

DIRECTORS' REPORT

To
The Members,
Kronox Lab Sciences Limited,
CIN: U24117GJ2008PLC055460

Your Directors' are pleased to present the **Annual Report** together with the Audited Financial Statements and Auditors' report thereon for the year ended March 31, 2023.

1. FINANCIAL RESULTS:

The operating results of your Company for the **Accounting Year ended on March 31, 2023** are as follows:

Particulars	For the year ended March 31, 2023 (Rs.)	For the year ended March 31, 2022 (Rs.)
Revenue from Operations	95,57,79,098	82,24,74,988
Profit Before Tax	22,04,11,209	18,33,85,766
Current Tax	5,72,22,170	4,78,95,840
Net Profit After Tax	16,40,32,333	13,61,06,159
Proposed Dividend on Equity Shares	-	-
Tax on proposed Dividend	-	-
Transfer to General Reserve	-	-
Surplus carried to Balance Sheet	16,40,32,333	13,61,06,159
Earnings Per Share	4.31	561.07

2. CONSOLIDATED FINANCIAL STATEMENTS:

Your Company doesn't have any subsidiaries so there is no need to prepare consolidated financial statement for the F. Y. 2022-23.

3. OPERATIONAL REVIEW:

The Company has reported a **net profit of Rs. 16,40,32,333/-** during the current year. There has been no change in the nature of business of the Company. There are no 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 the report.

4. STATE OF AFFAIRS / HIGHLIGHTS

During the year under review, the Company, in accordance with the provisions of the section 128 of the Companies Act, 2013, has decided in the meeting of the board of

KRONOX LAB SCIENCES LIMITED

Corporate Office Address : Block No. 284, Village : Dabhasa, Taluka : Padra, Dist. : Vadodara, Gujarat State - 391 440.

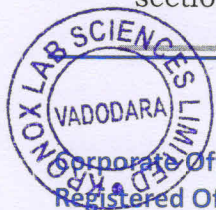
Registered Office Address : Block No. 138, Village : Ekalbara, Taluka : Padra, Dist. : Vadodara, Gujarat State - 391 440.

Phone No. : +91 2662 244077, 244088

CIN : U24117GJ2008PLC055460

Email : info@kronoxlabsciences.com,

Website : www.kronoxlabsciences.com



directors held on September 05, 2022 to keep and maintain the Books of Accounts of the Company at Block No. 284, Village: Dabhasa, Taluka Padra, Dist.: Vadodara, Gujarat – 391440.

There has been no change in the business of the Company during the financial year ended on March 31, 2023. The Company has an excellent business set up and it continues to grow its business operations year on year basis. However, now the management of the Company has carried out various internal discussions to explore the expansion plan of the present business operations. In this regard, the management are in discussion to explore various modes such as inorganic growth, corporate restructuring, mergers and amalgamations, further issue of securities, initial public offering, etc. to enhance the present business operations of the Company.

5. DIVIDEND:

In view of the planned business growth, your Directors deem it proper to preserve the resources of the Company for its activities and therefore, do not propose any dividend for the Financial Year ended March 31, 2023.

6. WEB LINK OF ANNUAL RETURN:

The Annual Return of the Company is uploaded on website of the Company i.e. <https://www.kronoxlabsciences.com/investors/>.

7. TRANSFER TO RESERVES:

The Company has not transferred any amount to the General Reserves. However, the **net profit of Rs. 16,40,32,333/-** has been transferred to Reserves & Surplus.

8. EXTRACT OF ANNUAL RETURN:

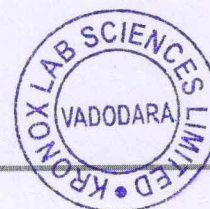
The extract of Annual Return, in format MGT - 9, for the Financial Year 2022-23 is not applicable. The Annual Return of the Company in form MGT – 7 is available on the website of the Company.

9. DETAILS OF SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES:

Your Company does not have any subsidiary, joint venture or associate company which have become or ceased to be one during the year under review.

10. CAPITAL AND DEBT STRUCTURE:

a) Authorized Capital:



Rs. 54,00,00,000/- (Rs. Fifty Four Crore Only) divided into 5,40,00,000 (Five Crore and Forty Lakhs) Equity Shares of Rs. 10 /- each.

b) Issued Capital:

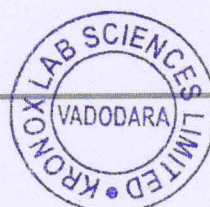
Rs. 37,10,40,000/- (Rs. Thirty Seven Crore Ten Lakhs Forty Thousand Only) divided into 3,71,04,000 (Three Crore Seventy One Lakhs Four Thousand) Equity Shares of Rs. 10 /- each.

c) Subscribed and Paid-up Capital:

Rs. 37,10,40,000/- (Rs. Thirty Seven Crore Ten Lakhs Forty Thousand Only) divided into 3,71,04,000 (Three Crore Seventy One Lakhs Four Thousand) Equity Shares of Rs. 10 /- each.

During the year under review, following changes had been done in Capital Structure of the Company:

- The Authorised Share Capital of the Company increased from Rs. 15,00,00,000/- (Rupees Fifteen Crore only) divided into 1,50,00,000 (One Crore Fifty Lacs Only) Equity shores of Rs.10/- (Rupees Ten only) each to Rs. 30,00,00,000/- (Rupees Thirty Crore only) divided into 3,00,00,000/- (Three Crore only) Equity shares of Rs.10/- (Rupees Ten only) each by further creation of additional 1,50,00,000 (Fifteen Crore) Equity shares of Rs. 10/- (Rupees Ten only) each aggregating to Rs. 15,00,00,000/- (Rupees Fifteen Crore only) in the Extraordinary General Meeting of the Company held on April 16, 2022.
- Authorised Share Capital of the Company was further increased from Rs. 30,00,00,000/- (Rupees Thirty Crore only) divided into 3,00,00,000 (Rupees Three Crore) Equity shares of Rs. 10/- (Rupees Ten only) each to Rs. 54,00,00,000/- (Rupees Fifty Four Crore only) divided into 5,40,00,000 (Five Crore forty Lacs) Equity shares of Rs. 10/- (Rupees Ten only) each by further creation of additional 2,40,00,000 (Two Crore Forty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten only) each aggregating to Rs. 24,00,00,000/- (Rupees Two Four Crore only) in the Extraordinary General Meeting of the Company held on June 27, 2022.
- Pursuant to resolutions passed in meeting of Board of Directors held on August 01, 2022 & August 16, 2022 and special resolution passed in Annual General Meeting of the Member held on August 09, 2022, your Company has issued and allotted 3,88,01,000 (Three Crore Eighty Eight Lakhs One Thousand) Equity shares of Rs. 10/- (Rupees Ten) each aggregating to Rs. 38,80,10,000 (Rupees Thirty Eight Crore Eighty Eight Lakhs Ten Thousand only) by way of Bonus issue.



- The Company extinguished 19,38,000 (Nineteen Lakhs Thirty Eight Thousand) fully paid-up Equity Shares of Rs. 10/- (Rupees Ten) consequent to buyback and reduced the paid-up equity share capital by Rs. 1,93,80,000/- (Rupees One Crore Ninety Three Lakhs Eighty Thousand Only). Consequently, the paid-up equity share capital of the Company as on March 31, 2023 stood at Rs. 37,10,40,000/- (Rs. Thirty Seven Crore Ten Lakhs Forty Thousand Only) divided into 3,71,04,000 (Three Crore Seventy One Lakhs Four Thousand) Equity Shares of Rs. 10 /- each (Rupees Ten).

Further during the year under review, the Company has not issued convertible securities / equity shares with differential rights / sweat equity shares and has not provided any stock option scheme to its employees and also your Company has not issued any debentures, bonds or any non-convertible securities or warrants.

11. CREDIT RATING OF SECURITIES:

Since there was no need to get a rating of the securities of your Company, hence your Company has not undertaken any credit rating from any credit rating agencies.

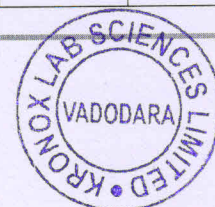
12. NUMBER OF BOARD MEETINGS:

The Board of Directors meet at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board businesses. However, in case of a special and urgent business need, the Board's approval is taken by passing resolution by circulation, as permitted by law, which is confirmed at the next Board meeting.

The notice of Board meeting is given well in advance to all the Directors. Usually, meetings of the Board are held in Vadodara and/or through video conferencing. The agenda is circulated a week prior to the date of the meeting. The agenda for the Board meetings include detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision.

During the financial year ended March 31, 2023, the Board of Directors of your Company met 13 (Thirteen) times. The details of attendance of each Director at Board Meetings held in the financial year are as under:

Dates of Board Meetings and Attendance of each director at Board	Name of Directors								
	Jogin de rsin gh Gian ch and Jas	Ketan Vino dcha ndra Ram ani	Pritesh Ram ani	Nilesh Shah	Deep alibe n Prite sh Ram ani	Lopa Jaim in Modi	Part h B Shah	Krutika Arun kum ar Nega ndhi	Satish Kum ar



Meeting	wal								
April 09, 2022	YES	YES	YES	NA	NA	NA	NA	NA	NA
May 06, 2022	YES	YES	YES	NA	NA	NA	NA	NA	NA
June 10, 2022	YES	YES	YES	NA	NA	NA	NA	NA	NA
July 02, 2022	YES	YES	YES	NO	NO	NO	NA	NA	NA
July 21, 2022	YES	YES	YES	NO	NO	NO	NA	NA	NA
August 01, 2022	YES	YES	YES	YES	YES	YES	NO	NO	NO
August 16, 2022	YES	YES	YES	NA	NA	NA	YES	YES	YES
August 18, 2022	YES	YES	YES	NA	NA	NA	YES	YES	YES
August 23, 2022	YES	YES	YES	NA	NA	NA	YES	YES	YES
September 01, 2022	YES	YES	YES	NA	NA	NA	YES	YES	YES
September 05, 2022	YES	YES	YES	NA	NA	NA	YES	YES	YES
December 22, 2022	YES	YES	YES	NA	NA	NA	YES	YES	YES
January 25, 2023	YES	YES	YES	NA	NA	NA	YES	YES	NO
Total No of Board Meetings attended	13	13	13	1	1	1	7	7	6

The Annual General Meeting of your Company was held on August 09, 2022.

