | <b>Reserve &amp; Surplus</b>   |   |                |             |                   |               |
|            | Capital Redemption Reserve   | 194.70  | 194.70         |             |                   |               |
|            | Retained earnings  | 2,692.93  | 557.80         |             |                   |               |
|            | Other Comprehensive Income Reserve   |   |                |             |                   |               |
|            | Defined benefit Plan liability / asset   | 32.47   | 12.18          |             |                   |               |
|            | <b>Total</b>   | <b>2,920.10</b>   | <b>764.68</b>  |             |                   |               |
| <b>14</b>  | Non - Current Provisions   | March 31, 2024  | March 31, 2023 |             |                   |               |
|            | <b>Others</b>  |   |                |             |                   |               |
|            | Accrued Defined Benefit Plan Liability   | 1.83  | 48.73          |             |                   |               |
|            | <b>Total</b>   | <b>1.83</b>   | <b>48.73</b>   |             |                   |               |
| <b>15</b>  | Trade payables   | March 31, 2024  | March 31, 2023 |             |                   |               |
|            | (i) Outstanding dues to Micro and small Enterprises*                             | 315.10  | 286.03         |             |                   |               |
|            | (ii) Outstanding dues of creditors other than Micro and small Enterprises        | 309.25  | 495.03         |             |                   |               |
|            | <b>Total</b>   | <b>624.35</b>   | <b>781.06</b>  |             |                   |               |
| <b>15A</b> | Trade payables   | March 31, 2024  | March 31, 2023 |             |                   |               |
|            | Considered as Current  | 624.35  | 781.02         |             |                   |               |
|            | Considered as Non Current  | -   | -              |             |                   |               |
|            | <b>Total</b>   | <b>624.35</b>   | <b>781.02</b>  |             |                   |               |
| <b>15B</b> | Trade Payables Ageing Schedule   | Outstanding for following periods from due date of payment as on 31/03/2024 |                |             |                   |               |
|            |  | Less than 1 year  | 1-2 years      | 2-3 years   | More than 3 years | Total         |
|            | <b>Trade Payables</b>  |   |                |             |                   |               |
|            | (i) MSME   | 315.10  | -              | -           | -                 | 315.10        |
|            | (ii) Others  | 309.21  | 0.01           | 0.03        | 0.00              | 309.25        |
|            | (iii) Disputed dues – MSME   | -   | -              | -           | -                 | -             |
|            | (iv) Disputed dues - Others  | -   | -              | -           | -                 | -             |
|            | <b>Total</b>   | <b>624.31</b>   | <b>0.01</b>    | <b>0.03</b> | <b>0.00</b>       | <b>624.35</b> |

| 15C                   | Trade Payables Ageing Schedule |   |           |           |                   | Total         |
|-----------------------|--------------------------------|---|-----------|-----------|-------------------|---------------|
|                       |                                | Less than 1 year  | 1-2 years | 2-3 years | More than 3 years |               |
| <b>Trade Payables</b> |                                | Outstanding for following periods from due date of payment as on 31/03/2024 |           |           |                   |               |
|                       | (i) MSME                       | 286.03  | -         | -         | -                 | 286.03        |
|                       | (ii) Others                    | 494.99  | -         | -         | -                 | 494.99        |
|                       | (iii) Disputed dues – MSME     | -   | -         | -         | -                 | -             |
|                       | (iv) Disputed dues - Others    | -   | -         | -         | -                 | -             |
|                       | <b>Total</b>                   | <b>781.02</b>   | <b>-</b>  | <b>-</b>  | <b>-</b>          | <b>781.02</b> |

(Rs. In Lakhs)

| 16 | Other Current Liabilities      | March 31, 2024 | March 31, 2023 |
|----|--------------------------------|----------------|----------------|
|    | Advance Received from customer | 5.65           | 19.03          |
|    | <b>Others</b>                  |                |                |
|    | Statutory dues payable         | 55.23          | 36.95          |
|    | <b>Total</b>                   | <b>60.87</b>   | <b>55.97</b>   |

| 17 | Provisions                      | March 31, 2024 | March 31, 2023 |
|----|---------------------------------|----------------|----------------|
|    | Provision for employee benefits | 39.73          | 27.11          |
|    | Others                          | 20.51          | 36.55          |
|    | <b>Total</b>                    | <b>60.24</b>   | <b>63.66</b>   |

| 17 | Current Tax Liabilities (Net)   | March 31, 2024 | March 31, 2023 |
|----|---------------------------------|----------------|----------------|
|    | Income tax (net of advance tax) | 21.63          | (21.08)        |
|    | <b>Total</b>                    | <b>21.63</b>   | <b>(21.08)</b> |

