THIS IS A PUBLIC ANNOUNCEMENT FOR INFORMATION PURPOSES ONLY AND IS NOT A PROSPECTUS ANNOUNCEMENT AND DOES NOT CONSTITUTE AN INVITATION OR OFFER TO ACQUIRE, PURCHASE OR SUBSCRIBE TO SECURITIES. NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION DIRECTLY OR INDIRECTLY OUTSIDE INDIA.
THE EQUITY SHARES OF OUR COMPANY WILL GET LISTED ON THE MAIN BOARD PLATFORM OF BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") IN COMPLIANCE WITH CHAPTER II OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED ("SEBI ICDR REGULATIONS").

KRONOX | KRONOX LAB SCIENCES LIMITED

Our Company was incorporated on November 18, 2008 as 'Kronox Lab Sciences Private Limited', a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated November 18, 2008 issued by the Assistant Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Subsequently, our Company was converted into a public limited company pursuant to a resolution passed by our shareholders at an extra-ordinary general meeting held on May 25, 2019 and a fresh certificate of incorporation dated June 11, 2019 was issued by the Registrar of Companies, Ahmedabad consequent upon conversion, recording the change in the name of our Company to 'Kronox Lab Sciences Limited'. For further details on the changes in the name and registered office of our Company, see *"History and Certain Corporate Matters"* on page 201 of the red herring prospectus dated May 28, 2024 filed with the RoC ("**RHP**" or "**Red Herring Prospectus**").

Registered Office: Block No.353, Village Ekalbara, Padra, Vadodara 391 440, Gujarat, India; **Tel:** +91 26 6224 4077/88, **Corporate Office:** Block No.284, Village Dhabhasa, Padra, Vadodara 391 440, Gujarat, India; **Contact Person:** Nikhil Goswami, Company Secretary and Compliance Officer, **E-mail:** cs@kronoxlabsciences.com. **Website:** www.kronoxlabsciences.com; **Corporate Identity Number:** U24117GJ2008PLC055460

(Please scan the QR code to view the RHP)

OUR PROMOTERS: JOGINDERSINGH JASWAL, KETAN RAMANI AND PRITESH RAMANI

INITIAL PUBLIC OFFERING OF UP TO 95,70,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF KRONOX LAB SCIENCES LIMITED ("OUR COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO ₹ [●] MILLION ("OFFER"). THE OFFER COMPRISES AN OFFER FOR SALE OF UP TO 31,90,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY JOGINDERSINGH JASWAL, UP TO 31,90,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY KETAN RAMANI AND UP TO 31,90,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY PRITESH RAMANI (COLLECTIVELY, "PROMOTER SELLING SHAREHOLDERS" AND SUCH OFFER FOR SALE BY THE PROMOTER SELLING SHAREHOLDERS, "OFFER FOR SALE"). THE OFFER SHALL CONSTITUTE [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

OFFER FOR SALE			
Name of Selling Shareholder	Category of shareholder	Number of Equity Shares offered / amount (in million)	Weighted Average cost of acquisition (in ₹ per Equity Share)*
Jogindersingh Jaswal	Promoter	Up to 31,90,000 Equity Shares aggregating up to ₹ [●] million	0.07
Ketan Ramani	Promoter	Up to 31,90,000 Equity Shares aggregating up to ₹ [●] million	0.07
Pritesh Ramani	Promoter	Up to 31,90,000 Equity Shares aggregating up to ₹ [●] million	0.07

As certified by the M/s. Mahesh Udhwani & Associates, Chartered Accountants pursuant to their certificate dated May 28, 2024.

Our Company is engaged in the business of manufacturing of High Purity Speciality Fine Chemicals for diversified end user industries. Our High Purity Speciality Fine Chemicals are used mainly as (i) reacting agents and raw material in the manufacturing of Active Pharmaceutical Ingredients (APIs); (ii) excipients in pharmaceutical formulations; (iii) reagents for scientific research and laboratory testing; (iv) ingredients in nutraceuticals formulations; (v) process intermediates and fermenting agents in biotech applications; (vi) ingredients in agrochemical formulations; (vii) ingredients in personal care products; (viii) refining agents in metal refineries; and (ix) ingredients in animal health products, amongst others catering to global as well as domestic market.

The Offer is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations.
• QIB Portion: Not more than 50% of the Offer • Non-Institutional Portion: Not less than 15% of the Offer • Retail Portion: Not less than 35% of the Offer

PRICE BAND: ₹129 TO ₹136 PER EQUITY SHARE OF FACE VALUE OF ₹10 EACH
THE FLOOR PRICE IS 12.90 TIMES THE FACE VALUE OF THE EQUITY SHARES AND THE CAP PRICE IS 13.60 TIMES THE FACE VALUE OF THE EQUITY SHARES
THE PRICE/EARNINGS RATIO BASED ON DILUTED EPS FOR FISCAL 2023 AT THE FLOOR PRICE IS 30.00 TIMES AND AT THE CAP PRICE IS 31.63 TIMES AS COMPARED TO THE AVERAGE INDUSTRY PEER GROUP P/E RATIO OF 67.50
BIDS CAN BE MADE FOR A MINIMUM OF 110 EQUITY SHARES AND IN MULTIPLES OF 110 EQUITY SHARES THEREAFTER

In accordance with the recommendation of the committee of Independent Directors of our Company, pursuant to their resolution dated May 20, 2024, the above provided price band is justified based on quantitative factors/ KPIs disclosed in the "Basis for Offer Price" section on pages 92 to 106 of the RHP vis-a-vis the weighted average cost of acquisition ("WACA") of primary and secondary transaction(s), as applicable, disclosed in the "Basis for Offer Price" section on pages 92 to 106 of the RHP.

IN MAKING AN INVESTMENT DECISION, POTENTIAL INVESTORS MUST ONLY RELY ON THE INFORMATION INCLUDED IN THE RHP AND THE TERMS OF THE OFFER, INCLUDING THE RISKS INVOLVED AND NOT RELY ON ANY OTHER EXTERNAL SOURCES OF INFORMATION ABOUT THE OFFER AVAILABLE IN ANY MANNER.

RISKS TO INVESTORS:

(Refer page 31 to 61 of RHP for detailed Risk Factors)