During the year The Extraordinary General Meeting of your Company met 5 (five) times which was held on April 16, 2022, May 21, 2022, June 27, 2022, August 24, 2022 and December 30, 2022.



13. CHANGE IN DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review there has been changes in the constitution of the Board which are as follows:

- Mr. Nilesh Shah, Ms. Deepaliben Pritesh Ramani and Ms. Lopa Jaimin Modi were appointed as an additional director of the Company as on July 02, 2022.
- Mr. Vijay Tamboli was appointed as Chief Financial Officer and Mr. Aditya Vikrambhai Patel was appointed as Company Secretary of the Company on July 21, 2022.
- Mr. Nilesh Shah, Ms. Deepaliben Pritesh Ramani and Ms. Lopa Jaimin Modi resigned from the office of Additional Directors of the Company on August 01, 2022.
- Mr. Parth Shah, Ms. Krutika Arunkumar Negandhi and Mr. Satish Kumar were appointed as Additional Directors (Non-Executive Independent) of the Company on August 23, 2022 and they were regularized as Directors in the Extra Ordinary General meeting of the Company held on August 24, 2022.
- Mr. Vijay Tamboli resigned from the office of Chief Financial Officer and Mr. Ketan Ramani appointed as Chief Financial Officer of the Company on December 22, 2022.

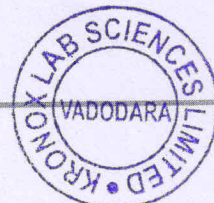
Pursuant to Section 203 of Companies Act, 2013 and applicable rules made and considering factors for the appointment of Key Managerial Personnel for the financial year 2022-23, the Company has appointed Whole-time Key Managerial Personnel on the Board as required.

14. PARTICULARS OF LOAN(S), GUARANTEE(S) AND INVESTMENT(S) UNDER SECTION 186:

The transactions, as applicable and covered under Section 186 of the Companies Act, 2013 are provided in Notes to Financial Statements.

15. PARTICULARS OF CONTRACT(S) OR ARRANGEMENT(S) WITH RELATED PARTIES:

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 the 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 annexed as Annexure – B to the report.



16. 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)

Specific R&D Activities: There is no research and development activity.

Benefits derived as a result of above R & D: N.A.

Future Plan of Action: NIL

Expenditure on R & D: NIL

III. Technology Absorption, Adaption and Innovation:

No major technology absorption forms external sources during the year however there have been various internal technologies developed and used. Various innovations had led to increase in productivity and reduction of quality failures.

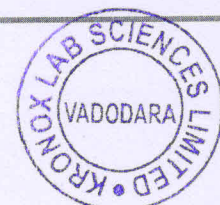
IV. Foreign exchange earnings and outgo:

Particulars	2022-23	2021-22
Foreign exchange Earnings	27,84,56,078	19,29,49,298
Foreign exchange Outgo	6,96,378	6,44,558

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

17. 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.

18. DEPOSITS:

The Company has not accepted any deposit within the meaning of Section 73 of the Companies Act, 2013 during the period under review.

19. DIRECTOR RESPONSIBILITY STATEMENT:

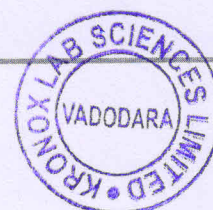
Your directors state that:

- 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.

20. COST AUDITORS:

Company does 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 2022-23.

21. INTERNAL AUDITORS:



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 2022-2023.

22. SECRETARIAL AUDITORS:

Company does not fall within the purview of Section 204 of the Companies Act, 2013 and hence there is no requirement for the Company to appoint Secretarial Auditor for the financial year 2022-23.

23. STATUTORY AUDITORS:

At the Annual General Meeting held on August 30, 2019, M/s. Mahesh Udhvani and Associates, Chartered Accountants (FRN No.: 129738W) were appointed as statutory auditors of the Company to hold office till the conclusion of the 14th Annual General Meeting to be held in the financial year 2023-2024.

In terms of the first proviso to Section 139 of the Companies Act, 2013, the Company has received certificate from the Auditors to the effect they are not disqualified to continue as statutory auditors under the provisions of applicable laws.

There are no observations (including any qualification, reservation, adverse remark or disclaimer) of the Auditors in their Audit Report that may call for any explanation from the Directors. Further, the notes to accounts referred to in the Auditors Report are self-explanatory.

24. CORPORATE SOCIAL RESPONSIBILITY (CSR):

The Company has formed the committee of corporate social responsibility, which supervises and monitors the expenditure made on CSR.

During the year under review, the Company has spent Rs. 28.88 lakhs on the Corporate Social Responsibility under section 135 of the Companies Act 2013.

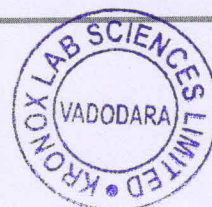
The report on CSR Activities carried out by the company are annexed as Annexure - A

25. BOARDS' COMMENT ON THE AUDITOR'S REPORT

The observations of the statutory Auditors, when read together with the relevant notes to the accounts and accounting policies are self-explanatory and do not call for any further comment.

26. DETAILS IN RESPECT OF FRAUD REPORTED BY AUDITOR

As per Auditors' report on financial statement there is no fraud u/s 143 (12).



27. CONSTITUTION OF COMMITTEES

I. Audit Committee

The Audit Committee of your Company has been constituted as per the requirements of Section 177 of the Companies Act 2013. The Chairman of the Audit Committee is an Independent Director and two-thirds of the members of the Audit Committee are Independent Directors. During the Financial Year 2022-23, the Committee met 4 (Four) times on 01/09/2022, 10/10/2022, 20/01/2023 and 18/03/2023.

The composition of the Audit Committee as on March 31, 2023 and the attendance of the members in the meetings held during the Financial Year 2022-23 are as follows:

Name of Member	Designation	No. of meetings attended
Ms. Krutika Negandhi	Chairperson	4
Mr. Parth Shah	Member	4
Mr. Ketan Ramani	Member	4

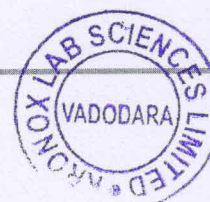
The Company Secretary of the Company acted as the Secretary to the Committee.

II. Nomination and Remuneration Committee

The Nomination and Remuneration Committee of your Company has been constituted as per the requirements of Section 178 of the Companies Act, 2013. The Chairman of the Committee is an Independent Director. During the Financial Year 2022-23, the Committee met 2 (Two) time on 01/09/2022 and 22/12/2022.

The composition of the Nomination and Remuneration Committee as on March 31, 2023 and the attendance of the members in the meetings held during the Financial Year 2022-23 are as follows:

Name of Member	Designation	No. of meetings attended
Mr. Parth Shah	Chairman	2
Ms. Krutika Negandhi	Member	2
Mr. Satishkumar	Member	2



The Company Secretary of the Company acted as the Secretary to the Committee.

28. DECLARATIONS AND CONFIRMATIONS:

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.

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

There were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

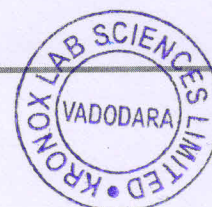
29. DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:

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.

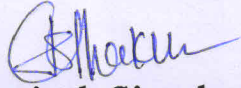
30. ACKNOWLEDGMENT:

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.

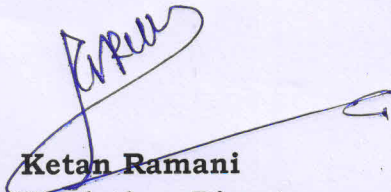


For and on behalf of the board of directors of

Kronox Lab Sciences Limited



Jogindersingh Gianchand Jaswal
Chairman & Managing Director
DIN: 02385809



Ketan Ramani
Wholetime Director
DIN: 01510833

Date: September 06, 2023

Place: Vadodara



ANNEXURE A

REPORT ON CORPORATE SOCIAL RESPONSIBILITY

1) A brief outline of the Company's CSR policy:

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:

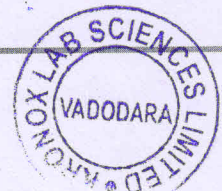
The composition of the Committee is set out below:

Sr. No.	Name	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Ketan Ramani	Whole-time Director - Chairman	2	2
2.	Mr. Parth Shah	Independent Non-executive Director - Member	2	1
3.	Mr. Joginder Jaswal	Managing Director - Member	2	2

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/corporate-policies/>

4) Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:



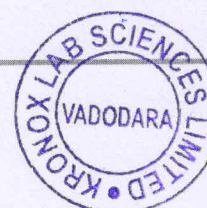
Not Applicable

- 5) a) Average net profit of the Company as per sub-section (5) of section 135. **Rs. 1440.69 Lacs**
- b) Two percent of average net profit of the company as per sub-section (5) of section 135. **Rs. 28.81 Lacs**
- c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **Not Applicable**
- d) Amount required to be set off for the financial year, if any: **Not Applicable**
- e) Total CSR obligation for the financial year 2022-23 (5b+5c-5d): **Rs. 28.81 Lacs**
- 6) a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): **Rs. 28.88 Lacs**
- b) Amount spent in Administrative Overheads: **0**
- c) Amount spent on Impact Assessment, if applicable: **Not Applicable**
- d) Total amount spent for the financial year (6a+6b+6c): **Rs. 28.88 Lacs**
- e) **CSR amount spent or unspent for the financial year 2022-23:** 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
Rs. 28.88 lacs	N.A.		N.A.		

f) **Excess amount for set-off, if any:**

Sr. No.	Particular	Amount (in lakhs)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	28.81
(ii)	Total amount spent for the Financial Year	28.88
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	0.07



Sr. No.	Particular	Amount (in lakhs)
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	Nil

7) Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

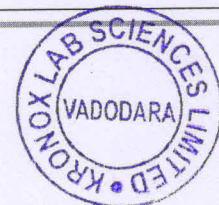
1	2	3	4	5	6	7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Amount Spent in the Financial Year (in Rs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any	Amount remaining to be spent in succeeding Financial Years (in Rs)	Deficiency, if any
					Amount (in Rs)	Date of Transfer	
1	FY-1	-	-	-	-	-	-
2	FY-2	-	-	-	-	-	-
3	FY-3	-	-	-	-	-	-

8) Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

No

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or	Pincode of the property or	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner



	asset(s)	asset(s)					
	[including complete address and location of the property]						
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
-	-	-	-	-	-	-	-

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9) Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135.