# Notes on Financial Statement

for the year ended 31st March, 2024

(Rs. In Lakhs)

| 12  | Other Current Liabilities | as at March 31, 2024 | as at March 31, 2023 |
|---|---------------------------|----------------------|----------------------|
| <b>Share Capital:</b>   |                           |                      |                      |
| <b>Authorised share capital</b>   |                           |                      |                      |
| 5,40,00,000 Equity shares (P.Y: 5,40,00,000 Equity Shares) of Rs.10 each            |                           |                      |                      |
|   |                           | 5,400.00             | 5,400.00             |
| <b>Issued, subscribed and fully paid up capital:</b>                                |                           |                      |                      |
| 3,71,04,000 Equity Shares (P.Y: 3,71,04,000 Equity Shares) of Rs.10 each Fully Paid |                           |                      |                      |
|   |                           | 3,710.40             | 3,710.40             |
|   | <b>Total</b>              | <b>3,710.40</b>      | <b>3,710.40</b>      |

(Rs. In Lakhs)

| a | Reconciliation of number of shares Outstanding            | as at March 31, 2024 |                    | as at March 31, 2023 |                    |
|---|---|----------------------|--------------------|----------------------|--------------------|
|   |   | Number               | (Rs.)              | Number               | (Rs.)              |
|   | Shares outstanding at the beginning of the year           | 37,104,000           | 371,040,000        | 241,000              | 2,410,000          |
|   | Bonus shares issued during the year refer note (i) below  | -                    | -                  | 38,801,000           | 388,010,000        |
|   | Shares brought back during the year refer note (ii) below | -                    | -                  | (1,938,000)          | (19,380,000)       |
|   | <b>Shares outstanding at the end of the year</b>          | <b>37,104,000</b>    | <b>371,040,000</b> | <b>37,104,000</b>    | <b>371,040,000</b> |

## Rights, preferences and restrictions attached to equity shares

The company has only one class of equity shares having a par value of Rs.10/- per share. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. Each shareholder is eligible to one vote per share held. Voting rights can not be exercised in respect of shares on which any call or other sums presently payable have not been paid. The dividend proposed, if any, by the Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. The repayment of equity share capital in the event of liquidation and buy back of shares are possible subject to prevalent regulations. In the event of liquidation, normally the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

- (i) The Company allotted 3,88,01,000 Ordinary Shares of 10/- each, as fully paid-up Bonus Shares in the proportion of 161 (One Hundred Sixty One) Bonus Share of 10/- each for every existing 1 (One) Ordinary Shares of 10/- each during FY 2022-23.
- (ii) The Company has bought back 19,38,000 fully paid up equity shares of face value of Rs 10/- per share during FY 2022-23.

| b | Name of the Shareholders/Promoter* | as at March 31, 2024 |                    |                          | as at March 31, 2023 |                    |                          |
|---|------------------------------------|----------------------|--------------------|--------------------------|----------------------|--------------------|--------------------------|
|   |                                    | No. of shares        | % of share holding | % change during the year | No. of shares        | % of share holding | % change during the year |
|   | Pritesh Ramani                     | 111.30               | 30.00%             | -                        | 111.30               | 30.00%             | -                        |
|   | Jogindersingh Jaswal               | 129.83               | 34.99%             | -                        | 129.83               | 34.99%             | -                        |
|   | Ketan Ramani                       | 129.82               | 34.99%             | -                        | 129.82               | 34.99%             | -                        |
|   | <b>Total</b>                       | <b>370.94</b>        |                    |                          | <b>370.94</b>        |                    |                          |

(c) Details of share held by shareholders holding more than 5% of the aggregate shares in the company

(Rs. In Lakhs)

| C | Name of the shareholders/promoter | as at March 31, 2024 |                    | as at March 31, 2023 |                    |
|---|-----------------------------------|----------------------|--------------------|----------------------|--------------------|
|   |                                   | No. of shares        | % of share holding | No. of shares        | % of share holding |
|   | Pritesh Ramani                    | 111.30               | 30.00%             | 111.30               | 30.00%             |
|   | Jogindersingh Jaswal              | 129.83               | 34.99%             | 129.83               | 34.99%             |
|   | Ketan Ramani                      | 129.82               | 34.99%             | 129.82               | 34.99%             |
|   | <b>Total</b>                      |                      | <b>370.94</b>      |                      | <b>370.94</b>      |