1. Our products are required to meet domestic and international industry standards. Further, our export sales contributed ₹169.70 million, ₹195.67 million, ₹242.68 million, ₹192.95 million and ₹128.43 million of our revenues representing 25.07%, 26.41%, 25.39%, 23.46% and 20.56% of our revenue from operations for the nine months periods ended December 31, 2023, December 31, 2022 and the Fiscals 2023, 2022 and 2021 respectively. In the event of any deviation from these standards, our products may face rejection from our customers, which may affect the reputation of our Company
2. If we fail to execute our strategy to expand our business or our production capacity or if are unable to expand our production capacity and products manufactured at Unit – III as GPCB has restricted any such expansion in the area where our Unit – III is situated i.e. Padra region, near Vadodara, Gujarat due to ground water contamination related issues. We are therefore limited to the manufacturing of only certain products at our Unit - III that are viable under such restrictions. In the event the restrictions from GPCB continue to subsist, as above or any directions to reduce the capacity or closure of Unit III by GPCB, we may not be able to fully operate Unit – III and utilise its production capacity which may lead to loss of production which may affect our business, financial condition and results of operations.
3. Product concentration risk: Our top 20 products contributed 60.49%, 70.58%, 68.62%, 69.85% and 70.04% of our revenue for the nine months period ended December 31, 2023, December 31, 2022 and the Fiscal 2023, Fiscal 2022 and Fiscal 2021, respectively. The concentration of our product sales being dominated by our top 20 products makes us vulnerable to demand risks for these products. In the event of any fall in demand for our top 20 products may affect our business, results of operations, financial condition and cash flows.
4. Customer concentration risk: We have historically derived, and may continue to derive, a significant portion of our income from our top 10 customers. Our top 10 customers contributed ₹306.08 million, ₹397.06 million, ₹484.43 million, ₹462.03 million and ₹351.80 million towards our revenue representing 45.22%, 53.58%, 50.68%, 56.18% and 56.32% of our revenue for the nine months periods ended December 31, 2023, December 31, 2022 and the Fiscals 2023, 2022 and 2021, respectively. Further, our Company has not entered into any long-term agreements with our customers for purchasing our products. Loss of one or more of these customers or uncertainties in demand or a reduction in the amount of business we obtain from them for any reason could have an adverse effect on our business, results of operations, financial condition and cash flows.
5. Industry concentration risk: The majority of sale of our products is concentrated in industries viz. Pharmaceuticals and Scientific Research and Laboratory Testing. Revenue contribution from Pharmaceuticals and Scientific Research and Laboratory Testing industries during the nine months periods ended December 31, 2023, December 31, 2022 and for Fiscals 2023, 2022 and 2021 aggregate to 71.67%, 69.95%, 69.99%, 73.54% and 77.81% respectively. Any decrease in the demand for our products from our customers in Pharmaceuticals and Scientific Research and Laboratory Testing, may adversely impact our results of operations, financial condition and cash flows.
6. Manufacturing operations concentration risk: Our business is dependent on our three Manufacturing Facilities which are strategically concentrated and located at Vadodara, Gujarat. Any shutdown of operations of our Manufacturing Facilities may have an adverse effect on our business and results of operations.
7. Supplier concentration risk: We are dependent upon few suppliers for supply of primary raw materials essential to the manufacturing of our products. Our top 10 suppliers contributed ₹147.59 million, ₹197.34 million, ₹238.20 million, ₹211.94 million and ₹162.48 million representing 44.22%, 45.54%, 42.13%, 42.89% and 46.61% of our total purchase for the nine months periods ended December 31, 2023, December 31, 2022 and the Fiscals 2023, 2022 and 2021, respectively. In case of shortage of raw materials or if we are unable to procure the raw materials from other sources or in timely manner, we may be unable to meet our production schedules for our products and deliver such products to our customers in timely manner, which may adversely affect our customer relations and reputation.
8. We had a high current ratio of 6.05, 3.82, 3.85, 3.21 and 3.30 for nine months period ended on December 31, 2023 and Fiscals 2023, 2022 and 2021 respectively and we cannot assure you that we will be able to prudently manage our short term fund requirements and efficiently utilize our high cash reserves in business operations. Consequently, we may not be able to maintain an optimum level of current ratio in the future.
9. The size of our Company is relatively small in terms of revenue from operations when compared with other industry players and listed peers. Further, we have a negligible market share in the chemical industry. Our inability to successfully implement our growth strategies would result in our Company remaining small compared to other industry players.
10. We are not fully utilizing our installed capacity at any of our manufacturing units. The average utilised capacity of our Manufacturing Units is 50.47%, 67.23%, 70.98% and 78.36% for the nine months period ended and Fiscals 2023, 2022 and 2021 and may reduce in future due to various factors including raw material availability, product requirements of our customers, product mix, product cycle, availability of man power, industry and market conditions may adversely affect the operations.
11. Our Company will not receive any proceeds from the Offer for Sale portion of the Offer and the same will be received by the Promoter Selling Shareholders.
12. The development and commercialisation of new products are complex, time-consuming, costly and involves business risk. As on December 31, 2023, we have 122 products under various phases of research and development. We may be unable to successfully create these new products or encounter unexpected delays in the launch of these products and even if launched as planned, such products may not perform as we expect. Any failure in developing new High Purity Speciality Fine Chemicals may affect our future growth and business.
13. Majority of our exports is to the USA out of our total exports. We sold our products to 15 countries outside India including the United States. United States remains the largest market for our products. Our exports to United States as a % of our revenues from operations during the nine months periods ended December 31, 2023, December 31, 2022 and Fiscals 2023, 2022 and 2021 represents 20.81%, 24.82%, 22.93%, 20.76%, 17.58% respectively. Any significant social, political or economic disruptions in the USA or adverse

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changes in the trade and tariff policies could disrupt our exports to the USA and may adversely affect our business, operations and financial condition.

14. Our products are supplied in limited quantities for specific use by application industries. Any reduction in the requirement of our products may result in loss of business and may affect our financial performance and condition.
15. We are dependent on third party transportation and logistics service providers for delivery of our products to our customers as well as raw materials to our Manufacturing Facilities. Any delay in delivery of our products or raw materials or increase in the charges of these entities could adversely affect our business, results of operations and financial condition. We also may be exposed to the risk of theft, accidents and/or loss of our products in transit.
16. Our Promoters and Promoter Group will continue to retain significant control in our Company after the Offer, which will allow them to influence the outcome of matters submitted to shareholders for approval. Such a concentration of ownership may also have the effect of delaying, preventing or deterring a change in control.
17. We may not be able to achieve the level of purity required by our customer and fail to supply the required product. In the event we accept a particular order but are unable to meet the levels of purity as required by the customer and are unable to supply the desired product, we may lose our customers to competitors who may be able to manufacture and supply such products and lead to a loss of customer which may adversely affect our revenues and profitability.
18. The average P/E ratio of our listed industry peers is 67.50 while P/E ratio of our Company is at premium of 31.63 times at the higher price band and 30.00 times at the lower price band.
19. Average Cost of Acquisition: The average cost of acquisition of Equity Shares by the Selling Shareholders may be less than the Offer Price. The average cost of acquisition of Shares for the Promoter Selling Shareholder is as follows:

Name of shareholder	Number of Equity Shares held	Average cost of Acquisition per Equity Share (in ₹)*
Promoters (who are also the selling shareholder)		
Jogindersingh Jaswal	1,29,83,160	0.07
Ketan Ramani	1,29,81,540	0.07
Pritesh Ramani	1,11,29,580	0.07

**As certified by M/s. Mahesh Udhwani & Associates, Chartered Accountants pursuant to their certificate dated May 28, 2024.*

20. Weighted average cost of acquisition of all Equity Shares transacted by the shareholders in the three years, eighteen months and one year preceding the date of this Red Herring Prospectus

Particulars	Weighted Average Cost of Acquisition (WACA) (in ₹)	Cap Price is 'X' times the Weighted Average Cost of Acquisition	Range of acquisition price Lowest Price-Highest Price (in ₹)
Last 3 years	NA	NA	NA
Last 18 months	NA	NA	NA
Last 1 year	NA	NA	NA

As certified by M/s. Mahesh Udhwani & Associates, Chartered Accountants pursuant to their certificate dated May 28, 2024.

21. Weighted average cost of acquisition, Floor Price and Cap Price

Types of transactions	Weighted average cost of acquisition (₹ per Equity Shares)	Floor Price (in ₹)	Cap Price (in ₹)
WACA for primary and secondary transaction during 3 years preceding the date of RHP	NA	NA	NA

22. The BRLM associated with the Offer has handled 7 public issues (Main Board-4, SME Issue-3) during current financial year and two financial years preceding the current financial year, none of issues were closed below the Offer price on the listing date.

Particulars	Total Issues	Issues closed below IPO Price on listing date
Main Board	4	-
SME Issue	3	-
Total	7	-

23. The Offer Price, price to earnings ratio market capitalization to total income ratio and Weighted Average return on net worth, may not be indicative of the market price of the Equity Shares on listing, for the years indicated:
    - Price to Earnings (P/E) ratio on Based on basic and diluted EPS for fiscal 2023 for our company at upper end of the price band is 31.63 times.
    - Weighted Average return on net worth for fiscals 2023, 2022 and 2021 is 35.90%.