Not Applicable

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




Ketan Ramani
Chairman of CSR
Committee


DIN: 01510833

Date: August 04, 2023

Place: Vadodara



Jogindersingh Jaswal
Member of CSR Committee
DIN: 02385809



Parth Shah
Member of CSR
Committee
DIN: 09708808



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.

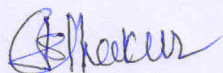
Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

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.

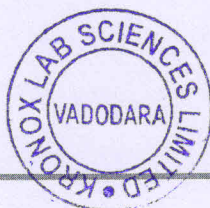
Sr. No	Particulars	Details
1)	Name (s) of the related party	Chemsol Specialities LLP
2)	Nature of Relationship	Body corporate whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager
3)	Nature of contracts/ arrangements/ transaction	Purchase of Fixed Assets
4)	Duration of the contracts/ arrangements/ transaction	-
5)	Date of approval by the Board	May 06, 2022
6)	Whether approval taken from board for material contracts/arrangements/ transactions with related party	Yes

* 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: September 06, 2023
Place: Vadodara



Ketan Ramani
Wholetime Director
DIN: 01510833



INDEPENDENT AUDITORS REPORT

To,

The Members of

KRONOX LAB SCIENCES LIMITED

(Previously Known as KRONOX LAB SCIENCES PRIVATE LIMITED)

Report on the Audit of the Standalone Financial Statements

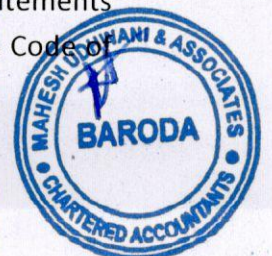
Opinion

We have audited the standalone financial statements of **KRONOX LAB SCIENCES LIMITED (Previously Known as KRONOX LAB SCIENCES PRIVATE LIMITED)**, ("the Company") which comprise the Balance Sheet as at **31st March 2023**, and the Statement of Profit and Loss, statement of changes in equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the 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 at March 31, 2023, 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.

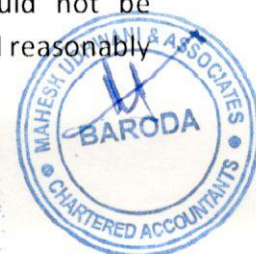
Materiality is the magnitude of misstatements in the Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Ind AS financial statements may be influenced. We consider quantitative materiality and qualitative 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.

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



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (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.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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

M. A. Udhwani



Mahesh Udhwani
(Partner)

M No: 047328

UDIN: 23047328BGUTAQ6509

Place: Vadodara

Date: 06/09/2023

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 immoveable properties are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment 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) According to the information and explanations given to us, the Company does not defaulted in repayment of any loans or other borrowings including interest from any lender.
- (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) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.
- (d) In our opinion and according to the information and explanations given to us, and 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) According to the information and explanations given to us and 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 on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- (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. However, the Company is not required to have an internal audit system under section 138 of the Act

(b) As mentioned above, the Company is not required to have an internal audit system under section 138 of the Act and Accordingly, reporting under clause 3(xiv) (b) of the Order is not applicable to the Company.

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

M. A. Udhvani

**Mahesh Udhvani
(Partner)**

M No: 047328

UDIN: 23047328BGUTAQ6509

Place: Vadodara

Date: 06/09/2023



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 2023**, we have audited the internal financial controls over financial reporting (IFCoFR) of the Company of as of that date.

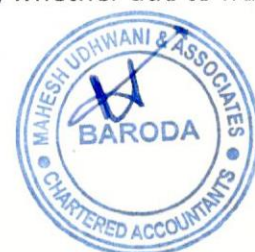
Management's Responsibility and Those Charged with Governance for Internal Financial Controls

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 2023, 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.



We have considered the above in determining the nature, timing and extent of audit tests applied in our audit of the Financial Statements of the Company, and the same does not affect our opinion on the Financial Statements of the Company.

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

M. A. Udhwani

Mahesh Udhwani
(Partner)

M No: 047328

UDIN: 23047328BGUTAQ6509

Place: Vadodara

Date: 06/09/2023



KRONOX LAB SCIENCES LIMITED
(Previously Known as KRONOX LAB SCIENCES PVT LTD)
CIN: U24117GJ2008PLC055460
Balance Sheet As at 31st March,2023

Particulars	Notes	31st March,2023 Amount in Rs.	31st March,2022 Amount in Rs.
Assets			
I. Non-current assets			
(a) Property, plant and equipment	2	15,91,17,154	8,83,95,971
(b) Right-of-use assets	3	-	2,45,94,779
(c) Financial assets			
(i) Investments	4	2,50,000	2,50,000
(ii) Other Financial Asset	5	3,57,47,743	97,47,743
(d) Deferred Tax Asset (net)	6	34,17,947	32,80,014
		19,85,32,844	12,62,68,507
II. Current assets			
(a) Inventories	7	9,17,34,317	7,51,11,275
(b) Financial assets			
(i) Investments		-	-
(ii) Trade Receivables	8	18,55,10,330	26,08,55,473
(iii) Cash and cash equivalent	9	2,48,35,108	28,57,488
(iv) Bank balances other than(iii) above	9A	1,07,87,129	2,52,38,910
(v) Other Financial Asset	10	2,35,07,426	7,40,24,836
(c) Other current assets	11	54,34,207	63,76,140
		34,18,08,518	44,44,64,121
Total assets		54,03,41,362	57,07,32,628
Equity and liabilities			
Equity			
(a) Equity share capital	12	37,10,40,000	24,10,000
(b) Other equity	SCE	7,64,67,649	40,39,69,068
Total Equity		44,75,07,649	40,63,79,068
Liabilities			
I. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	13	-	47,20,241
(ii) Lease Liabilities	14	-	1,68,18,100
(iii) Trade Payables		-	-
(b) Provisions	15	48,72,856	52,04,593
		48,72,856	2,67,42,934
II. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	-	16,95,804
(ii) Lease Liabilities	17	-	1,03,62,471
(iii) Trade payables	18		
Total outstanding dues of micro enterprise and small enterprise		2,86,02,695	6,01,29,731
Total outstanding dues of creditors other than micro enterprise and small enterprise		4,95,02,563	5,50,79,018
(b) Other current liabilities	19	55,97,352	21,74,367
(c) Provisions	20	63,66,162	60,78,401
(d) Current Tax Liabilities (Net)	21	(21,07,915)	20,90,834
		8,79,60,857	13,76,10,625
Total equity and liabilities		54,03,41,362	57,07,32,628
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

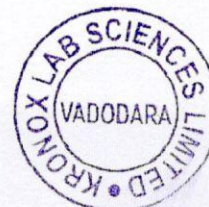
MA. A. UDHVANI
Mahesh Udhvani
Partner
Membership No.047328
UDIN: 23047328BGUTAQ6509
Place: Vadodara
Date : 06/09/2023

Jogindersingh Jaswal
(Managing Director)
DIN :02385809

Ketan Ramani
(Whole-time Director
& Chief Financial Officer)
DIN :01510833

Pritesh Ramani
(Whole-time Director)
DIN :02392939

Aditya Patel
CS & Compliance Officer



KRONOX LAB SCIENCES LIMITED
(Previously Known as KRONOX LAB SCIENCES PVT LTD)
CIN: U24117GJ2008PLC055460
Statement of Profit and Loss for the April,2022 to March,2023

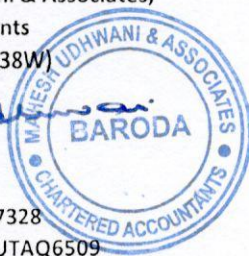
Sr No	Particulars	Notes	31st March,2023 Amount in Rs.	31st March,2022 Amount in Rs.
I	Revenue from operations	22	95,57,79,098	82,24,74,988
II	Other income	23	1,92,01,889	1,09,28,145
III	Total revenue		97,49,80,987	83,34,03,133
IV	Expenses			
	Cost of material consumed	24	58,01,19,637	47,98,36,186
	Changes in Inventories of Finished Goods and Work in Progress	25	(3,12,98,771)	(58,39,859)
	Employee benefits expense	26	7,02,69,268	5,74,57,758
	Finance costs	27	9,32,345	35,35,174
	Depreciation and amortisation expenses	28	1,49,65,595	2,02,92,510
	Other expenses	29	11,95,81,703	9,47,35,598
	Total expenses		75,45,69,778	65,00,17,367
V	Profit/(Loss) before taxes		22,04,11,209	18,33,85,766
VI	Tax Expenses :			
	Current Tax		5,72,22,170	4,78,95,840
	Deferred Tax		(8,43,293)	(6,16,233)
VII	Profit/(Loss) for the year		16,40,32,333	13,61,06,159
VIII	Other Comprehensive Income			
	(A) Items that will not be reclassified to Statement of Profit and Loss			
	(i) Defined benefit Plan liability / asset		28,02,609	(11,85,729)
	(ii) Tax impact on above item		(7,05,361)	2,98,424
	(B) Items that will be reclassified to Statement of Profit and Loss		-	-
	Total Other Comprehensive Income (After Tax)		20,97,248	(8,87,305)
IX	Total Comprehensive Income		16,61,29,581	13,52,18,854
X	Earning per Equity Share	30	4.31	561.07
	Basic & Diluted		4.31	561.07
	Notes to Accounts	1-30		