# Notes on Financial Statement

for the year ended 31st March, 2024

(Rs. In Lakhs)

| 19 | Revenue from operations | March 31, 2024 | March 31, 2023 |
|----|-------------------------|----------------|----------------|
|    | Sales                   | 8950.07        | 9518.10        |
|    | Freight                 | 36.17          | 39.69          |
|    | <b>Total</b>            | <b>8986.24</b> | <b>9557.79</b> |

| 20 | Other income              | March 31, 2024 | March 31, 2023 |
|----|---------------------------|----------------|----------------|
|    | Dividend                  | 0.03           | 0.03           |
|    | Duty Drawback             | 32.45          | 26.41          |
|    | Foreign Exchange Gain     | 21.57          | 94.79          |
|    | Interest Income           | 101.67         | 42.46          |
|    | Subsidy                   | 2.00           | 0.97           |
|    | Profit on sale of Asset   | -              | 1.14           |
|    | Kasar & Discount          | 0.08           | 0.04           |
|    | Gain on lease termination | -              | 26.19          |
|    | <b>Total</b>              | <b>157.79</b>  | <b>192.02</b>  |

| 21 | Cost of materials consumed    | March 31, 2024 | March 31, 2023 |
|----|-------------------------------|----------------|----------------|
|    | Opening Stock                 | 251.98         | 398.74         |
|    | Add: Purchase during the year | 4593.68        | 5654.44        |
|    |                               | 4845.66        | 6053.18        |
|    | Less: Closing Stock           | 356.29         | 251.98         |
|    | <b>Total</b>                  | <b>4489.37</b> | <b>5801.20</b> |

| 22 | Changes in Inventories of Finished Goods and Work in Progress | March 31, 2024 | March 31, 2023  |
|----|---|----------------|-----------------|
|    | <b>Opening Inventories:</b>                                   |                |                 |
|    | Work-in-progresss   | 92.69          | 45.43           |
|    | Finished goods  | 274.29         | 306.94          |
|    | Goods-in-transit  | 298.37         | 0.00            |
|    |   | <b>665.35</b>  | <b>352.37</b>   |
|    | <b>Closing Inventories:</b>                                   |                |                 |
|    | Work-in-progresss   | 160.00         | 92.70           |
|    | Finished goods  | 305.97         | 274.29          |
|    | Goods-in-transit  | 103.00         | 298.37          |
|    |   | 568.97         | 665.36          |
|    | <b>(Increase) /decrease in inventories</b>                    | <b>96.38</b>   | <b>(312.99)</b> |

| 23 | Employee benefits expense               | March 31, 2024 | March 31, 2023 |
|----|---|----------------|----------------|
|    | Director Remuneration                   | 372.50         | 510.00         |
|    | Salary, wages and Bonus                 | 184.22         | 141.47         |
|    | Gratuity                                | 26.73          | 28.08          |
|    | Contribution to Provident fund and ESIC | 21.31          | 14.76          |
|    | Staff Welfare Expense                   | 18.10          | 8.38           |
|    | <b>Total</b>                            | <b>622.85</b>  | <b>702.69</b>  |

(Rs. In Lakhs)

| 24 | Finance costs  | March 31, 2024 | March 31, 2023 |
|----|--|----------------|----------------|
|    | Bank Interest  | -              | 5.43           |
|    | Interest Expense on lease liabilities                        | -              | 3.90           |
|    | <b>Total</b>   | <b>-</b>       | <b>9.32</b>    |
| 25 | Depreciation and Amortisation Expenses                       | March 31, 2024 | March 31, 2023 |
|    | Depreciation of property, plant and equipment (refer note 2) | 125.14         | 133.26         |
|    | Amortisation of right-of-use asset (refer note 2)            | 3.74           | 16.40          |
|    | <b>Total</b>   | <b>128.88</b>  | <b>149.66</b>  |
| 26 | Other expenses   | March 31, 2024 | March 31, 2023 |
|    | Audit Fees*  | 4.50           | 4.50           |
|    | CSR Expense  | 36.11          | 28.89          |
|    | Power and Fuel Expense                                       | 59.07          | 53.58          |
|    | Factory Expenses   | 11.18          | 12.31          |
|    | Freight & Transportation Expenses                            | 244.24         | 200.59         |
|    | Labour Charges   | 301.20         | 252.19         |
|    | Bad Debt   | 0.00           | 27.51          |
|    | Other expenses   | 2.52           | 2.47           |
|    | Other administrative and general expenses                    | 35.16          | 28.64          |
|    | Pollution Control Expense                                    | 7.01           | 5.64           |
|    | Telephone and Postage  | 3.75           | 2.76           |
|    | Printing & Stationary  | 5.35           | 4.65           |
|    | Professional Fees Expense*                                   | 35.59          | 43.59          |
|    | Impairment loss recognized on Financial Asset                | (0.24)         | 0.31           |
|    | Increase of Authorised Capital Expense                       | 0.00           | 29.25          |
|    | Rates & Taxes  | 3.86           | 7.33           |
|    | Insurance  | 2.72           | 5.13           |
|    | Repair & Maintenance Expense                                 | 39.64          | 37.95          |
|    | Selling and Distribution Expense                             | 154.08         | 448.51         |
|    | <b>Total</b>   | <b>945.75</b>  | <b>1195.82</b> |
| 27 | *Payment to Statutory Auditors                               | March 31, 2024 | March 31, 2023 |
|    | Statutory Audit Fees   | 4.50           | 4.50           |
|    | Certification Charges  | 2.00           | 0.00           |
|    | Other Service  | 7.75           | 4.00           |