BID/ OFFER PROGRAMME

ANCHOR INVESTOR BIDDING DATE FRIDAY, MAY 31, 2024

BID / OFFER OPENS ON MONDAY, JUNE 3, 2024*

BID / OFFER CLOSES ON WEDNESDAY, JUNE 5, 2024#**

**Our Company and Promoter Selling Shareholders may, in consultation with the BRLM, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date.*
***Our Company and Promoter Selling Shareholders may, in consultation with the BRLM, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations. #UPI mandate end time and date shall be at 5:00 pm on the Bid/offer Closing Date.*

BASIS FOR OFFER PRICE

The Price Band and the Offer Price will be determined by our Company, in consultation with the BRLM on the basis of an assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of the qualitative and quantitative factors as described below. The face value of the Equity Shares of our Company is ₹ 10 each and the Offer Price is 12.90 times of the face value at the lower end of the Price Band and 13.60 times the face value at the higher end of the Price Band. The financial information included herein is derived from our Restated Financial Statements. Investors should also refer to the chapters *"Risk Factors"*, *"Our Business"*, *"Restated Financial Statements"* and *"Management's Discussion and Analysis of Financial Condition and Results of Operations"* beginning on pages 31, 172, 231 and 285, respectively of the Red Herring Prospectus, to have an informed view before making an investment decision.

QUALITATIVE FACTORS

Some of the qualitative factors, which form the basis for computing the Offer Price are:

- Wide range of products finding applications in diversified end user industries
- Long standing relationship with customers
- High entry and exit barriers due to long customer approval cycles and strict product standards
- Focus on R&D and Quality Control
- Zero debt company with strong and consistent financial performance
- Strategically located manufacturing facilities providing supply chain efficiencies
- Experienced Promoters and Senior Management with extensive domain knowledge

For further details, refer to heading *"Our Strengths"* under the chapter titled *"Our Business"* beginning on page 172 of the Red Herring Prospectus.

QUANTITATIVE FACTORS

The information presented below is based on the Restated Financial Statements of our Company for the nine months periods ended December 31, 2023, December 31, 2022 and Financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, prepared in accordance with Ind AS, the Companies Act, 2013 and restated in accordance with SEBI ICDR Regulations. For details, refer section titled *"Restated Financial Statements"* on page 231 of the Red Herring Prospectus.

Some of the quantitative factors, which may form the basis for computing the Offer Price, are as follows:

1. Basic and Diluted Earnings per Share (EPS) at face value of ₹ 10 each, as adjusted for change in capital

Year / Period ended	Basic and diluted EPS (in ₹)	Weight
March 31, 2023	4.30	3
March 31, 2022	3.49	2
March 31, 2021	2.40	1
Weighted average	**3.71**	
For the nine months period ended December 31, 2023*	4.17	
For the nine months period ended December 31, 2022*	3.61	

**Not Annualised*

Notes: -

1. *Basic and diluted earnings per Equity Share are computed in accordance with Indian Accounting Standard (Ind AS) 33 'Earnings per Share' prescribed under section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with the requirement of SEBI ICDR Regulations;*
2. *The ratios have been computed as below:*

   Basic Earnings per share (₹) = Restated profit after tax for the year / Weighted average number of equity shares outstanding during the year

   Diluted Earnings per share (₹) = Restated profit after tax for the year / Weighted average number of diluted equity shares outstanding during the year
3. *Weighted average number of shares is the number of Equity Shares outstanding at the beginning of the period adjusted by the number of shares issued and bought back during the period multiplied by the time weighing factor. The time weighing factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period and effect of bonus share has also been provided while computing the weighted average number of shares;*
4. *Pursuant to a resolution passed at the general meeting of shareholders dated August 9, 2022 and pursuant to Board resolution dated August 16, 2022, the Company allotted 3,88,01,000 Equity Shares of ₹ 10 each, as fully paid-up Equity Shares by way of bonus in the proportion of 161 (One Hundred Sixty-One) Equity Share of ₹ 10 each for every existing 1 (One) Equity Share of ₹ 10 each. The impact of bonus issue is retrospectively considered for the computation of weighted average number of Equity Shares, earnings per share and net asset value per Equity Share as per the requirement / principles of Ind AS 33, as applicable, in this chapter and across the Red Herring Prospectus;*
5. *The Company has bought back 19,38,000 and 9,000 fully paid-up equity shares of face value of ₹ 10 each during Financial Years 2022-23 and 2020-21, respectively.*

2. Price to Earnings (P/E) ratio in relation to Price Band of ₹ 129 to ₹ 136 per Equity Share:

Particulars	P/E Ratio at the Floor Price (no. of times)	PE Ratio at Cap Price (no. of times)
Based on basic EPS for the financial year ended March 31, 2023	30.00	31.63
Based on diluted EPS for the financial year ended March 31, 2023	30.00	31.63

Industry Peer Group P/E ratio

Particulars	P/E Ratio	Company Name
Highest	116.57	DMCC Speciality Chemicals Limited
Lowest	39.15	TANFAC Industries Limited
Average	67.50	

3. Return on Net worth (RoNW)

Year / Period ended	RoNW (%)	Weight
March 31, 2023	37.19	3
March 31, 2022	33.77	2
March 31, 2021	36.29	1
Weighted average	**35.90**	
For the nine months period ended December 31, 2023*	25.66	
For the nine months period ended December 31, 2022*	25.81	

**Not Annualised*

Notes:

1. *RoNW(%) = Restated profit after tax for the year / Restated Networth as at the end of the year*
2. *Net Worth has been defined as the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation as attributable to the owners of the company as on March 31, 2023, 2022 and 2021.*

4. Net Asset Value (NAV) per Equity Share (Face value of ₹ 10 each)

Particulars	NAV per share (₹)
As on March 31, 2023	12.04
As on March 31, 2022	10.34
As on March 31, 2021	6.87
As on December 31, 2023	16.25
As on December 31, 2022	13.99
Net Asset Value per Equity Share after the Offer at Floor Price	12.04
Net Asset Value per Equity Share after the Offer at Cap Price	12.04

Notes:

1. *NAV per share = Restated Networth at the end of the year / Total number of equity shares outstanding*
2. *Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, and credit balance of the non-controlling interest after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write back of depreciation and amalgamation;*
3. *Pursuant to a resolution passed at the general meeting of shareholders dated August 9, 2022, 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. The impact of bonus of shares is retrospectively considered for the computation of weighted average number of equity shares, earnings per share and net asset value per equity share as per the requirement / principles of Ind AS 33, as applicable, in this chapter and across the Red Herring Prospectus;*
4. *The Company had bought back 19,38,000 and 9,000 fully paid-up equity shares of face value of ₹ 10/- per share during Financial Years 2022-23 and 2020-21, respectively*

5. Comparison of Accounting Ratios with listed Industry Peers

We believe there are no listed companies in India engaged in similar product segment(s) as of our Company. However, we have identified following Speciality Chemicals companies which are engaged into similar product range and / or similar supply chain to the end-user industries where our Company also supplies its products. We have provided the below information for broad based comparison since there are no companies having exact product segment matching with our Company:

