

HELD AT _____ ON _____ TIME _____

MINUTES OF THE MEETING (07/ACM/2023-24) OF MEMBERS OF AUDIT COMMITTEE OF KRONOX LAB SCIENCES LIMITED HELD ON THURSDAY APRIL 25, 2024 DULY COMMENCED AT 11.30 A.M. AND CONCLUDED AT 12.00 NOON AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT BLOCK NO.353, VILLAGE EKALBARA, TAL. PADRA, VADODARA - 391440.

Members Present:

- | | | |
|----|----------------------|---------------|
| 1. | Ms. Krutika Negandhi | - Chairperson |
| 2. | Mr. Ketan Ramani | - Member |

Invitees:

- | | | |
|----|--------------------|---------------------------|
| 1. | Mr. Nikhil Goswami | - Company Secretary |
| 2. | Mr. Samir Gadiya | - Chief Financial Officer |

Since the requisite quorum was present, the Chairperson called the meeting in order.

LEAVE OF ABSENCE

Mr. Parth Shah was granted a Leave of Absence.

CONFIRMATION OF MINUTES OF LAST AUDIT COMMITTEE MEETING:

Minutes of previous Audit Committee meeting was held on 23rd January, 2024, were reviewed and noted by the Committee.

1. APPROVAL OF KEY PERFORMANCE INDICATORS

Committee was informed by the board that, the Company intends to undertake an initial public offer of its equity shares of face value of ₹ 10 each (the "Equity Shares") which would an offer for sale up to 96,00,000 Equity Shares by Jogindersingh Jaswal, Ketan Ramani and Pritesh Ramani, (collectively, the "Promoter Selling Shareholders") (such offer for sale being referred as the "Offer for Sale" / the "Offer") and list the Equity Shares on one or more of the stock exchanges. Further, the board has informed that the audit committee of the board is required to approve certain Key Performance Indicators (the "KPIs") along with their explanation derived from restated financial statements of the Company, which will form basis for the offer price for Offer and for the purpose of inclusion in the draft red herring prospectus, red herring prospectus, prospectus and any other material used in connection with the Offer (the "Offer Documents") pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI ICDR Regulations") for nine months period ended December 31, 2023 and December 31, 2022 and the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021. After detailed discussion, the audit committee approved the following:

"RESOLVED THAT pursuant to the SEBI (ICDR) regulations, the consent of committee be and is hereby accorded to record the following Key performance

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 CHAIRMAN'S INITIALS

HELD AT _____ ON _____ TIME _____

indicators (KPIs) of the Company derived from restated financial statements of the Company for nine months period ended December 31, 2023 and December 31, 2022 and the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021:

(₹ in million except per share data or unless otherwise stated)

Particulars	For the nine months period ended as on December 31, 2023	For the nine months period ended as on December 31, 2022	For the Financial Year ended / ason March 31, 2023	For the Financial Year ended / ason March 31, 2022	For the Financial Year ended / ason March 31, 2021
Revenue from Operations	676.86	741.03	955.78	822.47	624.60
EBITDA ⁽¹⁾	204.60	178.83	219.96	196.97	148.03
EBITDA Margin (%) ⁽²⁾	30.23	24.13	23.01	23.95	23.70
Profit After Tax for the Year	154.69	140.91	166.17	136.27	97.30
PAT Margin (%) ⁽³⁾	22.60	18.57	17.04	16.35	15.39
EPS (Basic & Diluted) ⁽⁴⁾	4.17	3.61	4.30	3.49	2.40
Total Borrowings	-	-	-	6.42	0.13
Net worth	602.82	546.01	446.79	403.53	268.14
ROE (%) ⁽⁵⁾	25.66	25.81	37.19	33.77	36.29
ROCE (%) ⁽⁶⁾	33.15	33.50	49.86	46.27	51.78
Debt - Equity Ratio ⁽⁷⁾	-	-	-	0.02	Negligible
Fixed Assets Turnover Ratio ⁽⁸⁾	2.61	4.62	6.01	9.30	10.87
Net Cash from/ (used in) Operating Activities	153.12	174.72	196.65	90.20	113.14
Net Cash from/ (used in) Investing Activities	(173.00)	(145.86)	(55.17)	(75.99)	(29.56)
Net Cash from/ (used in) Financing Activities	-	(8.95)	(133.96)	(6.66)	(70.95)
Revenue CAGR (Fiscal 2021 to 2023)(%)	23.70				
EBITDA CAGR (Fiscal 2021 to 2023) (%)	21.90				
PAT CAGR (Fiscal 2021 to 2023) (%)	30.68				
Number of customers served (No.)	353	307	351	316	283
Number of products sold (No.)	189	155	157	156	159
New product added (No.)	8	8	10	10	12
Product under development (No.) (on Incremental Basis)	64	26	32	31	35

*EPS, ROCE, ROE and Fixed Asset Turnover Ratio for the nine months ended December 31, 2023 and December 31, 2022 have not been annualized.

Notes:

- 1) EBITDA means Earnings before interest, taxes, depreciation and amortisation expense, which has been arrived at by obtaining the profit before tax/ (loss) for the year and adding back finance costs, depreciation, and amortisation and impairment expense and reducing other income;
- 2) EBITDA Margin is calculated as EBITDA as a percentage of revenue from operations;
- 3) PAT Margin is calculated as restated profit after tax for the year as a percentage of total revenue;
- 4) EPS = Net Profit after tax, as restated, divided by weighted average no. of equity shares outstanding during the year/ period. (as adjusted for change in capital due to bonus shares);
- 5) ROE is calculated as Net profit after tax, as restated, divided by total equity;

CHAIRMAN'S INITIALS

HELD AT _____ ON _____ TIME _____

- 6) ROCE is calculated as EBIT divided by capital employed (Equity Share capital + Other equity - Revaluation Reserve- Capital Redemption Reserve + Total Debts Current & Non-current - Cash and cash equivalents and other bank balances;
- 7) Debt Equity Ratio: This is defined as total debt divided by total shareholder funds. Total debt is the sum of long-term borrowings, short-term borrowings & current maturity of long-term debt, based on Restated Financial Statements;
- 8) Fixed Asset Turnover Ratio: This is defined as revenue from operations divided by total property, plant & equipment, based on Restated Financial Statements. Figures for property, plant & equipment do not include capital work-in-progress.

RESOLVED FURTHER THAT the Committee hereby approves the KPI's for the purpose of Draft Red Hearing Prospectus, Red Hearing Prospectus and Prospectus to be submitted to Securities and Exchange Board of India."

There being no other Business the meeting concluded at 12:00 noon with vote of thanks to Chair.

Date: 10th May, 2024
Place: Vadodara

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CHAIRPERSON

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