# Notes on Financial Statement

for the year ended 31st March, 2024

## Note-27

### 1 Contingent Liabilities

| Particulars  | March 31, 2024 | March 31, 2023 |
|--|----------------|----------------|
| Guarantees by Company to Banks and Financial Institutions against credit facilities extended to third parties and other Guarantees | NIL            | NIL            |
| Other Contingent Liabilities   | 18.01          | NIL            |

### 2 Earnings Per Share (EPS):

The numerators and denominators used to calculate Basic Earnings per Share:

| Particulars  | March 31, 2024 | March 31, 2023 |
|--|----------------|----------------|
| Profit available to Equity Shareholders After Tax / Deferred Tax (Rs.) | 2,155.42       | 1,661.30       |
| Weighted Average No. of Equity Shares Outstanding                      | 371.04         | 386.86         |
| Nominal Value of Equity Shares (Rs.)                                   | 10.00          | 10.00          |
| Basic Earnings Per Share (Rs.)   | 5.81           | 4.29           |

### 3 Remuneration paid to Directors:

| Particulars          | March 31, 2024 | March 31, 2023 |
|----------------------|----------------|----------------|
| Pritesh Ramani       | 137.00         | 192.00         |
| Ketan Ramani         | 98.50          | 126.00         |
| Jogindersingh jaswal | 137.00         | 192.00         |
| <b>Total</b>         | <b>372.50</b>  | <b>510.00</b>  |

### 4 Employee benifites in respect of Gratuity:

| Present Value of Benefit Obligations - Changes over the valuation period | March 31, 2024 | March 31, 2023 |
|--|----------------|----------------|
| Present Value of Benefit Obligation beginning of the year                | 69.38          | 68.92          |
| Current Service cost   | 24.79          | 24.21          |
| Interest cost  | 5.12           | 5.10           |
| Benefits paid  | (3.20)         | (0.86)         |
| Actuarial losses (gains) arising from change in financial assumptions    | 1.34           | -2.78          |
| Actuarial losses (gains) arising from change in demographic assumptions  | 0.00           | 0.00           |
| Actuarial losses (gains) arising from experience adjustments             | (24.18)        | (25.21)        |
| Present Value of Benefit Obligation on year end (Rs.)                    | 73.24          | 69.38          |

| Bifurcation of Present Value of Benefit Obligation                                      | March 31, 2024 | March 31, 2023 |
|---|----------------|----------------|
| Current - Amount due within one year  | 3.01           | 2.69           |
| Non-Current - Amount due after one year   | 70.23          | 66.69          |
| <b>Total</b>  | <b>73.23</b>   | <b>69.38</b>   |
| <b>Expected Benefit Payments in Future Years</b>  |                |                |
| Year 1  | 3.01           | 2.69           |
| Year 2  | 22.69          | 4.08           |
| Year 3  | 3.22           | 22.49          |
| Year 4  | 22.74          | 2.58           |
| Year 5  | 1.01           | 22.37          |
| Year 6 to 10  | 6.64           | 5.28           |
| <b>Sensitivity Analysis - Effects of Key Assumptions on Defined Benefit Obligations</b> |                |                |
| Discount Rate - 1 percent increase  | 69.06          | 65.15          |
| Discount Rate - 1 percent decrease  | 77.94          | 74.13          |
| Salary Escalation Rate - 1 percent increase   | 77.97          | 74.17          |
| Salary Escalation Rate - 1 percent decrease   | 68.96          | 65.04          |
| Withdrawal Rate - 1 percent increase  | 73.65          | 69.87          |
| Withdrawal Rate - 1 percent decrease  | 72.77          | 68.83          |
| <b>Changes in Fair Value of Plan Assets</b>   |                |                |
| Fair Value of Plan Assets beginning of the year   | 18.68          | 15.70          |
| Expected Return on Plan Assets  | 3.18           | 1.23           |
| Company Contributions   | 50.00          | 2.58           |
| Benefits paid   | (3.20)         | (0.86)         |
| Actuarial gains / (losses)  | 2.67           | 0.03           |
| Fair Value of Plan Assets on year end(Rs.)  | 71.33          | 18.68          |
| <b>Asset Category of Plan Assets</b>  |                |                |
| Government of India Securities  | -              | -              |
| High quality corporate bonds  | -              | -              |
| Equity shares of listed companies   | -              | -              |
| Property  | -              | -              |
| Funds managed by Insurance Company  | 100%           | 100%           |
| Cash / Bank Balance   | -              | -              |
| <b>Balance Sheet - Amount to be recognised</b>  |                |                |
| Present Value of Benefit Obligation on year end   | 73.24          | 69.38          |
| Fair Value of Plan Assets on year end   | 71.33          | 18.68          |
| Net Liability / (Asset) recognised in Balance Sheet                                     | 1.91           | 50.69          |
| <b>Profit and Loss statement</b>  |                |                |
| Current Service cost  | 24.75          | 24.21          |
| Net interest on net Defined Liability / (Asset)   | 1.98           | 3.87           |
| Expenses recognised in Statement of Profit and Loss                                     | 26.73          | 28.08          |
| <b>Other Comprehensive Income</b>   |                |                |
| Actuarial (Gains) / Losses on Liability   | (22.88)        | (27.99)        |
| Return on Plan Assets excluding amount included in 'Net                                 |                |                |
| interest on net Defined Liability / (Asset)' above                                      | (2.63)         | (0.03)         |
| <b>Total</b>  | <b>(25.51)</b> | <b>(28.03)</b> |