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)

M. A. Udhvani
Mahesh Udhvani
Partner
Membership No.047328
UDIN: 23047328BGUTAQ6509
Place: Vadodara
Date : 06/09/2023



For and on behalf of the Board of Directors

Jogindersingh Jaswal
Jogindersingh Jaswal
(Managing Director)

DIN :02385809

Aditya Patel
Aditya Patel
CS & Compliance
Officer

Ketan Ramani
Ketan Ramani
Whole-time Director
& Chief Financial Officer)

DIN :01510833

Pritesh Ramani
Pritesh Ramani
(Whole-time Director)

DIN :02392939



KRONOX LAB SCIENCES LIMITED
(Previously Known as KRONOX LAB SCIENCES PVT LTD)
CIN: U24117GJ2008PLC055460
Statement of changes in Equity for the year ended 31st March, 2023

A. Equity Share Capital

FY 2022-23				Amount in Rs.
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
24,10,000			36,86,30,000	37,10,40,000

FY 2021-22				Amount in Rs.
Balance at the beginning of the current reporting period i.e. 01/04/2021	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. 31/03/2022
24,10,000		24,10,000		24,10,000

B. Other Equity

Particulars	Reserves and Surplus		Other Comprehensive Income	Total
	Capital Redemption Reserve	Retained earnings	Defined benefit Plan liability / asset	
Balance as at 1st April, 2022	90,000	40,47,58,707	(8,79,639)	40,39,69,068
Add/Less : On Account of changes in accounting policy or prior period errors	-	-	-	-
Restated Balance as at 1st April, 2022	90,000	40,47,58,707	(8,79,639)	40,39,69,068
Total Comprehensive Income for the year	-	16,40,32,333	20,97,248	16,61,29,581
Bonus Shares Issued (Refer Note-13a(i))	-	(38,80,10,000)	-	(38,80,10,000)
Buy Back of Equity Shares* (Refer Note-13a(ii))	-	(10,56,21,000)	-	-
Transfer to Retained Earnings	-	-	-	-
Transfer to Capital Redemption Reserve on Account of Buy Back	1,93,80,000	(1,93,80,000)	-	-
Balance as at 31st March, 2023	1,94,70,000.00	5,57,80,040	12,17,609	7,64,67,649

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

FY 2021-22				Amount in Rs.
Particulars	Reserves and Surplus		Other Comprehensive Income	Total
	Capital Redemption Reserve	Retained earnings	Defined benefit Plan liability / asset	
Balance as at 1st April, 2021	90,000	26,86,52,548	7,666	26,87,50,214
Add/Less : On Account of changes in accounting policy or prior period errors	-	-	-	-
Restated Balance as at 1st April, 2021	90,000	26,86,52,548	7,666	26,87,50,214
Total Comprehensive Income for the year	-	13,61,06,159	(8,87,305)	13,52,18,854
Dividend paid	-	-	-	-
Transfer to Retained Earnings	-	-	-	-
Transfer to Capital Redemption Reserve	-	-	-	-
Balance as at 31st March, 2022	90,000.00	40,47,58,707	(8,79,639)	40,39,69,068

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

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

For and on behalf of the Board of Directors

Jogindersingh Jaswal
(Managing Director)

DIN : 02385809

Adhya Patel
CS & Compliance Officer

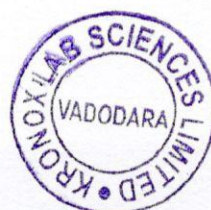
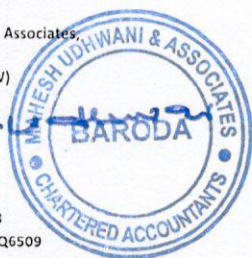
Ketan Ramani
(Whole-time Director
& Chief Financial Officer)

DIN : 01510833

Pritesh Ramani
(Whole-time Director)

DIN : 02392939

Mahesh Udhwani
Partner
Membership No.047328
UDIN: 23047328BGUTAQ6509
Place: Vadodara
Date : 06/09/2023

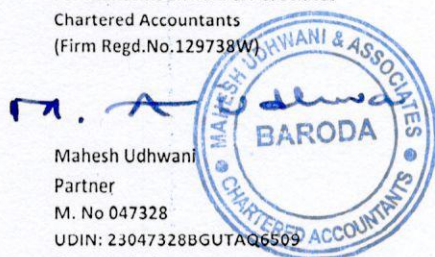


KRONOX LAB SCIENCES LIMITED
(Previously Known as KRONOX LAB SCIENCES PVT LTD)
CIN: U24117GJ2008PLC055460
Cash flow Statement for the period April,2022 to March,2023

Particulars		31st March,2023 Amount in Rs.	31st March,2022 Amount in Rs.
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Net profit before tax	22,04,11,209	18,33,85,766
	<u>Adjustments for:</u>		
	Add : Depreciation and amortisation	1,49,65,595	2,02,92,510
	Interest Expenses	9,32,345	35,35,174
	Allowance for credit losses Financial Asset	30,635	89,016
	Interest Income	(42,45,866)	(32,01,474)
	Accrued Defined Benefit Plan Liability	28,08,462	25,43,434
	Dividend Income	(2,500)	(2,500)
	Gain on lease termination	(26,19,119)	
	(Profit)/Loss on sale of fixed assets	(1,13,560)	(2,62,762)
	Operating Profit before Working Capital Changes	23,21,67,202	20,63,79,164
	<u>Adjustments for:</u>		
	Trade Receivables	7,53,14,507	(10,34,97,450)
	Other Current Assets	9,41,933	(4,20,927)
	Inventories	(1,66,23,042)	(2,01,73,535)
	Non current assets	-	5,208
	Trade payables & Provisions	-3,71,47,467	5,52,41,036
	Other Current and non current Liabilities	-7,81,617	-3,09,824
	Cash Generated from Operations	2,17,04,314	(6,91,55,491)
	Less : Direct Taxes paid	5,72,22,170	4,78,95,840
	Net Cash generated from operating activities (i)	19,66,49,346	8,93,27,833
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Fixed Assets	(8,41,46,506)	(3,79,56,591)
	Bank Deposits (placed)/matured	1,55,17,410	(4,76,80,015)
	Security Deposits (placed)/matured	90,00,000	59,99,101
	Sale of fixed assets	2,12,940	8,09,243
	Interest Income	42,45,866	32,01,474
	Dividend Income	2,500	2,500
	Net cash generated from investing activities (ii)	(5,51,67,790)	(7,56,24,288)
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Interest Expense	(9,32,345)	(35,35,174)
	Proceeds from borrowings	-	62,86,243
	Repayment of Financial Liabilities	(80,22,370)	(88,97,303)
	Buy Back of Shares	(12,50,01,000)	-
	Net cash generated from financial activities (iii)	(13,39,55,715)	(61,46,234)
	Net change in cash and cash equivalents (i+ii+iii)	75,25,841	75,57,312
	Cash and cash equivalents at the beginning of the year	2,80,96,398	2,05,39,087
	Cash and cash equivalents at the end of the year*	3,56,22,237	2,80,96,398
	*Cash & cash equivalents includes:		
	Cash in hand	3,01,509	1,77,095
	Balances with Scheduled Bank (including Fixed Deposit having remaining maturity period less than 3 months from the reporting date)	3,53,20,728	2,79,19,303

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

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



Mahesh Udhwani
Partner
M. No 047328
UDIN: 23047328BGUTAQ6509
Place: Vadodara
Date : 06/09/2023

For and on behalf of the Board of Directors

Jogindersingh Jaswal
Jogindersingh Jaswal
(Managing Director)

DIN :02385809

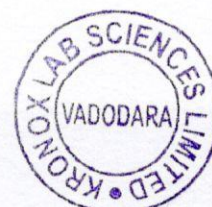
Aditya Patel
Aditya Patel
CS & Compliance Officer

Ketan Ramani
Ketan Ramani
(Whole-time Director
& Chief Financial Officer)

DIN :01510833

Pritesh Ramani
Pritesh Ramani
(Whole-time Director)

DIN :02392939



Note – 1: -

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A. Reporting Entity

KRONOX LAB SCIENCES LIMITED (previously Known as KRONOX LAB SCIENCES PVT LTD) was incorporated on November 18, 2008 as a private limited company under Companies Act, 1956. The company has its registered office at Block No.138, Village Ekalbara, Padra Vadodara GJ 391440. The Company is engaged in the manufacturing of High Purity Fine, inorganic chemicals, phosphate and metallic chemicals. The CIN of the Company is U24117GJ2008PLC055460.

The company commenced its business activities in year 2008. In financial year 2018-19, the company changed its name from KRONOX LAB SCIENCES PRIVATE LIMITED to KRONOX LAB SCIENCES LIMITED and carried out its activities at three locations (Unit-1, 2 & 3) in Ekalbara village, Padra.

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. The company has voluntarily adopted Ind AS with effect from April 1, 2019.