Name of the Company	Current market price#	EPS (Basic & Diluted)	PAT Margin (%)	RONW (%)	P/E Ratio	NAV (per share)	Face Value (per share)	Total Income (₹ in million)	Market Capitalisation (₹ in million)
Kronox Lab Sciences Limited	[●]	4.30	17.04	37.19	[●]	12.04	10.00	974.98	[●]
Peer-Group									
Tatva Chintan Pharma Chem Limited	1,119.50	19.45	10.59	8.84	57.57	220.07	10.00	4,293.56	26,187.41
Tanfac Industries Limited	2,202.80	56.27	14.66	30.46	39.15	184.74	10.00	3,828.70	21,972.93
Neogen Chemicals Limited	1,468.95	18.94	7.24	10.36	77.55	182.90	10.00	6,906.30	38,753.36
Sigachi Industries Limited	66.05	1.42	14.10	16.22	46.64	8.73	1.00	3,087.17	20,305.42
DMCC Speciality Chemicals Limited	323.95	2.78	1.78	3.50	116.57	79.49	10.00	3,895.88	8,079.29

#Source: All the financial information for listed industry peers mentioned above is on a consolidated basis (unless otherwise available only on standalone basis) and is sourced from the filings made with stock exchanges, available on www.bseindia.com and www.nseindia.com for the Financial Year ending March 31, 2023.
Source for Kronox Lab Sciences Limited: Based on the Restated Financial Statements for the year ended March 31, 2023. P/E Ratio shall be computed at the Offer Price.
Notes:

1. *Current Market Price (CMP) is the closing prices of respective scrips as on May 17, 2024.*
2. *P/E Ratio has been computed based on the closing market price of equity shares on May 17, 2024, divided by the diluted EPS.*
3. *RoNW is computed as net profit after tax attributable to equity shareholders divided by Net Worth as at March 31, 2023.*
4. *NAV is computed as the closing Net Worth divided by the closing outstanding number of equity shares.*
5. *The Offer Price will be [●] times of the face value of the Equity Shares.*
6. *The Offer Price of ₹ [●] will be determined by our Company, in consultation with the BRLM, on the basis of market demand from investors for Equity Shares through the Book Building Process and is justified in view of the above qualitative and quantitative parameters.*

**Any corporate action after reporting period has been considered while calculating the EPS, PE Ratio and NAV for above peer group companies.*

Bidders should read the above-mentioned information along with *"Risk Factors"*, *"Our Business"*, *"Restated Financial Statements"* and *"Management's Discussion and Analysis of Financial Condition and Results of Operations"* beginning on pages 31, 172, 231 and 285 of the RHP, respectively to have a more informed view.

The trading price of the Equity Shares could decline due to the factors mentioned in the *"Risk Factors"* beginning on page 31 of the RHP and you may lose all or part of your investment.

6. Key Performance Indicators

The table below sets forth the details of Key Performance Indicators that our Company considers to have a bearing for arriving at the basis for Offer Price. The key financial and operational metrics set forth below, have been approved and verified by the Audit Committee pursuant to meeting dated April 25, 2024.

The KPIs disclosed below have been used historically by our Company to understand and analyses the business performance, which helps our Company in analyzing the growth of various verticals in comparison to our Company's listed peers, and other relevant and material KPIs of the business of our Company that have a bearing for arriving at the Basis for Offer Price which have been disclosed below. Additionally, the KPIs have been certified vide certificate dated April 25, 2024, issued by Mahesh Udhwani & Associates, Chartered Accountants, who hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India. The aforesaid certificate has been included in *'Material Contracts and Documents for Inspection – Material Documents'* on page 389 of the RHP.

The Bidders can refer to the below-mentioned KPIs, being a combination of financial and operational KPIs, to make an assessment of our Company's performances and make an informed decision.

A list of our financial and operational KPIs for the nine months ended December 31, 2023, December 31, 2022 and Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021 is set out below:

Key Performance Indicators

(₹ 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 as on March 31, 2023	For the Financial Year ended as on March 31, 2022	For the Financial Year ended as on 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

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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 as on March 31, 2023	For the Financial Year ended as on March 31, 2022	For the Financial Year ended as on March 31, 2021
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.*

Our total number of products under development are 122, 66, 62, 44 and 23 as on December 31, 2023, March 31, 2023, December 31, 2022, March 31, 2022 and March 31, 2021, respectively.

As certified by Mahesh Udhwani & Associates, Chartered Accountants vide their certificate dated April 25, 2024.

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;*
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.*

Explanation for Key Performance Indicators metrics

Set out below are explanations for how the KPIs listed above have been used by the management historically to analyse, track or monitor the operational and/or financial performance of our Company:

KPI	Explanation
Revenue from Operations	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps assess the overall financial performance of our company and size of our business
EBITDA	EBITDA provides information regarding the operational efficiency of our business
EBITDA Margin (%)	EBITDA Margin is an indicator of the operational profitability and financial performance of our business and assists in tracking the margin profile of our business
Profit after tax (PAT)	PAT represents the profit / loss that our company makes for the financial year / period. It provides information regarding the overall profitability of our business
PAT Margin (%)	PAT Margin is an indicator of the overall profitability and financial performance of the business
EPS (Basic and Diluted)	EPS provides information on per share profitability of our company which helps us in taking key corporate finance decisions.
Total Borrowings	Total Borrowings is used by us to track our leverage position on time to time basis
Net worth	Net worth is used to track the book value and overall value of shareholder's equity
ROE (%)	ROE provides how efficiently our company generates profits from shareholder's funds
ROCE (%)	ROCE provides how efficiently our company generates earnings from the capital employed in the business
Debt – Equity Ratio	Debt to Equity Ratio is used to measure the financial leverage of our company and provides comparison benchmark against peers
Fixed Asset Turnover Ratio	Fixed Asset Turnover is the efficiency at which our company is able to deploy its assets (on net block basis) to generate Revenue from Operations
Net Cash from/ (used in) Operating Activities	Cashflow from/ (used in) Operating Activities is our Company's ability to generate cash from our core business operations
Net Cash from/ (used in) Investing Activities	Cashflow from/ (used in) Investing Activities is our Company's ability to deploy funds for long-term use
Net Cash from/ (used in) Financing Activities	Cashflow from/ (used in) Financing Activities is the net amount of funding financed by our company
Revenue CAGR (%)	Revenue CAGR growth provides information regarding the growth in terms of our business for the respective period, in terms of CAGR
EBITDA CAGR (%)	EBITDA CAGR growth provides information regarding the growth in operating profit from our core business for the respective period, in terms of CAGR
PAT CAGR (%)	PAT CAGR growth provides information regarding the growth in our profit after tax from for the respective period, in terms of CAGR
Number of customers served	Number of customers served is used to measure the customer base of the Company
Number of product sold	Number of product sold is used to measure the product base of the Company
New product added	New product added is used to indicate the number of new products added by the Company
Product under development	Product under development is used to measure the number of products which are currently under development (on incremental basis) by the Company

The above KPIs of our Company have also been disclosed, along with other key financial and operating metrics, in *"Our Business"* and *"Management's Discussion and Analysis of Financial Condition and Results of Operations"* beginning on pages 172 and 285 of the RHP, respectively, respectively. All such KPIs have been defined consistently and precisely in *'Definitions and Abbreviations – Conventional and General Terms and Abbreviations'* on page 4 of the RHP.

Subject to applicable laws, the Company confirms that it shall continue to disclose all the key performance indicators included in the *"Basis for offer Price"* section, on a periodic basis, at least once in a year (or for any lesser period as determined by the Board of our Company), for a duration that is at least the later of (i) one year after the date of listing of the Equity Shares on the Stock Exchanges; or (ii) till the utilization of the Net Proceeds as disclosed under *"Objects of the Offer"* on page 88 of the RHP.