# Notes on Financial Statement

for the year ended 31st March, 2024

## Note-27

### 5 Related Party Disclosures:

Disclosure as per IND AS - 24 "Related Party Disclosure" are as follows:

#### (i) List of related parties with whom transactions have taken place and relationships

| Sr No. | Name of Related Party      | Relationship                                 |
|--------|----------------------------|--|
| 1      | Ketan Ramani               | Key Management Personnel                     |
| 2      | Pritesh Ramani             | Key Management Personnel                     |
| 3      | Jogindersingh Jaswal       | Key Management Personnel                     |
| 4      | Pooja Chemicals            | Significant Control of KMP over other entity |
| 5      | P.K. Chlorochem Pvt Ltd.   | Significant Control of KMP over other entity |
| 6      | Chemsol Specialities LLP   | Significant Control of KMP over other entity |
| 7      | P.K. Capital & Investment. | Significant Control of relatives of KMP      |
| 8      | Ashok Jagi                 | Relative of Key Management Personnel         |
| 9      | Parth Shah                 | Non Executive-Independent Director           |
| 10     | Krutika gandhi             | Non Executive-Independent Director           |
| 11     | Satish Kumar               | Non Executive-Independent Director           |

#### (ii) Transactions during the year with related parties

| Sr No. | Nature of Transaction     | Key Managerial Person |        | Significant Control of KMP/Relative of /KMP over other entity |        | Relatives of KMP |      | Non Executive - Independent Director |      | Total  |        |
|--------|---------------------------|-----------------------|--------|---|--------|------------------|------|--------------------------------------|------|--------|--------|
|        |                           | 2024                  | 2023   | 2024  | 2023   | 2024             | 2023 | 2024                                 | 2023 | 2024   | 2023   |
| 1      | Sales                     | -                     | -      | 10.59   | 6.21   | -                | -    | -                                    | -    | 10.59  | 6.21   |
| 2      | Purchases                 | -                     | -      | 23.59   | 26.02  | -                | -    | -                                    | -    | 23.59  | 26.02  |
| 3      | Purchase of Fixed Assets  | -                     | -      | -   | 704.25 | -                | -    | -                                    | -    | -      | 704.25 |
| 4      | Rent Expenses             | -                     | -      | -   | 21.60  | -                | -    | -                                    | -    | -      | 21.60  |
| 5      | Repayment of rent Deposit | -                     | -      | -   | 90.00  | -                | -    | -                                    | -    | -      | 90.00  |
| 6      | Director remuneration     | 372.50                | 510.00 | -   | -      | -                | -    | -                                    | -    | 372.50 | 510.00 |
| 7      | Salary                    | -                     | -      | -   | -      | 5.54             | 5.21 | -                                    | -    | 5.54   | 5.21   |
| 8      | Sitting Fees              | -                     | -      | -   | -      | -                | -    | 1.00                                 | -    | 1.00   | -      |

#### III. Outstanding Balances at the year end of related parties

| Sr No. | Nature of Transaction | Key Managerial Person |      | Significant Control of KMP/Relative of /KMP over other entity |      | Relatives of KMP |      | Non Executive - Independent Director |      | Total |      |
|--------|-----------------------|-----------------------|------|---|------|------------------|------|--------------------------------------|------|-------|------|
|        |                       | 2024                  | 2023 | 2024  | 2023 | 2024             | 2023 | 2024                                 | 2023 | 2024  | 2023 |
| 1      | Trade Receivable      | -                     | -    | -   | 3.42 | -                | -    | -                                    | -    | -     | 3.42 |
| 2      | Trade Payable         | -                     | -    | -   | 5.62 | -                | -    | -                                    | -    | -     | 5.62 |

## Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act,

| Sr.No. | Particulars   | March 31, 2024 | March 31, 2023 |
|--------|---|----------------|----------------|
| 1      | (a) (i) the principal amount remaining unpaid to any supplier at the end of each accounting year;   | 315.10         | 286.03         |
| 2      | (a) (ii) Interest due thereon remaining unpaid to any supplier at the end of each accounting year;  | NIL            | NIL            |
| 3      | (b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;  | NIL            | NIL            |
|        | (c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;  | NIL            | NIL            |
| 4      | (d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and   | NIL            | NIL            |
| 5      | (e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006. | NIL            | NIL            |

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors other than shown above at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payment made during the year or on balance brought forward from previous year.