A. Basis of preparation:

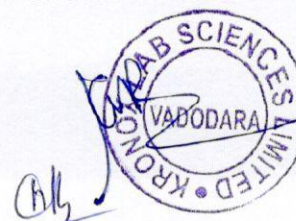
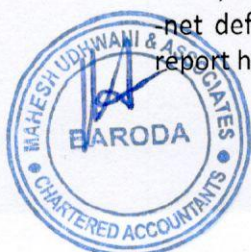
The financial statements of the company as at 31st March,2023 are prepared in accordance with recognition and measurement principles of Indian Accounting Standards

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 31.03.2023 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.

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:

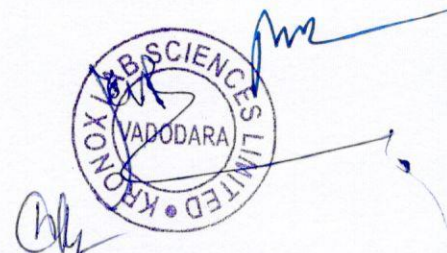
Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the Financial Statements is included in the following:

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.

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.

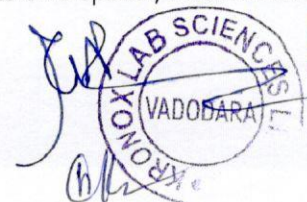
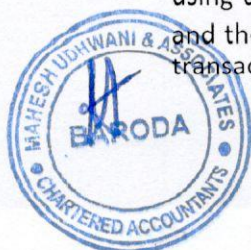
The management has estimated the useful life of the Tangible Assets as mentioned below:

Asset Classification	Years
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 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

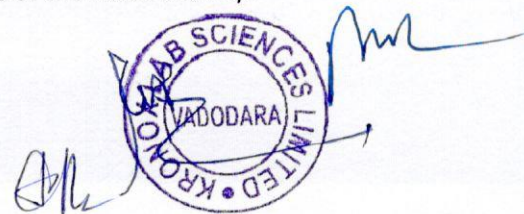
#the Company designed the asset in a way that predetermines how and for what purpose it will be used.

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.

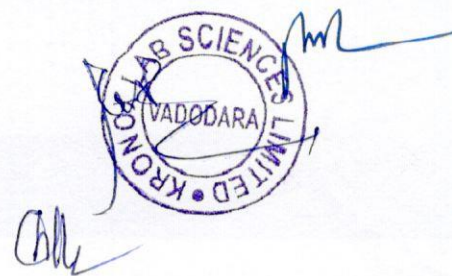
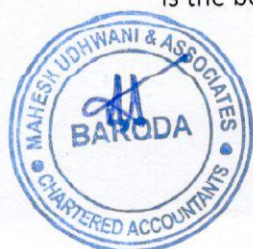
Short-term leases and leases of low-value assets:

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:

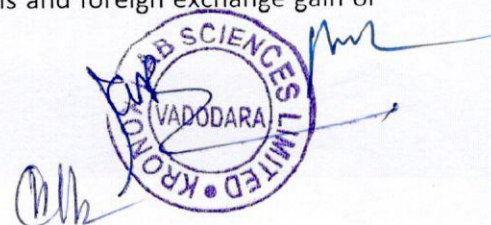
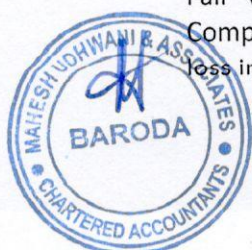
Financial assets are measured at amortized cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial 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 receive or a legal obligation to pay cash. Further, the carrying amounts approximate fair value of these instruments.

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:

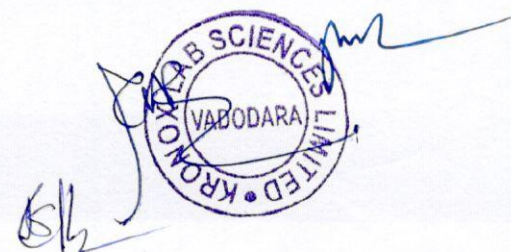
The company's financial liabilities include trade payable.

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. Further, the carrying amounts approximate fair value of these instruments.

D. Derecognition:

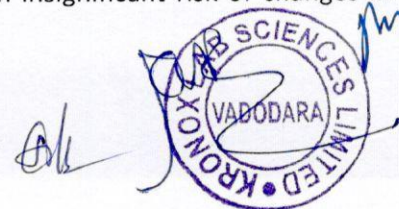
A financial liability is derecognized when the obligation under the liability is discharged / cancelled / expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such 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 book overdrafts. However, Book 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:

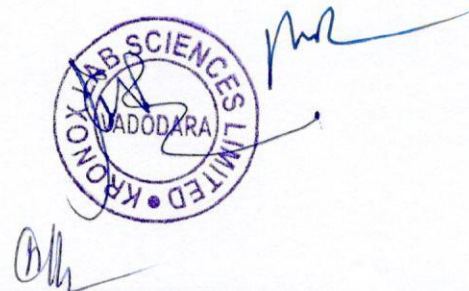
Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually 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 of activity.

The Products dispatched from the factory, which remained in transit in respect of which the control have not been transferred upto the 31/03/2023 is reflected as goods-in-transit. With a view to reflect true and correct position of revenue, the sale amount is reduced from total sales of the year and the stock value is shown under the head "Inventories"

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. Employee Benefits:

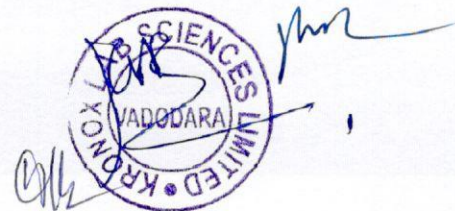
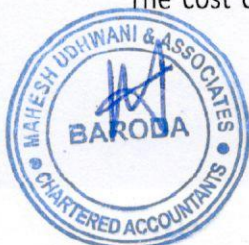
Long-term Benefits:

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.

14. 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.

15. 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.

16. Earnings Per Share:

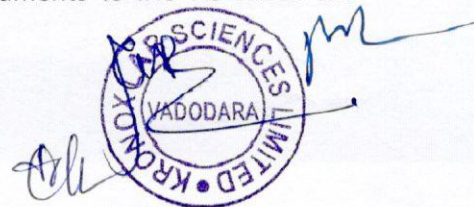
Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements and stock split in equity shares issued during the year and excluding treasury shares.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

17. Recent Accounting Pronouncement:

The Ministry of Corporate Affairs (MCA) on 31st March 2023 through Companies (Indian Accounting Standards) Amendment Rules, 2023 has notified the following amendments to IND AS which are applicable for the annual periods beginning on or after 1st April, 2023.



a) IND AS 1 - Presentation of Financial Statements - This amendment requires the Company to disclose its material accounting policies rather than their significant accounting policies.

The Company will carry out a detailed review of accounting policies to determine material accounting policy information to be disclosed going forward.

The Company does not expect this amendment to have any material impact in its financial statements.

b) IND AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors –This amendment has changed the definition of a “change in accounting estimates” to a definition of “accounting estimates”. The amendment clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates.

The Company does not expect this amendment to have any material impact in Its financial statements.

c) IND AS 12 - Income Taxes - This amendment has done away with the recognition exemption on initial recognition of assets and liabilities that give rise to equal and offsetting temporary differences. The Company does not expect this amendment to have any material impact in its financial statements.



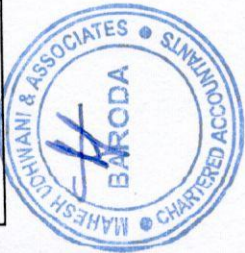
KRONOX LAB SCIENCES LIMITED
(Previously Known as KRONOX LAB SCIENCES PVT LTD)
Notes on Financial Statement for the period April, 2022 to March, 2023

Note No:- 2
Property, Plant and Equipments

Particulars	GROSS BLOCK			DEPRECIATION BLOCK			NET BLOCK		
	As at 01-04-2022	Addition / Adjustments Rs.	Deduction / Adjustments Rs.	As at 31-03-2023	As at 01-04-2022	Depreciation For the period April, 2022 To March, 2023 Rs.	Deduction / Adjustments Rs.	As at 31-03-2023	As at 31-03-2022
Land	21,182,015	48,400,739	-	69,582,754	-	-	-	69,582,754	21,182,015
Computer	1,708,093	532,325	-	2,240,418	1,482,055	332,434	-	425,930	226,038
Factory Building	38,487,791	24,750,888	-	63,238,679	16,346,034	4,055,669	-	42,836,976	22,141,757
Furniture & Fixtures	1,628,148	962,122	-	2,590,270	1,167,479	279,486	-	1,143,305	460,669
Lab Equipment	3,401,750	1,524,169	-	4,925,919	1,506,272	488,944	-	2,930,703	1,895,478
Office Equipment	1,806,933	667,820	-	2,474,753	1,050,991	200,038	-	1,223,724	755,942
Plant & Machinery	80,697,042	4,853,310	-	85,550,353	53,943,349	5,584,045	-	26,022,958	26,753,693
Vehicle	10,365,171	623,633	346,787	10,642,017	2,415,215	1,639,461	247,408	6,834,749	7,949,956
Factory Shed	13,856,312	1,831,500	-	15,687,812	6,825,890	745,868	-	8,116,055	7,030,422
Total	173,133,255	84,146,506	346,787	256,932,975	84,737,285	13,325,943	247,408	159,117,154	88,395,971

Note No:- 3
Right-of-use assets

Particulars	GROSS BLOCK			AMORTISATION			NET BLOCK		
	As at 01-04-2022	Addition / Adjustments Rs.	Deduction / Adjustments Rs.	As at 31-03-2023	As at 01-04-2022	For the year Rs.	Deduction / Adjustments Rs.	As at 31-03-2023	As at 31-03-2022
Lease hold Property	44,270,602	-	44,270,602	0	19,675,823	1,639,652	21,315,475	0	24,594,779
Total	44,270,602	-	44,270,602	0	19,675,823	1,639,652	21,315,475	0	24,594,779



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KRONOX LAB SCIENCES LIMITED
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Notes on Financial Statement for the period April,2022 to March,2023

12	Particulars	As At	
		March 31,2023	March 31, 2022
Share Capital:			
Authorised share capital			
5,40,00,000 Equity shares (P.Y: 1,50,00,000 Equity Shares) of Rs.10 each	540,000,000	150,000,000	
Issued, subscribed and fully paid up capital:			
3,71,04,000 Equity Shares (P.Y: 2,41,000 Equity Shares) of Rs.10 each Fully Paid	371,040,000	2,410,000	
Total	371,040,000	2,410,000	

(a)	Reconciliation of number of shares Outstanding	As At		As At	
		March 31,2023		March 31,2022	
		Number	(Rs.)	Number	(Rs.)
	Shares outstanding at the beginning of the year	241,000	2,410,000	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)	-	-
	Shares outstanding at the end of the year	37,104,000	371,040,000	241,000	2,410,000

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 the year.