7. Comparison of Key Performance Indicators with Listed Industry Companies

Comparison of Key Performance Indicators with the listed industry companies has been provided below:

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

Key Performance Indicators	Kronox Lab Sciences Limited					Tatva Chintan Pharma Chem Limited					TANFAC Industries Limited				
	For the nine months period ended December 31, 2023	For the nine months period ended December 31, 2022	For the Financial year ended March 31, 2023	For the Financial year ended March 31, 2022	For the Financial year ended March 31, 2021	For the nine months period ended December 31, 2023	For the nine months period ended December 31, 2022	For the Financial year ended March 31, 2023	For the Financial year ended March 31, 2022	For the Financial year ended March 31, 2021	For the nine months period ended December 31, 2023	For the nine months period ended December 31, 2022	For the Financial year ended March 31, 2023	For the Financial year ended March 31, 2022	For the Financial year ended March 31, 2021
Revenue from Operations	676.86	741.03	955.78	822.47	624.60	2,952.38	2,991.00	4,236.12	4,336.47	3,003.59	2,753.40	2,594.19	3,749.48	3,201.72	1,478.96
EBITDA[1]	204.60	178.83	219.96	196.97	148.03	525.86	443.03	569.94	1,082.35	657.02	543.66	489.30	747.58	751.62	326.86
EBITDA Margin(%)[2]	30.23	24.13	23.01	23.95	23.70	17.81	14.81	13.45	24.96	21.87	19.75	18.86	19.94	23.48	22.10
Profit After Tax for the Year	154.69	140.91	166.17	136.27	97.30	207.40	285.28	454.87	958.74	522.62	398.43	337.52	561.30	532.84	174.74
PAT Margin(%)[3]	22.60	18.57	17.04	16.35	15.39	6.95	9.38	10.59	21.66	17.10	14.21	12.93	14.66	16.47	11.71
EPS (Basic & Diluted)[4]	4.17	3.61	4.30	3.49	2.40	9.13	12.87	19.45	44.59	26.02	39.94	33.84	56.27	53.42	17.52
Total Borrowings	-	-	-	6.42	0.13	NA@	NA@	1,702.57	1,199.38	902.48	NA@	NA@	-	-	-
Net worth	602.82	546.01	446.79	403.53	268.14	NA@	NA@	5,147.91	4,730.89	1,659.64	NA@	NA@	1,842.75	1,336.93	832.36
ROE(%)[5]	25.66	25.81	37.19	33.77	36.29	NA@	NA@	8.84	20.27	31.49	NA@	NA@	30.46	39.86	20.99
ROCE(%)[6]	33.15	33.50	49.86	46.22	51.78	NA@	NA@	7.41	24.05	23.51	NA@	NA@	39.88	57.75	31.49
Debt / Equity[7]	-	-	-	0.02	Negligible	NA@	NA@	0.33	0.25	0.54	NA@	NA@	-	-	-
Fixed Assets Turnover Ratio[8]	2.61	4.62	6.01	9.30	10.87	NA@	NA@	2.57	3.39	2.77	NA@	NA@	6.85	8.01	3.69
Net Cash from/ (used in) Operating Activities (A)	153.12	174.72	196.65	90.20	113.14	NA@	NA@	277.83	202.30	196.94	NA@	NA@	429.39	439.32	451.72
Net Cash from/ (used in) Investing Activities (B)	-173.00	-145.86	-55.17	-75.99	-29.56	NA@	NA@	-1,011.43	-1,966.86	-206.57	NA@	NA@	-395.94	-348.79	-361.19
Net Cash from/ (used in) Financing Activities (C)	-	-8.95	-133.96	-6.66	-70.95	NA@	NA@	377.95	2,350.10	-47.12	NA@	NA@	-63.71	-45.12	-45.12
Revenue CAGR (%) (Fiscal 2021 to 2023)	N. A.#	N. A.#	23.70	N. A.#	N. A.#	N. A.#	N. A.#	18.76	N. A.#	N. A.#	N. A.#	N. A.#	59.22	N. A.#	N. A.#
EBITDA CAGR (%) (Fiscal 2021 to 2023)	N. A.#	N. A.#	21.90	N. A.#	N. A.#	N. A.#	N. A.#	-6.86	N. A.#	N. A.#	N. A.#	N. A.#	51.23	N. A.#	N. A.#
PAT CAGR (%) (Fiscal 2021 to 2023)	N. A.#	N. A.#	30.68	N. A.#	N. A.#	N. A.#	N. A.#	-6.71	N. A.#	N. A.#	N. A.#	N. A.#	79.23	N. A.#	N. A.#
Number of customers served (No.)	353	307	351	316	283	NA@	NA@	470	1300	1300	NA@	NA@	150	NA@	NA@
Number of products sold (No.)	189	155	157	156	159	NA@	NA@	NA@	NA@	NA@	NA@	NA@	NA@	NA@	NA@
New product added (No.)	8	8	10	10	12	NA@	NA@	15	20	NA@	NA@	NA@	NA@	NA@	NA@
Product under development (No.) (on incremental basis)	64	26	32	31	35	NA@	NA@	189	154	154	NA@	NA@	NA@	NA@	NA@

@The details are not available in public domain. #Not applicable

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

Key Performance Indicators	NEOGEN Chemicals Limited					Sigachi Industries Limited					DMCC Speciality Chemicals Limited				
	For the nine months period ended December 31, 2023	For the nine months period ended December 31, 2022	For the Financial year ended March 31, 2023	For the Financial year ended March 31, 2022	For the Financial year ended March 31, 2021	For the nine months period ended December 31, 2023	For the nine months period ended December 31, 2022	For the Financial year ended March 31, 2023	For the Financial year ended March 31, 2022	For the Financial year ended March 31, 2021	For the nine months period ended December 31, 2023	For the nine months period ended December 31, 2022	For the Financial year ended March 31, 2023	For the Financial year ended March 31, 2022	For the Financial year ended March 31, 2021
Revenue from Operations	4,910.20	4,822.60	6,861.80	4,872.50	3,364.10	2,948.30	2296.26	3,020.45	2,502.90	1,927.56	2,426.43	2,901.48	3,847.36	3,263.00	2,001.48
EBITDA[1]	744.20	791.10	1,117.20	867.70	647.40	603.19	465.48	587.25	530.44	387.90	275.25	195.63	339.30	406.57	354.93
EBITDA Margin(%)[2]	15.16	16.40	16.28	17.81	19.24	20.46	20.27	19.44	21.19	20.12	11.34	6.74	8.82	12.46	17.73
Profit After Tax for the Year	187.20	356.50	499.70	446.30	313.30	421.40	362.21	435.36	400.37	302.60	58.16	2.36	69.31	213.40	325.79
PAT Margin(%)[3]	3.77	7.35	7.24	9.14	9.31	14.08	15.43	14.10	15.83	15.44	2.37	0.08	1.78	6.42	15.67
EPS (Basic & Diluted)[4]	7.41	14.29	18.94	18.70	13.45	1.35 & 1.13	1.18	1.42	15.44	13.13	2.33	0.09	2.78	8.56	13.06
Total Borrowings	NA@	NA@	3,622.10	2,247.30	2,018.90	NA@	NA@	404.93	343.33	201.95	NA@	NA@	811.76	779.51	270.52
Net worth	NA@	NA@	4,825.20	4,392.40	1,830.10	NA@	NA@	2,683.61	2,277.80	941.99	NA@	NA@	1,982.55	1,936.24	1,731.85
ROE(%)[5]	NA@	NA@	10.36	10.16	17.12	NA@	NA@	16.22	17.58	32.12	NA@	NA@	3.50	11.02	18.81
ROCE(%)[6]	NA@	NA@	11.59	12.13	15.07	NA@	NA@	18.87	26.02	37.85	NA@	NA@	5.89	12.14	14.68
Debt / Equity[7]	NA@	NA@	0.75	0.51	1.10	NA@	NA@	0.15	0.15	0.21	NA@	NA@	0.41	0.40	0.16
Fixed Assets Turnover Ratio[8]	NA@	NA@	2.02	1.73	2.77	NA@	NA@	3.15	4.75	5.12	NA@	NA@	1.80	2.06	2.16
Net Cash from/ (used in) Operating Activities (A)	NA@	NA@	-303.50	14.10	835.70	NA@	NA@	290.17	58.50	295.51	NA@	NA@	298.81	511.33	322.45
Net Cash from/ (used in) Investing Activities (B)	NA@	NA@	-944.60	-1,458.30	-1,345.70	NA@	NA@	-918.52	-628.58	-114.32	NA@	NA@	-205.59	-982.28	-396.61
Net Cash from/ (used in) Financing Activities (C)	NA@	NA@	1,002.90	1,884.30	507.30	NA@	NA@	262.08	1,083.74	-106.92	NA@	NA@	-99.94	454.82	30.22
Revenue CAGR (%) (Fiscal 2021 to 2023)	N. A.#	N. A.#	42.82	N. A.#	N. A.#	N. A.#	N. A.#	25.18	N. A.#	N. A.#	N. A.#	N. A.#	38.65	N. A.#	N. A.#
EBITDA CAGR (%) (Fiscal 2021 to 2023)	N. A.#	N. A.#	31.36	N. A.#	N. A.#	N. A.#	N. A.#	23.04	N. A.#	N. A.#	N. A.#	N. A.#	-2.23	N. A.#	N. A.#
PAT CAGR (%) (Fiscal 2021 to 2023)	N. A.#	N. A.#	26.29	N. A.#	N. A.#	N. A.#	N. A.#	19.95	N. A.#	N. A.#	N. A.#	N. A.#	-53.88	N. A.#	N. A.#
Number of customers served (No.)	NA@	NA@	1550	NA@	NA@	337	NA@	337	235	NA@	NA@	NA@	NA@	NA@	NA@
Number of products sold (No.)	NA@	NA@	NA@	NA@	NA@	NA@	NA@	NA@	NA@	NA@	NA@	NA@	NA@	NA@	NA@
New product added (No.)	NA@	NA@	11	9	NA@	NA@	NA@	NA@	NA@	NA@	NA@	NA@	NA@	NA@	NA@
Product under development (No.) (on incremental basis)	246	242	244	233	224	NA@	NA@	NA@	NA@	NA@	NA@	NA@	32	38	34