## 7 Earnings and Expenditure in Foreign Currency

| Particulars             | March 31, 2024 | March 31, 2023 |
|-------------------------|----------------|----------------|
| <b>Earnings: -</b>      |                |                |
| Export Income           | 2168.01        | 2,784.56       |
| <b>Expenditure: -</b>   |                |                |
| Custom Clearing Charges | -              | 0.47           |
| Technical Service       | 3.04           | 2.10           |
| Commission Expense      | 4.92           | 4.40           |

## Value of Imports

| Particulars                    | March 31, 2024 | March 31, 2023 |
|--------------------------------|----------------|----------------|
| (A) i. Raw Materials           | 28.72          | 26.05          |
| ii. Components and Spare Parts | -              | -              |
| (B) Capital Goods              | -              | -              |

## 8 Additional Regulatory Information:

|        |   |   |
|--------|---|---|
| (i)    | Title deeds of Immovable Property not held in name of the Company   | The title deeds of immovable property held in the name of company during FY 2023-24 except ROU Assets.(Refer Note No.2)   |
| (ii)   | Capital-Work-in Progress (CWIP)                                     | Refer Note 3 for details  |
| (iii)  | Intangible assets under development                                 | There is no any Intangible assets under development hence this clause is not applicable.  |
| (iv)   | Details of Benami Property held                                     | There is no proceeding has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder hence this clause is not applicable.                  |
| (v)    | Wilful Defaulter  | Any bank or financial Institution or other lender is not declared company as Wilful Defaulter in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India till date hence this clause is not applicable to the said company. |
| (vi)   | Relationship with Struck off Companies                              | There is no relationship with struck off companies. Hence, this clause is not applicable.   |
| (vii)  | Registration of charges or satisfaction with Registrar of Companies | The Company is regularly updated with ROC for any registration or satisfaction of charges.  |
| (viii) | Compliance with number of layers of companies                       | This clause is not applicable to the said company.  |
| (ix)   | Ratio Calculations  | Refer following table for details   |
| (x)    | Compliance with approved Scheme(s) of Arrangements                  | This clause is not applicable.  |
| (xi)   | Utilisation of Borrowed funds and share premium                     | No such advanced or loaned or invested funds by company   |

## Ratios:

| Ratios.                                | Numerator                                | Denominator                  | As at March 31,2024 | As at March 31,2023 | Variance with immediate preceeding year(%) | Explanation for any change in the ratio by more than 25% as compared to the preceeding year |
|--|--|------------------------------|---------------------|---------------------|--|---|
| (a) Current Ratio                      | Current Assets                           | Current Liabilities          | 6.07                | 3.89                | 56.32%                                     | Increase in Current Asset   |
| (b) Debt-Equity Ratio                  | Net Debt                                 | Shareholders' equity         | NA*                 | 0.15                | NA*  | -   |
| (c) Debt Service Coverage Ratio (DSCR) | Earning available for debt service       | Debt service                 | NA*                 | 192.86              | NA*  | -   |
| (d) Return on Equity ratio (ROE)       | Net profit after taxes                   | Average Shareholders' equity | 0.65                | 0.39                | 67.08%                                     | Increase in Profit during year  |
| (e) Inventory Turnover Ratio           | sales                                    | Average Inventory            | 14.50               | 18.70               | -22.47%                                    | -   |
| (f) Trade Receivables Turnover Ratio   | Net credit sales                         | Average trade receivables    | 4.95                | 4.26                | 15.95%                                     | -   |
| (g) Trade Payables Turnover Ratio      | Net credit purchases                     | Average trade payables       | 6.54                | 5.85                | 11.75%                                     | -   |
| (h) Net Capital Turnover Ratio         | Net sales                                | Average working capital      | 2.31                | 3.77                | -38.69%                                    | Increase in Current Asset   |
| (i) Net Profit Ratio                   | Net profit after taxes                   | Net sales                    | 0.24                | 0.17                | 37.99%                                     | Increase in Profit during year  |
| (j) Return on Capital Employed         | Earning before interest and taxes (EBIT) | Capital employed             | 0.42                | 0.43                | -2.71%                                     | Increase in Profit during year  |
| (k) Return on Investment               | Income from Investments                  | Average investment           | 0.01                | 0.01                | 0.00%                                      | -   |