(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.

(iii) The Company has bought back 9,000 fully paid up equity shares of face value of Rs 10/- per share during FY 2020-21.

(b) Details of shares held by Promoters

Name of the shareholders/promoter	As At			As At		
	March 31,2023			March 31,2022		
	No. of shares	Percentage of share holding	Percentage change during the year	No. of shares	Percentage of share holding	Percentage change during the year
Pritesh Ramani	11,129,580	30%	-	72,290	30%	-
Jogindersingh Jaswal	12,983,160	35%	-	84,330	35%	-
Ketan Ramani	12,981,540	35%	-	84,320	35%	-
Total	37,094,280			240,940		

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

Name of the shareholders/promoter	As At		As At	
	March 31,2023		March 31,2022	
	No. of shares	Percentage of share holding	No. of shares	Percentage of share holding
Pritesh Ramani	11,129,580	30%	72,290	30%
Jogindersingh Jaswal	12,983,160	35%	84,330	35%
Ketan Ramani	12,981,540	35%	84,320	35%
Total	37,094,280		240,940	



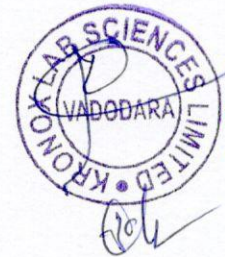
KRONOX LAB SCIENCES LIMITED
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Notes on Financial Statement for the period April,2022 to March,2023

4	Investments	March 31, 2023 Amount in Rs.	March 31, 2022 Amount in Rs.
	Enviro Infrastructure - Share Certificate	250,000	250,000
	Total	250,000	250,000

5	Other Financial Asset	March 31, 2023 Amount in Rs.	March 31, 2022 Amount in Rs.
	Security deposits		
	Electricity Deposits	621,061	621,061
	Telephone Deposit	24,472	24,472
	NSDL	10,000	10,000
	CDSL	10,000	10,000
	Chemsol Specialities LLP	-	9,000,000
	Eicl Security Deposit A/C	66,907	66,907
	Vihar Electrical Security Deposit	15,303	15,303
	Fixed Deposit With Banks(having remaining maturity period more than 12 months from the reporting date)	35,000,000	-
	Total	35,747,743	9,747,743

6	Deffered Tax Assets /(Liabilities)	March 31, 2023 Amount in Rs.	March 31, 2022 Amount in Rs.
	Excess of depreciation/amortisation on property plant and equipment under income tax act	1,315,463	1,289,843
	Provision for employee benefits and ECL	1,981,243	1,339,379
	Others	121,241	650,792
	Total	3,417,947	3,280,014

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.



KRONOX LAB SCIENCES LIMITED
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Notes on Financial Statement for the period April,2022 to March,2023

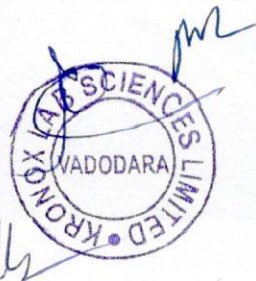
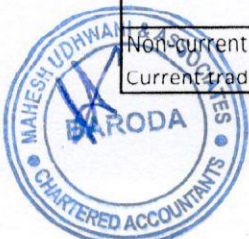
6A Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

Particulars	For the year ended March 31, 2023	For the year ended 31 March 2022
Accounting profit before tax	220,411,209	183,385,766
Tax rate	25.17%	25.17%
Tax as per IT Act on above	55,477,501	46,158,197
Tax expenses (P&L)		
(i) Current tax	57,222,170	47,895,840
(ii) Deferred tax	(843,293)	(616,233)
(iii) Taxation in respect of earlier years	-	-
	56,378,877	47,279,607
Tax expenses (OCI)	705,361	(298,424)
	57,084,238	46,981,183
Difference	(1,606,736)	(822,985)
Tax reconciliation Adjustments:		
Effect of permanent adjustments	1,606,736	822,985
Effect of Temporary Adjustments:		
(i) Impact as a result of Tax Rate Change	-	-
(ii) Effect of earlier year adjustment	-	-
(iii) Others	-	-
	-	-

7 Inventories	March 31, 2023 Amount in Rs.	March 31, 2022 Amount in Rs.
Raw material	24,249,234	38,830,755
WIP	9,269,629	4,542,598
Finished Goods	27,429,269	30,694,463
Stock in transit	29,836,934	-
Packing Material	949,251	1,043,459
Total	91,734,317	75,111,275

8 Trade receivables	March 31, 2023 Amount in Rs.	March 31, 2022 Amount in Rs.
Unsecured, considered good	185,540,965	256,104,139
Unsecured, considered doubtful	-	5,039,941
Less: Allowance for expected credit loss	(30,635)	(288,607)
Secured, considered good	-	-
Total	185,510,330	260,855,473

8A Trade receivables	March 31, 2023 Amount in Rs.	March 31, 2022 Amount in Rs.
Non-current trade receivables	-	-
Current trade receivables	185,540,965	261,144,080



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Notes on Financial Statement for the period April,2022 to March,2023

8B 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 – considered good	184,008,925	1,532,040	-	-	-
(ii) Undisputed Trade Receivables – Which have significant credit risk					
(ii) Undisputed Trade Receivables – Credit impaired					
(iii) Disputed Trade Receivables considered good					
(iv) Disputed Trade Receivables - Which have significant credit risk					
(iv) Disputed Trade Receivables - Credit impaired					

8C Trade Receivables ageing schedule	Outstanding for following periods from due date of Payment as on 31/03/2022				
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years
(i) Undisputed Trade receivables – considered good	256,104,139	-	122,970	2,569,369	2,347,602
(ii) Undisputed Trade Receivables – Which have significant credit risk	-	-	-	-	-
(ii) Undisputed Trade Receivables – Credit impaired	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-
(iv) Disputed Trade Receivables - Which have significant credit risk	-	-	-	-	-
(iv) Disputed Trade Receivables - Credit impaired	-	-	-	-	-

9 Cash and bank balances	March 31, 2023 Amount in Rs.	March 31, 2022 Amount in Rs.
Cash and cash equivalents		
Cash on hand	301,509	177,095
Balances with banks	24,533,599	2,680,393
Total	24,835,108	2,857,488

9A Bank balances other than 9A Cash and cash equivalent	March 31, 2023 Amount in Rs.	March 31, 2022 Amount in Rs.
Fixed Deposit With Banks(having remaining maturity period less than 3 months from the reporting date)	10,787,129	25,238,910
Total	10,787,129	25,238,910

10 Other Financial Asset	March 31, 2023 Amount in Rs.	March 31, 2022 Amount in Rs.
Fixed Deposit With Banks(having remaining maturity period less than 12 months but more than 3 months from the reporting date)	20,851,780	71,935,885
Interest Receivable (From Fixed Deposit with Bank)	2,655,646	2,088,951
Total	23,507,426	74,024,836

11 Other Current Assets	March 31, 2023 Amount in Rs.	March 31, 2022 Amount in Rs.
Balances with statutory authorities	356,310	3,802,382
Prepaid Expenses	371,018	578,545
Other Advances	4,708,879	1,995,213
Total	5,434,207	6,376,140



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Notes on Financial Statement for the period April,2022 to March,2023

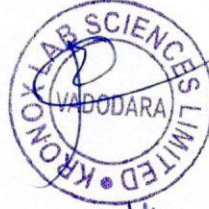
13	Long-term borrowings	March 31, 2023 Amount in Rs.	March 31, 2022 Amount in Rs.
	Term loans from banks		
	Secured Loan: (Note -a)		
	HDFC Bank Ltd Hundal Alcazar Car Loan	-	1,598,371
	HDFC Bank Ltd Mercedes -GLC	-	3,121,870
	HDFC Bank K Ltd Tempo Trax Loan	-	-
	Total	-	4,720,241

Note-a

The above loans are only vehicle loans and secured against the hypothecation of respective vehicles.

14	Non Current Lease Liability	March 31, 2023 Amount in Rs.	March 31, 2022 Amount in Rs.
	Non- Current Lease Liability	-	16,818,100
	Total	-	16,818,100

15	Non - Current Provisions	March 31, 2023 Amount in Rs.	March 31, 2022 Amount in Rs.
	Others		
	Accrued Defined Benefit Plan Liability	4,872,856	5,204,593
	Total	4,872,856	5,204,593



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Notes on Financial Statement for the period April,2022 to March,2023

16	Borrowings	March 31, 2023 Amount in Rs.	March 31, 2022 Amount in Rs.
	Secured Loan (Note-a)		
	Current maturities of Long term borrowings		
	HDFC Bank & Ltd Tempo Trax Loan	-	-
	HDFC Bank Ltd Hundai Alcazar Car Loan	-	356,315
	HDFC Bank Ltd Mercedes -GLC	-	1,339,489
	Total	-	1,695,804

Note -a

The above loans are only vehicle loans and secured against the hypothecation of respective vehicles.