@The details are not available in public domain. #Not applicable

8. Weighted average cost of acquisition

A. The price per share of our Company based on the primary/ new issue of shares (equity / convertible securities)

There has been no issuance of Equity Shares or convertible securities, excluding the shares issued under the ESOP and issuance of bonus shares, during the 18 months preceding the date of the Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-Offer capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of 30 days.

B. The price per share of our Company based on the secondary sale / acquisition of shares (equity / convertible securities)

There have been no secondary sale / acquisitions of Equity Shares or any convertible securities, where the Promoter, members of the Promoter Group, or Shareholder(s) having the right to nominate director(s) on the board of directors of the Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of the Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of the Company (calculated based on the pre-Offer capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

C. Price per share based on the last five primary or secondary transactions

Since there are no such transactions to report to under (a) and (b), therefore, information based on last 5 primary or secondary transactions (secondary transactions where Promoter/Promoter Group entities or Promoter Selling Shareholders or Shareholder(s) having the right to nominate director(s) on the Board of our Company, are a party to the transaction), not older than three years prior to the date of the Red Herring Prospectus irrespective of the size of transactions.

Weighted average cost of acquisition, Floor Price and Cap Price

Types of transactions	Weighted average cost of acquisition (₹ per Equity Shares)	Floor Price	Cap Price
Weighted average cost of acquisition for last 18 months for primary / new issue of shares (equity/ convertible securities), excluding shares issued under ESOP 2018 and issuance of bonus shares, during the 18 months preceding the date of this certificate, where such issuance is equal to or more than five per cent of the fully diluted paid-up share capital of our Company (calculated based on the pre-Offer capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days	NA	NA	NA
Weighted average cost of acquisition for last 18 months for secondary sale / acquisition of shares equity/convertible securities), where our Promoters or Promoter Group entities or Promoter Selling Shareholders or shareholder(s) having the right to nominate director(s) in our Board are a party to the transaction (excluding gifts), during the 18 months preceding the date of this certificate, where either acquisition or sale is equal to or more than five per cent of the fully diluted paid-up share capital of our Company (calculated based on the pre-Offer capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days	NA	NA	NA

#There were no primary or secondary transactions of Equity Shares of the Company during the 18 months preceding the date of filing of the Red Herring Prospectus. Further, there are no transactions to report under the last five primary or secondary transactions where Promoter /Promoter Group entities or Promoter Selling Shareholders or Shareholder(s) having the right to nominate director(s) on our Board, are a party to the transaction, not older than three years prior to the date of filing of the Red Herring Prospectus irrespective of the size of the transaction.

The above details related to WACA have been certified by Mahesh Udhwani & Associates, Chartered Accountants vide their certificate dated May 28, 2024.

#As there are no transactions to be reported under parts (i) and (ii) above, computation of weighted average price is not required here.

9. Detailed explanation for Offer Price/Cap Price vis-à-vis weighted average cost of acquisition of primary issuance price/secondary transaction price of Equity Shares (set out in point 'h' above) along with our Company's key financial and operational metrics and financial ratios for the nine months period ended December 31, 2023, December 31, 2022 and for the Fiscals 2023, 2022 and 2021, in view of the external factors which may have influenced the pricing of the Offer.

The following provides an explanation to the Offer Price/Cap Price vis-à-vis weighted average cost of acquisition Equity Shares that were issued by our Company or acquired or sold by our Promoter selling shareholder by way of primary or secondary transactions in the last 18 months preceding the date of the Red Herring Prospectus compared to our Company's KPI and financial ratios for the nine months period ended December 31, 2023, December 31, 2022 and for Fiscals 2023, 2022 and 2021, in view of the external factors which may have influenced the pricing of the Offer, if any.

1. We manufacture High Purity Speciality Fine Chemicals for diversified end user industries. Our range of more than 185 products spanning across the family of phosphate, sulphate, acetate, chloride, citrate, nitrates, nitrites, carbonate, EDTA derivatives, hydroxide, succinate, gluconate, among others are supplied to customers in India and globally.
2. We have three (3) Manufacturing Facilities situated at Vadodara in Gujarat are close to the seaports of Mundra, Kandla, Hazira and Nhava Sheva. Our Manufacturing Facilities are cumulatively spread across 17,454 sq. mtrs. and as on December 31, 2023, have an aggregate installed capacity of 7,242 TPA. Our Unit I/II hold certifications such as, FSSC 22000 (Version 5), ISO 9001:2015, ISO 14001:2015, ISO 45001:2018. Further, we have also obtained certifications such as Kosher, Halal, GMP and GLP for some of our products manufactured at Unit I.
3. Over the years, we have expanded our scale of operations and global footprint with customers in over 20 countries including United States, Argentina, Mexico, Australia, Egypt, Spain, Turkey, United Kingdom, Belgium, United Arab Emirates, China, among others. During Fiscal 2023, we exported our products to 15 countries.
4. Our revenue from operations for the nine months period ended December 31, 2023, December 31, 2022 and Fiscals 2023, 2022 and 2021 was ₹ 676.86 million, ₹ 741.03 million, ₹ 955.78 million, ₹ 822.47 million and ₹ 624.60 million, respectively. Our revenue from operation, EBITDA and PAT have grown at a CAGR of ~24%, ~22%, and ~31% respectively during Fiscal 2021 to 2023.
5. Our revenue from exports (excluding merchant exports) amounted to ₹ 169.70 million, ₹ 195.67 million, ₹ 242.68 million, ₹ 192.95 million and ₹ 128.43 million and accounted for 25.07%, 26.41%, 25.39%, 23.46% and 20.56%, of our revenue from operations, for nine months periods ended December 31, 2023, December 31, 2022 and for the Fiscals 2023, 2022 and 2021, respectively. Our Company's revenue from exports have grown at a CAGR of 37.46% between Fiscal 2021 and 2023.
6. During the nine months periods ended December 31, 2023, December 31, 2022 and the Fiscal 2023, Fiscal 2022, Fiscal 2021, we served 353, 307, 351, 316 and 283 customers, respectively. We have served more than 592 customers in the last three (3) financial years and during the nine months period ended December 31, 2023 of which 141 customers amounting to 23.82% of total customers placed repeat orders.
7. We have added 81, 78, 99, 92 and 76 new customers during the nine months periods ended December 31, 2023, December 31, 2022 and Fiscals 2023, 2022 and 2021, respectively.