\* NA- Not Applicable as no borrowings during the year

# Notes on Financial Statement

for the year ended 31st March, 2024

## 9 Corporate Social Responsibility Expenditure:

| Particulars  | March 31, 2024   | March 31, 2023  |
|--|--|---|
| (i) amount required to be spent by the company during the year,  | 36.11  | 28.81   |
| (ii) amount of expenditure incurred,   | 36.11  | 28.89   |
| (iii) shortfall at the end of the year,  | NIL  | NIL   |
| (iv) total of previous years shortfall,  | NIL  | NIL   |
| (v) reason for shortfall,  | N/A  | N/A   |
| (vi) nature of CSR activities,   | Promotion of Education, Protection of National Heritage, Art and Culture and promotion of animal welfare | General public Utility, Protection of National Heritage, Art and Culture and Promotion of Education |
| (vii) details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard,                   | NIL  | NIL   |
| (viii) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately. | N/A  | N/A   |

## 10 Financial Risk Management

| Particulars                  | As at 31st March, 2024 |                        |         |         | As at 31st March, 2023 |                        |         |         |
|------------------------------|------------------------|------------------------|---------|---------|------------------------|------------------------|---------|---------|
|                              | Carrying amount        | Level of Input used in |         |         | Carrying amount        | Level of Input used in |         |         |
|                              |                        | Level 1                | Level 2 | Level 3 |                        | Level 1                | Level 2 | Level 3 |
| <b>Financial Assets</b>      |                        |                        |         |         |                        |                        |         |         |
| <b>At Amortised Cost</b>     |                        |                        |         |         |                        |                        |         |         |
| Trade Receivables            | 1,764.65               | -                      | -       | -       | 1,855.10               | -                      | -       | -       |
| Cash and Bank Balances       | 364.05                 | -                      | -       | -       | 356.22                 | -                      | -       | -       |
| Other Financial Assets       | 1,200.90               | -                      | -       | -       | 592.55                 | -                      | -       | -       |
| <b>At FVTPL</b>              |                        |                        |         |         |                        |                        |         |         |
| Investments                  | 2.50                   | -                      | -       | 2.50    | 2.50                   | -                      | -       | 2.50    |
| <b>At FVTOCI</b>             |                        |                        |         |         |                        |                        |         |         |
| Investments                  |                        |                        |         |         |                        |                        |         |         |
| <b>Financial Liabilities</b> |                        |                        |         |         |                        |                        |         |         |
| <b>At Amortised Cost</b>     |                        |                        |         |         |                        |                        |         |         |
| Trade Payables               | 624.35                 | -                      | -       | -       | 781.06                 | -                      | -       | -       |
| Other Financial Liabilities  |                        |                        |         |         |                        |                        |         |         |

The financial instruments are categorised into three levels based on the inputs used to arrive at fair value measurements as described below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than the quoted prices included within Level 1 that are observable for the

asset or liability, either directly or indirectly; and Level 3: Inputs based on unobservable market data.

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors is responsible for developing and monitoring the Company's risk



management policies. The board regularly meets to decide its risk management activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Board is also assisted by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Board of directors.

The Company has exposure to the following risks arising from financial instruments:

**-Credit risk** -see note (a) below

**-Liquidity Risk-** see note (b) below

**-Market risk** - see note (c) below

**(a) Credit Risk:**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual

obligations, and arises principally from the Company's receivables from customers.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess impairment loss or gain. The Company uses a matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and Company's historical experience for customers.

(i) The company has not made any provision on expected credit loss on trade receivables and other financial assets, based on the management estimates.

(ii) Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks and financial institutions with high credit ratings assigned by domestic credit rating agencies.

**(b) Liquidity Risk:**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are

settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's treasury department within the Finance Department is responsible for liquidity and funding. In addition policies and procedures relating to such risks are overseen by the management.

The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from the operations.

| Particulars                   | As at 31 March, 2024 | As at 31 March, 2023 |
|-------------------------------|----------------------|----------------------|
| Total Current Assets (A)      | 4,660                | 3,418                |
| Total Current Liabilities (B) | 767                  | 880                  |
| Working Capital (A)-(B)       | 3,893                | 2,538                |
| Current Ratio                 | 6.07                 | 3.89                 |

| Particulars                 | As at 31st March, 2024 |                  |                  |        |
|-----------------------------|------------------------|------------------|------------------|--------|
|                             | Carrying Value         | Less than 1 year | More than 1 year | Total  |
| Borrowings                  | -                      | -                | -                | -      |
| Trade Payables              | 624.35                 | 624.35           | -                | 624.35 |
| Lease Liabilities           | -                      | -                | -                | -      |
| Other Financial Liabilities | -                      | -                | -                | -      |

| Particulars                 | As at 31st March, 2023 |                  |                  |        |
|-----------------------------|------------------------|------------------|------------------|--------|
|                             | Carrying Value         | Less than 1 year | More than 1 year | Total  |
| Borrowings                  | -                      | -                | -                | -      |
| Trade Payables              | 781.06                 | 781.06           | -                | 781.06 |
| Lease Liabilities           | -                      | -                | -                | -      |
| Other Financial Liabilities | -                      | -                | -                | -      |