17	Lease Liability	March 31, 2023 Amount in Rs.	March 31, 2022 Amount in Rs.
	Current Lease Liability	-	10,362,471
	Total	-	10,362,471

18	Trade payables	March 31, 2023 Amount in Rs.	March 31, 2022 Amount in Rs.
	(i) Outstanding dues to Micro and small Enterprises*	28,602,695	60,129,731
	(ii) Outstanding dues of creditors other than Micro and small Enterprises	49,502,563	55,079,018
	Total	78,105,258	115,208,749

*There is no interest due on outstanding dues to micro and small enterprises during the year ended March 31, 2023 and March 31, 2022.

18A	Trade payables	March 31, 2023 Amount in Rs.	March 31, 2022 Amount in Rs.
	Considered as Current	78,101,518	115,208,749
	Considered as Non Current	-	-
	Total	78,101,518	115,208,749

18B	TRADE PAYABLES AGEING SCHEDULE	Outstanding for following periods from due date of payment as on 31/03/2023				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
	Trade Payables					-
	(i) MSME	28,602,695				28,602,695
	(ii) Others	49,498,823	3,740			49,502,563
	(iii) Disputed dues - MSME	-				-
	(iv) Disputed dues - Others	-				-
	Total	78,101,518	3,740			78,105,258

18C	TRADE PAYABLES AGEING SCHEDULE	Outstanding for following periods from due date of payment as on 31/03/2022				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
	Trade Payables					-
	(i) MSME	60,129,731				60,129,731
	(ii) Others	55,079,018				55,079,018
	(iii) Disputed dues - MSME	-				-
	(iv) Disputed dues - Others	-				-
	Total	115,208,749				115,208,749

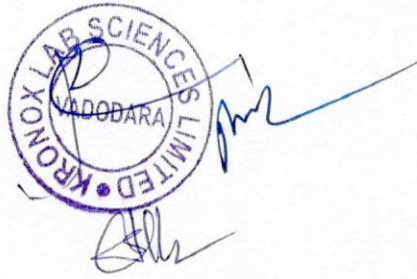


KRONOX LAB SCIENCES LIMITED
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Notes on Financial Statement for the period April,2022 to March,2023

19	Other Current Liabilities	March 31, 2023 Amount in Rs.	March 31, 2022 Amount in Rs.
	Advance Received from customer	1,902,609	1,804
	<u>Others</u>		
	Statutory dues payable	3,694,744	2,172,563
	Total	5,597,353	2,174,367

20	Provisions	March 31, 2023 Amount in Rs.	March 31, 2022 Amount in Rs.
	Provision for employee benefits	2,711,360	2,012,955
	<u>Others</u>		
	Statutory dues payable	3,654,802	4,065,446
	Total	6,366,162	6,078,401

21	Current Tax Liabilities (Net)	March 31, 2023 Amount in Rs.	March 31, 2022 Amount in Rs.
	Income tax (net of advance tax)	(2,107,915)	2,090,834
	Total	(2,107,915)	2,090,834



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Notes on Financial Statement for the period April,2022 to March,2023

22	Revenue from operations	March 31, 2023 Amount in Rs.	March 31, 2022 Amount in Rs.
	Sales	951,809,929	820,773,884
	Freight	3,969,169	1,701,105
	Total	955,779,098	822,474,988

23	Other income	March 31, 2023 Amount in Rs.	March 31, 2022 Amount in Rs.
	Dividend	2,500	2,500
	Duty Drawback	2,640,998	1,719,124
	Foreign Exchange Gain	9,478,860	3,170,025
	Interest Income	4,245,866	3,201,474
	Merchant Export Incentive Received	-	1,327,811
	Subsidy	96,559	1,231,795
	Profit on sale of Asset	113,560	262,762
	Kasar & Discount	4,427	8,445
	Gain on lease termination	2,619,119	-
	Miscellaneous Income	-	4,209
	Total	19,201,889	10,928,145

24	Cost of materials consumed	March 31, 2023 Amount in Rs.	March 31, 2022 Amount in Rs.
	Opening Stock	39,874,214	25,540,538
	Add: Purchase during the year	565,443,908	494,169,862
		605,318,122	519,710,400
	Less: Closing Stock	25,198,485	39,874,214
	Total	580,119,637	479,836,186

25	Changes in Inventories of Finished Goods and Work in Progress	March 31, 2023 Amount in Rs.	March 31, 2022 Amount in Rs.
	Opening Inventories:		
	Work-in-progress	4,542,598	717,960
	Finished goods	30,694,463	28,679,242
	Goods-in-transit	-	-
		35,237,061	29,397,202
	Closing Inventories:		
	Work-in-progress	9,269,629	4,542,598
	Finished goods	27,429,269	30,694,463
	Goods-in-transit	29,836,934	-
		66,535,832	35,237,061
	(Increase) /decrease in inventories	(31,298,771)	(5,839,859)

26	Employee benefits expense	March 31, 2023 Amount in Rs.	March 31, 2022 Amount in Rs.
	Director Remuneration	51,000,000	41,000,000
	Salary, wages and Bonus	14,146,833	12,353,525
	Gratuity	2,808,462	2,543,434
	Contribution to Provident fund and ESIC	1,476,458	931,410
	Staff Welfare Expense	837,515	629,389
	Total	70,269,268	57,457,758

27	Finance costs	March 31, 2023 Amount in Rs.	March 31, 2022 Amount in Rs.
	Bank Interest	542,757	432,477
	Interest Expense on lease liabilities	389,588	3,102,697
	Total	932,345	3,535,174



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Notes on Financial Statement for the period April,2022 to March,2023

28	Depreciation and amortisation expenses	March 31, 2023 Amount in Rs.	March 31, 2022 Amount in Rs.
	Depreciation of property, plant and equipment (refer note 2)	13,325,943	10,454,598
	Amortisation of right-of-use asset (refer note 3)	1,639,652	9,837,912
	Total	14,965,595	20,292,510

29	Other expenses	March 31, 2023 Amount in Rs.	March 31, 2022 Amount in Rs.
	Audit Fees*	450,000	450,000
	Donation Expense	2,888,652	2,619,183
	Power and Fuel Expense	5,358,055	4,775,175
	Factory Expenses	1,230,977	998,557
	Freight & Transportation Expenses	20,059,325	14,093,132
	Labour Charges	25,218,807	20,603,047
	Bad Debt	2,751,332	-
	Other expenses	247,479	151,376
	Other administrative and general expenses	2,864,413	2,968,300
	Penalty	-	100,000
	Pollution Control Expense	563,961	654,767
	Telephone and Postage	276,114	220,502
	Printing & Stationary	465,364	322,044
	Professional Fees Expense*	4,359,216	1,088,263
	Impairment loss recognized on Financial Asset	30,635	89,016
	Increase of Authorised Capital Expense	2,925,000	-
	Rates & Taxes	733,463	703,207
	Rent Expense	-	360,000
	Insurance	513,343	337,565
	Repair & Maintenance Expense	3,794,612	1,843,630
	Selling and Distribution Expense	44,850,954	42,357,834
	Total	119,581,703	94,735,598

*Payment to Statutory Auditors	March 31,2023 Amount in Rs	March 31,2022 Amount in Rs
Statutory Audit Fees	450,000	450,000
Other Service	400,000	-



KRONOX LAB SCIENCES LIMITED
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Notes on Financial Statement for the period April,2022 to March,2023

Note-30

1 Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. NIL

2 **Contingent Liabilities**

Guarantees/LC	As at 31/03/2023	As at 31/03/2022
Guarantees by Company to Banks and Financial Institutions against credit facilities extended to third parties and other Guarantees	NIL	NIL
Other Contingent Liabilities	NIL	NIL

3 **Earnings Per Share (EPS):**

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

Particulars	2022-23	2021-22
Profit available to Equity Shareholders After Tax / Deferred Tax (Rs.)	166,129,581	135,218,854
Weighted Average No. of Equity Shares Outstanding	38,557,500	241,000
Nominal Value of Equity Shares (Rs.)	10	10
Basic Earnings Per Share (Rs.)	4.31	561.07

4 **Remuneration paid to Directors:**

Particulars	2022-23	2021-22
Pritesh Ramani	19,200,000	14,200,000
Ketan Ramani	12,600,000	12,600,000
Jogindersingh jaswal	19,200,000	14,200,000
Total (Rs.)	51,000,000	41,000,000

5 **Employee benifites in respect of Gratuity:**

Present Value of Benefit Obligations - Changes over the valuation period	FY 2022-23	FY 2021-22
Present Value of Benefit Obligation beginning of the year	6,891,587	3,215,074
Current Service cost	2,421,034	2,420,772
Interest cost	509,977	218,625
Benefits paid	-85,666	-143,366
Actuarial losses (gains) arising from change in financial assumptions	-278079	
Actuarial losses (gains) arising from change in demographic assumptions		
Actuarial losses (gains) arising from experience adjustments	-2,521,287	1,180,482
Present Value of Benefit Obligation on year end (Rs.)	6,937,566	6,891,587



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Notes on Financial Statement for the period April,2022 to March,2023