The Offer Price of ₹ [●] has been determined by our Company, in consultation with the BRLM, on the basis of the market demand from investors for the Equity Shares through the Book Building Process. Our Company in consultation with the BRLM, are of justified view of the above qualitative and quantitative parameters. Investors should read the abovementioned information along with *"Risk Factors"*, *"Our Business"*, *"Restated Financial Statements"* and *"Management's Discussion and Analysis of Financial Condition and Results of Operations"* beginning on pages 31, 172, 231 and 285 of the RHP, respectively, to have a more informed view.

The trading price of the Equity Shares could decline due to the factors mentioned in the chapter titled *'Risk Factors'* beginning on page 31 of the RHP and any other factors that may arise in the future and you may lose all or part of your investments.

For further details, please see the chapter titled "BASIS FOR OFFER PRICE" beginning on page 92 of the RHP.

THE EQUITY SHARES OF OUR COMPANY WILL GET LISTED ON MAIN BOARD PLATFORM OF BSE AND NSE

In case of any revision in the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days after such revision in the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company may, in consultation with Book Running Lead Manager, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and by indicating the change on the website of the Book Running Lead Manager and at the terminals of the Syndicate Members and by intimation to Designated Intermediaries and the Sponsor Bank, as applicable.

The Offer is being made through the Book Building process in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended, read with Regulation 31 of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process, in compliance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers (the "**QIBs**" and such portion, "**QIB Portion**"), provided that our Company, in consultation with the BRLM, may allocate up to 60% of the QIB Category to Anchor Investors, on a discretionary basis (the "**Anchor Investor Portion**"). One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is made to Anchor Investors. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion (other than Anchor Investor Portion) ("**Net QIB Portion**"). Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, (a) not less than 15% of the Offer shall be available for allocation to Non-Institutional Bidders (out of which one third shall be reserved for Bidders with Bids exceeding ₹ 2,00,000 and up to ₹ 10,00,000 and two-thirds shall be reserved for Bidders with Bids exceeding ₹ 10,00,000) and (b) not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders ("**RIBs**") in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. All potential Bidders, other than Anchor Investors, are mandatorily required to participate in the Offer through the Application Supported by Blocked Amount ("**ASBA**") process by providing details of their respective ASBA Account (as defined hereinafter) and UPI ID in case of UPI Bidders (defined hereinafter), which will be blocked by the Self Certified Syndicate Banks ("**SCSBs**") or the Sponsor Bank(s), as the case may be, to the extent of their respective Bid Amounts. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For further details, please see *"Offer Procedure"* on page 335 of the RHP.

Bidders/Applicants should ensure that DP ID, PAN and the Client ID and UPI ID (for UPI Bidders bidding through UPI Mechanism) are correctly filled in the Bid cum Application Form. The DP ID, PAN and Client ID provided in the Bid cum Application Form should match with the DP ID, PAN, Client ID and UPI ID available (for UPI Bidders bidding through the UPI Mechanism) in the Depository database, otherwise, the Bid cum Application Form is liable to be rejected. Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form is active. Bidders/Applicants should note that on the basis of the PAN, DP ID, Client ID and UPI ID (for UPI Bidders bidding through the UPI mechanism) as provided in the Bid cum Application Form, the Bidder/Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Offer, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories.

Investors must ensure that their PAN is linked with Aadhaar and are in compliance with the notification issued by Central Board of Direct Taxes notification dated February 13, 2020 and read with press releases dated June 25, 2021, read with press release dated September 17, 2021 and CBDT circular no.7 of 2022, dated March 30, 2022 read with press release dated March 28, 2023 and any subsequent press releases in this regard.

CONTENTS OF THE MEMORANDUM OF ASSOCIATION OF OUR COMPANY AS REGARDS ITS OBJECTS: For information on the main objects of our Company, investors are requested to see "*History and Certain Corporate Matters*" beginning on page 201 of the RHP. The Memorandum of Association of our Company is a material document for inspection in relation to the Offer. For further details, see "*Material Contracts and Documents for Inspection*" beginning on page 389 of the RHP.

LIABILITY OF THE MEMBERS OF OUR COMPANY: Limited by shares.

AMOUNT OF SHARE CAPITAL OF OUR COMPANY AND CAPITAL STRUCTURE: As on the date of the RHP, the authorised share capital of our Company is ₹ 54,00,00,000 divided into 5,40,00,000 Equity Shares of face value of ₹10 each. The issued, subscribed and paid-up Equity share capital of our Company is ₹ 37,10,40,000 divided into 3,71,04,000 Equity Shares of face value of ₹ 10 each. For details of the capital structure of our Company, see "*Capital Structure*" beginning on page 78 of the RHP.

NAMES OF THE INITIAL SIGNATORIES TO THE MEMORANDUM OF ASSOCIATION OF OUR COMPANY AND THE NUMBER OF EQUITY SHARES SUBSCRIBED BY THEM: The names of the initial signatories of the Memorandum of Association of our Company along with their allotment are: Subscription to the MoA of 3,500 Equity Shares each to Jogindersingh Jaswal, Ketan Ramani and 3,000 Equity Shares to Pritesh Ramani. For details of the share capital history and capital structure of our Company see "*Capital Structure*" beginning on page 78 of the RHP.

LISTING: The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from BSE and NSE for the listing of the Equity Shares pursuant to their letters each dated March 14, 2024. For the purposes of the Offer, the Designated Stock Exchange shall be NSE. A copy of the Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus until the Bid/ Offer Closing Date, please see *"Material Contracts and Documents for Inspection"* beginning on page 389 of the RHP.

DISCLAIMER CLAUSE OF SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI"): SEBI only gives its observations on the offer documents and this does not constitute approval of either the Offer or the specified securities stated in the Offer Document. The investors are advised to refer to page 315 and 316 of the RHP for the full text of the disclaimer clause of SEBI.

DISCLAIMER CLAUSE OF BSE: It is to be distinctly understood that the permission given by BSE Limited should not in any way be deemed or construed that the RHP has been cleared or approved by BSE Limited nor does it certify the correctness or completeness of any of the contents of the RHP. The investors are advised to refer to the page 317 of the RHP for the full text of the disclaimer clause of BSE.

DISCLAIMER CLAUSE OF NSE (the Designated Stock Exchange): It is to be distinctly understood that the permission given by NSE should not in any way be deemed or construed that the Offer Document has been cleared or approved by NSE nor does it certify the correctness or completeness of any of the contents of the Offer Document. The investors are advised to refer to page 318 of the RHP for the full text of the disclaimer clause of NSE.