### c) Market Risk

Market risk is the risk that changes with market prices – such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

### (1) Foreign Currency Risk :

Foreign currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate. Company transacts business in its functional currency (INR) and in other foreign currencies. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities, where revenue or expense is denominated in a foreign currency.

Following is outstanding foreign currency unhedged exposure :

**(i) Financial assets:**

| Financial Assets  | As at 31st March, 2024 |                             | As at 31st March, 2023 |                             |
|-------------------|------------------------|-----------------------------|------------------------|-----------------------------|
|                   | Foreign currency       | Equivalent amount in rupees | Foreign currency       | Equivalent amount in rupees |
| <b>USD</b>        |                        |                             |                        |                             |
| Trade Receivables | 2.18                   | 186.86                      | 3.04                   | 246.14                      |
| <b>Total</b>      | <b>2.18</b>            | <b>186.86</b>               | <b>3.04</b>            | <b>246.14</b>               |

**(ii) Financial Liabilities:**

| Financial Liabilities  | As at 31st March, 2024 |                             | As at 31st March, 2023 |                             |
|--|------------------------|-----------------------------|------------------------|-----------------------------|
|  | Foreign currency       | Equivalent amount in rupees | Foreign currency       | Equivalent amount in rupees |
| <b>USD</b>   |                        |                             |                        |                             |
| Trade Payables   | NIL                    | NIL                         | NIL                    | NIL                         |
| Advance Received from Customer-Export<br>(Other Current Liabilities) | -                      | -                           | 0.21                   | 17.16                       |
| <b>Total</b>   | <b>-</b>               | <b>-</b>                    | <b>0.21</b>            | <b>17.16</b>                |

**11: Capital Management:**

The Company's capital comprises equity share capital, surplus in the statement of profit and loss and other equity attributable to equity holders. 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 debt-equity ratio, which is net debt divided by total equity. These ratios are illustrated below:

| Particulars                                      | As at 31 March, 2024 | As at 31 March, 2023 |
|--|----------------------|----------------------|
| Total Liability                                  | 768.91               | 928.34               |
| Less: cash and cash equivalents and bank balance | 258.64               | 248.35               |
| Net Debt   | 510.27               | 679.99               |
| Total Equity                                     | 6,630.50             | 4,475.08             |
| Debt-Equity ratio                                | 0.08                 | 0.15                 |

**13 Events subsequent to March 31, 2024**

**Dividend:**

The Board of Directors, in its meeting held on June, 28th 2024 have recommended a final dividend of Rs 0.5/- per equity share for the financial year ended March 31, 2024. Dividend is subject to approval of shareholders at the ensuing Annual General Meeting and shall be subject to deduction of income tax at source. And if approved, would result in net cash outflow of approximately of Rs. 185.00 lacs

## Intail public Offer (IPO):

The Company has completed its Initial Public Offer (IPO) being 100% offer for sale of 95,70,000 equity shares of face value of INR 10 each at and issue price of INR 136 per share.(including premium of Rs.126 per share). Pursuant to the IPO, the equity shares of the Company were listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) on 10th June, 2024.

For **Mahesh Udhwani & Associates,**  
Chartered Accountants  
(Firm Regd.No.129738W)

**Mahesh Udhwani**  
Partner  
Membership No.047328

Place: Vadodara  
Date: 28th June, 2024

UDIN: 24047328BJZYOT1524

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For and on behalf of the Board of Directors  
**KRONOX LAB SCIENCES LIMITED**

**Jogindersingh Jaswal**  
Managing Director  
DIN :02385809

**Nikhil Goswami**  
Company Secretary

**Ketan Ramani**  
Whole-time Director  
DIN :01510833

**Samir Gadhiya**  
Chief Financial Officer

**Pritesh Ramani**  
Whole-time Director  
DIN :02392939



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**Register Office**

Kronox Lab Sciences Ltd  
Block No. 353, Ekalbara Padra,  
Dist. Vadodara-391440  
Phone .No: 02662-244077

**Corporate Office**

Kronox Lab Sciences Ltd.  
Block No. 284, Village: Dabhasa, Taluka: Padra,  
Dist: Vadodara Gujarat, India – 391 440  
Phone .No: 02662-244088

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