Bifurcation of Present Value of Benefit Obligation	FY 2022-23	FY 2021-22
Current - Amount due within one year	269,056	151,721
Non-Current - Amount due after one year	6,668,510	6,739,866
Total	6,937,566	6,891,587
Expected Benefit Payments in Future Years		
Year 1	269,056	151,721
Year 2	407,742	359,853
Year 3	2,248,982	367,429
Year 4	258,407	2,231,637
Year 5	2,236,728	221,990
Year 6 to 10	527,924	4,835,454
Sensitivity Analysis - Effects of Key Assumptions on Defined Benefit Obligations		
Discount Rate - 1 percent increase	6,515,391	6,421,878
Discount Rate - 1 percent decrease	7,412,603	7,421,019
Salary Escalation Rate - 1 percent increase	7,416,870	7,422,605
Salary Escalation Rate - 1 percent decrease	6,504,347	6,412,139
Withdrawal Rate - 1 percent increase	6,987,147	6,904,028
Withdrawal Rate - 1 percent decrease	6,882,524	6,878,503
Changes in Fair Value of Plan Assets		
Fair Value of Plan Assets beginning of the year	1569833	1,343,314
Expected Return on Plan Assets	122,549	95,963
Company Contributions	258,145	279,169
Benefits paid	-85,666	-143,366
Actuarial gains / (losses)	3,243	-5,247
Fair Value of Plan Assets on year end(Rs.)	1,868,104	1,569,833
Asset Category of Plan Assets		
Government of India Securities		-
High quality corporate bonds		-
Equity shares of listed companies		-
Property		-
Funds managed by Insurance Company	100%	100%
Cash / Bank Balance		-
Balance Sheet - Amount to be recognised		
Present Value of Benefit Obligation on year end	6,937,566	6,891,587
Fair Value of Plan Assets on year end	1,868,104	1,569,833
Net Liability / (Asset) recognised in Balance Sheet	5,069,462	5,321,754
Profit and Loss statement		
Current Service cost	2,421,034	2,420,772
Net interest on net Defined Liability / (Asset)	387,428	122,662
Expenses recognised in Statement of Profit and Loss	2,808,462	2,543,434
Other Comprehensive Income		
Actuarial (Gains) / Losses on Liability	-2,799,366	1,180,482
Return on Plan Assets excluding amount included in 'Net interest on net Defined Liability / (Asset)' above	-3,243	5,247
Total	-2,802,609	1,185,729



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Notes on Financial Statement for the period April,2022 to March,2023

Note - 30

6 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

(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		Total	
		2023	2022	2023	2022	2023	2022	2023	2022
1	Sales	-	-	620,727	491,311	-	-	620,727	491,311
2	Purchases	-	-	2,601,900	6,232,649	-	-	2,601,900	6,232,649
3	Purchase of Fixed Assets	-	-	70,425,026	21,182,015	-	-	70,425,026	21,182,015
4	Rent Expenses	-	-	2,160,000	12,324,000	-	-	2,160,000	12,324,000
5	Director remuneration	51,000,000	41,000,000	-	-	-	-	51,000,000	41,000,000
6	Salary	-	-	-	-	520,900	482,900	520,900	482,900

III. Outstanding Balances at the year end of related parties

Sr No.	Nature of Transaction	Key Managerial Person		Significant Control of KMP over other entity		Relatives of KMP		Total	
		2023	2022	2023	2022	2023	2022	2023	2022
1	Trade Receivable	-	-	342,200	148,680	-	-	342,200	148,680
2	Trade Payable	-	-	561,680	95,580	-	-	561,680	95,580
3	Rent Deposit	-	-	-	9,000,000	-	-	-	9,000,000

7 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Sr. No.	Particulars	March 31, 2023	March 31, 2022
		Amount in Rs.	Amount in Rs.
1	(a) (i) the principal amount remaining unpaid to any supplier at the end of each accounting year;	28,602,695	60,129,731
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
4	(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
5	(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and (e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises 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.



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Notes on Financial Statement for the period April,2022 to March,2023

8 **Earnings and Expenditure in Foreign Currency**

Particulars	2022-23	2021-22
Earnings:-		
Export Income	278,456,078	192,949,298
Expenditure:-		
Custom Clearing Charges	46,782	-
Technical Service	209,894	-
Commission Expense	439,702	-
Consultancy Charges	-	644,558

CIF value of Imports

Particulars	2022-23	2021-22
(A) i. Raw Materials	2,604,623	6,460,998
ii. Components and Spare Parts	-	-
(B) Capital Goods	-	-

9 **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 2022-23.
(ii)	Capital-Work-in Progress (CWIP)	There is no CWIP hence this clause is not applicable.
(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 stuck 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



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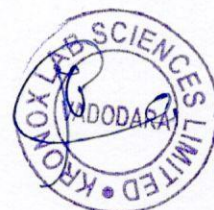
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Notes on Financial Statement for the period April,2022 to March,2023

Ratios:

Ratios	Numerator	Denominator	As at March 31,2023	As at March 31,2022	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	3.89	3.23	20%	
(b) Debt-Equity Ratio	Net Debt	Shareholders' equity	0.15	0.40	-62%	There is a substantial reduction in company's Debt
(c) Debt Service Coverage Ratio (DSCR)	Earning available for debt service	Debt service	192.86	16.05	1102%	There is a substantial reduction in company's Debt
(d) Return on Equity ratio (ROE)	Net profit after taxes	Average Shareholders' equity	0.26	0.25	6%	
(e) Inventory Turnover Ratio	sales	Average Inventory	18.70	25.40	-26%	Increase in turnover
(f) Trade Receivables Turnover Ratio	Net credit sales	Average trade receivables	4.26	3.92	9%	
(g) Trade Payables Turnover Ratio	Net credit purchases	Average trade payables	5.85	5.47	7%	
(h) Net Capital Turnover Ratio	Net sales	Average working capital	3.77	2.68	40%	Increase in turnover
(i) Net Profit Ratio	Net profit after taxes	Net sales	0.17	0.16	6%	
(j) Return on Capital Employed	Earning before interest and taxes (EBIT)	Capital employed	0.43	0.33	31%	Increase in EBIT
(k) Return on Investment	Income from Investments	Average investment	0.01	0.01	0%	



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KRONOX LAB SCIENCES LIMITED
(Previously Known as KRONOX LAB SCIENCES PRIVATE LIMITED)
Notes on Financial Statement for the period April, 2022 to March 2023

10 Corporate Social Responsibility Expenditure:

Particulars	2022-23	2021-22
(i) amount required to be spent by the company during the year,	2,881,393	2,353,199
(ii) amount of expenditure incurred,	2,888,652	2,619,183
(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,	General public Utility, Protection of National Heritage, Art and Culture and Promotion of Education	General public Utility 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

11: Financial Risk Management

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:

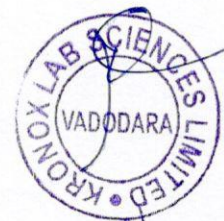
Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

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 financials 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, 2023	As at 31st March, 2022
Total Current Assets (A)	341,808,518	444,464,121
Total Current Liabilities (B)	87,960,857	137,610,625
Working Capital (A)-(B)	253,847,661	306,853,496
Current Ratio	3.89	3.23

Following is the Company's exposure to financial liabilities

Particulars	As at 31 March, 2023			
	Carrying Value	Less than 1 year	More than 1 year	Total
Borrowings	-	-	-	-
Trade Payables	78,105,258	78,105,258	-	78,105,258
Lease Liabilities	-	-	-	-
Other Financial Liabilities	-	-	-	-

Particulars	As at 31st March, 2022			
	Carrying Value	Less than 1 year	More than 1 year	Total
Borrowings	6,416,045	1,695,804	4,720,241	6,416,045
Trade Payables	115,208,749	115,208,749	-	115,208,749
Lease Liabilities	27,180,571	10,362,471	16,818,100	27,180,571
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 31 March, 2023		As at 31 March 2022	
	Foreign currency	Equivalent amount in rupees	Foreign currency	Equivalent amount in rupees
USD				
Trade Receivables	7,35,565	6,01,23,355	8,45,524	6,40,96,438
Advance to Supplier -Import (Other Current Asset)			5,130	3,89,367
Total	7,35,565	6,01,23,355	8,50,654	6,44,85,805

(ii) Financial Liabilities:

Financial Liabilities	As at 31 March, 2023		As at 31 March 2022	
	Foreign currency	Equivalent amount in rupees	Foreign currency	Equivalent amount in rupees
USD				
Trade Payables	NIL	NIL	NIL	NIL
Advance Received from Customer-Export (Other Current Liabilities)	20,859	17,15,944		
Total	20,859	17,15,944	-	-

12: 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:

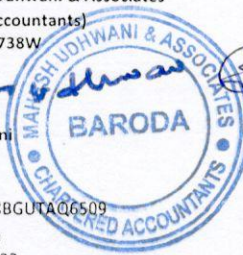
Particulars	As at 31st March, 2023	As at 31st March, 2022
Total Liability	9,28,33,713	16,43,53,560
Less: cash and cash equivalents and bank balance	2,48,35,108	28,57,488
Net Debt	6,79,98,605	16,14,96,072
Total Equity	44,75,07,649	40,63,79,068
Debt-Equity ratio	0.15	0.40

13 Previous year balances are regrouped, reclassify and rearranged wherever necessary.

14 The Balances of Trade Payables, Trade Receivables, Other Liabilities and Advances recoverable are subject to confirmations.

For Mahesh Udhwani & Associates
(Chartered Accountants)
FRN No : 129738W

Mahesh Udhwani
(Partner)
M. No 047328
UDIN: 23047328BGUTA06509
Place: Vadodara
Date : 06/09/2023



Jogindersingh Jaswal
(Managing Director)

DIN : 02385809

Aditya Patel
CS & Compliance Officer

For and on behalf of Board of directors
KRONOX LAB SCIENCES LTD

Ketan Ramani
(Whole-time Director
& Chief Financial Officer)

DIN : 01510833

Pritesh Ramani
(Whole-time Director)

DIN : 02392939