GENERAL RISKS: Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the SEBI, nor does SEBI guarantee the accuracy or adequacy of the contents of the Red Herring Prospectus. Specific attention of the investors is invited to *"Risk Factors"* beginning on page 31 of the RHP.

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ASBA* | **Simple, Safe, Smart way of Application!!!**

*Applications Supported by Blocked Amount ("**ASBA**") is a better way of applying to offers by simply blocking the fund in the bank account. For further details, check section on ASBA.

Mandatory in public issues.
No cheque will be accepted.

UPI
UNIFIED PAYMENTS INTERFACE

UPI-Now available in ASBA for Retail Individual Investors and Non Institutional Investor applying in public issues where the application amount is up to ₹ 500,000, applying through Registered Brokers, Syndicate, CDPs & RTAs. Retail Individual Investors and Non-Institutional Investors also have the option to submit the application directly to the ASBA Bank (SCSBs) or to use the facility of linked online trading, demat and bank account. Investors are required to ensure that the bank account used for bidding is linked to their PAN. Bidders must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021 read with press release dated September 17, 2021, CBDT Circular No. 7 of 2022 dated March 30, 2022 read with the press release dated March 28, 2023.

*ASBA has to be availed by all the investors except Anchor Investors. UPI may be availed by (i) Retail Individual Bidders in the Retail Portion; (ii) Non-Institutional Bidders with an application size of up to ₹ 500,000 in the Non-Institutional Portion. For details on the ASBA and UPI process, please refer to the details given in the Bid Cum Application Form and abridged prospectus and also please refer to the section "Offer Procedure" on page 335 of the RHP. The process is also available on the website of Association of Investment Bankers of India ("**AIBI**") and Stock Exchanges and in the General Information Document. The Bid Cum Application Form and the Abridged Prospectus can be downloaded from the websites of BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**", and together with BSE, the "**Stock Exchanges**") and can be obtained from the list of banks that is displayed on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 and https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes &intmId=43, respectively as updated from time to time. For the list of UPI apps and banks live on IPO, please refer to the link: www.sebi.gov.in. UPI Bidders Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appear on the website of SEBI, as updated from time to time. Axis Bank and ICICI Bank Limited have been appointed as the Sponsor Banks for the Offer, in accordance with the requirements of SEBI circular dated November 1, 2018 as amended. For Offer related queries, please contact the Book Running Lead Manager ("**BRLM**") on their respective email IDs as mentioned below. For UPI related queries, investors can contact NPCI at the toll free number: 18001201740 and mail Id: ipo.upi@npci.org.in.*

BOOK RUNNING LEAD MANAGER

PANTOMATH Capital Advisors (P) Ltd

Pantomath Capital Advisors Private Limited
Pantomath Nucleus House, Saki Vihar Road, Andheri East, Mumbai - 400072 Maharashtra, India
Tel: 1800 889 8711; **E-mail:** kronox.ipo@pantomathgroup.com
Website: www.pantomathgroup.com; **Investor grievance e-mail:** investors@pantomathgroup.com
Contact Person: Kaushal Patwa; **SEBI Registration No.:** INM000012110

REGISTRAR TO THE OFFER

KFINTECH EXPERIENCE TRANSFORMATION

KFin Technologies Limited
Selenium Tower B, Plot No. 31-32, Gachibowli Financial District, Nanakramguda, Serilingampally, Hyderabad 500 032, Telangana, India
Telephone: +91 40 6716 2222/ 1800 309 4001; **Email:** klsl.ipo@kfintech.com
Investor grievance email: einward.ris@kfintech.com; **Website:** www.kfintech.com
Contact Person: M Murali Krishna; **SEBI Registration No.:** INR000000221

COMPANY SECRETARY AND COMPLIANCE OFFICER

Nikhil Goswami
KRONOX LAB SCIENCES LIMITED
Block No. 353, Village Ekalbara, Padra, Vadodara 391 440, Gujarat, India
Tel.: +91 26 622 44 077; **E-mail:** cs@kronoxlabsciences.com; **Website:** www.kronoxlabsciences.com

Bidders may contact the Company Secretary and Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related grievances including non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. For all Offer related queries and for redressal of complaints, investors may also write to the BRLM.

AVAILABILITY OF THE RHP: Investors are advised to refer to the RHP and the "*Risk Factors*" beginning on page 31 of the RHP before applying in the Offer. A copy of the RHP is available on the website of SEBI at www.sebi.gov.in and is available on the websites of the BRLM, Pantomath Capital Advisors Private Limited at www.pantomathgroup.com, the website of the Company, Kronox Lab Sciences Limited at www.kronoxlabsciences.com and the websites of the Stock Exchanges, for BSE at www.bseindia.com and for NSE Limited at www.nseindia.com.

AVAILABILITY OF THE ABRIDGED PROSPECTUS: A copy of the abridged prospectus is available on the website of the Company, the BRLM and the Registrar to the offer at www.kronoxlabsciences.com, www.pantomathgroup.com and www.kfintech.com.

AVAILABILITY OF BID CUM APPLICATION FORM: Bid cum Application Form can be obtained from the Registered Office of our Company, **KRONOX LAB SCIENCES LIMITED:** Telephone: + 91-80 6895 7200; **BRLM:** Pantomath Capital Advisors Private Limited, Tel: 1800 889 8711 and **Syndicate Members:** Pentagon Stock Brokers Private Limited *(formerly known as Pantomath Stock Brokers Private Limited)*, Tel: +91 22 42577000 and Asit C Mehta Investment Interrmediates Limited, Telephone: 022-2858 4545 and at selected locations of Sub-Syndicate Members (as given below), Registered Brokers, SCSBs, Designated RTA Locations and Designated CDP Locations for participating in the Offer. Bid cum Application Forms will also be available on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com and at all the Designated Branches of SCSBs, the list of which is available on the websites of the Stock Exchanges and SEBI.

SUB-SYNDICATE MEMBERS: Axis Capital, IIFL Securities Limited, JM Financial Services Limited, LKP Securities Ltd, RR Equity Brokers Private Limited, Sharekhan Limited, SMC Global Securities Limited and Yes Securities Limited.

ESCROW COLLECTION BANK, REFUND BANK AND SPONSOR BANK: Axis Bank Limited.

PUBLIC OFFER ACCOUNT BANK AND SPONSOR BANK: ICICI Bank Limited.

UPI: UPI Bidders can also Bid through UPI Mechanism.

All capitalised terms used herein and not specifically defined shall have the same meaning as ascribed to them in the RHP.

For **KRONOX LAB SCIENCES LIMITED**
On behalf of the Board of Directors
Sd/-
Nikhil Goswami
Company Secretary & Compliance Officer

Place: Vadodara, Gujarat
Date: May 28, 2024

KRONOX LAB SCIENCES LIMITED is proposing, subject to receipt of requisite approvals, market conditions and other considerations, to make an initial public offer of its Equity Shares and has filed a red herring prospectus dated May 28, 2024 with the RoC. The RHP is made available on the website of the SEBI at www.sebi.gov.in as well as on the websites of the BRLM i.e., Pantomath Capital Advisors Private Limited at www.pantomathgroup.com, the website of the NSE at www.nseindia.com and the website of the BSE at www.bseindia.com and the website of the Company at www.kronoxlabsciences.com. Any potential investor should note that investment in equity shares involves a high degree of risk and for details relating to such risks, please see the section titled *"Risk Factors"* beginning on page 31 of the RHP. Potential investors should not rely on the DRHP for making any investment decision but can only rely on the information included in the Red Herring Prospectus.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("**U.S. Securities Act**"), or any state law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act) under Section 4(a) of the U.S. Securities Act, and (ii) outside the United States in "offshore transactions" as defined in and in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales are made. There will be no public offering of the Equity Shares in the United States.

CONCEPT
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